



# **FUTURE CONSUMER LIMITED**

Annual Report  
2021-22

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **G.N. Bajpai**

Chairman, Independent Director

### **Kishore Biyani**

Vice Chairman

### **Ashni Biyani**

Director

### **Deepak Malik**

Nominee Director

### **Harminder Sahni**

Independent Director

### **Krishan Kant Rathi**

Director

### **Neelam Chhiber**

Independent Director

### **Amit Kumar Agrawal**

Executive Director  
(Appointed w.e.f. 25<sup>th</sup> April, 2022)

## STATUTORY AUDITORS

M/s. S R B C & CO LLP

## BANKERS

State Bank of India

RBL Bank Limited

Kotak Mahindra Bank Limited

HDFC Bank Limited

Cooperative Rabobank U.A

## REGISTERED OFFICE

Knowledge House, Shyam Nagar,

Off Jogeshwari Vikhroli Link Road,

Jogeshwari (East), Mumbai - 400 060.

Tel No.: +91 22 4055 2200

Fax No.: +91 22 4055 2201

Email ID : investor.care@futureconsumer.in

## DEPUTY CHIEF FINANCIAL OFFICER

Rajendra Bajaj

## 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](mailto:rnt.helpdesk@linkintime.co.in)

## WEBSITE

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

## CORPORATE IDENTIFICATION NUMBER

L52602MH1996PLC192090

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 26<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Total Income	1,02,952.17	64,921.48	1,48,936.55	1,20,569.27
Profit / (Loss) before Exceptional Items	(27,821.65)	(30,482.46)	(35,427.30)	(39,479.23)
Share of loss in Associate Company and Joint Venture	N.A.	N.A.	(2200.75)	(2,549.42)
Add/ (Less): Exceptional Items	(26,865.72)	(8,494.25)	(7409.20)	(4,274.54)
Profit / (Loss) Before Tax	(54,687.37)	(38,976.71)	(45,037.25)	(46,213.19)
Profit / (Loss) After Tax	(54,687.37)	(41,076.02)	(44,975.63)	(48,330.77)
Profit / (Loss) After Share of Associates and Minority Interest	N.A.	N.A.	(44,967.96)	(48,330.32)

### BUSINESS OPERATIONS

Future Consumer Limited ("FCL" / "Company") is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of Food and Processed Food Products and Health and personal care (HPC) products in urban and rural India. FCL is a leading data and tech-driven FMCG company that is guided by FMCG 2.0 principles to drive imagination, velocity, efficiencies and achieve scale in our business. Over the years, FCL has been operating as a next-generation Food and HPC company focusing on emerging categories and value-added space. Your Company focusses on extensive use of consumer data flowing in from its own and third-party distribution networks like modern retail and ecommerce to understand the consumers and meet their expectations. Your Company has been intensively working towards combining cutting-edge consumer insights, technology and innovation to develop and grow a range of products across multiple categories in food, home care and personal care and beauty space that deliver on needs and aspirations of India's next generation, young customers.

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. Your Company has created a smarter product supply chain organization building synergies from back end to market. Being modern retail backed, the distribution costs of your Company are significantly lower as compared to established FMCG companies.

The economic operating environment during the year under review remained extremely challenging and was evidenced by uncertainty and volatility due to the Covid-19 pandemic and unprecedented inflationary headwind and geopolitical tensions

towards the end of the year worsened the economic scenario. The 2<sup>nd</sup> wave of Covid-19 related disruptions significantly impacted economic activity during Q1 of year under review. The latter part of first quarter saw ease in pandemic related restrictions considerably aiding sentiment and improving consumer traction. The business scaled up as compared to last financial year during Q1 to Q3 of FY 2021-22, due to easing of restrictions, however got impacted towards Q4 due to 3<sup>rd</sup> wave of Covid-19. Various cost saving measures were implemented by your Company including reverse auctions for procurement and transporters.

The Company also took a holistic approach towards implementing Total Productive Maintenance or TPM. TPM methodology was implemented across FCL's manufacturing facilities and the Company also initiated energy saving projects. Resource efficiency initiatives have been done at Integrated Food Park and Centre of Plate ("COP") manufacturing facilities.

During the year under review, your Company continued to focus on delivering safe and healthy products to its customers. The Company ensures its "Caremate" hand wash range is Paraben & Triclosan free. "Caremate" home care category products like deluxe kitchen rolls tissues are made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council. The brand also endeavors to source disposables that are biodegradable thus reducing the environmental burden. "Think Skin" body wash range are Paraben free and do not contain formaldehyde releasing preservatives and micro beads. The "Kara" brand offers wipes are 100% alcohol free and Paraben free.

"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 your clothes fashionable forever. During the year under review, your Company also launched new packing designs and beauty products under the brand "TS beauty", "Voom" Bucket Wash Powder under HPC category and mix dry fruits pack under the brand "Karmiq".

During the year under review, the Company primarily focused on portfolio expansion and gain market share *vis-a-vis* driving sales of Company's products. Your Company's business operations with Reliance group by way of supply goods to Reliance stores and Seven Eleven stores provided potential for higher sales and capacity utilization. Your Company also focused on building wider reach through Kirana program for "COP brands" and "Tasty Treat". The festive season and promotion in Future Retail Limited ("FRL") stores also helped the Company to drive sales which *inter-alia* included "rice festival" and other brand promotion activities. Your Company also undertook Member Penetration Drive (for Rice, Ghee, Atta), participation in regional festivals (Lohri/MakarSankranti/Diwali/Navratras) through FRL stores. The FRL's small format stores also launched various campaigns to reconnect with the community.

During the fiscal 2021-22, the Company had also implemented One Time Restructuring ("OTR") plan in terms of circular(s) issued by Reserve Bank of India on Resolution Framework for COVID -19 related stress. With the implementation of OTR plan, the Company had sought deferment for payment of dues to banks with respect to financial facilities availed by the Company.

During the year under review, your Company has recorded revenue from operations of ₹ 1,46,878.86 Lakhs as against revenue from operations of ₹ 1,18,451.32 Lakhs in the previous year. EBITDA loss of the Company reduced from ₹ 27,457.83 Lakhs in the previous year to a loss of ₹ 24,739.42 Lakhs during the year under review. The loss after tax attributable to the Company reduced from ₹ 48,330.77 Lakhs in FY21 to ₹ 44,975.63 Lakhs in FY22. Loss is primarily on account expected credit loss on trade receivables and impairment cost of ₹ 7,409.20 Lakhs recognised majorly on account of Impairment on Asset Held for Sale.

Despite the impact of pandemic and other uncontrollable factors impacting the economy and the business of the Company during the year under review, FCL demonstrated strong belief in its endeavors. However during the end of the fiscal period under review, the failure of Scheme of Arrangement with Reliance and the consequential impact on Future Retail stores had a significant impact on the business and overview on future performance. To overcome this, your Company has plans to change its gears by way of focusing on building a strong distribution network outside of Future Retail Limited on the front end along with optimizing costs at backend, driving synergies and judiciously

allocating resources, conserving cash and improving liquidity thereby enhancing stakeholder value.

Material changes and commitments affecting the financial position of the Company between end of financial year under review and date of this Report, forms part of this Report.

## FUTURE OUTLOOK

Your Company strongly believes the medium to long term consumption opportunity in India remains intact. Your Company focuses to continue its journey of sustainable profitable growth. Sustainable profitability achievement, free cash flow are the key mantras for the Company going forward. Your Company also has optimistic plans on margin expansion initiatives such as selling price optimization, vendor consolidation, better terms of trade, higher utilization of capacities, asset monetization amongst others.

Your Company has plans to continue growth of 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" are expected to drive Company's volume and value growth.

Your Company is steadily expanding its reach outside of FRL stores. With a cluster wise launch approach, your Company will be entering in general trade stores with Home & Personal care brands leading the way. This is intended to be done by leveraging existing distributor network of "Kara" and building a new base of distributors for higher reach.

Your Company also plans to focused drive on reaching out to more & more households using e-commerce as a platform with plans to scale up presence on existing e-retailers.

The Company believes that there is immense opportunity to further grow our brands in its existing network stores of Aadhaar and Nilgiris. These channels allow the Company to build a Controlled Distribution across categories and brands where the 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 strongly believes in India's growth potential & the way forward for FCL is to be on top of adapting to changing consumer preferences by making the brands Digital First, building a strong distribution network outside of FRL on the front end along with optimizing costs at backend, driving synergies and judiciously allocating resources, conserving cash and improving liquidity thereby enhancing stakeholder value.

During the current financial year 2022-23, the Company is aggressively working on debt reduction plan by monetizing few of the assets and investments/ brands. Your Company plans

to establish business through general/modern trade channels and franchisee operations of Aadhaar and Nilgiris. Additionally, rationalization of manpower cost in line with business plan, network rationalization by building FCL brands, capacity utilization with third party manufacturers will leverage the Company to shape its business in the current fiscal.

## 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 31<sup>st</sup> March, 2022 are as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1 <sup>st</sup> April, 2021	1	600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 <sup>st</sup> March, 2022	-	-
Number of shareholders to whom shares were transferred from suspense account upto 31 <sup>st</sup> March, 2022	-	-
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 <sup>st</sup> March, 2022	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

In view of losses incurred and with an objective to conserve the resources, your Directors have not recommended any dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2022.

In accordance with the provisions of Regulation 43A of SEBI Listing Regulations, the Company has adopted a Dividend Distribution Policy which is made available on the website of the Company- <https://futureconsumer.in/investors.aspx#policies-code>.

## SCHEME OF ARRANGEMENT

The application seeking approval of Composite Scheme of Arrangement between the Company and other Transferor Companies with Future Enterprises Limited ("**Transferee Company**" or "**FEL**") and their respective Shareholders and Creditors *inter-alia* comprising of amalgamation of the Company along with other Transferor Companies with FEL ("**Scheme**"), was filed with Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, in the previous financial year.

The NCLT had admitted the Scheme vide its order dated 28<sup>th</sup> September, 2021 and directed convening of meeting of Equity Shareholders of the Company on 10<sup>th</sup> November, 2021 and meeting of Secured and Unsecured Creditors on 11<sup>th</sup> November, 2021. However, pursuant to the representations received from the Secured Creditors, the Company alongwith the other Transferor Companies in the Scheme had filed an application before NCLT praying to reschedule the dates for convening the aforesaid meetings. As per the directions of NCLT, the aforesaid meetings were deferred.

Thereafter, NCLT vide its order dated 28<sup>th</sup> February, 2022 had directed convening of meeting of Equity shareholders of the Company on 20<sup>th</sup> April, 2022 and meeting of Secured and Unsecured Creditors of the Company on 21<sup>st</sup> April, 2022. The said meetings were duly convened on their scheduled dates and pursuant to the e-voting result of NCLT convened meeting the Scheme was approved by equity shareholders and unsecured creditors of the Company at their respective meetings. However, as per the e-voting result, the Scheme was not approved by Secured Creditors of the Company. As most of the secured creditors of various companies involved in the Scheme voted against the Scheme as per the evoting result of their respective meetings, the subject Scheme was not implemented.

During the year under review, the Scheme of Arrangement between the Company, Athena Life Sciences Private Limited and their respective shareholders and creditors ("**Scheme**") was approved by Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") vide its order dated 15<sup>th</sup> July, 2021. The Scheme has been made effective from 6<sup>th</sup> October, 2021. In terms of the Scheme approved by NCLT, the Company has on 6<sup>th</sup> October, 2021 allotted in aggregate 99,93,764 equity shares to equity shareholders of Athena Life Sciences Private Limited.

During the year under review, NCLT has also approved Scheme of Arrangement ("**Scheme**") 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 (**collectively**

“Transferor Companies”) with FCL Tradevest Private Limited, a wholly owned subsidiary of the Company (“Transferee Company”) vide its order dated 24<sup>th</sup> February, 2022. The said Scheme has been made effective from 30<sup>th</sup> March, 2022. Upon the said Scheme becoming effective, the Transferor Companies therein have been merged with FCL Tradevest Private Limited and ceased to be subsidiary of the Company.

During the financial year 2021-22, the Board of Directors of the Company had approved two separate Scheme of Arrangement for merger of few step-down subsidiary companies viz. Integrated Food Park Limited (“IFPL”), Future Food and Products Limited (“FFPL”) and Future Food Processing Limited (“FFPRL”) (collectively “Transferor Companies”) with Future Consumer Limited (“Transferee Company”). The respective Schemes are presently pending before NCLT. The said scheme(s) are being undertaken by the Company as per the requirements prescribed under OTR plan approved by the lenders.

## INCREASE IN SHARE CAPITAL

During the year under review, your Company has issued and allotted in aggregate 99,93,764 equity shares to equity shareholders of the Athena Life Sciences Private Limited as on the Record Date in accordance with the provisions of Scheme of Arrangement approved by NCLT.

Consequent to the aforesaid allotment, the issued, subscribed and paid-up capital of the Company increased from 1,987,040,879 equity shares of ₹ 6/- each to 1,99,70,34,643 equity shares of ₹ 6/- each.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31<sup>st</sup> March, 2022, 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.	ACK Media Direct Limited	Subsidiary of ACKPL (with effect from 14 <sup>th</sup> January, 2022)
3.	Amar Chitra Katha Private Limited (“ACKPL”)	Subsidiary (with effect from 14 <sup>th</sup> January, 2022)
4.	Appu Nutritions Private Limited	Subsidiary of NDFPL
5.	Aussee Oats India Limited	Subsidiary of FCL Tradevest
6.	Aussee Oats Milling (Private) Limited	Subsidiary

Sr. No.	Name of the company	Category
7.	Bloom Foods and Beverages Private Limited	Subsidiary
8.	Delect Spices and Herbs Private Limited	Subsidiary of FCL Tradevest
9.	FCEL Overseas FZCO	Subsidiary
10.	FCL Tradevest Private Limited (“FCL Tradevest”)	Subsidiary
11.	Future Food and Products Limited	Subsidiary of FCL Tradevest
12.	Future Food Processing Limited	Subsidiary of FCL Tradevest
13.	Fonterra Future Dairy Private Limited	Joint Venture
14.	Hain Future Natural Products Private Limited	Joint Venture
15.	IBH Books & Magazines Distributors Limited	Subsidiary of ACKPL (with effect from 14 <sup>th</sup> January, 2022)
16.	Ideas Box Entertainment Limited	Subsidiary of ACKPL (with effect from 14 <sup>th</sup> January, 2022)
17.	Integrated Food Park Limited	Subsidiary of FCL Tradevest
18.	Illusie Trading AG (formerly known as Mibelle Future Consumer Products A.G.)	Joint Venture (under liquidation)
19.	MNS Foods Limited	Subsidiary of FCL Tradevest
20.	Nilgiris Franchise Limited	Subsidiary of NDFPL
21.	Nilgiri’s Mechanised Bakery Private Limited	Subsidiary of NDFPL
22.	Sublime Foods Limited (“Sublime”)	Subsidiary of FCL Tradevest
23.	The Nilgiri Dairy Farm Private Limited (“NDFPL”)	Subsidiary
24.	FCL Speciality Foods Private Limited	Subsidiary of Sublime (with effect from 23 <sup>rd</sup> October, 2021)

- a) During the year under review, 13,20,159 equity shares of Amar Chitra Katha Private Limited (“ACKPL”) were allotted to the Company consequent to conversion of Compulsorily Convertible Debentures (“CCDs”) issued earlier by ACKPL. Post allotment of equity shares by ACKPL, the Company’s shareholding in ACKPL stood at 68.72% of paid equity share capital of ACKPL. Consequent to the same, ACKPL has become a subsidiary of the Company with effect from 14<sup>th</sup> January, 2022. The subsidiaries of ACKPL also became



step-down subsidiaries of the Company with effect from 14<sup>th</sup> January, 2022.

ACKPL being a non-core investment for the Company, the Board has approved to dispose-off the investments held by the Company in ACKPL during the current fiscal.

- b) During the year under review, FCL Tradevest Private Limited, wholly owned subsidiary of the Company ("**FCL Tradevest**") has acquired 0.07% stake in Integrated Food Park Limited ("**IFPL**"). Consequent to the same, IFPL has become a wholly owned subsidiary of FCL Tradevest and continues to be 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 31<sup>st</sup> March, 2022, FCL Tradevest Private Limited, Bloom Foods and Beverages Private Limited and Aadhaar Wholesale Trading and Distribution Limited have been identified as material subsidiaries 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](http://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 1<sup>st</sup> April, 2016. Accordingly, the Standalone

and Consolidated Financial Statements of the Company and its subsidiaries, for the year ended 31<sup>st</sup> March, 2022 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 under Note No. 39 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 I.

## INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS

The Company has an internal audit system commensurate with the size of the Company and the nature of its business. The Company has appointed KPMG as the Internal Auditors of the Company. The internal auditor prepares an annual audit plan based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. Improvements in processes are identified during reviews and communicated to the management on an ongoing basis. The Audit Committee of the Board monitors the performance of the internal auditors on a periodic basis through review of audit plans, audit findings and issue resolution through follow-ups. Each year, there are at least four meetings in which the



Audit Committee reviews internal audit findings. Internal Audit function plays a key role in providing to both the management and to the Audit Committee, an objective view and re-assurance of the overall internal control systems and effectiveness of the risk management processes and the status of compliances with operating systems, internal policies and regulatory requirements across the Company including its subsidiaries. The Internal Auditors assist in setting Industry benchmarks and help us drive implement best Industry practice within our organization.

The Company has an adequate system of internal financial controls. 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.

The Company has adopted policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance over:

- Accuracy and completeness of the accounting records
- Compliance with applicable laws and regulations
- Effectiveness and efficiency of operations
- Prevention and detection of frauds and errors
- Safeguarding of assets from unauthorised use or losses.

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 31<sup>st</sup> March, 2022.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association, Ms. Ashni Biyani, Director is liable to retire from the Board of the Company by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, has offered herself for being re-appointed at the AGM. Mr. Krishan Kant Rathi, Director is also liable to retire by rotation at the AGM. The Company has received intimation from Mr. Krishan Kant Rathi that he is unwilling to be re-appointed at the AGM by rotation due to his other personal / professional engagements. Accordingly, Mr. Krishan Kant Rathi shall not be re-appointed by rotation at the AGM and his office as Director shall stand vacated. In terms of provisions of Section 152 of the Companies Act, 2013, the Company is required to fill up the vacancy so caused due to retirement of Mr. Krishan Kant Rathi at the AGM by appointing some other person thereto. It is proposed, subject to approval of the Shareholders, that the vacancy caused shall not be filled up. Accordingly, proposed

resolution in terms of the aforesaid, is placed for consideration of the Shareholders at the AGM and forms part of the Notice calling the said AGM.

The Notice convening forthcoming AGM includes the proposal for re-appointment of Ms. Ashni Biyani. A brief resume of the Director seeking 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.

The Board of Directors of the Company ("Board") on the recommendation of the Nomination and Remuneration/ Compensation Committee ("NRC Committee") had at their meeting held on 23<sup>rd</sup> April, 2022, appointed Mr. Amit Kumar Agrawal as an Additional Director of the Company with effect from 25<sup>th</sup> April, 2022. In terms of provisions of Section 161 of the Companies Act, 2013, Mr. Amit Kumar Agrawal shall hold office as such up to the date of forthcoming AGM. Further, the Board had at the said meeting, subject to approval of the Shareholders and such other consents and approvals that may be required, also approved appointment of Mr. Amit Kumar Agrawal as an Executive Director of the Company for a period of three years with effect from 25<sup>th</sup> April, 2022 and payment of remuneration to him as determined by the Board in accordance with the provisions of Companies Act, 2013 read with Schedule V and Rules framed thereunder. In terms of the provisions of Regulation 17(1C) of SEBI Listing Regulations, the Company is required to obtain approval of shareholders for appointment of a person on the Board of Director at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. In compliance with the said requirement, the Company is seeking approval of the Shareholders by way of postal ballot for appointment of Mr. Amit Kumar Agrawal as an Executive Director and payment of remuneration to him.

As on 31<sup>st</sup> March, 2022, 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
- d) Ms. Neelam Chhiber

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. The Board is of the opinion that Independent Directors possess highest standards of integrity and requisite expertise and experience required to fulfil the duties as an Independent Director of the Company.

During the year under review, Mr. Sailesh Kedawat resigned as Chief Financial Officer of the Company with effect from 14<sup>th</sup> February, 2022 and also ceased to be Key Managerial Personnel of the Company. The Board wishes to place on record their appreciation for the contributions made by Mr. Sailesh Kedawat during his tenure of employment with the Company.

The Board on recommendation made by NRC Committee and approval granted by Audit Committee, had appointed Mr. Rajendra Bajaj and Mr. Amit Kumar Agrawal as Deputy Chief Financial Officer and Key Managerial Personnel of the Company with effect from 15<sup>th</sup> February, 2022. Consequent to appointment of Mr. Amit Kumar Agrawal as an Executive Director, he has ceased to be Deputy Chief Financial Officer of the Company.

After the year under review following changes have taken place in Board composition:

- i) Mr. Jude Linhares resigned as an Executive Director of the Company with effect from 15<sup>th</sup> April, 2022.
- ii) Mr. Adhiraj Harish resigned as an Independent Director of the Company with effect from 3<sup>rd</sup> May, 2022;
- iii) Ms. Ashni Biyani resigned as Managing Director of the Company with effect from 12<sup>th</sup> May, 2022 and ceased to be Key Managerial Personnel of the Company. Ms. Ashni Biyani now continues to serve as Non Executive Director of the Company.
- iv) Mr. Frederic de Mevius resigned as Director of the Company with effect from 16<sup>th</sup> June, 2022;

The Board wishes to place on record their appreciation for the contributions made each Director during their tenure as member of the Board of Directors of the Company.

Further, the Board on recommendation made by NRC Committee, appointed Mr. Samson Samuel as Chief Executive Officer of the Company with effect from 12<sup>th</sup> May, 2022 and also designated him as Key Managerial Personnel.

## MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2021-22, the Board of Directors met 7 (Seven) times on 29<sup>th</sup> April, 2021, 26<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021, 2<sup>nd</sup> February, 2022, 10<sup>th</sup> February, 2022 and 10<sup>th</sup> March, 2022.

The details of composition of the Board and the attendance of the Directors at the meetings is provided in the Corporate Governance Report which forms part of this Annual Report.

## AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2022, 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, the Audit Committee met 6 (six) times on 29<sup>th</sup> April, 2021, 26<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021, 2<sup>nd</sup> February, 2022 and 10<sup>th</sup> February, 2022.

Further details with respect to Audit Committee are disclosed in the Corporate Governance Report which forms part of this Annual Report.

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31<sup>st</sup> March, 2022, the composition of Corporate Social Responsibility Committee has been as under:

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

## RISK MANAGEMENT COMMITTEE

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of SEBI Listing Regulations, Risk Management Committee is in place and as on 31<sup>st</sup> March, 2022, the composition of Risk Management Committee has been as under:

- a. Mr. K K Rathi
- b. Ms. Ashni Biyani
- c. Mr. Adhiraj Harish

The Company has formulated a Risk Management Policy to establish an effective and integrated framework for the risk management process.

## PERFORMANCE EVALUATION OF BOARD

The Board had carried out an annual evaluation of its own performance, board, committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations for the financial year 2021-22. 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 majority of the Board Members 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 and the Nomination and Remuneration/Compensation Committee reviewed and discussed the performance of individual directors, the performance of the Board, its Committees. Performance evaluation of independent directors was done by majority of the Board Members, excluding the independent director being evaluated.

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>.

## 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 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 CSR policy framed by the Company is available on the website of the Company - <https://futureconsumer.in/investors.aspx#policies-code>

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 II**.

## 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 FCL personnel to manage the risks involved concerning the business and to achieve maximum opportunities and minimize adverse consequences.

It 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 meetings are convened twice in a year wherein all the critical risks along with current mitigation plans identified during the period are presented to the Risk Management Committee. 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.

In view of loss of business from Future Retail Limited Stores, the Board of Directors express their concern over the performance of the Company in the forthcoming years. To mitigate the same, the Company plans to identify and implement alternative options in modern and general trade category.

## AUDITORS AND AUDITORS' REPORT

M/s. S R B C & CO LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of five years at the 21<sup>st</sup> Annual General Meeting of the Company held on 29<sup>th</sup> August, 2017. The term of Statutory Auditors expires at the forthcoming Annual General Meeting. The Board of Directors have at their meeting held on 27<sup>th</sup> June, 2022 recommended re-appointment of M/s. S R B C & CO LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of the 26<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting.

The Statutory Auditors have granted their consent for being re-appointed as Statutory Auditors of the Company and have also confirmed their eligibility in terms of the provisions of the Companies Act, 2013. The Notice convening forthcoming Annual General Meeting includes the proposal for re-appointment of statutory auditors of the Company for approval of the shareholders.

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 (on Standalone and consolidated financial statements) for the financial year ended 31<sup>st</sup> March, 2022 have been qualified by the Statutory Auditors in respect of following matters:

- i) *Qualification on non-availability of results of two joint venture companies and*
- ii) *Qualification on non-availability of audited financial statements of two joint ventures, who have furnished management certified financial statements*

The Audit Committee and Board of Directors at their respective meetings while approving the said Financial Statements reviewed such qualification made by the Statutory Auditors. In accordance to the provisions of Section 134(3)(f) of the Companies Act, 2013 and Regulation 34(2) of SEBI Listing Regulations, 2015, a statement containing the details of qualification, explanation by the Board and impact of the qualifications is provided under Note No. 51 to Standalone and Consolidated Financial Statements of the Company respectively, forming part of this Annual Report.

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

Your Company has undertaken Secretarial Audit for the financial year 2021-22 which, *inter alia*, includes audit of compliance with the Companies Act, 2013 and the Rules made under the Act, SEBI Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Secretarial Standards issued by the Institute of the Company Secretaries of India.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Sanjay Dholakia & Associates, Practicing Company Secretary (Membership No. 2655 / CP No.1798) to conduct the Secretarial Audit of the Company for financial year 2021-22.

The Secretarial Audit Report is annexed to this Report as **Annexure III**. The observation/remark of the Secretarial Auditor in their report is self-explanatory and therefore, the Board does



not have any further comments on the same. The Company would take necessary action to comply with the respective provisions of the regulations.

## SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY

Pursuant to provisions of Regulation 24A of SEBI Listing Regulations, Secretarial Audit was undertaken for three material subsidiaries of the Company – Bloom Foods and Beverages Private Limited, Aadhaar Wholesale Trading and Distribution Limited and FCL Tradevest Private Limited. The Secretarial Audit Report for aforesaid material unlisted subsidiaries is annexed to this Report as **Annexure IV-A, IV-B and IV -C** and 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.

## ANNUAL RETURN

The Annual Return as on 31<sup>st</sup> March, 2022 in terms of provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and 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 V**, 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 compliance with the circulars issued by the Ministry of Corporate Affairs ("MCA") viz. General Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021, General Circular No. 19/2021 dated 8<sup>th</sup> December, 2021 and General Circular No. 21/2021 dated 14<sup>th</sup> December, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 issued by the Securities and Exchange Board of India, Notice of the AGM along with the Annual Report 2021-22 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 and Annual Report 2021-22 will also be available on the Company's website [www.futureconsumer.in](http://www.futureconsumer.in), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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 *erstwhile* 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 VI**, 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 Social Management Systems ("ESMS") 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:**

- a. Facilities at India Food Park are instrumental in saving energy, each facility took stretched target of 15% optimization in electrical energy. Each facility implemented TPM, lean manufacturing to optimize the energy and achieved more than set target.
- b. The overall energy optimized at India Food Park is 0.60 GJ/Ton of production against target of 0.75 GJ/Ton of production. Realization of 20% less consumption for financial year 2021-22.
- c. Controlled shut down of freezer rooms resulted in savings of 280 kwh/ day at F&V facility.
- d. Rationalization in capacity utilization of freezer and movement of man and materials in the freezer room restricted temperature increase.

- e. Light circuit modification for auto power cut-off through installation of limit switches at cold chambers has resulted in savings of 90 kwh/ month.
- f. Effective utilization of steam from boiler by regular monitoring of briquette consumption to steam generation and water consumption to steam generation.
- g. Auto power factor correction (APFC) resulted in savings of 800 kwh/month.
- h. PNG is used as fuel for boiler operation and Oven operations by most of facilities at India Food Park.
- i. 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.
- j. ₹ 0.80 / unit saving .
- k. Decline on per unit rate due to higher EB usage
- l. Solar usage to be improved – efficient monitoring has been put in place for daily tracking of load & solar usage
- m. CRS –condensate recovery system has been installed at F&V boiler and resulted in 4500 KL of water savings.
- n. LPG is replaced by PNG at IFPL. All the units are using PNG as fuel for their utilities

#### **(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 30% of overall electricity consumption for India Food Park.

#### **(iii) the capital investment on energy conservation equipments:**

The total capital investment on energy conservation equipment FY 2021-22 across all the business verticals of the Company and its subsidiaries is approximately ₹ 1.50 crores.

### **Conservation of Water**

- Water mapping done with mass balance study.
- Water flow meters are installed from source to all the appropriate locations to monitor the water consumption.
- Digital flow meter is installed at KIADB, IFPL water inlet for monitor the actual receipt of inlet water.
- Reuse, Recycle, Reduce method used to optimize the water consumption.
- 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 1.85 KL/ton of production against target of 2.25 KL/ton production and there by optimized 17.7% of water usage.

#### (B) Technology absorption

Total Productive Maintenance (TPM) - a holistic approach to implement TPM at our units kicked off 2 years ago and also in the Centre of Plate ("COP") units. Classroom and on the job trainings were imparted at Tumkur, Indore, Nimrani, Hyderabad. The Training methodology covers all the employees, skilled labours & contract labour. Training modules on TPM basics, 5S, KAIZEN, Autonomous maintenance (JH), OEE monitoring and 8 pillar approach are done by the TPM co-ordinator and then the local team takes over the cascade training. TPM methodology is implemented across Company's manufacturing facilities and initiated energy saving projects on energy. Resource efficiency initiatives have been done at IFPL and COP manufacturing facilities.

At the India Food Park at Tumkur, LPG is replaced by PNG there by reducing GHG emissions. Various programs are under taken 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.

#### (B) 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: Nil

Foreign Exchange Outgo:

Nature of transaction	Amount (₹ In Lakhs)
Sitting Fees	3.00
Legal & Professional Fees	80.68
Purchases	911.62
Marketing Expenses	6.22
Retainership expenses	2.53
<b>Total</b>	<b>1004.05</b>

### GENERAL

- The Company has neither issued any equity shares with differential rights as to dividend, voting or otherwise nor sweat equity shares and hence no disclosure is required to be made in respect of the same.
- During the year under review, 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.

- 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.
- 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.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- The Company has completed implementation of One Time Restructuring ("OTR") Plan with the lenders on 7<sup>th</sup> May, 2021, without affecting the valuation done at the time of taking the loan. The Company has not availed any further loan from the Banks or Financial Institutions after implementation of OTR plan and therefore there is no disclosure relating to difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.
- During the year under review, the Company has been unable to service its obligations towards payment of amount of principal and interest due towards unlisted Non-Convertible Debentures issued by the Company to CDC Emerging Markets Limited. The amount due was partly paid-off during the current fiscal. Thereafter, the Company has defaulted in payment of principal and interest due on 15<sup>th</sup> May, 2022.
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the profit or loss of the Company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2022, 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: 27<sup>th</sup> June, 2022

Place: Mumbai

## Annexure I

## 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 2021-22.

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 Approved by Board, if any	Amount (₹ In lakhs)
Future Retail Limited	Entities controlled/ Having significant influence	Sales	On Going	As per purchase orders placed from time to time	5 <sup>th</sup> February, 2021	24,247.08

On behalf of the Board of Directors  
of Future Consumer Limited

G.N. Bajpai  
Chairman

Date: 27<sup>th</sup> May, 2022

Place: Mumbai

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

## ("CSR") ACTIVITIES

Annexure II

### 1. Brief outline on CSR policy of the Company.

Future Consumer Limited ("FCL" or "Company") is committed towards developing sustainable business model and believes that creation of large societal capital is as important as wealth creation for our stakeholders. The Company has been actively contributing to the societal wealth creation, economic and environmental development of the community in which the Company operates irrespective of any regulatory compulsions as a realization of our above belief. The Company works towards protecting the environment, as well as continually improving and enhancing the quality of life of individuals and communities at large.

The Company has framed Corporate Social Responsibility Policy ("CSR Policy") as per the requirements prescribed under the Companies Act, 2013 read with Rules framed thereunder. The CSR Policy is available on the website of the Company.

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

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Ashni Biyani	Chairperson	1	1
2	Mr. Kishore Biyani	Member	1	1
3	Mr. Harminder Sahni	Member	1	1

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The Composition of CSR is available on the website of the Company - <https://futureconsumer.in/investors.aspx#statutory-documents>
- The CSR Policy and CSR Projects is available on the website of the Company - <https://futureconsumer.in/investors.aspx#policies-code>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	Nil	Nil
	<b>Total</b>		

### 6. Average net profit of the company as per section 135(5): During the three immediately preceding financial years, the Company has incurred Average Net Loss of ₹ (8,855.10) Lakhs.

### 7. (a) Two percent of average net profit of the company as per section 135(5): Not Applicable in view of average net loss incurred during the three immediately preceding financial years

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

(c) Amount required to be set off for the financial year, if any – Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). Nil

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Nil	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.				Not Applicable								
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.				Not Applicable					
3.									
	Total								

(d) Amount spent in Administrative Overheads: **Nil**(e) Amount spent on Impact Assessment, if applicable: **Nil**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **Nil**

## (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.							
2.							
3.							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
1	Nil							
2								
3								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – **(asset-wise details)**.
- Date of creation or acquisition of the capital asset(s).: **None**
  - Amount of CSR spent for creation or acquisition of capital asset.: **Nil**
  - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**
  - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicable**

**Ashni Biyani**  
**Chairperson - CSR Committee**



## Annexure III

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2022

[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, 2022 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, 2022 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) 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 **except in respect of the following:**

***The Company has not complied with the provisions of regulation 24(1) of the Listing Regulations in respect of Appointment of at least one Independent Director of the Company on the Board of Directors of an unlisted material subsidiary of the Company namely Bloom Foods and Beverages Private Limited.***

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.

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)

**Practicing Company secretary**

Proprietor

Membership No. 2655

C P No.: 1798

Place: Mumbai

Date: 27<sup>th</sup> May, 2022

UDIN: F002655D000402771

## **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)

**Practicing Company secretary**

Proprietor

Membership No. 2655

C P No.: 1798

Place: Mumbai

Date: 27<sup>th</sup> May, 2022

UDIN: F002655D000402771

## Annexure IV-A

**FORM NO. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[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,  
**Bloom Foods and Beverages Private Limited**  
 Knowledge House, Shyam Nagar,  
 Off. JVL R, Jogeshwari (East),  
 Mumbai – 400 060

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bloom Foods and Beverages Private Limited (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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 Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit period)

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

- (i) Secretarial Standards [Meeting of Board of Directors (SS-1) and General Meetings (SS-2)] 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, Guidelines, Standards, etc. mentioned above.

**I further report that**

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

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

All decisions were carried through with majority and there were no dissenting views from the Board members.

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

**I further report that** during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

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

Place : Mumbai  
Date : 21<sup>st</sup> May, 2022

**Bhumika Desai**  
**Company Secretary**  
ACS No.: 35550  
C P No.: 22202  
UDIN : A035550D000362767

### **Annexure**

To,  
The Members,  
**Bloom Foods and Beverages Private Limited**  
Knowledge House, Shyam Nagar,  
Off. JVLR, Jogeshwari (East),  
Mumbai – 400 060

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

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

Place : Mumbai  
Date : 21<sup>st</sup> May, 2022

**Bhumika Desai**  
**Company Secretary**  
ACS No.: 35550  
C P No.: 22202  
UDIN : A035550D000362767

## Annexure IV-B

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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,  
**Aadhaar Wholesale Trading and Distribution Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aadhaar Wholesale Trading and Distribution Limited (hereinafter called "**the Company**"). The 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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, 2022 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 Bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);

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

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

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

**We further report that:**

- The Board of Directors of the Company is duly constituted with Non-Executive Directors;
- 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 except where the Board Meetings have been called at a shorter notice in compliance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- Majority decisions are carried through while dissenting member's views, if any, are captured and recorded as part of the minutes. However during the Audit period there were no cases of dissenting opinions expressed by 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.

This Report is to be read with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this Report.

**For K Bindu & Associates  
Company Secretaries**

**Date : 26<sup>th</sup> May, 2022  
Place : Mumbai  
UDIN : A020066D000394363**

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

#### **ANNEXURE - 1**

To,  
The Members,  
**Aadhaar Wholesale Trading and Distribution 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 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. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For K Bindu & Associates  
Company Secretaries**

**Date : 26<sup>th</sup> May, 2022  
Place : Mumbai  
UDIN : A020066D000394363**

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



## Annexure IV-C

**FORM NO. MR – 3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[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,  
**FCL Tradevest Private Limited**  
5<sup>th</sup> Floor, Sobo Central Mall,  
Pt Madan Mohan Malviya Marg,  
Cross Road Haji Ali,  
Tardeo, Mumbai - 400034

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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 Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit period)

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

- (i) Secretarial Standards [Meeting of Board of Directors (SS-1) and General Meetings (SS-2)] 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, Guidelines, Standards, etc. mentioned above.

The Board of Directors of the Company is duly constituted with three Non-Executive Directors as on 31<sup>st</sup> March, 2022. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions were carried through with majority and there were no dissenting views from the Board members.

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

**I further report that** during the audit period, specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards are as under:

- During the year under review, The National Company Law Tribunal ("**NCLT**") has approved Scheme of Arrangement 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 ("**Transferor Companies**") with FCL Tradevest Private Limited ("**Transferee Company**") ("**Scheme**") vide its order dated 24<sup>th</sup> February, 2022. The said Scheme has been made effective from 30<sup>th</sup> March, 2022. Upon the said Scheme becoming effective, the Transferor companies have been merged with the Company and ceased to be subsidiary of the Company.

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

Place : Mumbai  
Date : 26<sup>th</sup> May, 2022

**Bhumika Desai**  
**Company Secretary**  
ACS No.: 35550  
C P No.: 22202  
UDIN : A035550D000397934

#### **Annexure**

To,  
The Members,  
**FCL Tradevest Private Limited**  
5<sup>th</sup> Floor, Sobo Central Mall,  
Pt Madan Mohan Malviya Marg,  
Cross Road Haji Ali,  
Tardeo, Mumbai - 400034

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

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

Place : Mumbai  
Date : 26<sup>th</sup> May, 2022

**Bhumika Desai**  
**Company Secretary**  
ACS No.: 35550  
C P No.: 22202  
UDIN : A035550D000397934

## Annexure V

**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 or Manager, during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:**

Sr. No.	Name of Director/KMP and designation	% increase in Remuneration for Financial Year 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1	Ashni Biyani Managing Director	-	46.84
2	Jude Linhares* Executive Director	4	78.75
3	Narendra Baheti# Executive Director	-	4.22
4	Manoj Gagvani Company Secretary & Head-Legal	9	28.16
5	Shailesh Kedawat\$ Chief Financial Officer	-	29.57
6	Amit Kumar Agrawal** Dy. Chief Financial Officer	8	1.45
7	Rajendra Bajaj** Dy. Chief Financial Officer	38	0.85

\* Appointed with effect from 29<sup>th</sup> April, 2021

# Resigned with effect from 29<sup>th</sup> April, 2021

\$ Resigned with effect from 14<sup>th</sup> February, 2022

\*\* Appointed with effect from 15<sup>th</sup> February, 2022

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

In the financial year **2021-22**, there was an increase of **50%** in the median remuneration of employees.

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

There were 338 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2022.

- (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. 2021-22 was 18% whereas the increase in the managerial remuneration for the same financial year was 7%.

- (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.

Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31<sup>st</sup> March, 2022

Sr. No	Particulars	FVIL ESOP-2011		FCEL ESOP-2014	
A	Disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Refer Note 35 in Notes to 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	₹(2.76)			
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	10 <sup>th</sup> August, 2010 and 16 <sup>th</sup> January, 2012		12 <sup>th</sup> January, 2015 and 12 <sup>th</sup> 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 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 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 three year from the date of Grant	50% of options granted
(d)	Exercise price or Pricing formula	₹ 6/-		<b>Primary Route :</b> 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. <b>Secondary Route :</b> 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)			
		<b>FVIL ESOP-2011 (Primary Route)</b>	<b>FCEL ESOP-2014 (Secondary Market Route)</b>	<b>FCEL ESOP-2014 (Primary Route)</b>
a)	Number of Options outstanding at the beginning of the Period	Nil	75,63,293	28,07,500
b)	Number of Options granted during the year	Nil	58,89,500	Nil
c)	Number of Options forfeited / lapsed during the year	Nil	29,55,500	25,50,000
d)	Number of Options vested during the year.	Nil	5,65,559	Nil
e)	Number of Options exercised during the year	Nil	Nil	Nil
f)	Number of shares arising as a result of exercise of Options	Nil	Nil	Nil
g)	Money realized by exercise of Options	Nil	Nil	Nil
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Nil	Not Applicable
i)	Number of options outstanding at the end of the year	Nil	1,04,97,293	2,57,500
j)	Number of Options exercisable at the end of the year.	Nil	33,25,559	2,57,500

<b>Sr. No</b>	<b>Particulars</b>	<b>FVIL ESOP-2011</b>	<b>FCEL ESOP-2014</b>
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 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.	Refer Note 1 below	
(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 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	Nil
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 3,921.10 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;	13,452,793
(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	Nil
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	Nil
(d)	Number of shares held at the end of the year	13,452,793

**(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	1,34,52,793	0.81%
b)	Acquired during the year	Nil	-
c)	Sold during the year	Nil	-
d)	Transferred to the employees during the year	Nil	-
e)	Held at the end of the year	1,34,52,793	0.81%

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

<b>A Key Managerial Personnel / Senior Management Personnel</b>			
Sr. No.	Name of the Employee	Designation	No. of Options granted
			FCEL ESOP-2014 (Secondary Route)
1	Mr. Anand Ramaswamy	Head – Supply Chain & Operations	10,00,000
2	Mr. Rajesh Baheti	Head – Procurement & Operations	10,00,000
3	Mr. Madhusudan Baheti	Business Head	10,00,000
4	Mr. J Sabari Balan	Chief - Quality Assurance	7,00,000
5	Mr. Rajendra Bajaj	Deputy Chief Financial Officer	7,00,000
<b>B Other employee(s) who have received a grant amounting to 5% or more of option granted during the year</b>			
Sr. No.	Name of the Employee	Designation	No. of Options granted
			FCEL ESOP-2014 (Secondary Route)
1	Mr. Avinit Bagri	Manager - Manufacturing	7,89,500
2	Mr. Ajit Nair	Lead - Finance and Accounts	7,00,000

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY OVERVIEW

Future Consumer Limited ("**FCL**") has been 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. FCL combines cutting-edge consumer insights, technology and innovation to develop and grow brands across multiple categories of Foods, Personal Care and Home Care that deliver needs and aspirations of India's next generation, young customers. We have been building brands that reflect the shift in thinking of consumers and the category.

### ECONOMIC & INDUSTRY OVERVIEW

The fiscal 2021-22 continued to witness second wave of COVID-19 crisis, which had been largely disruptive in terms of economic activities as well as a loss of human lives. Though the economic effect of second wave was significantly less than the full lockdown faced during last fiscal 2020-21, with the global economy, the Indian economy too was faced with multiple constraints. The pandemic had impacted the entire World and thrown economies into distress since 2020. Almost all the sectors have been adversely affected during the pandemic as domestic demand and exports sharply plummeted with few notable exceptions. Despite the economic devastation caused by the virus, India's response has been commendable, as it rallied to manage a deadly second wave of the virus early in 2021. The improved economic performance of Indian economy was also as a result of relaxation in curbs caused by the pandemic, vaccination drive, massive fiscal support and increase in consumer spending.

Besides the pandemic, the fiscal 2021-22 was also characterized by high inflation at unprecedented levels. This was further aggravated by the Russia-Ukraine crisis leading to a sharp increase in commodity and oil prices. As per the World Economic Outlook April 2022 by IMF, the Russia-Ukraine crisis unfolded while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic. India is no exception to the Russia-Ukraine crises. High crude oil prices, increase in food prices have resulted to unusual inflation.

In view of the scale of disruption caused by the pandemic, it is evident that the current downturn is fundamentally different from recessions. The sudden shrinkage in demand and increased unemployment is going to alter the business landscape. Adopting new principles like 'shift towards localization, cash conservation, supply chain resilience and innovation' will help businesses in treading a new path in this uncertain environment.

In order to combat COVID-19, the Government of India and the Reserve Bank of India had adopted a multi-pronged strategy to maintain financial stability and provide necessary regulatory support to assuage both demand and supply constraints posed by the pandemic. As per IMF's latest World Economic Outlook

projections, India's real GDP projected to grow at 9 percent in 2022-23 and at 7.1 percent in 2023-2024, which would make India the fastest growing major economy in the world in the coming years. India's economic recovery from the pandemic depths has been sustained in 2021-22 and the momentum is expected to broadly continue in 2022-23, though with risks to the downside from the geopolitical shock and its spillovers.

As the industry gradually emerged from the phase of the pandemic, the consumption of hygiene products was moderated and there was increase in demand for hygiene products and personal care products. The FMCG market has always been a growing sector in urban areas but as witnessed in the past several quarters the demand in rural India in this sector has outdone its growth in urban areas. After facing challenging economic conditions during last two fiscals, it is strongly believed that FMCG industry continues to be one of the biggest long-term sustainable business opportunities in the Country.

The increasing rural consumption led by a combination of increasing income, higher aspiration levels and demand for branded products will help the industry to gain momentum and recover during the year 2022-23. On the other hand, with the share of unorganised market in the FMCG sector falling, the organised sector growth is expected to rise with increased level of brand consciousness, augmented by the growth in modern retail. Further to this, India, so is the intent of your Company, is also undergoing rapid digital transformation, new-age technologies are transforming the landscape of consumer goods market, bringing opportunities for brands, consumers, and customers alike. E-Commerce continues to gain traction as more consumers shop online and with more digital-first brands entering the market.

### BUSINESS AND PERFORMANCE OVERVIEW

FCL has built a large portfolio of FMCG brands that are backed by an integrated value chain with expertise in product development, sourcing and an in-house supply chain. A large part of our distribution was focused on the modern trade networks. Modern trade networks were among the hardest hit distribution channel during the COVID-19 pandemic environment and the consequent lockdowns. Most modern retail stores were shut down during the initial lockdown period and even when sales of essentials were allowed, restrictions on movement of customers resulted in a severe dip of customer footfalls across every mall and modern retail outlet. This severely impacted the Company's sales and distribution strategy. In addition, initial restrictions on manufacturing and transportation broke down the Company's sourcing and supply chain activities and impacted replenishment of new stock across stores.

Your Company has been focusing on Digital-first, for changing orientation of all business and brand activities in a series of short-term penetration and market share growth objectives with long-term brand & loyalty building goals. FCL believes that

habits formed in current times will tend to remain in the long term as well and so have been agile to adapt itself to ensure your Company's portfolio commands leading share in the online basket.

Despite the impact of pandemic and other uncontrollable factors impacting the economy and the business of the Company during the year under review, FCL demonstrated strong belief in its endeavors. However during the end of the fiscal period under review, the failure of Scheme of Arrangement with Reliance and the consequential impact on Future Retail stores had a significant impact on the business and overview on future performance. To overcome this, your Company has plans to change its gears by way of focusing on building a strong distribution network outside of Future Retail Limited on the front end along with optimizing costs at backend, driving synergies and judiciously allocating resources, conserving cash and improving liquidity thereby enhancing stakeholder value.

FCL believes that there is immense opportunity to further grow our brands in existing network of Aadhaar & Nilgiris. These 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.

FCL is built on strong fundamentals and the Company will tide through these challenging times. Your Company will continue its journey of sustainable growth. Achieving sustainable profitability, free cash flow are the key mantras for the Company going forward.

## HUMAN RESOURCES

FCL had 338 employees as on 31<sup>st</sup> March 2022 vis-à-vis 451 on 31<sup>st</sup> March 2021. FCL strongly believes employees are one of the most critical and important assets of the organization. Employee wellness and wellbeing has been a matter of paramount significance over the period of pandemic. We ensured a safe working place for employees physically present in our production units, warehouses, offices and other facilities.

During the lock downs, we helped sensitize leaders and managers to build regular channels of communication to effectively manage teams and achieve productivity keeping the employees engaged.

The change in business context meant that we re-look at our organization design and the way we manage our business. In this aspect we supported business in re-designing teams in "Center of Plate" business, procurement and vendor management teams. This also meant looking at internal capabilities within existing teams and giving them an opportunity for their career growth and development, along with scanning external talent as required and setting up new ways of working within teams.

## 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.

It 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 meetings are convened twice in a year wherein all the critical risks along with current mitigation plans identified during the period are presented to the Risk Management Committee. 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 an internal audit system commensurate with the size of the Company and the nature of its business. The Company has appointed KPMG as the Internal Auditors of the Company. The internal auditor prepares an annual audit plan based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls.

Improvements in processes are identified during reviews and communicated to the management on an ongoing basis. The Audit Committee of the Board monitors the performance of the internal auditors on a periodic basis through review of audit plans, audit findings and issue resolution through follow-ups. Each year, there are at least four meetings in which the Audit Committee reviews internal audit findings. Internal Audit function plays a key role in providing to both the management and to the Audit Committee, an objective view and re-assurance

of the overall internal control systems and effectiveness of the risk management processes and the status of compliances with operating systems, internal policies and regulatory requirements across the Company including its subsidiaries. The Internal Auditors assist in setting Industry benchmarks and help us drive implement best Industry practice within our organization.

The Company has an adequate system of internal financial controls. 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.

The Company has adopted policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance over:

- Accuracy and completeness of the accounting records
- Compliance with applicable laws and regulations
- Effectiveness and efficiency of operations
- Prevention and detection of frauds and errors
- Safeguarding of assets from unauthorised use or losses.

## 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 ₹ 1,46,878.86 Lakhs in the fiscal year 2022 as against ₹ 1,18,451.32 Lakhs in last fiscal, a growth of 24%. 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 87.7% and 91.7% of our turnover for fiscal year 2022 and fiscal year 2021 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 2022, employee benefit expenses amounted to 3.7% of turnover, as compared to 5.3% of turnover in fiscal 2021. Employee cost decreased by 14% compared to last year due to rationalization of employee costs during the year.

### 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 26.3% and 27.1% of turnover for fiscal year 2022 and fiscal year 2021, respectively. Our overall Other Expenses for fiscal year 2022 increased by 19% over fiscal year 2021.

### 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 ₹ 6,322.13 Lakhs in fiscal year 2022, a decrease of ₹ 907.37 Lakhs over the previous fiscal year. The reduction is on account of reduced working capital requirements, and repayments of fixed term borrowings during the current and previous fiscal years. Interest and Financing Charges stood at ~11% on average borrowing balance.

### Depreciation and Amortization

For the year, Depreciation and Amortization expense has decreased from ₹ 5,821.67 Lakhs in fiscal year 2021 to ₹ 5,150.07 Lakhs in fiscal year 2022. The decrease is partly due to reduction in lease and other tangible assets during the year.

### Profit before Tax

FCL incurred a loss of ₹ 45,037.25 Lakhs for fiscal year 2022 vs a loss of ₹ 46,213.19 Lakhs for the fiscal year 2021. Further the Company also reported Exceptional items in the fiscal year 2022 amounting to ₹ 7,409.20 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 ₹ 2,200.75 Lakhs in fiscal year 2022 vs ₹ 2,459.42 Lakhs for fiscal year 2021. The losses are attributable to Aussee Oats Milling (Private) Limited, Hain Future Natural Products Private Limited and Fonterra Future Dairy Private Limited.

### Profit after Tax

Loss for fiscal year 2022 was ₹44,975.63 Lakhs, vis-a-vis ₹48,330.77 Lakhs in the fiscal year 2021.

### Exceptional Items

The Company has always believed that prudence is one of its key business virtues and has worked towards enhancing corporate governance framework. Pursuant to the same, the Company has recognised a loss of ₹26,865.72 lakhs which is included in exceptional items for the year ended March 31, 2022. Further, the Company has taken a non-recurring non-cash impairment pertaining to investment in Nilgiri Dairy Farms ₹10,772.86 Lakhs including an impairment of ₹54.19 lakhs on

Nilgiri Mechanized Backery, ₹2965 Lakhs in Fonterra Future Dairy, ₹2,145 Lakhs in Future Food & Product, ₹1385.41 Lakhs in Future Food Processing, ₹104 lakhs in Sublime Foods, ₹64 Lakhs in MNS Foods, ₹173.40 Lakhs in Delect Food & Spices, ₹3,890.98 Lakhs in Aadhaar Wholesale Trading and ₹1,888.57 in Hain Future Natural. 'Write of inter corporate loans ₹1482.34 Lakhs in Fonterra Future Dairy and ₹1082.55 Lakhs in Sublime Foods, Impairment of Assets ₹128.08 Lakhs at Bidar Mill, Loss on sale of investment in ₹3.49 Lakhs in FCL Tradevest and 'Impairment of Brands ₹291.92 Lakhs on Brand Kara and ₹488.12 Lakhs on Brand of Athena (D'Free, Hair for Sure, Iraya and Safe & Sure) in the standalone books of FCL.

In the consolidated books of the Company, the non-recurring impairments recorded amount to ₹7,409.20 Lakhs pertaining Impairment of assets in Nilgiri Dairy Farms ₹4,712.98 Lakhs and ₹128.08 Lakhs at Bidar Mill, ₹223.41 Lakhs in Future Food and Products Limited & Future Food Processing Limited, Wrire of Inter Corporate Loans ₹616.81 Lakhs in Sublime Foods and ₹622.62 Lakhs in Lord Jagannath Retail, Impairment of Plant and Machinery ₹325.25 Lakhs in Nilgiri Dairy Farms and Impairment of Brands ₹291.92 Lakhs on Brand Kara and ₹488.12 Lakhs on Brand of Athena (D'Free, Hair for Sure, Iraya and Safe & Sure).

## SUMMARY OF BALANCE SHEET FINANCIAL POSITION

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

Fixed Assets declined from ₹68,622.44 Lakhs at the end of fiscal year 2021 to ₹65,142.39 lakhs at the end of fiscal 2022. This was mainly on account of depreciation and amortization of ₹5,150.07 lakhs.

### Other Non-Current Assets

Other Non-Current Assets decreased to ₹3,062.73 lakhs Lakhs for fiscal year 2022 from ₹3,356.66 Lakhs for fiscal year 2021 primarily due to decrease in net deferred tax assets.

### Financial Assets (Non-Current)

Financial Assets decreased from ₹15,794.24 Lakhs for fiscal year 2021 to ₹9,537.02 Lakhs primarily on account of reclassification of loans given to joint ventures.

### Other Current Assets

Other Current Assets has increased from ₹4,558.16 Lakhs for fiscal year 2021 to ₹3,273.60 Lakhs in fiscal year 2022 primarily due to reclassification of loans given to joint ventures.

### Cash and Bank Balances

Cash & Bank Balances stood at ₹2,797.10 lakhs (fiscal year 2021: ₹4,748.04 Lakhs).

## Shareholders' Funds

As on 31<sup>st</sup> March, 2022 (fiscal year 2022), Shareholder's Funds of the Company amounted to ₹15,033.21 Lakhs (fiscal year 2021: ₹59,195.33 Lakhs). Decrease is primarily on account of losses of ₹(44,975.63) Lakhs incurred during the year.

## Net Working Capital

As on 31<sup>st</sup> March, 2022, the Net Working Capital of the Company amounted to ₹11,078.19 Lakhs (fiscal year 2021: ₹48,593.68 lakhs), this included ₹7,857.04 Lakhs (fiscal year 2021: ₹5,693.02 Lakhs) of Inventories, ₹14,916.27 Lakhs (fiscal year 2021: ₹62,838.49 Lakhs) of Trade Receivables and ₹11,695.12 Lakhs (fiscal year 2021: ₹19,937.83 Lakhs) of Trade Payables. Net Working Capital Days decreased to 71 days at the end of fiscal year 2022 from 166 days at the end of fiscal year 2021, on account of limited operations during the year.

## Borrowings

As on 31<sup>st</sup> March, 2022, the Company's Gross Debt stood at ₹57,749.33 Lakhs comprising Non-current borrowings of ₹12,987.45 Lakhs, short-term borrowings (Including Current Maturities of Long Term Debt) ₹39,050.52 Lakhs, Lease Liabilities of ₹5711.36 Lakhs (fiscal year 2021 Gross Debt: ₹62379.62 Lakhs; Non-current borrowings: ₹16970.53 Lakhs; Short-term borrowings (Including Current Maturities of Long Term Debt) ₹40981.39 Lakhs; Lease Liabilities ₹4,427.70 Lakhs). FCL is split evenly over a tenure of five years providing necessary liquidity in the medium term. The decrease in borrowings was primarily on account of repayment of Term Loans, reduction in utilization of Working Capital facilities and CCDs converted during the year.

## Details of Significant Changes in Key Financial Ratios

### 1. Debtors Turnover

Debtors Turnover ratio reduced from 214 days at the end of fiscal year 2021 to 97 days at the end of fiscal year 2022.

### 2. Inventory Turnover

Inventory Turnover ratio has reduced from 37 days of Cost Of Goods Sold (COGS) at the end of fiscal year 2021 to 19 days of COGS at the end of fiscal year 2022.

### 3. Payables Turnover

Payables Turnover ratio reduced from 85 days of COGS for fiscal year 2021 to 45 days for fiscal year 2022.

### 4. Interest Coverage Ratio

Interest coverage ratio was at 5.40x for fiscal year 2022 primarily on account of losses incurred during the year.

#### 5. Current Ratio

Current ratio reduced to 0.36x for the fiscal year 2022 from 0.8x for the fiscal year 2021, primarily on account of ECL on debtors.

#### 6. Debt to Equity Ratio

Debt to Equity ratio (calculated on net debt) stood at 3.7x for the fiscal year 2022 as compared to 1.0x for the fiscal year 2021. Increase in the ratio was due to reduction in equity on account of loss incurred 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 stood at (16.8%) for the fiscal year 2022 vs. (23.2%) for the fiscal year 2021. Negative EBITDA due to the losses incurred during the year on account of limited operations, and exceptional costs.

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

Net profit margin (attributable to owners of the Company) at (30.6%) for the fiscal year 2022 vs. (40.8%) for the fiscal year 2021 due to the losses incurred during the year on account of limited operations, and exceptional costs.

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

Return on Net Worth reduced to (299.2%) for the fiscal year 2022 from (81.6%) for the fiscal year 2021 as net losses have increased during the current year on account of limited operations and exceptional costs.

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

#### Subsidiary Companies:

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

Aadhaar, a wholly owned subsidiary of the Company, is in the business of rural and semi-urban wholesale and distribution of 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 ₹22,633.83 Lakhs during the year (₹ 21,548.05 Lakhs in fiscal year 2021).

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

With origin in 1905, Nilgiris 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 ₹ 6,464.55 Lakhs for the fiscal year 2022 as compared to ₹ 6,281.88 Lakhs in fiscal year 2021. The Company has recorded an impairment of ₹ 10,772.86 Lakhs in the standalone books (₹ Nil 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

#### 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 ₹ 25,432.27 lakhs (Fiscal year 2021: ₹ 34,341.80 Lakhs and Profit after Tax of ₹ 7.77 Lakhs for the fiscal year 2022 as compared to ₹ 41.76 Lakhs for the fiscal year 2021).

#### 4. Integrated Food Park Limited ("IFPL")

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 facilitates which provides end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market. Equipped with world-class food processing units, 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, microbiology lab and research and development lab.

IFPL has registered revenues of ₹ 1,880.16 lakhs during the fiscal year 2022 as compared to ₹ 1,787.05 Lakh in fiscal year 2021.

IFPL has filed application with National Company Law Tribunal, Bangalore Bench seeking approval for Scheme



of Amalgamation with Future Consumer Limited. The application is pending with NCLT and further orders are awaited.

**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.

The Company has not received financial statements of Aussee Oats for the financial year ended 31<sup>st</sup> March, 2022, due to ongoing dispute with the joint venture partner- SVA India Limited.

**6. Aussee Oats India Limited ("Aussee Oats India")\***

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.

The Company has not received financial statements of Aussee Oats India for the financial year ended 31<sup>st</sup> March, 2022, due to ongoing dispute with the joint venture partner- SVA India Limited.

**7. Sublime Foods Limited ("Sublime")\***

Sublime has been 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, scheswan, mayonnaise, tamarind (imli), coriander & mint and Italian classic arrabiata and alfredo. FCL Tradevest owns 51% stake in Sublime Foods. Sublime has registered revenues of ₹ 454.24 Lakhs for the fiscal year 2022. The Company has recorded an impairment of ₹ 343 lakhs on its investment in Sublime during the year.

During the year under review, Sublime has entered into a joint venture arrangement with Griffith Foods Worldwide Inc ("Griffith") by way of forming a company for undertaking the business of manufacturing and selling liquid and sauce food products to customers engaged in direct retail within India or such other region as agreed from time to time. The said company has been formed in the name of FCL Speciality Foods Private Limited ("FCL Speciality") and presently is wholly owned subsidiary of Sublime. The potential joint venture partner viz. Griffith is in the process

of making investment in FCL Speciality. FCL Speciality has not yet commenced its business operations.

**8. MNS Foods Limited ("MNS Foods")\***

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 ₹ 1,903.40 Lakhs for the fiscal year 2022.

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

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 were established with the purpose of setting up necessary infrastructural facilities at Nagpur.

FFPL and FFPRL have sold land parcels held by them at Nagpur in April 2022.

During the year under review, Scheme of Arrangement was filed before National Company Law Tribunal, Mumbai Bench ("NCLT") for seeking approval for proposed merger of FFPL and FFPRL with the Company. The final order of NCLT approving the Scheme is awaited.

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

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

**11. FCL Tradevest Private Limited ("FCL Tradevest")**

FCL 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 Private Limited. As part of the proposed Composite Scheme of Arrangement (Scheme"), the following companies have been merged into FCL Tradevest pursuant to Order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated 24<sup>th</sup> February, 2022 sanctioning the Scheme and the Scheme has been made effective from 30<sup>th</sup> March, 2022.

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

## 12. Amar Chitra Katha Private Limited ("ACKPL")

ACKPL has become a subsidiary of the Company with effect from 14<sup>th</sup> January, 2022, consequent to allotment of equity shares upon conversion of Compulsorily Convertible Debentures issued by ACKPL. The subsidiaries of ACKPL viz. i) ACK Media Direct Limited, ii) IBH Books & Magazines Distributors Limited and iii) Ideas Box Entertainment Limited have consequently become step down subsidiaries of the Company with effect from 14<sup>th</sup> January, 2022.

ACKPL is primarily engaged in publishing comic books and magazines for kids and adults. ACKPL offers various categories of comics, including epics and mythology, fables and humor, visionaries, Indian classics, brave hearts, regional languages, and collections. ACKPL also provides adventure, audio, coloring, academic, business management, fun activity, inspirational, children's story, philosophical tale, humorous story, and personal growth books, as well as articles on current issues and esoteric topics, such as geology, genetics, food conservation, and more. Additionally, ACKPL offers monthly print circulation subscription services through its website. ACKPL offers its products through book retailers as well as online. The subsidiaries of ACKPL are inter-alia in the business of publication of Tinkle magazines subscriptions in print and Digital form, E-Commerce sales of books and magazines, direct marketing and export of books.

The investment in ACKPL being non-core for the Company, the Board of Directors of the Company had approved to dispose-off the investments held by the Company in ACKPL during the current fiscal. Since the investment in ACKPL are held for sale, the Company has not recognized any share of profit or loss of ACKPL under the equity method in the financial statements.

As per IND AS 110, the Company does not have the control over the ACKPL and hence, the Company is not required

to consolidate the financials of ACKPL in its consolidated financials statements. Further, Company exercises significant influence over ACKPL and hence, ACKPL is an associate as per IND AS 28.

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

## Joint Venture Companies:

### 1. 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 had 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. The product was initially exported to Middle East and neighboring markets.

While the initial feedback from customers and trade on the launch of "Terra" products in India was very heartening, it did get impacted by the lockdowns and closure of modern retail networks. Initial sales were slow, but the brand started gathering traction towards the second half of the FY 22. Hain incurred a loss of ₹ 934.85 Lakhs in fiscal year 2022.

### 2. 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 intended to 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 incurred a net loss of ₹ 2,990.79 Lakhs for fiscal year 2022.

During the current year 2022-23, the joint venture partners as mutually agreed have terminated the joint venture arrangement. Consequently, Fonterra has discontinued its business operations and is undertaking the process of voluntary winding -up in accordance to the provisions of law.



# 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 31<sup>st</sup> March, 2022, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This BRR delineates FCL's endeavors 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	2021-22
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 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 119,822.08 Lakhs
2	Total Turnover (INR)	INR 97,008.98 Lakhs (standalone)
3	Total profit /(loss) after taxes (INR)	INR (54,687.37) Lakhs (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year under review, in view of aggregating losses incurred during preceding three financial years, no spending has been done on CSR activities.

Sr. No.	Particulars	Company Information
5	List of activities in which expenditure in 4 above has been Incurred	Not Applicable

## SECTION C: OTHER DETAILS

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company encourages its operating 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	+ 91 22 4055 2200
5	E-mail id	ashni.biyani@futuregroup.in

\*ceased to be Managing Director with effect from 12<sup>th</sup> May, 2022

### 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?	<a href="https://futureconsumer.in/investors.aspx#policies-code">https://futureconsumer.in/investors.aspx#policies-code</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?*	N	N	N	N	N	N	N	N	N
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why	Not Applicable								

\*In the forthcoming financial year by way of deploying available resources internally or through an external agency.

**3. Governance related to BR:**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company/its Committees assess the various business responsibility initiatives undertaken by the Company on an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the BRR for the year 2021-22 forms part of the Annual Report, which is published annually. It is available on the website of the Company at - <a href="https://futureconsumer.in/investors.aspx#financials-id">https://futureconsumer.in/investors.aspx#financials-id</a>

## 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 <https://futureconsumer.in/investors.aspx#company-presentations>.

### 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](mailto: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](mailto:ethics@futureconsumer.in).

The mechanism promotes responsible and secure whistle blowing whilst assuring adequate safeguards to the whistle blower.

During the financial year ended 31<sup>st</sup> March, 2022, one complaint was received by FCL under the Vigil Mechanism and Whistle Blower Policy.

### 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](mailto:posh@futuregroup.in) or contacting at 022-4055 2200 and seek redressal of their grievances.

During the year under review, the Company continued to sensitize the employees on awareness raising and the required steps to register and resolve such complaints.

### 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](mailto: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.

- Electronic mail at [care@futureconsumer.in](mailto:care@futureconsumer.in)
- Contacting the toll free number 1800210060

A new mechanism was also started for direct systematic complaints redressal from stores to direct corporate office. The complaints get registered over a Google Sheet and the plan of action and commercial points are closed. Viewing rights are given to retail store so that they know the status of the customer complaint closure.

The product complaints obtained through offline and online interfaces are mapped on the CRM database, complaints registered through email and customer care phone number. Customers are updated about the actions taken and the customer service team ensures that necessary actions are taken.

Such consumer complaints are resolved promptly and effective escalation matrix is put in place to monitor and close the unresolved complaints.

## 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 been sensitizing its employees, customers, and suppliers on the environmental and social impacts of its actions.

Keeping this in mind, the Company has plan to begin engagement 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. These diverse portfolio represents a purer, all-natural way of living, free from synthetic pesticides, chemicals, preservatives 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:

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

## 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
- 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 aim to embed environmental consciousness during product development stage itself.

- "Caremate" Hand wash range is Paraben & Triclosan free.
- "Cleanmate Herbals" Neem floor cleaner is made up of Natural ingredients.
- 'Caremate', in the home care category produces deluxe kitchen rolls tissues made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council. The brand also endeavours to source disposables that are biodegradable thus reducing the environmental burden.
- 'Kara' brand of Wipes are 100% alcohol free and Paraben free.
- 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.
- 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 has dedicated SOPs in place, KPI are set for each of quality parameters, and these KPIs are reviewed in monthly meetings. The Company has adequate systems in place for accessing and preserving quality and food safety related documents. Many of our manufacturing sites have undergone audits and certified for FSSC 22000, ISO 9001, and BRC. All our manufacturing units have obtained FSSAI license.

Conscious Product development (Environmental and social impact of products)

The Company focuses on continuously improving product quality and develop new products through the Tumkur based Research and Development Lab.

- 'Caremate' Hand wash range is Paraben & Triclosan free.
- 'IRAYA' a 100% vegetarian cosmetic brand makes available sulphate free and silicon free products including those comprising of no synthetic dyes.
- 'Aroha' brand of soaps is 100% vegetarian and paraben free.
- 'Caremate', in the home care category produces deluxe kitchen rolls tissues made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council. The brand also endeavours to source disposables that are biodegradable thus reducing the environmental burden.
- 'Think Skin' body wash range are Paraben free and do not contain formaldehyde releasing preservatives and micro beads.
- 'Kara' brand of Wipes are made of viscous fibres that are 100% alcohol free & Paraben free.
- 'Puretta' Baby liquid cleanser and laundry detergent is alcohol, phosphorus and fluorescent free and is ideal for washing all baby accessories, toys and any articles that come in contact with the baby.
- **Promoting Healthy Foods:**

The Company promotes healthy eating habits by making available healthy snacks, Juices & emulsion product with reduced sugar & oil content.

- Terra Chips –Terra Chips range is healthy snacks with no artificial ingredients like colour & flavour, gluten free, non- GMO & without preservative.
- TTRT Fruit Based Juices –Developed 5 variants of fruit- based juices with 15-20% reduction in sugar.
- Mayonnaise – Developed Mayonnaise with 20% reduction in oil.

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

The Company processes fruits, vegetables and agricultural commodities at the India 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 India Food Park has 22,000-tonne storage capacity, cold storage unit and in-house pulping, milling, flouring, spice and dal units and is spread across 101 acre land in Tumkur region in Karnataka. Within India Food Park, IFPL has its own processing 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 centers 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.
- MNS Foods Limited unit in India Food Park that manufactures cream wafer biscuits got certified for FSSC 22000 V 4.1 standard by Intertek.

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

## Food Safety Trainings and 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 and training imparted on 'Know Your Product' and 'General Market Practices'.
- 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
- Manufacturing guidelines for 3P units.
- State of art NPD lab in place for developing new safe products
- Food safety compliance is made through proper systems and internal controls.
- Temperature monitoring control at cold room and DC to avoid spoilage issue.
- Training for COVID-19 precautions across all manufacturing units.

### Sustainable Sourcing

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. The Company also undertakes procurement locally to avoid long transportation and reduce transportation cost.

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.

In order to promote sustainability, the Company has moved to preferring CNG vehicles for transportation as per market availability. In addition, the Company is also actively pursuing usage of electric vehicles as and when this option becomes sustainable for longer routes of transportation. Usage of Silencer Filters in vehicles is being actively encouraged and audit protocols are in place to inspect vehicles as per prescribed Government regulations. During the year under review, the Company has rationalized its network for Distribution centres (DCs) across COP and FMCG businesses thereby reducing overall distance travelling time for Company's products. The Company also ensures that all RTO compliances are adhered to have sustainable business operations.

### 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 plans to use recycle grade of plastic by 8% in Home care packaging which will help to minimize plastic consumption in overall usage.

The Company uses Mono layer Film in Care Mate Tissue and Nilgiri Bakery products with the aim to move towards the easy recycling process and use of flexo printing technology to facilitate non toluene environmental friendly / consumer safe inks.

The Company is reducing weight of multilayer flexible plastic by 5% (Approx. 20 MT \*) and aims to reduce Rigid plastic weight by 4% (Approx. 40 MT \*) every year for next 3 years.

The Company has applied in CPCB and submitted the EPR plan for the next five year PAN India recycling plan as under:

Zone	MLP, MT	Non-MLP, MT	Total, MT
Central	133.32	0	133.32
West	121.01	100	221.01
South	321.12	39.5	360.62
North	609.19	300	909.19
East	96.24	96	192.24
Total qty for all the 5 zones, MT			1816.4

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 31<sup>st</sup> March, 2022 was 744 employees and workers in aggregate.

No. of Permanent Employees			No. of Temporary/ contractual workers			Total Manpower		
Male	Female	Total	Male	Female	Total	Male	Female	Total
294	44	338	303	103	406	597	147	744

#### 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.

Group	Total Strength	No. of Female Employee	% of female employee to total strength
Band 1	113	5	4%
Band 2	119	20	17%
Band 3	69	14	20%
Band 4	22	3	14%
Band 5	15	2	13%
<b>Total</b>	<b>338</b>	<b>44</b>	<b>13%</b>

#### Hiring and Promotion

The Company's promotion process evaluates candidates through their journey on a values based assessment.

#### Strengthening the Leadership pipeline

Leadership Academy: Future Group looks at identifying its leadership pipeline across various businesses through the institution of its Leadership Academy. It aims to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure.

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.

#### 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.

#### Online learning Modules:

Multiple online learning modules are available for employees in Future 360 app *inter-alia* comprising of following:

- Leadership & Management Skills
- Behavioral & Workplace Skills
- Functional Skills
- Quick 25 minute Courses

#### Health:

The Company has forged a partnership with various health care institutions.

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 Medclaim, 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 its units and offices and maintains a hygienic work environment comprising of:

- Every factory having 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.

### Employee Retention:

FCL believes in overall development of the employee, and develops customized growth plans. 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 trainings
Food Park and Manufacturing units	24
Centre of Plate (COP)	270

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.

### 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, Centre Of Plate (COP) committee comprises of all the dept. staff, contract labours 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).

### 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.

The scope broadly involves:

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:

- Six units of CoP viz., Nimrani, Padgha, Hyderabad, Kolkatta, Jhundpur, 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 Food Park during FY 2021-22**

- Celebrated National Safety week (4<sup>th</sup> March to 7<sup>th</sup> March 2022)
- New RPC at Jhundpur commissioned with zero accidents.
- Conducted mock drills and fire drills at manufacturing units ( COP units, own units, JVs and 3<sup>rd</sup> party at IFPL)
- Hazard Identification and Risk assessments are conducted across manufacturing units.
- HIRA and EAIR training imparted to ESMS coordinators of COP units
- Monthly Internal audits for the manufacturing facilities are conducted at COP and IFPL
- System for reporting and monitoring of various safety and environment parameters are religiously implemented.
- Various formats, checklist for implementation of health and safety are put in place and implemented across manufacturing units ( COP& IFPL)
- Permit to work system is in place for non-routine activities, permits used for general, hot, height and electrical work.
- Roles and responsibilities are defined for ESMS co-ordinators.
- EHS improvement projects have been successfully completed, completely utilized allotted EHS budget at IFPL and COP.

- IFPL and COP manufacturing units are 85% compliant on legal and statutory requirements.
- Training calendar defined and training are conducted accordingly.
- Safety Committee Meeting has been religiously conducted at COP & IFPL to review EHS performance.
- Investors (IFC and CDC) Environment & Social action plan –ESAP, action points have been completed.

Further to above, during the current fiscal, celebrated World Environmental Day by planting seedlings at IFPL and COP units ( 5<sup>th</sup> June, 2021).

#### **Employee Safety Initiatives**

- Task based PPEs provided to employees, encouraged them to maintain them properly.
- Provided 360' machine guarding for all the rotating parts.
- Working platforms have been provided with guard rails and chain protection to ensure fall from height.
- Employees have been trained on PTW system and encouraged them to use while they perform non-routine jobs.
- Job safety and job hazard analysis implemented for high/ medium risk tasks
- Training calendar is in place, training and awareness session conducted
- Encouraged employees and contractor labours to reporting incidents, all the first aid above cases are investigated for root cause and CAPA are taken to avoid reoccurrence.
- Contractor safety (project site), daily tool box talks have been religiously followed, zero incidents reported for FY 2021-22 during project and other non-routine jobs.
- Employee and contract labours participate in Mock drill/fire drills

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

First aid boxes are easily accessible to all and inventory is maintained. Training calendar is in place and accordingly trainings are conducted. During FY 2021-22, total 22 first aid cases were reported and 5 injury cases were reported.

#### **COVID Initiatives**

COVID 19 has impacted the Country and the entire world and the working environment has been disrupted due to the same. FCL is investing great time and efforts in creating a positive employee experience and keep its business running during these unprecedented times. Some initiatives taken-up by FCL

for supporting its employees, customers, and communities during the pandemic are mentioned as follows:

- Thermal screening of all entrances at all manufacturing units, DCs and offices in order to check temperature before entry
- Use of sanitizers / hand washing at all offices, DCs and manufacturing units
- Wearing Mask is Mandatory: No entry without Mask
- Installation of Arogya Setu app - All employees are required to install the Arogya Setu app mandated by the GOI on their mobile phones
- Daily Tracking / Monitoring of COVID 19 positive cases at location level is being done

#### 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 its operations.

#### Investor Engagement

The Board is committed to deliver long term sustainable growth value for its shareholders.

Senior management and the investor relations team holds regular meetings with its existing and potential shareholders, investors and analysts. 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 considering the impact of COVID-19.
2. New products launches to be done in the current year and proposed steps towards brand building
3. Details of shares pledged by the Promoters and impact of invocation of pledge.
4. Mitigation plans to service the debt.

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 its 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:

- 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/Safety Demo.

#### 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.

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 its 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

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

### 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.

### 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 its brands through media coverages through print advertisements, press release and television advertisements and coverages as a recognized sponsor.

The Company maintains transparency and accountability in its 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:-

- Distribution of leg operated hand sanitizer to Tumkur police department
- Compost distribution to villagers
- Access roads to villages – roads levelled, pot holes covered.
- PPE Kit distribution to Tumkur Police Station
- Food Kits distributed To Tumkur Police Department
- Plantation of trees and cleaning of local areas

At India Food Park (Fruits & vegetable) facility tomatoes, mangoes are sourced from FPO who in- turn work with group of small and medium farmers. Various community engagement activities are under taken at Food Park, Tumkur adopted two villages near by Food Park.

### 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.

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 Food Park 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.

FCL Environment policy is applicable to own facilities and extended to joint ventures, suppliers, 3P contractors. FCLs' 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. FCLs' Energy and Carbon Policy sets forth guidelines towards low

carbon transformation through energy efficiency and sourcing energy from alternative and renewable sources.

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 its journey of low carbon transformation.

During the reporting period, the Company consumed 131,94,878 KWH of energy. 30% of the total energy consumed at India Food Park is derived from solar energy.

#### 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	<ul style="list-style-type: none"> <li>Depletion of fossil fuel</li> <li>Emission of greenhouse gases resulting in global warming</li> </ul>	Sourcing 30% 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 <ul style="list-style-type: none"> <li>Leakage of steam due to loose fittings/ wearing of joints or physical damage to the pipes</li> <li>Heat loss from pipes due to lack of insulation</li> </ul>	<ul style="list-style-type: none"> <li>Depletion of resource to increased need for energy</li> </ul>	Maintenance to ensure intactness of insulation	<ul style="list-style-type: none"> <li>'Repair worn insulations and install fresh insulations where repair not possible.</li> <li>Conduct preventive maintenance (PM) as per schedule</li> <li>Monitor the effectiveness.</li> </ul>

The Company in its regular course of business is committed to conserve resources through continual improvements and focus.

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 Social Management Systems ("ESMS") help 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 and at its subsidiaries, which assist in maintaining product quality and cost control.

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

#### **Water conservation**

The Company's Water Stewardship Policy recognizes 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.

Yes energy audits are conducted at Food Park to optimize the energy consumption, Energy consumption is monitored on regular basis and linked to the daily productivity.

Energy – 0.60 GJ/MT of production FY 2021-22 against target 0.75 GJ/MT of production

Performance indicators are defined to monitor the water consumption.

Water – 1.85 KL/MT of production FY 2021-22 against target 2.25 KL/MT of production.

Recycle program – RO water discharge is treated and used for boiler feed tank.

Reduce program – Condensate recovery system in place and load on boiler feed water is reduced.

#### **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.	<ul style="list-style-type: none"> <li>Ground water depletion in the region in case of dependence on ground water;</li> <li>Contamination of ground or surface water sources in the region due to discharge of effluent;</li> <li>High energy consumption for treatment of raw or process water</li> </ul>	Minimal use of fresh water, recharge of ground water through Rain water Harvesting pond	To make arrangements for recharge pits on existing water lines, arrest of leakages, reuse of used water wherever possible

Climate change - We conduct regular environmenting at our manufacturing plants from recognised third party vendor the results are shared with state pollution control board (SPCB) in annual returns.

Air quality - Ambient air quality is part of environment monitoring which is carried once in 6 months covering prominent areas at work place.

Water & Waste Water Management - KPIs are set for water conservation, water consumption mapping is done to monitor consumption pattern, and water flow meters are calibrated. Waste water is treated through in CETP and treated water quality is checked by recognised third party vendor and treated water used for gardening, cleaning.

#### **Waste Water Management**

During the reporting period, the Company discharged 58,140 KL of effluents responsibly vide common effluent treatment plants at India Food Park having 300 KLD capacity, treated water is 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.

#### **Air Emissions**

The Company monitors environment emission at facilities where Boilers and Diesel Generators are used, PM, SOX and NOX parameters are checked by authorized 3<sup>rd</sup> party labs and the results are within permissible limits.



### 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 underutilization 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 compost generated from onsite organic waste was used in gardens as manure and manure was given to local farmers under CSR. 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 <ul style="list-style-type: none"> <li>poor quality of raw materials or rotting of material due to prolonged storage.</li> <li>Unavailability of process to convert to by products, fertilizers or energy.</li> </ul>	<ul style="list-style-type: none"> <li>Contamination of land, ground water and/or surface water due to improper disposal of solid and liquid waste</li> </ul>	<ul style="list-style-type: none"> <li>Waste sent to scrap yard to be segregated for the different types, if mixed with other waste (E- Waste/ Hazardous Waste/ Solid Waste etc.)</li> <li>Acomposting pit for the solid waste is managed at IFPL</li> <li>minimising damages to cases by testing bags by falling from height tests</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>To explore use of rejects after sorting/spillages as animal feed</li> </ul>
Plastic and paper waste generated from :- <ul style="list-style-type: none"> <li>Use of cling wraps on pallets</li> <li>Storage of frozen items</li> <li>Dryer and milling division</li> </ul>		<ul style="list-style-type: none"> <li>Establishing monitoring mechanisms for ensuring labeling and packagingis carried out as per requirements thus preventing over use.</li> <li>Utilizing cling wrap on pallets stored from third tier onwards in freezer, minimising excessuse &amp; wastages.</li> <li>Segregation of waste into different coloured bins</li> <li>Disposing waste through registered vendors</li> </ul>	<ul style="list-style-type: none"> <li>Undertake process trainings</li> <li>Research on optimizing use of plastic, paper and cardboard for packaging.</li> <li>Explore use of alternatives to the existing mechanisms</li> <li>Establish mechanisms for buyback of plastic bottles</li> </ul>

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
Boiler operations resulting to <ul style="list-style-type: none"> <li>Smoke due to inefficient burning/ combustion</li> <li>Generation of ash</li> </ul>	Air pollution	<ul style="list-style-type: none"> <li>Periodic stack monitoring of boiler and DG</li> <li>Feeding of briquettes during pressure drops.</li> <li>-Preventive maintenance of boiler</li> </ul>	<ul style="list-style-type: none"> <li>'Assess non- compliance to regulatory requirements.</li> <li>Explore utilization of briquettes of smaller dimensions.</li> <li>Explore installation of wet scrubbers/adequate pollution control devices</li> <li>Explore installation of auto water sprinklers on ash collecting point in the upcoming year</li> <li>Provide training on boiler operations and prevention of losses</li> </ul>

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
Generation of hazardous or toxic waste (e.g. waste chemicals, used/ waste oil/sludge from wastewater treatment plants based on chemical treatment, etc.)		<ul style="list-style-type: none"> <li>Preventive maintenance schedules ensure minimal waste is generated.</li> <li>Segregated storage of waste</li> <li>Disposal of waste to authorized waste handler which discloses nature of treatment</li> </ul>	

### 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.

### FCL Strategy towards Sustainable Packaging Reduce

FCL is reducing weight of multilayer flexible plastic by 5% (Approx. 20 MT \*) and aiming to reduce Rigid plastic weight by 4% (Approx. 40 MT \*) every year for next 3 years.

- The fiscal 2021-22 witnessed 20-25 MT \* of plastics saved through this initiative and during fiscal 2021 - 22 this initiative has saved more than 70-80 MT\* plastic by weight.

#### Replace

- MYSST Air pocket laminate development: Replaced a conventional PET/PE structure, the outer sachet comprises a polyolefin based PP/PE for easy recyclability with same polymer-family materials. EVOH based PE helps in balancing fragrance barrier with permeability while meeting prescribed limits for recyclability. Pack got the World Star Packaging Star award.

#### Developing Easily Recyclable Plastic

- Edible Oil Laminate replaced with same family polymer structure for nearly 100MT Qty.
- Staples packaging under Golden Harvest using same polymer family through phased implementation in next one year.
- Use of flexo printing technology for laminates to facilitate non toluene environmental friendly / consumer safe inks.

The Company continues to encourage recycling of packaging materials amongst its customers through its partnership with CPCB authorized PRO across Pan India through Extended Producer's Responsibility programme in post-consumer management and use as a part of their commitments to comply with Plastic Waste Management Rules, 2016.

#### Going forward

- FCL has plan to move towards reducing the paper consumption by taking initiative of using Finish goods corrugated box in supplying packaging material, converting 5 ply to 3 ply layer corrugated box by optimizing the specification.
- Staples, Spice packaging under Golden Harvest brands by down gauging LDPE by 4% -5% to reduce the plastic weight.

#### Recycle

- FCL has plans to use recycle grade of plastic by 8% in Home care packaging by year 2021-22. This will help to minimized plastic consumption in FCL overall usage.
- Use of Mono layer Film in Care Mate Tissue products with aim to move towards the easy recycling process and use of flexo printing technology to facilitate non toluene environmental friendly / consumer safe inks.

#### Reuse

- The Company intends to work towards introduction of higher recycler content based rigid packaging as a pilot project.

#### 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 its Extended Producer Responsibility ("EPR") 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.

#### 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 in the past collaborated with Sone Ki Chidiya Foundation for support in addressing fluoride contamination in groundwater in Kempanedodderi village at Tumkur, one of our immediate communities at India Food Park. 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.

At India Food Park well defined CSR programme is in place and activities are undertaken with help of in-house team and support from FG foundation.

At IFPL, team distributed 400 MT of in-house developed compost to local farmers, distributed books, bags and stationary to government schools at adopted villages.

#### 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 behavior and pending as on end of the reporting year.

#### Product Labelling

The Company products broadly 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.

We have guideline in place for product labelling and selling practices, we follow an approval process starting from product finalization from the leadership team to cylinder making/printing etc. Our process is integrated with SAP and a portal (Manage Art Works) which helps easy, quick decision makings, better inventory control, access control & approval for work flow management, flashing dashboards for ease of monitoring and review.

#### 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.

We have customer complaint monitoring & redressal mechanism in place and the same is followed for addressing and providing relevant feedback.

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 the financial year under review.

## 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 primarily driven by the interest of stakeholders and business needs of the organization. The Company believes in adopting best governance 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 follows good governance practices which is the key to long-term value creation and to achieve business excellence.

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.

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

### 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. The Board comprises of more than fifty percent Non-Executive Directors, one-third Independent Directors and two women Directors.

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 31<sup>st</sup> March, 2022, 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.

Mr. Adhiraj Harish resigned as an Independent Director with effect from 3<sup>rd</sup> May, 2022, due to significant increase in his professional commitments over last few months and he has been spending much more time discharging his professional obligations. Consequent to the same, Mr. Adhiraj Harish has also ceased to be member of Audit Committee, Nomination and Remuneration/ Compensation Committee, Stakeholders Relationship and Share Transfer Committee and Risk Management Committee. Further, Mr. Adhiraj Harish had confirmed that there is no other material reason other than what is stated in his resignation letter.

The Board on the recommendation of the Nomination and Remuneration / Compensation Committee had appointed Mr. Amit Kumar Agrawal as an Additional Director and Executive Director of the Company with effect from 25<sup>th</sup> April, 2022. In terms of provisions of Section 161 of the Act, Mr. Amit Kumar Agrawal shall hold office as such upto the date of forthcoming Annual General Meeting. In terms of the provisions of Regulation 17(1C) of SEBI Listing Regulations, the Company is required to obtain approval of Shareholders for appointment of a person on the Board of Director at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, Company is in the process of seeking approval of the Shareholders for appointment of Mr. Amit Kumar Agrawal as an Executive Director through postal ballot process.

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

During the financial year 2021-22, Seven meetings of the Board of Directors were held on the following dates:

29<sup>th</sup> April, 2021, 26<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021, 2<sup>nd</sup> February, 2022, 10<sup>th</sup> February, 2022 and 10<sup>th</sup> March, 2022.

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

The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' value are met.

Video-conferencing facility is made available at the Board / Committee Meetings in case any Director is unable to attend

but wishes to participate in the meetings through video conferencing. Further, during the financial year under review, due to the COVID -19 pandemic, meetings of the Board and its Committees, as well as the Annual General Meeting were held through two-way

Video Conferencing facility as per the provisions of the Act as well as various circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"). The proceedings of all meetings were seamless. The necessary quorum was present for all the meetings.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31<sup>st</sup> March, 2022 and their attendance at the meetings (including meetings attended through electronic mode) during the financial year 2021-22 are as follows:

Name of the Director	Category	No. of Board Meetings held during the financial year 2021-22	No. of Board Meetings attended by the Director during the financial year 2021-22	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee positions held including the Company*		Directorships in other listed company
						Chairman of the Committee	Member	
Mr. G. N. Bajpai	Chairman, Independent Director & Non-Executive Director	7	7	Yes	3	1	4	None
Mr. Kishore Biyani	Promoter, Vice-Chairman & Non-Executive Director	7	5	Yes	6	1	3	<ul style="list-style-type: none"> <li>Future Retail Limited (Executive Director, Chairman)</li> <li>Future Lifestyle Fashions Limited (Non-Independent and Non-Executive Director)</li> <li>Future Enterprises Limited (Non-Independent and Non-Executive Director)</li> </ul>
Mr. Frederic de Mevius	Non-Executive Director	7	6	No	0	0	0	None
Mr. K K Rathi	Non-Executive Director	7	7	No	1	1	3	<ul style="list-style-type: none"> <li>AU Small Finance Bank Limited (Independent and Non-Executive Director)</li> </ul>
Ms. Ashni Biyani <sup>A</sup>	Managing Director	7	7	Yes	1	0	1	None
Mr. Adhiraj Harish <sup>S</sup>	Independent Director & Non-Executive Director	7	6	Yes	2	0	4	<ul style="list-style-type: none"> <li>Advani Hotels and Resorts (India) Limited (Independent and Non-Executive Director)</li> </ul>
Mr. Deepak Malik	Non-Executive Director & Nominee Director	7	4	No	1	0	0	None
Mr. Harminder Sahni	Independent Director & Non-Executive Director	7	7	Yes	1	1	3	<ul style="list-style-type: none"> <li>Praxis Home Retail Limited (Independent and Non-Executive Director)</li> </ul>
Ms. Neelam Chhiber	Independent Director & Non-Executive Director	7	7	Yes	3	0	0	<ul style="list-style-type: none"> <li>Prestige Estates Projects Limited (Independent and Non-Executive Director)</li> </ul>
Mr. Jude Savio Linhares <sup>S</sup>	Executive Director	7	6	Yes	1	0	0	None

# 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.

<sup>A</sup> ceased to be the Managing Director with effect from 12<sup>th</sup> May, 2022 and she continues to serve as Non-Executive Director on the Board of the Company

<sup>S</sup> ceased to be Director with effect from 3<sup>rd</sup> May, 2022

<sup>S</sup> appointed as an Executive Director with effect from 29<sup>th</sup> April, 2021 and ceased to be an Executive Director with effect from 15<sup>th</sup> April, 2022



## 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 2021-22, a separate meeting of the Independent Directors of the Company was held on 2<sup>nd</sup> February, 2022, without the presence of Executive Directors.

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

The Board is of the opinion that the Independent Directors of the Company fulfill the conditions specified in SEBI Listing Regulations and are independent of the management.

## 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. The skills, competence and core expertise of the Directors as on 31<sup>st</sup> March, 2022 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. Harminder Sahni	✓	✓	–	✓	✓	✓
Ms. Neelam Chhiber	-	-	✓	✓	✓	✓
Mr. Jude Linhares*	✓	✓	✓	✓	✓	✓

\*appointed as an Executive Director with effect from 29<sup>th</sup> April, 2021.

## 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 2021-22 and attendance thereof is provided below;

## AUDIT COMMITTEE

The Audit Committee acts as a link between the statutory and internal auditors and the Board. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Audit Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and SEBI Listing Regulations.

The Audit Committee also reviews the report on compliance under the Code of Conduct framed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

### Terms of Reference

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

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



- m. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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

#### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2022, the composition of the Audit Committee has been as under:

- a) Mr. G. N. Bajpai
- b) Mr. Harminder Sahni
- c) Mr. K K Rath
- d) Mr. Adhiraj Harish

During the financial year 2021-22, six meetings of Audit Committee were held on the following dates:

29<sup>th</sup> April, 2021, 26<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November 2021, 2<sup>nd</sup> February, 2022 and 10<sup>th</sup> February, 2022

Attendance of the Directors at the Audit Committee Meetings held during the financial year 2021-22 is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	Independent & Non-Executive Director	6
Mr. K K Rath	Member	Non-Executive Director	5
Mr. Adhiraj Harish	Member	Independent & Non-Executive Director	5
Mr. Harminder Sahni	Member	Independent & Non-Executive Director	6

Mr. G. N. Bajpai Chairman of the Audit Committee was present at the last Annual General Meeting held on 29<sup>th</sup> September, 2021.

#### NOMINATION AND REMUNERATION/COMPENSATION COMMITTEE

The Nomination and Remuneration/Compensation Committee has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The Chairman of Nomination and Remuneration/Compensation Committee is an Independent Director.

#### 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.

- o. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates

#### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2022, the composition of Nomination and Remuneration /Compensation Committee has been as under:

- Mr. Adhiraj Harish
- Mr. G. N. Bajpai
- Mr. Kishore Biyani

During the financial year 2021-22, four meetings of Nomination and Remuneration/Compensation Committee were held on the following dates:

29<sup>th</sup> April, 2021, 26<sup>th</sup> June, 2021, 2<sup>nd</sup> February, 2022 and 10<sup>th</sup> February, 2022.

Attendance of the Directors at the Nomination and Remuneration/ Compensation Committee meetings held during the financial year 2021-22 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	1
Mr. Deepak Malik*	Member	Non-Executive Director & Nominee Director	2

\*ceased to be member of Nomination and Remuneration/Compensation Committee with effect from 12<sup>th</sup> November, 2021. Mr. Deepak Malik acts as an invitee for Nomination and Remuneration/ Compensation Committee

Mr. Adhiraj Harish, Chairman of the Nomination and Remuneration/Compensation Committee was present at the last Annual General Meeting held on 29<sup>th</sup> September, 2021.

#### 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 performance evaluation of Independent Directors was based on various criteria, *inter-alia*, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry in which the Company operates.

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 uploaded on website of the Company <https://futureconsumer.in/investors.aspx#policies-code>

Details of remuneration paid to the Directors during the Financial Year 2021-22:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options outstanding as on 31 <sup>st</sup> March, 2022
Mr. Kishore Biyani	3,25,000	Nil	3,25,000	Nil
Mr. G. N. Bajpai	6,25,000	Nil	6,25,000	Nil
Mr. Frederic de Mevius	3,00,000	Nil	3,00,000	Nil
Ms. Ashni Biyani	Nil	2,10,67,524	2,10,67,524	Nil
Mr. K K Rathi	5,25,000	Nil	5,25,000	Nil
Mr. Adhiraj Harish	6,00,000	Nil	6,00,000	Nil
Mr. Deepak Malik	Nil	Nil	Nil	Nil
Mr. Narendra Baheti <sup>#</sup>	Nil	26,45,000	26,45,000	-
Mr. Harminder Sahni	5,50,000	Nil	5,50,000	Nil
Ms. Neelam Chhiber	3,75,000	Nil	3,75,000	Nil
Mr. Jude Linhares <sup>##</sup>	Nil	3,54,20,807	3,54,20,807	14,00,000

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

<sup>#</sup> Ceased to be Director with effect from 29<sup>th</sup> April, 2021.

<sup>##</sup> appointed as an Executive Director with effect from 29<sup>th</sup> April, 2021

\$ ESOP amount has not been considered in remuneration of Mr. Jude Linhares

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. Jude Linhares, 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 2021-22. 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 31 <sup>st</sup> March, 2022 (Own or held by / for other persons on a beneficial basis)
1	Mr. G. N. Bajpai	2,50,000 equity shares
2	Ms. Neelam Chhiber	18,000 equity shares

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

### STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

The Stakeholders' Relationship and Share Transfer Committee has been constituted in accordance with the provisions of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship and Share Transfer Committee oversees redressal of shareholder and investor grievances and *inter-alia*, approves matters relating to transmission of shares, sub-division / consolidation / renewal of share certificates, issue of duplicate share certificates etc and other matters as may be required from time to time.

#### Terms of Reference

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

- To approve Transfer / Transmission / Dematerialisation of Equity Shares of the Company;
- To approve issue of Duplicate/Consolidated/Split Share Certificate(s);
- To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the Share Certificate(s), affixing Common Seal of the Company

on Share Certificate(s) as per Article of Association of the Company etc;

- To do all acts, deeds and things as may be required for admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL];
- To decide and approve matters relating to Equity Shares and /or any other securities issued by the Company and any other matters as may be specifically authorized by the Board of Directors;
- To oversee and resolve grievances of shareholders and other security holders of the Company;
- To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies Act, 2013 and rules made there under.
- 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.
- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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 31<sup>st</sup> March, 2022, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

- Mr. Kishore Biyani
- Mr. Adhiraj Harish
- Ms. Ashni Biyani

During the financial year 2021-22, one meeting of Stakeholders' Relationship and Share Transfer Committee was held on 3<sup>rd</sup> February 2022.

Attendance of the Directors at the Stakeholders' Relationship and Share Transfer Committee Meetings held during the financial year 2021-22 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

Mr. Kishore Biyani, Chairman of the Stakeholders' Relationship and Share Transfer Committee was present at the last Annual General Meeting held on 29<sup>th</sup> September, 2021.

During the year under review, Nil 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.
  - ix) Framework for identification of internal and external risks, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk
  - x) Measures for risk mitigation,
  - xi) Business continuity plan.
- 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.
  - l. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks;
  - m. Monitor and oversee implementation of the risk management policy;
  - n. Periodically review the risk management policy, at least once in two years;
  - o. Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- p. Review and recommend appointment, removal and terms of remuneration of the Chief Risk Officer;
- q. To seek information from any employee;
- r. Obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- s. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

#### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2022, the composition of Risk Management Committee has been as under:

- a) Mr. K K Rath
- b) Ms. Ashni Biyani
- c) Mr. Adhiraj Harish

During the financial year 2021-22, two meetings of the Risk Management Committee were held on following dates:

6<sup>th</sup> July, 2021 and 12<sup>th</sup> November, 2021.

Attendance of the Directors/Members at the Risk Management Committee meetings held during the financial year 2021-22 is as under:

Name of Directors / Members	Designation	Category	No. of Meeting(s) Attended
Mr. K K Rath	Chairman	Non-Executive Director	2
Ms. Ashni Biyani	Member	Managing Director	1
Mr. Adhiraj Harish <sup>#</sup>	Member	Independent & Non-Executive Director	1
Mr. Sailesh Kedawat <sup>*</sup>	Member	Chief Financial Officer	2

<sup>#</sup>appointed as a Member with effect from 26<sup>th</sup> June, 2021

<sup>\*</sup>Ceased to be member of Risk Management Committee with effect from 14<sup>th</sup> February, 2022.

## 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 31<sup>st</sup> March, 2022, 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 2021-22, one meeting of the Corporate Social Responsibility Committee was held on 12<sup>th</sup> November, 2021.

Attendance of the Directors at the Corporate Social Responsibility Committee meetings held during the financial year 2021-22 is as under:

Name of Directors / Members	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 31<sup>st</sup> March, 2022, 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 2021-22, no meetings of the Committee of Directors were held. However, various matter(s) have been approved by the Committee of Directors by way of resolution passed through circulation during the financial year 2021-22.

During the financial year 2021-22, 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
2018-19	Tuesday, 30 <sup>th</sup> July, 2019 at 9.30 a.m.	Rangswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Opp. Mantralaya, Mumbai – 400 021
2019-20	Tuesday, 29 <sup>th</sup> December, 2020 at 2.00 p.m.	Meeting conducted through VC / OAVM
2020-21	Wednesday, 29 <sup>th</sup> September, 2021 at 11.00 a.m.	Meeting conducted through VC / OAVM

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

AGM	AGM Date	Special Resolutions passed
23 <sup>rd</sup>	30 <sup>th</sup> 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.
24 <sup>th</sup>	29 <sup>th</sup> December, 2020	No Special Resolutions were passed at the 24 <sup>th</sup> Annual General Meeting of the Company.
25 <sup>th</sup>	29 <sup>th</sup> September, 2021	a) Appointment of Mr. Jude Linhares (DIN: 08314396) as an Executive Director of the Company. b) Payment of Remuneration to Mr. Jude Linhares (DIN:08314396) Executive Director of the Company. c) Re-appointment of Ashni Biyani. (DIN:00058775) as Managing Director of the Company. d) Payment of Remuneration to Ms. Ashni Biyani (DIN:00058775) as Managing Director of the Company. e) Re-appointment of Mr. Adhiraj Harish (DIN:03380459) as an Independent Director of the Company.

## POSTAL BALLOT

Special Resolution(s) passed through Postal Ballot:

During the financial year 2021-22, 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 26<sup>th</sup> Annual General Meeting.

## 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 in 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.

During the financial year ended 31<sup>st</sup> March, 2022, 1 (one) complaint was received by the Company under the Policy.

### 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>

During the financial year 2021-22, there were no materially significant related party transactions that may have potential conflict with the interest of Company at large.

### 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

1. 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.

2. Exposure of the Company to commodity and commodity risks faced by the Company throughout the year under review:

- a. Total exposure of the Company to commodities in INR: 52,193 lakhs (excluding packing materials)

- b. Exposure of the Company to various commodities

Commodity Name	Exposures in INR towards the commodity- Lakhs	Exposures in Quantity terms towards the commodity (MT)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pulses	13,268	15,136	-	-	-	-	-
Dry Fruits	14,802	3,948	-	-	-	-	-
Rice	8,924	15,414	-	-	-	-	-
Spices	5,023	4,383	-	-	-	-	-
Sweeteners*	1,099	2,363	-	-	-	-	-
Oil & Oil Seeds	2,551	914	-	-	-	-	-
Wheat	922	3,981	-	-	-	-	-
<b>Total</b>	<b>46,589</b>	<b>46,139</b>	-	-	-	-	-

\*Sweeteners includes Jaggery, Sugar etc.

- c. Commodity risks faced by the Company 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 31<sup>st</sup> March, 2022 are disclosed in Note No. 34.5 under notes to the Standalone Financial Statements.

#### Note:

- (i) The disclosure pertaining to exposure & commodity risks may apply only for those commodities where the exposure of the listed entity in the particular commodity is material.

(Materiality in such cases shall be according to the materiality policy approved by the Board of Directors of the listed entity in this context)

- (ii) If the listed entity has exposure in non-rupee terms, the Indian rupee equivalent after conversion shall be used for the aforesaid disclosures.
- (iii) The term 'exposure' shall mean gross exposure of the listed entity including exposure both on the asset and liability side.
- (iv) Where exact figures are not determinable, ballpark (estimated) figures may be provided.



**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	90.70
The Nilgiri Dairy Farm Private Limited	Subsidiary	S R Batliboi and Associates LLP	34.12
FCL Tradevest Private Limited	Subsidiary	S R B C & CO LLP	9.57

## CONFIRMATION AND AFFIRMATIONS

**Details of utilization of funds raised through preferential allotment or qualified institutions placement during the financial year 2021-22.**

During the financial year 2021-22, the Company has not raised any funds through preferential allotment of securities or qualified institutions placement.

**Disclosure of Loans and advances (in the nature of loans) to firms/companies in which directors are interested by name and amount.**

During the financial year 2021-22, the Company has not provided loans and advances (being in the nature of loans) to firms / companies in which any of the Directors of the Company are interested.

**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 Practising 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](http://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 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](http://www.futureconsumer.in)

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2021-22. 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](http://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](http://www.futureconsumer.in), from time to time.

## General Shareholder Information

### Annual General Meeting

Date and Time	29 <sup>th</sup> September, 2022, 11:00 a.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, 2022
Second Quarter Results	By second week of November, 2022
Third Quarter Results	By second week of February, 2023
Fourth Quarter / Annual Results	By end of May, 2023
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 : INE220J01025

Identification Number ("ISIN")

## Listing Fees

Listing fees for both the Stock Exchange(s) for the year 2021-22 has been paid.

## Debentures

The Company had issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures ("NCDs") in the form of Separately Transferable Redeemable Principal Parts ("STRPP"), having face value of ₹ 1,00,000/- each on 5<sup>th</sup> September, 2017. The NCDs were listed on WDM of BSE Limited. 1500 NCDs were redeemed during the FY 2018-19 and 1500 NCDs were redeemed during the FY 2019-20. The balance 2000 NCDs were redeemed during the FY 2021-22. The details of 2000 NCDs redeemed are as under:

Description of NCDs	Date of Redemption
2000 Series III NCDs STRPP 3	29 <sup>th</sup> June, 2021

The Company had also issued 1,500 Senior, Redeemable, Secured, Non-Convertible Debentures ("NCDs 1") having face value of ₹ 10,00,000/- each and 500 Senior, Redeemable, Secured, Non-Convertible Debentures ("NCDs 2") having face value of ₹ 10,00,000/- each on 15<sup>th</sup> February, 2018 and 12<sup>th</sup> October, 2018 respectively. NCDs 1 and NCDs 2 are redeemable in seventeen installments within seven years from the first date of allotment i.e. 15<sup>th</sup> February, 2018.

Security Code and ISIN for outstanding NCDs 1 and NCDs 2:

NCDs		Security Code	ISIN
NCDs 1	1500 NCDs	Unlisted	INE220J07121
NCDs 2	500 NCDs	Unlisted	INE220J07139

## Debenture Trustee(s)

For NCDs 1 and NCDs 2

## Catalyst Trusteeship Limited

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

## CREDIT RATING

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

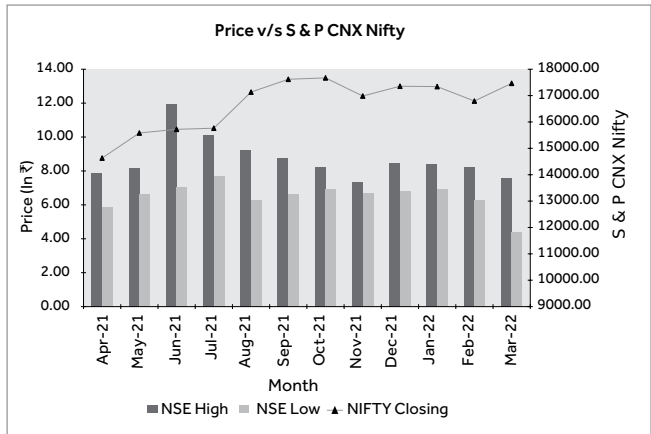
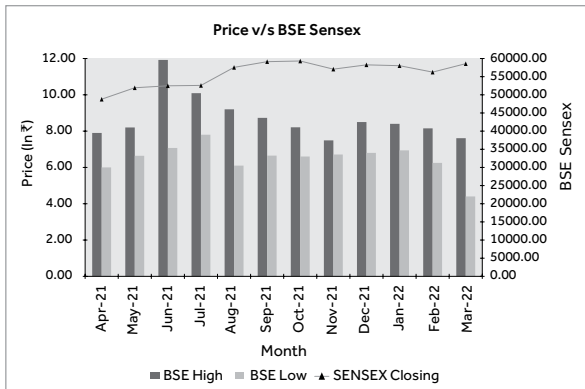
Facilities / Instrument	Name of the Agency	Amount (₹ In Crore)	Rating
Long-term Bank Facilities	CARE	71.14	CARE D (Single D)
Long-term Bank Facilities	CARE	31.06	CARE D (Single D)
Long/ Short-term Bank Facilities	CARE	305.75	CARE D (Single D)
Short-term Bank Facilities	CARE	1.70	CARE D (Single D)

During the year under review, CARE has withdrawn credit rating assigned to Non Convertible Debentures ("NCDs"). since, the NCDs have been redeemed and there is no outstanding towards the same.

### Market Price Data during Financial Year 2021-22:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2021	7.90	6.00	7.90	5.85
May, 2021	8.20	6.64	8.15	6.65
June, 2021	11.92	7.07	11.95	7.05
July, 2021	10.09	7.80	10.10	7.70
August, 2021	9.20	6.10	9.20	6.25
September, 2021	8.73	6.65	8.75	6.65
October, 2021	8.21	6.60	8.20	6.90
November, 2021	7.49	6.71	7.35	6.70
December, 2021	8.50	6.80	8.45	6.80
January, 2022	8.40	6.94	8.40	6.95
February, 2022	8.15	6.25	8.20	6.25
March, 2022	7.61	4.40	7.60	4.40

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



### Distribution of Shareholding as on 31<sup>st</sup> March, 2022

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 – 500	228089	60.4570	37063917	1.8559
501 – 1000	54859	14.5409	46594449	2.3332
1001 – 2000	37533	9.9484	58954536	2.9521
2001 – 3000	15695	4.1601	40801214	2.0431
3001 – 4000	7983	2.1160	28977865	1.4510
4001 – 5000	7969	2.1123	38019113	1.9038
5001 – 10000	13106	3.4739	99617147	4.9883
10001 and above	12041	3.1916	1647006402	82.4726
<b>Total</b>	<b>377275</b>	<b>100.00</b>	<b>1997034643</b>	<b>100.00</b>

### Categories of Shareholding as on 31<sup>st</sup> March, 2022

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies	16,75,55,482	8.39
Clearing Members	2,86,60,031	1.44
Indian Companies	50,50,10,527	25.29
Foreign Company	25,41,03,116	12.72
Hindu Undivided Family	1,70,35,353	0.85
Mutual Funds	0	0
Non Nationalised Banks	2,47,00,266	1.24
Non Residents Indians	1,51,99,322	0.76
Non Residents Indians (Non Repatriable)	48,36,717	0.24
Office Bearers	9,61,321	0.05
Indian Public	75,61,91,154	37.87
Trusts	500	0.00
Directors/Relatives of Directors	5,12,950	0.03
Foreign Portfolio Investors (Corporate)	20,70,59,139	10.37
Employee Benefit Trust - under SEBI (Share Based Employee Benefits) Regulations, 2014	1,34,52,793	0.67

Category	No. of Shares	Shareholding %
Insurance Companies	5,10,000	0.03
NBFCs registered with RBI	1	0
Body Corporate - Limited Liability Partnership	12,45,971	0.06
<b>Total</b>	<b>1,99,70,34,642</b>	<b>100.00</b>

#### Registrar and Share Transfer Agents

##### LINK INTIME INDIA PRIVATE LIMITED

C 101, Embassy 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](mailto: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.

#### Compliance of Share Transfer formalities

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to a Stakeholders' Relationship and Share Transfer Committee. 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 31<sup>st</sup> March, 2022, a total of 1,99,68,83,673 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 1<sup>st</sup> April, 2019. Members are therefore requested to dematerialize their physical share certificates as soon as possible in order to avoid inconvenience in future.

#### Norms for furnishing of PAN, KYC, Bank details and Nomination

SEBI has vide its circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3<sup>rd</sup> November, 2021 mandated the listed companies to have PAN, KYC, bank details and nomination of all shareholders holding shares in physical form. Folios wherein any one of the aforesaid details / documents are not available, on or after 1<sup>st</sup> April, 2023, shall be frozen in compliance with the said

circular issued by SEBI. The investor service requests forms for updating of PAN, KYC, Bank details and nomination are available on the website of RTA - [www.linktime.co.in](http://www.linktime.co.in) and are also available on Company's website - [www.futureconsumer.in](http://www.futureconsumer.in). In view of the same, we urge the shareholders to submit the required Investor Service Request form along with the supporting documents at the earliest.

The RTA has also sent a communication(s) to the Shareholders of the Company holding shares in physical form in relation to the aforesaid requirements and for updating requisite details.

In respect of shareholders who hold shares in the dematerialized form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their respective Depository Participants.

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 31<sup>st</sup> March, 2022, the Company does not have any outstanding GDRs /ADRs/Warrants or Convertible Securities.

#### Plant Location:

- 1) India Food Park, Vasanthanarasapur Industrial Area, Phase - 3, Kora - Hobli Dist - Tumkur, Karnataka - 572 138
- 2) Plot no. 1280, Sector -38, Ph-I, HSIIDC, Industrial Estate Rai, Haryana
- 3) Block E, 354/1,354/2, Patwari Halka No. 25, New 52, Gram Badiakeema, Nemawar Road, Indore, Madhya Pradesh, PIN-452016

#### Address for Correspondence:

##### Registrar and Share Transfer Agents

Link Intime India Private Limited  
C 101, Embassy 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](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.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 4055 2200 Fax: + 91 22 4055 2201  
Website: [www.futureconsumer.in](http://www.futureconsumer.in)

**Designated Email ID:** [investor.care@futureconsumer.in](mailto: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, save and except compliance with regards to provisions of Regulation 24(1) of the SEBI Listing Regulations in respect of appointment of atleast one independent director of the Company on the Board of Directors of an unlisted material subsidiary of the Company.

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

For the financial year ended 31<sup>st</sup> March, 2022, the statutory auditors have issued their report with modified opinion. As

required under Regulation 34(2) of SEBI Listing Regulations, 2015, a statement containing the details of qualification, explanation by the Board and impact of the qualifications is provided under Note No. 51 to Standalone and Consolidated Financial Statements of the Company respectively, forming part of this Annual Report.

### 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, Samson Samuel, Chief Executive Officer of Future Consumer Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the financial year ended 31<sup>st</sup> March, 2022.

For Future Consumer Limited

Place: Mumbai  
Date: 27<sup>th</sup> May, 2022

Samson Samuel  
Chief Executive Officer

## **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

To,

**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](http://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 31<sup>st</sup> March, 2022 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.

**For SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)

**Practicing Company secretary**

Proprietor

Membership No. 2655

C P No.: 1798

Place: Mumbai

Date: 27<sup>th</sup> May, 2022

UDIN: F002655D000402582



## **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) and (t) 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, 2022 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 ICAI.
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 March 31, 2022 and verified that at least 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 01, 2021 to March 31, 2022:
    - (a) Board of Directors;
    - (b) Independent Directors;
    - (c) Audit Committee;
    - (d) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
    - (e) Nomination and Remuneration Committee;
    - (f) Stakeholders Relationship Committee;
    - (g) Risk Management Committee;
    - (h) 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.

#### **Basis for Qualified Opinion**

9. As described in "Compliance with Mandatory and Non-Mandatory requirements of the SEBI Listing Regulations" para of the Corporate Governance report, the Company has not complied with the provisions of regulation 24(1) of the Listing Regulations in respect of appointment of at least one independent director of the Company on the board of directors of an unlisted material subsidiary of the Company.

#### **Qualified Opinion**

10. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, except for the matter stated in paragraph 9 above, 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, 2022, referred to in paragraph 4 above.

#### **Other matters and Restriction on Use**

11. 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.
12. 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 : 22105497AJTVSD6385  
Place : Mumbai  
Date : May 27, 2022

# STANDALONE FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of Future Consumer Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, 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 standalone 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, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone 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, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

As described in Note 51 to the financial statements, due to non-availability of financial informations and ongoing dispute with the JV partner, the Company is unable to determine the fair value of Company's investments in Aussee Oats Milling Private Limited (joint venture) and Aussee Oats India Private Limited (step down joint venture) as at March 31, 2022. In absence of sufficient and appropriate evidence, we are unable to comment on the carrying value of above investments (including investments, loans and other assets) amounting to ₹ 9,311.50 Lakhs and the consequent impact thereof.

We conducted our audit of the standalone 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 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 qualified audit opinion on the standalone financial statements.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 48 in the standalone financial statements which indicates the existence of material uncertainty on the Company's ability to meet its debt obligations. The appropriateness of going concern assumption is dependent upon Company's ability to arrange sufficient liquidity by monetization of its assets, increase in operations and other strategic initiatives to meet its obligations. 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 financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section and in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Impairment of Investments</b> (as described in Note 5 and 43 of the standalone financial statements)	
<p>During the year, impairment indicators were identified by the management on certain investments wherein net worth of the investee company is negative or the carrying value of the investments 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.</p> <p>For the purpose of the above impairment assessment, recoverable value has been determined by forecasting and discounting future cash flows or by using revenue multiple of comparable companies to future sales, as appropriate to the respective investment. Furthermore, the recoverable value is highly sensitive to changes in some of the inputs used for forecasting the future cash flows/enterprise value.</p> <p>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.</p> <p>Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to impairment assessment processes;</li> <li>• We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of Company's internal and external specialists involved in the process;</li> <li>• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 19 pandemic and its effect on business and terminal growth rates used;</li> <li>• 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;</li> <li>• We involved our experts to assess the Company's valuation methodology and assumptions around the key drivers of the cash flow forecasts used in determining the recoverable amount;</li> <li>• We assessed the adequacy of disclosures made in the standalone financial statements as per Ind AS 36.</li> </ul>

<b>Related Party Transactions</b> (Refer Note 36 of the standalone financial statements)	
<p>The Company has significant transactions with Related Parties which includes sale of products, services, rent, loans and advances given and interest income.</p> <p>One of the Company's top customer which is a related party contributes about 25% of the total revenue of the Company. Also, proportion of loans to related parties is 100% of the total loans of the Company.</p> <p>Considering the high volume of transactions with related parties, judgement involved in determination of arm's length price, related party transaction has been considered as a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls in relation to 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;</li> <li>• We read contracts and agreements with related parties to understand the nature of the transactions;</li> <li>• We read the related party transaction report as prepared by third party consultant to assess whether the transactions are at arm's length;</li> <li>• We read the inputs used in the related party transaction report as prepared by third party consultant and also read the evaluation performed in determining arm's length price of related party transactions;</li> <li>• We assessed the objectivity and competence of the Company's external specialists involved;</li> <li>• We assessed the adequacy of disclosures made in the standalone financial statements as per Ind AS 24.</li> </ul>
<b>Impairment assessment of Goodwill</b> (as described in Note 44 of the standalone financial statements)	
<p>The Company is required to, at least annually, perform impairment assessments of goodwill recognized in books.</p> <p>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 for determination of future cash flows involved significant estimates and judgments including estimates for revenue growth rates, gross profit margin, net profit margin and terminal growth rate 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.</p> <p>The current economic climate also increases the complexity of forecasting.</p> <p>Accordingly, the impairment test of goodwill is considered to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to impairment review processes;</li> <li>• We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of Company's internal specialists involved in the process;</li> <li>• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 19 pandemic and its effect on business and terminal growth rates used;</li> <li>• We discussed with the management changes in key drivers as compared to the previous year to evaluate the reasonableness of the inputs and assumptions used in the cash flow forecasts;</li> <li>• We assessed the adequacy of disclosures made in the standalone financial statements as per Ind AS 36.</li> </ul>
<b>Carrying Value of Trade and Other Receivables</b> (as described in Note 11 and Note 7 of the standalone financial statements)	

<p>As at March 31, 2022, Trade and Other Receivables constitutes approximately 13% of total assets of the Company. The Company is required to regularly assess the recoverability of its Trade and Other receivables.</p> <p>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.</p> <p>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.</p> <p>Further, certain secured creditors of one of the Company's major customers has filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against such customer. In light of the same, the Company has recorded an expected credit loss of ₹ 21,472.71 lakhs during the year ended March 31st, 2022 on the entirety of the amounts receivable from the said customer.</p> <p>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.</p> <p>Accordingly, the recoverability of Trade and Other Receivables is a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• We tested the aging of trade and other receivables and receipts subsequent to the year-end;</li> <li>• We assessed the Company's Expected Credit Loss model applied in determining the recoverable amount; For samples selected for testing, we obtained direct confirmation for the receivable balances and performed alternate procedure for confirmation not received;</li> <li>• We assessed the adequacy of Company's disclosures in relation to Trade and Other receivables included in the standalone financial statements as per Ind AS 109.</li> </ul>
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### 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 financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 the Management for the Standalone 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 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 / Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 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 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.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2022 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, 2020 ("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 except for the matter described in

the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) Except for the matter described in the Basis for Qualified Opinion paragraph, 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended / Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above and the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (i) In our opinion, the managerial remuneration for the year ended March 31, 2022 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;
- (j) 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 financial statements – Refer Note 37 to the standalone 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;
  - iv. a) The management has represented that, to the best of its knowledge and belief, other than as

- disclosed in the Note 53.1 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 53.1 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year 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: 22105497AJTDKZ3879
- Place of Signature: Mumbai  
Date: May 27, 2022

## 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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- (b) As disclosed in Note 34.9(a) to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are not in agreement with the books of account of the Company and the details are as follows:

(Rs. in Lakhs)

Quarter ended (FY 2021-22)	Value as per books of account	Value as per quarterly return/statement	Discrepancy
<b>Inventory</b>			
June 30	6,548.82	6,883.00	(334.18)
September 30	6,699.36	6,852.00	(152.64)
December 31	9,184.00	9,586.00	(402.00)
March 31	4,672.23	5,281.00	(608.77)
<b>Trade Receivables</b>			
June 30 (Gross)	67,124.75	67,875.00	(750.25)
September 30 (Net of ECL)	40,251.82	41,402.00	(1,150.18)
December 31 (Net of ECL)	33,148.68	36,601.00	(3,452.32)
March 31 (Gross)	54,308.43	56,635.00	(2,326.57)
<b>Trade Payables</b>			
June 30	12,868.02	13,184.00	(315.98)
September 30	11,547.00	11,547.00	-
December 31	13,349.55	13,556.00	(206.45)
March 31	5,309.10	5,640.00	(330.90)

- (iii) (a) During the year the Company has provided loan to company which are as follows:

Particulars	Loans (Rs in lakhs)
In Subsidiaries	
Aggregate amount granted/ provided during the year	10.00
Balance outstanding as at balance sheet date	37,148.62

- (b) During the year, the Investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.
- (c) The Company has granted loan during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated. Principal amount and interest which has fallen due during the year have been extended for a period of one year (Refer clause (iii)(e) below).
- (d) There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) During the year, the Company had extended loans given to Subsidiaries and Joint Ventures to settle the loan granted to these parties which had fallen due during the year.

The aggregate amount of such dues extended and the percentage of the aggregate to the total loans granted during the year are as follows:

Name of Parties	Aggregate amount of overdues of existing loans renewed or extended (Rs in lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Integrated Food Park Limited	15,101.92	40.65%
Aadhaar Wholesale Trading & Distribution Limited	9,024.45	24.29%
The Nilgiri Dairy Farm Private Limited	6,397.49	17.22%
Aussee Oats Milling (Private) Limited.	4,366.27	11.75%
MNS Foods Limited	747.20	2.01%
Future Food Processing Limited	592.84	1.60%
Bloom Foods and Beverages Private Limited	500.00	1.35%
Genoa Rice Mills Private Limited	200.00	0.54%
FCL Tradevest Private Limited	107.95	0.29%
Aussee Oats India Limited	65.00	0.17%
Nilgiris Franchise Limited	34.00	0.10%
FCEL Food Processors Limited	11.50	0.03%

- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/ services of the Company.
- (vii) (a) The Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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.

- (b) 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, 2022 on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (₹ In Lakhs)*	Financial year to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	16.51	2015-16	Joint Commissioner Sales Tax (Appeals)
		15.71	2016-17	
Kerala Value Added Tax Act, 2003	Value Added Tax	15.96	2016-17	Deputy Commissioner of Sales Tax (Appeals)

Uttar Pradesh Value Added Tax Rules, 2008	Value Added Tax	9.94	2015-16	Commercial Tax Tribunal, Lucknow
Gujarat Value Added Tax Act, 2003	Value Added Tax	12.13	2016-17	Deputy Commissioner of Sales Tax (Appeals)
		65.21	2016-17	

*\*Net of deposits*

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has defaulted in repayment of dues to debenture holders, a financial institution and bank (for which it has obtained reschedulement) during the year as stated below:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date (Rs in Lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Borrowings from bank	Rabo Bank	5,000.00	Both	244	Note 1
	State Bank of India	799.00	Both	90	Note 1
Debentures	CDC Emerging Markets Limited	2,666.60	Both	70	Subsequently paid in April 2022
	Debentures - CDC Emerging Markets Limited*	2,292.57	Both	79	Note 2
	Debentures - CDC Emerging Markets Limited*	2,490.13	Both	30	Subsequently paid in April 2022
	Debentures - AK Capital*	2,312.40	Both	212	Note 2

\*Includes interest

Note 1 – The Company has invoked One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines and the same has been approved by all the lenders on May 06, 2021. Accordingly, repayment of loan is extended, penal interest is waived and interest has been converted into loan (Refer Note 48.1 of financial statements).

Note 2 - The Company has entered into an agreement with debenture trustees on April 5, 2021 and May 04, 2021 by which the Company has received deferment for repayment of installments.

This matter has been disclosed in Note 48 and 48.1 to the standalone financial statements

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint ventures. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x) (a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) In our opinion, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.  
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanation given by the management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.  
(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.  
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.  
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to ₹ 3,309.36 Lakhs in the current year and amounting to ₹ 10,134.85 Lakhs in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) As referred to in 'Material uncertainty related to Going concern' paragraph in our main audit report and as disclosed in Note 48 to the financial statements, and considering the financial ratios and ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that the Company may not be capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.
- We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in Note 47 to the financial statements.  
(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 47 to the financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna

Partner

Membership No.: 105497

UDIN : 22105497AJTDKZ3879

Place: Mumbai

Date: May 27, 2022



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMITED

#### 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 with reference to financial statements of Future Consumer Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 Company's internal financial controls with reference to these financial statements.

#### Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna

Partner

Membership No.: 105497

UDIN : 22105497AJTDKZ3879

Place : Mumbai

Date : May 27, 2022

# BALANCE SHEET

as at 31st March 2022

		(₹ In lakhs)	
Particulars	Note	As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	4	12,476.70	13,674.64
(b) Capital work in progress	41	-	21.42
(c) Goodwill	4	2,951.82	2,951.82
(d) Other intangible assets	4	8,612.09	9,985.97
(e) Right-of-use assets	4	3,504.32	2,973.73
(f) Financial assets			
(i) Investments	5	19,613.90	47,111.81
(ii) Loans	6	31,645.05	41,066.45
(iii) Other financial assets	7	10,072.64	7,421.45
(g) Deferred tax assets (net)	8	-	-
(h) Other assets	9	1,190.41	1,397.47
<b>Total non-current assets</b>		<b>90,066.93</b>	<b>126,604.76</b>
<b>2 Current assets</b>			
(a) Inventories	10	4,672.23	4,427.83
(b) Financial assets			
(i) Trade receivables	11	15,573.44	58,474.22
(ii) Cash and cash equivalents	12	1,989.57	2,439.32
(iii) Bank balances other than (ii) above	12	26.44	1,049.14
(iv) Loans	6	5,503.57	-
(v) Other financial assets	7	2,275.15	266.39
(c) Other assets	9	1,271.25	1,903.50
<b>Total current assets</b>		<b>31,311.65</b>	<b>68,560.40</b>
Asset held for Sale	42	5,257.99	409.08
<b>Total assets</b>		<b>126,636.57</b>	<b>195,574.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	13	119,014.91	118,415.29
(b) Other equity	14	(77,630.63)	(23,165.23)
<b>Total equity</b>		<b>41,384.28</b>	<b>95,250.06</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	12,987.45	16,970.53
(ii) Lease Liabilities	32	3,726.69	3,090.02
(iii) Other financial liabilities	16	1,034.00	927.04
(b) Provisions	17	286.72	368.68
<b>Total non-current liabilities</b>		<b>18,034.86</b>	<b>21,356.27</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	38,239.40	39,185.44
(ii) Lease Liabilities	32	557.20	768.55
(iii) Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		409.52	2,182.67
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		7,905.55	14,329.14
(iv) Other financial liabilities	20	1,408.77	2,058.20
(b) Provisions	17	568.94	756.89
(c) Other current liabilities	21	18,128.05	19,687.02
<b>Total current liabilities</b>		<b>67,217.43</b>	<b>78,967.91</b>
<b>Total equity and liabilities</b>		<b>126,636.57</b>	<b>195,574.24</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1- 54		

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  
  
Manoj Gagvani  
Company Secretary & Head - Legal  
  
Amit Agrarwal  
Executive Director  
  
Rajendra Bajaj  
Dy Chief Financial Officer

Place : Mumbai  
Date : 27 May 2022  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai  
Date : 27 May 2022

Samson Samuel  
Chief Executive Officer

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

		(₹ In lakhs)	
Particulars	Note	Year ended 31st March 2022	Year ended 31st March 2021
<b>1 REVENUE</b>			
(a) Revenue from operations	22	97,008.98	58,743.60
(b) Other income	23	5,943.19	6,177.88
<b>Total income</b>		<b>102,952.17</b>	<b>64,921.48</b>
<b>2 EXPENSES</b>			
(a) Cost of materials consumed	24	7,633.06	2,658.01
(b) Purchases of stock-in-trade (traded goods)		76,359.44	41,082.59
(c) Changes in inventories of finished goods and stock-in-trade	25	(389.79)	9,659.70
(d) Employee benefits expense	26	4,268.45	4,736.23
(e) Finance costs	27	6,134.83	7,001.98
(f) Depreciation and Amortisation expense	28	3,771.17	4,094.94
(g) Other expenses	29	32,996.66	26,170.49
<b>Total expenses</b>		<b>130,773.82</b>	<b>95,403.94</b>
<b>3 (Loss) / Profit before exceptional items and tax (1-2)</b>		<b>(27,821.65)</b>	<b>(30,482.46)</b>
<b>4 Exceptional items</b>	43	<b>(26,865.72)</b>	<b>(8,494.25)</b>
<b>5 (Loss) / Profit before tax (3+4)</b>		<b>(54,687.37)</b>	<b>(38,976.71)</b>
<b>6 Tax expense / (benefit)</b>			
(a) Current tax	8	-	-
(b) Tax relating to prior years	8	-	(139.96)
(c) Deferred tax	8	-	2,239.27
<b>Net tax expense / (benefit)</b>		<b>-</b>	<b>2,099.31</b>
<b>7 (Loss) / Profit for the period (5-6)</b>		<b>(54,687.37)</b>	<b>(41,076.02)</b>
<b>8 Other comprehensive income (OCI)</b>			
(a) (i) Items that will not be reclassified to statement of profit or loss			
Remeasurement gains on defined benefit plans		8.33	150.48
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss		-	(37.87)
(b) (i) Items that will be reclassified to statement of profit and loss			
Exchange differences in translating the financial statements of foreign operations		(1.50)	2.65
<b>Total other comprehensive income</b>		<b>6.83</b>	<b>115.26</b>
<b>9 Total comprehensive income for the year, net of tax (7+8)</b>		<b>(54,680.54)</b>	<b>(40,960.76)</b>
<b>Earnings per share after exceptional item (face value ₹ 6 each)</b>	31		
(a) Basic (₹)		(2.76)	(2.08)
(b) Diluted (₹)		(2.76)	(2.08)
<b>Earnings per share before exceptional item (face value ₹ 6 each)</b>	31		
(a) Basic (₹)		(1.41)	(1.65)
(b) Diluted (₹)		(1.41)	(1.65)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1- 54		

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  
  
Manoj Gagvani  
Company Secretary & Head - Legal

Amit Agrarwal  
Executive Director  
  
Rajendra Bajaj  
Dy Chief Financial Officer

Place : Mumbai  
Date : 27 May 2022  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai  
Date : 27 May 2022

Samson Samuel  
Chief Executive Officer

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

### (a) Equity Share Capital (Refer note 13)

		(₹ In lakhs)
Particulars	Amount	
Balance as at 31st March 2020	114,459.41	
Changes in Equity Share capital during the Year :		
Equity shares issued and allotted during the year	3,955.88	
As at 31st March 2021	118,415.29	
Changes in Equity Share capital during the Year :		
Equity shares issued and allotted during the year	599.62	
As at 31st March 2022	119,014.91	

### (b) Other Equity (Refer note 14)

												(₹ In lakhs)
Particulars	Equity Component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Other comprehensive income		Total Other Equity	
		Capital Reserve	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings		Foreign Currency Translation Reserve	Remeasurement gain on defined benefit plans		
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	
Loss for the year	-	-	-	-	-	-	(41,076.02)	-	-	-	(41,076.02)	
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	2.65	112.61	115.26	
Total comprehensive income for the year	-	-	-	-	-	-	(41,076.02)	-	2.65	112.61	(40,960.76)	
Share warrants lapsed		1,750.00						(1,750.00)			-	
Recognition of share-based payments	-	-	-	-	210.38	-	-	-	-	-	210.38	
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(0.25)	-	-	-	(0.25)	
Transfer to retained earnings on cancellation of ESOP	-	-	-	-	(920.13)	-	920.13	-	-	-	-	
Issue of Shares	(26,253.16)	-	24,017.52	-	-	-	-	-	-	-	(2,235.64)	
As at 31st March 2021	-	2,064.94	38,130.12	0.59	1,314.40	5.20	(64,773.41)	-	(2.87)	95.80	(23,165.23)	
Loss for the year	-	-	-	-	-	-	(54,687.37)	-	-	-	(54,687.37)	
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(1.50)	8.33	6.83	
Total comprehensive income for the year	-	-	-	-	-	-	(54,687.37)	-	(1.50)	8.33	(54,680.54)	

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(₹ In lakhs)											
Particulars	Equity Component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Other comprehensive income		Total Other Equity
		Capital Reserve	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings		Foreign Currency Translation Reserve	Remeasurement gain on defined benefit plans	
Recognition of share-based payments	-	-	-	-	28.94	-	-	-	-	-	28.94
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(0.40)	-	-	-	(0.40)
Transfer to retained earnings on cancellation of ESOP	-	-	-	-	(629.93)	-	629.93	-	-	-	-
Issue of shares	-	-	186.60	-	-	-	-	-	-	-	186.60
As at 31st March 2022	-	2,064.94	38,316.72	0.59	713.41	5.20	(118,831.25)	-	(4.37)	104.13	(77,630.63)

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements (Refer note 1 - 54)

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 : 27 May 2022

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

Manoj Gagvani

Company Secretary & Head - Legal

Place : Mumbai

Date : 27 May 2022

Amit Agrarwal

Executive Director

Rajendra Bajaj

Dy Chief Financial Officer

Samson Samuel

Chief Executive Officer

## STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

	(₹ in lakhs)			
Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
<b>Cash flows from operating activities</b>				
Net (loss) / profit before tax as per the Statement of Profit and Loss	(54,687.37)		(38,976.71)	
<b>Adjustments to reconcile profit before tax to net cash flows:</b>				
Exceptional items (Refer note 43)	26,865.72		8,494.25	
Finance costs (including fair value change in financial instruments)	6,134.83		7,001.98	
Finance income (including fair value change in financial instruments)	(4,766.17)		(5,310.68)	
Interest on income tax refund	(57.09)		(54.67)	
Provision no longer required written back	(123.25)		(72.08)	
Net loss / (gain) on disposal of property, plant and equipment	71.50		127.32	
Net loss/ (gain) on financial assets measured at fair value through profit or loss	(321.73)		(279.76)	
Gain on sale of investments	-		(30.00)	
Net unrealised exchange (gain)/loss	(1.50)		2.65	
Expected Credit Loss on trade and other receivables	21,662.80		16,800.67	
Amortisation of intangible assets	1,138.58		1,459.29	
Depreciation and Impairment of Property, Plant & Equipment & Right-of-Use Assets	2,632.59		2,635.65	
Share-based payment expenses	28.94		97.87	
Net gain on financial guarantees contract	(2.95)		(7.26)	
Gain on termination of Lease Assets	(325.22)	52,937.05	(406.09)	30,459.14
	<b>(1,750.32)</b>		<b>(8,517.57)</b>	
<b>Working capital adjustments:</b>				
(Increase) / Decrease in trade and other receivables	21,685.66		(6,751.06)	
(Increase) / Decrease in inventories	(244.40)		9,853.86	
(Increase) / Decrease other assets	60.28		465.82	
Increase / (Decrease) in trade payables	(8,188.39)		(8,733.51)	
Increase / (Decrease) in provisions	(261.58)		(23.22)	
Increase / (Decrease) in other liabilities	(1,446.17)	11,605.40	18,848.29	13,660.18
<b>Cash flow from operations</b>	<b>9,855.08</b>		<b>5,142.61</b>	
Income taxes (paid)/refund	841.10		31.54	
<b>Net cash flow from operating activities</b>	<b>10,696.18</b>		<b>5,174.15</b>	
<b>Cash flows from investing activities</b>				
Investment in Subsidiaries/Joint Ventures	(550.00)		(1,350.50)	
Proceeds on Sale Investment	-		30.00	
Loans given	(10.00)		(3,558.84)	
Loans refunded	1,686.94		4,769.89	
Interest received	592.80		1,201.41	
Purchase of property, plant and equipment including CWIP	(786.28)		(209.59)	
Proceeds from sale of property, plant and equipment	55.38		115.04	
Purchase of intangible assets	(3.93)		(3.00)	
<b>Net cash flow from/(used in) investing activities</b>	<b>984.91</b>		<b>994.41</b>	



# STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

	(₹ in lakhs)	
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(4,440.74)	(682.14)
Repayment of Lease Liabilities	(535.27)	(466.76)
Proceeds from short term borrowings (net)	(2,458.27)	(817.01)
Interest paid	(4,696.56)	(4,745.87)
<b>Net cash flow (used in)/from financing activities</b>	<b>(12,130.84)</b>	<b>(6,711.78)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(449.75)</b>	<b>(543.22)</b>
Cash and cash equivalents at the beginning of the year	2,439.32	2,982.54
<b>Cash and cash equivalents at the end of the year (Refer Note 12)</b>	<b>1,989.57</b>	<b>2,439.32</b>
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 - 54)		

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 : 27 May 2022  
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

Manoj Gagvani  
Company Secretary & Head - Legal

Place : Mumbai  
Date : 27 May 2022

Amit Agrarwal  
Executive Director

Rajendra Bajaj  
Dy Chief Financial Officer

Samson Samuel  
Chief Executive Officer

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 1. GENERAL INFORMATION ABOUT THE COMPANY

Future Consumer Limited (the "Company") is a Company incorporated in India on 10<sup>th</sup> 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 9<sup>th</sup> August 2007 and it became a Public Limited Company with effect from 7<sup>th</sup> September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10<sup>th</sup> May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30<sup>th</sup> September 2013 and then to "Future Consumer Limited" effective from 13<sup>th</sup> 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 21<sup>st</sup> 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.

The financial statements were approved for issue in accordance with a resolution of the Board of directors passed on 27<sup>th</sup> May, 2022.

## 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 RS., which is the functional currency and all values are rounded up to two decimal points to the nearest lakh (Rs. 00,000), except when otherwise indicated.

### 2.2 Basis of measurement

The standalone Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

### 2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

- 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

## 2.4 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 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").

## 2.5 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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, 2022. 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.

## 2.6 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 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(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.

## 2.7 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

#### 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.

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.

## 2.8 Foreign Currency Transactions and Translation

The management of the Company has determined Indian rupee ("RS.") 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")

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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.

## 2.9 Borrowing costs

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

All other borrowing costs are recognised in the statement of profit 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.

## 2.10 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.



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for the year ended 31<sup>st</sup> March 2022

## 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.

## **2.11 Earnings per share**

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

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

## **2.12 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.

## **2.13 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, 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 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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.

## 2.14 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	Hydraulic 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.

## 2.15 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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## 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.

## 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*	5 Years
Software <sup>#</sup>	3 -6 Years	Brand Usage Rights	25 Years

\* Kara Brand has an indefinite useful life.

<sup>#</sup>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.

## **2.16 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.

## **2.17 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.

## **2.18 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the

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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.

## 2.19 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.

## 2.20 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. 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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- 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.

## 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.

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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.

## **2.21 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.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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.

### 2.22 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.

### 2.23 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.

### 2.24 Contingent liabilities

A contingent liability is:-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- b) a present obligation that arises from past events but is not recognised because:-

- i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.25 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'.

### 2.26 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:

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

- 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.

## 2.27 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

### Significant Estimates

#### Going Concern

The Company has prepared future cash flow forecasts taking into cognizance the plan for monetization of some of the assets including investments, to repay the debts and manage the working capital requirements, sales to other customers and cost optimisation (Refer Note 48 of standalone financial statements), which involves judgement and estimates of key variables and market conditions. Based on such an analysis, the Company continues to prepare its financial statements on a going concern basis.

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 and intangible assets

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 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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.

## i) Impairment of Financial Assets:

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimated impairment allowance on financial assets is based on the aging of the receivable balances and historical experience. Individual receivable balances are written off when management deems them not to be collectible. The information about the impairment provision on the Company's trade and other receivables is disclosed in Note 7 and 11.

## 3.1 Change in Accounting policies and disclosures

Application of the following amendments to the existing standards did not have any significant impact on the standalone financial statements of the Company:

- (i) Ind AS 101- First time adaption of Ind AS
- (ii) Ind AS 103 – Business Combinations
- (iii) Ind AS 109 – Financial Instruments
- (iv) Ind AS 16 – Property, Plant & Equipment
- (v) Ind AS 37- Provision, Contingent Liabilities and Contingent Assets
- (vi) Ind AS 41- Agriculture

The Company has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation				Net Block	
	As at 1st April 2021	Additions	Deletions	Loss/ (Gain) on foreign currency exchange differences	As at 31st March 2022	As at 1st April 2021	For the Period	Deletions	Impairment (Refer note 43)	Gain/ (Loss) on foreign currency exchange differences	As at 31st March 2022
<b>A. Property, plant and equipment</b>											
Freehold land	443.13	-	-	-	443.13	-	-	-	-	-	443.13
Building	3,656.08	-	1.12	-	3,654.96	373.94	132.80	1.07	-	-	3,149.29
Office equipments	405.37	15.44	238.00	-	182.81	272.79	27.31	218.33	-	-	101.04
Computers	411.44	6.54	6.47	-	411.51	357.49	25.00	6.02	-	-	35.04
Furniture & fixtures	1,798.43	31.14	908.23	-	921.34	903.71	496.60	872.20	-	-	393.23
Vehicles	59.09	-	27.87	-	31.22	40.95	4.09	18.64	-	-	4.82
Plant & machinery	11,106.88	603.58	1,044.43	-	10,666.03	3,022.15	1,028.48	985.71	-	-	7,601.11
Leasehold improvements	893.21	148.54	78.79	-	962.96	316.48	104.26	76.03	-	-	618.25
Hydraulic works and pipelines	60.07	-	-	-	60.07	10.41	3.80	-	-	-	45.86
Roads	283.86	-	-	-	283.86	145.00	53.93	-	-	-	84.93
<b>Subtotal (A)</b>	<b>19,117.55</b>	<b>805.24</b>	<b>2,304.91</b>	<b>-</b>	<b>17,617.89</b>	<b>5,442.91</b>	<b>1,876.27</b>	<b>2,178.00</b>	<b>-</b>	<b>-</b>	<b>12,476.70</b>
<b>B. Other intangible assets</b>											
Brands, brand usage rights and trademarks (Refer note ii)	16,613.46	540.88	-	-	17,154.34	7,788.14	630.01	-	780.04	-	9,198.19
Software	2,975.60	3.94	24.11	-	2,955.43	1,814.95	508.65	24.11	-	-	2,299.49
<b>Subtotal (B)</b>	<b>19,589.06</b>	<b>544.82</b>	<b>24.11</b>	<b>-</b>	<b>20,109.77</b>	<b>9,603.09</b>	<b>1,138.66</b>	<b>24.11</b>	<b>780.04</b>	<b>-</b>	<b>8,612.09</b>
<b>C. Goodwill (Refer note 44)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>614.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,951.82</b>
<b>Subtotal (C)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>614.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,951.82</b>
<b>D. Right-of-use assets</b>											
Building	3,411.11	2,756.61	1,467.28	-	4,700.44	1,132.27	728.22	-	-	-	1,860.49
Vehicles (Refer note iii)	8.62	-	-	-	8.62	5.30	2.21	-	-	-	7.51
Plant and Machinery	744.63	-	2.50	-	742.13	53.06	25.81	-	-	-	78.87
<b>Subtotal (D)</b>	<b>4,164.36</b>	<b>2,756.61</b>	<b>1,469.78</b>	<b>-</b>	<b>5,451.19</b>	<b>1,190.63</b>	<b>756.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,504.32</b>
<b>Total (A+B+C+D)</b>	<b>46,437.29</b>	<b>4,106.67</b>	<b>3,798.80</b>	<b>-</b>	<b>46,745.17</b>	<b>16,851.13</b>	<b>3,771.17</b>	<b>2,202.11</b>	<b>780.04</b>	<b>-</b>	<b>19,200.24</b>
											<b>27,544.93</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation				Net Block		
	As at 1st April 2020	Additions	Deletions	Loss/ (Gain) on foreign currency exchange differences	As at 31st March 2021	As at 1st April 2020	For the Period	Deletions	Impairment (Refer note 43)	Gain/ (Loss) on foreign currency exchange differences	As at 31st March 2021"	As at 31st March 2021
A. Property, plant and equipment												
Freehold land	443.13	-	-	-	443.13	-	-	-	-	-	-	443.13
Building	3,631.35	24.73	-	-	3,656.08	241.67	132.27	-	-	-	373.94	3,282.14
Office equipments	350.78	62.26	7.67	-	405.37	241.53	38.22	6.96	-	-	272.79	132.58
Computers	436.12	3.99	28.67	-	411.44	334.13	50.93	27.57	-	-	357.49	53.95
Furniture & fixtures	1,983.13	6.75	191.24	0.21	1,798.43	820.16	203.01	119.36	-	0.10	903.71	894.72
Vehicles	88.87	-	29.78	-	59.09	60.48	5.64	25.17	-	-	40.95	18.14
Plant & machinery	12,981.44	565.29	2,439.85	-	11,106.88	4,118.85	1,219.76	2,316.46	-	-	3,022.15	8,084.73
Leasehold improvements	922.25	139.97	169.01	-	893.21	340.45	104.36	128.33	-	-	316.48	576.73
Hydraulic works and pipelines	60.07	-	-	-	60.07	6.61	3.80	-	-	-	10.41	49.66
Roads	283.86	-	-	-	283.86	91.07	53.93	-	-	-	145.00	138.86
Subtotal (A)	21,181.00	802.99	2,866.22	0.21	19,117.55	6,254.95	1,811.92	2,623.85	-	0.10	5,442.91	13,674.64
B. Other intangible assets												
Brands, brand usage rights and trademarks (Refer note ii)	16,613.46	-	-	-	16,613.46	6,108.68	963.72	-	715.74	-	7,788.14	8,825.32
Software	2,972.91	3.00	0.31	-	2,975.60	1,319.69	495.57	0.31	-	-	1,814.95	1,160.65
Subtotal (B)	19,586.37	3.00	0.31	-	19,589.06	7,428.37	1,459.29	0.31	715.74	-	9,603.09	9,985.97
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	7,252.54	556.93	4,398.36	-	3,411.11	1,413.52	769.73	1,050.98	-	-	1,132.27	2,278.84
Vehicles (Refer note iii)	8.62	-	-	-	8.62	3.10	2.20	-	-	-	5.30	3.32
Plant and Machinery	915.33	-	170.70	-	744.63	81.34	51.80	80.08	-	-	53.06	691.57
Subtotal (D)	8,176.49	556.93	4,569.06	-	4,164.36	1,497.96	823.73	1,131.06	-	-	1,190.63	2,973.73
Total (A+B+C+D)	52,510.18	1,362.92	7,435.59	0.21	46,437.29	15,795.78	4,094.94	3,755.22	715.74	0.10	16,851.13	29,586.16

Notes:

- (i) For Property, plant and equipment and other intangible assets pledged as security (Refer note 15 & 18)
- (ii) Includes Kara brand of ₹ 300 lakhs (Previous Year : ₹ 609 lakhs) with indefinite useful life (Refer note 43). Additions include brand acquired from Athena Life Sciences Private Limited as part of merger scheme. (Refer note 50)
- (iii) Vehicle taken on lease is secured by hypothecation created under said lease

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 5. NON CURRENT INVESTMENTS

#### Unquoted

Particulars	(₹ In lakhs)			
	Number of Units		Amount	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
<b>Investment in equity shares (net of impairment)</b>				
<b>i) Subsidiaries (At cost, fully paid up)</b>				
Aadhaar Wholesale Trading and Distribution Limited (Refer note 43.4)	77,400,000	77,400,000	5,317.83	9,208.81
Future Consumer Products Limited (Refer note 43.7)	-	1,000,000	-	-
The Nilgiri Dairy Farm Private Limited (Refer note 43.1)	241,435	241,435	-	10,718.68
APPU Nutritions Private Limited	240	240	210.60	210.60
Nilgiri's Mechanised Bakery Private Limited (Refer Note 43.1)	21,600	21,600	212.33	266.52
Nilgiris Franchise Limited (formerly known as Nilgiris Franchise Private Limited)	-	-	0.57	0.57
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	1,000,000	1,000,000	625.49	625.49
FCEL Food Processors Limited (Partly paid up) (refer Note 43.7)	-	5,000,000	-	3.50
FCEL Overseas FZCO (A company incorporated in UAE, face value DHS 1000 each)	60	60	-	-
FCL Tradevest Private Limited (Refer note 43.3)	127,686,000	127,686,000	7,873.98	11,798.60
<b>ii) Joint Ventures (At cost, fully paid up)</b>				
Aussee Oats Milling (Private) Limited (refer note 51) (a company incorporated in Sri Lanka, face value LKR 10 each)	29,453,180	29,453,180	1,841.26	1,841.26
Cosmolift (formerly Mibelle Future Consumer Products AG, a company incorporated in Switzerland, face value CHF 1000 each)	400	400	-	-
Hain Future Natural Products Private Limited (Refer Note 43.5)	24,350,000	21,345,000	599.24	2,134.50
Fonterra Future Dairy Private Limited (Refer Note 43.2)	29,650,000	24,150,000	-	2,415.00
<b>iii) Others (At cost, fully paid up)</b>				
Saraswat Co-operative Bank Limited	50	50	0.01	0.01
<b>Investment in preference shares (net of impairment)</b>				
<b>i) Subsidiaries (At FVTPL, fully paid up)</b>				
2% cumulative redeemable preference shares of Future Consumer Products Limited (Refer note 43.7)	-	145,000	-	-
1% non cumulative redeemable preference shares of The Nilgiri Dairy Farm Private Limited	4,684,270	4,684,270	2,466.59	2,144.86
<b>ii) Joint venture (At FVTPL, fully paid up)</b>				
Cumulative redeemable preference shares of Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each) (Refer Note 51)	11,380,155	11,380,155	466.00	466.00
<b>Investment in debentures</b>				
<b>i) Associate (At cost, fully paid up)</b>				
0.001% Compulsorily Convertible Debentures of Amar Chitra Katha Private Limited (Refer Note 42a)	-	4,977	-	4,976.91
<b>ii) Joint venture (At cost, fully paid up)</b>				
8.10% Compulsory Convertible Debentures of Hain Future Natural Products Private Limited (refer note number 43.5)	-	3,005,000	-	300.50
<b>Total</b>			<b>19,613.90</b>	<b>47,111.81</b>

The above investments are net of impairment, if any.

The list of subsidiaries, joint ventures and associate along with proportion of ownership interest held are disclosed in note 2.4 of consolidated financial statements.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
Loans to related parties (Refer Note 36)	31,645.05	41,066.45
<b>Total</b>	<b>31,645.05</b>	<b>41,066.45</b>
<b>Current</b>		
Loans to related parties (Refer Note 36)	5,503.57	-
<b>Total</b>	<b>5,503.57</b>	<b>-</b>

## 7. OTHER FINANCIAL ASSETS (UNSECURED)

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
<b>Considered good</b>		
Security deposits	244.25	223.61
Other receivables (for related party, refer note 36)	855.41	-
Interest accrued on deposits	8,945.60	7,150.81
Bank deposits with more than 12 months maturity	27.36	47.03
Share application money paid towards security	0.02	-
<b>Considered doubtful</b>		
Other receivables which have significant increase in credit risk (for related party, refer note 36)	49.07	-
	10,121.71	7,421.45
<b>Impairment allowance</b>		
Less: Other Receivables which have significant increase in credit risk (refer note 29)	(49.07)	-
<b>Total</b>	<b>10,072.64</b>	<b>7,421.45</b>
<b>Current</b>		
<b>Considered good</b>		
Security deposits	60.40	101.53
Interest accrued on deposits	2,095.67	41.09
Other receivables (for related party, refer note 36)	119.08	123.77
<b>Considered doubtful</b>		
Other receivables which have significant increase in credit risk (for related party, refer note 36)	7,203.90	7,219.96
	9,479.05	7,486.35
<b>Impairment allowance</b>		
Less: Other Receivables which have significant increase in credit risk (refer note 29)	(7,203.90)	(7,219.96)
<b>Total</b>	<b>2,275.15</b>	<b>266.39</b>

## 8. DEFERRED TAX ASSETS (NET)

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Deferred tax liabilities:</b>		
Accelerated depreciation for tax purposes	2,222.28	2,374.13
Taxable temporary differences on financial liability measured at amortised cost	15.73	28.84
<b>Total deferred tax liabilities (A)</b>	<b>2,238.01</b>	<b>2,402.97</b>
<b>Deferred tax assets:</b>		
Provision for doubtful debts	11,578.76	1,884.36
Provisions for employee benefits	215.20	295.89
Taxable temporary differences on lease accounting	196.22	222.72
<b>Total deferred tax assets (B)</b>	<b>11,990.18</b>	<b>2,402.97</b>
<b>Net Deferred Tax Liability / (Asset) (A-B)</b>	<b>(9,752.17)</b>	<b>-</b>
<b>Net Deferred Tax Asset not recognised</b>	<b>9,752.17</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

Note: The Company has re-assessed the Deferred Tax assets (DTA) recognized in earlier years, based on the management's business plan and accordingly determined that there is no reasonable certainty that these deferred tax assets will be utilised in future. On the basis of such assessment the Company has recognised deferred tax assets as at 31st March, 2022 only to the extent of deferred tax liabilities.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 8.1 Movement of Deferred Tax

(₹ In lakhs)		
Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax asset / (liability) at the start of the year	-	2,277.14
(Charge) / Credit to the Statement of Profit and Loss	-	(2,239.27)
(Charge) / Credit to Other Comprehensive Income	-	(37.87)
Deferred tax asset / (liability) at the end of the year	-	-

### 8.2 Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:

(₹ In lakhs)		
Particulars	As at 31st March 2022	As at 31st March 2021
Tax losses (revenue in nature) (Refer note a)	53,358.61	47,812.92
Tax losses (capital in nature) (Refer note b)	12,521.77	11,925.08
Other Temporary differences	47,636.82	17,258.44
<b>Total</b>	<b>113,517.20</b>	<b>76,996.44</b>

- a) Unused tax losses of revenue nature includes losses of ₹ 26,721.63 lakhs (Previous year ₹23,806.62 lakhs) that are available for offsetting for eight years against future taxable profits of the Company in which the losses arose.

(₹ In lakhs)		
Assessment Year	As at 31st March 2022	As at 31st March 2021
2013-14	-	448.51
2015-16	4,601.10	4,601.10
2016-17	3,655.82	3,655.82
2017-18	240.29	240.29
2021-22	14,165.42	14,860.89
2022-23	4,059.00	-
<b>Total</b>	<b>26,721.63</b>	<b>23,806.61</b>

Further unutilised tax losses of revenue nature include losses of ₹ 26,636.97 lakhs (Previous year ₹ 24,006.30 lakhs) which are available for set off against Future taxable profits indefinitely

- b) Unused tax losses of capital include losses that are available for offsetting for eight years against future capital gain of the Company in which the losses arose.

(₹ In lakhs)		
Assessment Year	As at 31st March 2022	As at 31st March 2021
2018-19	2,455.69	2,455.69
2019-20	9,469.38	9,469.38
2021-22	597.08	-
<b>Total</b>	<b>12,522.15</b>	<b>11,925.07</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 8.3 The current tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Profit before tax	(54,687.37)	(38,976.71)
Other Comprehensive Income before tax	8.33	150.48
<b>Total</b>	<b>(54,679.04)</b>	<b>(38,826.23)</b>
Income tax expense calculated at 25.17% (Previous year 25.17%)	(13,762.71)	(9,771.79)
Effect of expenses not allowed for income tax purposes (net)	12,081.02	5,322.51
Effect of additional allowance for tax purpose, limited to net taxable income for the year	1,681.69	4,449.27
Tax expense relating to earlier years	-	(139.96)
Effect of DTA (recognised)/reversed	-	2,277.14
<b>Total</b>	<b>-</b>	<b>2,137.18</b>
Income tax expense/ (income) relating to items that will not be reclassified to statement of profit or loss	-	37.87
Tax expense relating to earlier years	-	(139.96)
Deferred tax expense recognised in statement of profit or loss	-	2,239.27
<b>Total</b>	<b>-</b>	<b>2,137.18</b>

## 9. OTHER ASSETS

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
Capital advance	30.40	25.41
Advance taxes (net)	1,160.01	1,372.06
<b>Total</b>	<b>1,190.41</b>	<b>1,397.47</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advances to employees	4.67	8.15
Advances given to suppliers	322.53	519.43
Other advances	94.12	124.32
Balances with government authorities	849.93	679.64
Advance taxes (net)	-	571.96
<b>Significant increase in credit risk</b>		
Advances given to suppliers	63.34	-
<b>Impairment allowance</b>		
Advance given to suppliers which have significant increase in credit risk (Refer Note 29)	(63.34)	-
<b>Total</b>	<b>1,271.25</b>	<b>1,903.50</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 10. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Raw materials (at cost)	189.99	396.75
Finished goods (at lower of cost and net realisable value)	152.51	170.30
Stock - in - trade (at lower of cost and net realisable value)	4,102.04	3,694.45
Packing material (at cost)	227.69	166.33
<b>Total</b>	<b>4,672.23</b>	<b>4,427.83</b>

#### NOTES:-

- For Inventory hypothecated as security, refer note 18
- The amount of write down of inventories recognised as an expense during the year is ₹ 701.68 lakh (Previous year ₹ 410.94 Lakhs)

### 11. TRADE RECEIVABLES (UNSECURED)

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Gross trade receivables</b>		
Considered good	13,508.99	9,205.77
Which has significant increase in credit risk	2,382.39	65,864.57
Credit impaired	38,417.05	928.89
<b>Total Gross trade receivables</b>	<b>54,308.43</b>	<b>75,999.23</b>
<b>Impairment allowance</b>		
Considered good	(35.05)	(21.97)
Which has significant increase in credit risk	(282.89)	(16,574.15)
Credit impaired	(38,417.05)	(928.89)
<b>Total Impairment allowance</b>	<b>(38,734.99)</b>	<b>(17,525.01)</b>
<b>Net trade receivables</b>	<b>15,573.44</b>	<b>58,474.22</b>

#### As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment [Note (ii)]					Total
	Current but not due	Less than 6 months	6 months to 1 year	1 to 2 years	More than 2 years	
Undisputed considered good	2,564.74	10,944.25	-	-	-	13,508.99
Undisputed - which have significant increase in credit risk	-	1,546.37	836.02	-	-	2,382.39
Undisputed - credit risk impaired	31.19	16,362.54	11,647.82	10,081.49	294.01	38,417.05
Disputed considered good	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - credit risk impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,595.93</b>	<b>28,853.16</b>	<b>12,483.84</b>	<b>10,081.49</b>	<b>294.01</b>	<b>54,308.43</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

As at 31st March, 2021						(₹ In lakhs)
Particulars	Outstanding for following periods from due date of payment [Note (ii)]					Total
	Current but not due	Less than 6 months	6 months to 1 year	1 to 2 years	More than 2 years	
Undisputed considered good	979.52	8,226.25	-	-	-	9,205.77
Undisputed - which have significant increase in credit risk	1,929.83	15,181.15	37,551.46	11,202.13	-	65,864.57
Undisputed - credit risk impaired	-	-	-	747.66	181.23	928.89
Disputed considered good	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - credit risk impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,909.35</b>	<b>23,407.40</b>	<b>37,551.46</b>	<b>11,949.79</b>	<b>181.23</b>	<b>75,999.23</b>

Note:

- (i) For trade receivables hypothecated as security (Refer note 18)
- (ii) Gross of Impairment Allowance
- (iii) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (iv) For Related party (Refer note 36)

## 12. CASH AND CASH EQUIVALENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Cash and cash equivalents</b>		
On current accounts	124.27	709.06
In fixed deposit accounts	1,863.90	1,727.23
Cash on hand	1.40	3.03
<b>Total</b>	<b>1,989.57</b>	<b>2,439.32</b>
<b>Bank balances other than cash and cash equivalents</b>		
As margin money	26.44	1,049.14
<b>Total</b>	<b>26.44</b>	<b>1,049.14</b>

During the current year the Company entered into non-cash investment activity of acquisition of ROU assets of ₹ 2,756.61 lakhs (previous year ₹ 556.93 lakhs) (Refer Note 32) and a sale of investment of ₹ 0.02 lakhs (previous year increase of ₹ 50.44 lakhs). These are not reflected in the statement of cash flows.

### Changes in liability due to financial activities

Particulars	(₹ In lakhs)				
	As at 1st April 2021	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	As at 31st March 2022
Current borrowings (Refer Note 18)	30,393.09	(2,458.27)	-	(3,283.76)	24,651.06
Non- current borrowings, including current maturities (Refer Note 15)	25,762.88	(4,440.74)	1,969.89	3,283.76	26,575.79
Lease liabilities (Refer Note 32)	3,858.57	(535.27)	960.59	-	4,283.89
<b>Total</b>	<b>60,014.54</b>	<b>(7,434.28)</b>	<b>2,930.48</b>	<b>-</b>	<b>55,510.74</b>
Particulars	(₹ In lakhs)				
	As at 1st April 2020	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	As at 31st March 2021
Current borrowings (Refer Note 18)	29,048.04	(817.01)	-	2,162.06	30,393.09
Non- current borrowings, including current maturities (Refer Note 15)	28,005.08	(682.14)	160.17	(1,720.23)	25,762.88
Lease liabilities (Refer Note 32)	7,613.42	(466.76)	(3,288.08)	-	3,858.57
<b>Total</b>	<b>64,666.54</b>	<b>(1,965.91)</b>	<b>(3,127.91)</b>	<b>441.83</b>	<b>60,014.54</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 13. EQUITY SHARE CAPITAL

a) Share capital

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of shares	₹ In lakhs	No of shares	₹ In lakhs
<b>Authorised</b>				
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
<b>Total</b>		<b>506,000.00</b>		<b>506,000.00</b>
<b>Issued, subscribed and fully paid-up capital</b>				
Equity shares of ₹ 6 each	1,997,034,643	119,822.08	1,987,040,879	119,222.46
Less : Shares held by ESOP trust treated as treasury shares	(13,452,793)	(807.17)	(13,452,793)	(807.17)
<b>Total</b>	<b>1,983,581,850</b>	<b>119,014.91</b>	<b>1,973,588,086</b>	<b>118,415.29</b>

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of shares	₹ In lakhs	No of shares	₹ In lakhs
Equity shares at the beginning of the year	1,973,588,086	118,415.29	1,907,656,887	114,459.41
Add : Equity shares issued and allotted during the year	9,993,764	599.62	65,931,199	3,955.88
<b>Equity shares at the end of the year</b>	<b>1,983,581,850</b>	<b>119,014.91</b>	<b>1,973,588,086</b>	<b>118,415.29</b>

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of Shares	% of Holding	No of Shares	% of Holding
Vistra ITCL India Limited	448,258,338	22.45	447,239,338	22.51
Future Capital Investment Private Limited	123,584,630	6.19	243,544,041	12.26
Verlinvest SA	156,929,569	7.86	156,929,569	7.90
Black River Food 2 Pte. Ltd	146,283,195	7.33	146,283,195	7.36
International Finance Corporation	107,819,921	5.40	107,819,921	5.43

d) Shares held by promoters at the end of the year as on 31.03.2022

Promoter Name	No of shares	% of total shares	% change during the year
Future Enterprises Limited*	100	0.00	0.00
Future Capital Investment Private Limited	123,584,630	6.19	(6.07)
<b>Promoter Group</b>			
Central Departmental Stores Pvt Ltd*	100	0.00	0.00
Ryka Commercial Ventures Private Limited*	100	0.00	0.00
Srishti Mall Management Company Private Limited	-	0.00	(1.48)
Future Corporate Resources Private Limited	14,327,302	0.72	0.00
Future Ideas Company Limited	29,476,462	1.48	1.48
Avni Kishorkumar Biyani	99,619	0.01	0.00
Ashni Kishore Biyani*	67,169	0.00	0.00
<b>Total</b>	<b>167,555,482</b>	<b>8.40</b>	

\*Less than 0.01% of total shares.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## Shares held by promoters at the end of the year as on 31.03.2021

Promoter Name	No of shares	% of total shares	% change during the year
Future Enterprises Limited*	100	0.00	0.00
Future Capital Investment Private Limited	243,544,041	12.26	30.77
<b>Promoter Group</b>			
Central Departmental Stores Pvt Ltd*	100	0.00	0.00
Ryka Commercial Ventures Private Limited*	100	0.00	0.00
Srishti Mall Management Company Private Limited	29,476,462	1.48	0.05
Future Corporate Resources Private Limited	14,327,302	0.72	0.03
Avni Kishorkumar Biyani	99,619	0.01	0.00
Ashni Kishore Biyani*	67,169	0.00	0.00
<b>Total</b>	<b>287,514,893</b>	<b>14.47</b>	

\*Less than 0.01% of total shares.

- e) 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
- f) Rights, Preferences and Restrictions attached to equity shares:
- 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.
  - Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
  - The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
  - Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.
- g) During the financial year 2021-22:
- The Company has approved allotment of 99,93,764 equity shares of ₹ 6 each to the shareholders of Athena Life Sciences Private Limited ("Athena") pursuant to the Scheme of Arrangement between Athena and the Company, which was filed with the Registrar of Companies on October 6, 2021 after sanction in terms of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 by Hon'ble National Company Law Tribunal, Mumbai. (Refer Note 50)
- h) As at March 31, 2022, 2,57,500 equity shares (FY 2021: 28,07,500 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 35) for ESOP Primary Scheme.
- 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 14. OTHER EQUITY

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Capital reserve	2,064.94	2,064.94
Securities premium account	38,316.72	38,130.12
General reserve	0.59	0.59
Share options outstanding account	713.41	1,314.40
Capital redemption reserve	5.20	5.20
Foreign Currency Translation reserve	(4.37)	(2.87)
Retained earnings	(118,831.25)	(64,773.41)
Other comprehensive income	104.13	95.80
<b>Total</b>	<b>(77,630.63)</b>	<b>(23,165.23)</b>

#### Description of reserves

##### Capital reserve

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.

##### 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.

##### 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, exchange differences in translating the financial statements of foreign operations and income tax effect of the same.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 15. Non Current borrowings

Particulars	(₹ In lakhs)			
	As at		As at	
	31st March 2022		31st March 2021	
	Non-Current	Current (Refer note 18)	Non-Current	Current (Refer note 18)
<b>Secured - at amortised cost</b>				
<b>Term loans from banks:</b>				
Term Loan Facility	3,619.94	227.50	2,937.71	910.00
Funded Interest Term Loans	-	2,506.85	-	-
Working Capital Term Loans from Bank	-	532.00	-	-
<b>Debentures :</b>				
9.95% Redeemable non convertible debentures of ₹ 1 lakh each	-	-	-	2,000.00
11.07% Redeemable non convertible debentures of ₹ 10 lakh each	9,367.51	8,588.23	14,032.82	5,882.35
<b>Unsecured - at amortised cost</b>				
<b>Term loans from banks:</b>				
Funded Interest Term Loans	-	87.36	-	-
Working Capital Term Loans from Bank	-	1,646.40	-	-
<b>Total</b>	<b>12,987.45</b>	<b>13,588.34</b>	<b>16,970.53</b>	<b>8,792.35</b>

### Details of security and repayment terms for secured and unsecured Non Current borrowings

Sr. No.	Nature of security	Terms of Interest and Repayment	(₹ In lakhs)	
			As at 31st March 2022	As at 31st March 2021
<b>1</b>	<b>Secured Term Loan from bank*:</b>			
	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.	The facility has been restructured as part of the One time restructuring (OTR) Scheme. The next quarterly instalment is due in Feb 2023. Interest is fixed @ 10.50% p.a.	3,847.44	3,847.71
	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.			
	e) First Pari Passu charge over land and building owned by Nilgiri Dairy Farm Private Limited and Appu Nutritions Private Limited. (Bommasandra and Veerasandra , Bangalore)			
<b>2</b>	<b>9.95% NCD:</b>			
	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.	These NCDs have been repaid during the year.	-	2,000.00
	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.			

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(₹ In lakhs)				
Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2022	As at 31st March 2021
3	<b>11.07 % NCD:</b> 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. e) Senior first ranking charge over 117 acres land in Nagpur (Future Food and Products Limited and Future Food Processing Limited) f) Second charge over land and buildings at Bommasandra and Veerasandra in Bangalore owned by Nilgiri Dairy Farm Private Limited and Appu Nutritions Private Limited.	The NCDs is redeemable in 17 equal quarterly installments which commenced from February 2021. Certain installments have been restructured in light of the Covid-19 pandemic (Refer Note 48.1). 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.	17,955.74	19,915.17
4	<b>Secured Fixed Instalment Term Loan from Banks*</b> 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	Repayable in four quarterly instalments, continuing from June 2022 interest at rates varying from 7.85% to 8.10% p.a	2,506.85	-
5	<b>Secured Working Capital Term Loans from Banks*</b> 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 d) Cash collateral (FD lien of ₹ 1,670 Lakhs) e) 1st mortgage charge over Sipcot land and building owned by Nilgiri Franchisee Private Limited.	Repayable in two monthly instalments commencing from November 2022 interest rate 9.80% p.a	532.00	-
6	<b>Unsecured Working Capital Term Loans from Banks*</b>	Repayable on various repayment dates (as per individual facilities) between June and September 2022 interest at rates varying from 7.90% to 8.15% p.a	1,646.40	-
7	<b>Unsecured Funded Interest Term Loans from Banks*</b>	Repayable in four quarterly instalments, continuing from June 2022, interest at rates interest rate 8.10% p.a	87.36	-
			26,575.79	25,762.88
	Less: Current maturities of long term debt (Refer note 18)		(13,588.34)	(8,792.35)
	<b>Total</b>		<b>12,987.45</b>	<b>16,970.53</b>

\* Refer note 48.1 for OTR Scheme

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 16. OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
Interest accrued but not due	1,034.00	927.04
<b>Total</b>	<b>1,034.00</b>	<b>927.04</b>

## 17. PROVISIONS

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 33.2)	286.72	287.88
Provision for Bonus	-	80.80
<b>Total</b>	<b>286.72</b>	<b>368.68</b>
<b>Current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 33.2)	52.29	64.49
Provision for compensated absences (Refer note 33.3)	155.29	222.95
Provision for Bonus	361.36	469.45
<b>Total</b>	<b>568.94</b>	<b>756.89</b>

## 18. CURRENT BORROWINGS

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks	9,258.74	8,666.47
Other loans from bank	15,400.00	20,016.43
Current Maturities of Long Term Debt (Refer Note 15)	11,854.58	8,792.35
	<b>36,513.32</b>	<b>37,475.25</b>
Less :- Unamortised cost	(7.68)	-
	<b>36,505.64</b>	<b>37,475.25</b>
<b>Unsecured - at amortised cost</b>		
Current Maturities of Long Term Debt (Refer Note 15)	1,733.76	-
Other loans from bank	-	1,710.19
<b>Total</b>	<b>38,239.40</b>	<b>39,185.44</b>

### Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
<b>Loans repayable on demand from banks (Cash Credit)</b>	
Loan is secured by	The cash credit is repayable on demand and carries interest at rates varying from 7.80% to 10.50% p.a. Interest on these facilities has been restructured as part of the One time restructuring (OTR) Scheme (Refer Note 48.1 for OTR Scheme).
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	

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Other Loans from Bank (Working capital loan)		
Loan is secured by	The other loans from Bank is repayable on due dates within a period of 1 year and carries interest at rates varying from 8.05 % to 10.50% p.a. These facilities have been restructured as part of the OTR Scheme (Refer Note 48.1 for OTR Scheme).	
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.		

## 19. TRADE PAYABLES

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 40)	409.52	2,182.67
Total outstanding dues of trade payables other than micro enterprises and small enterprises (for related party, refer note 36)	7,905.55	14,329.14
<b>Total</b>	<b>8,315.07</b>	<b>16,511.81</b>

### Trade Payable Ageing Schedule As at 31 March 2022

(₹ In lakhs)

Particulars	Outstanding for following period from due date				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
MSME	348.26	36.29	24.97	-	409.52
Others	6,420.20	1,199.33	282.19	3.83	7,905.55
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-
<b>Total</b>	<b>6,768.46</b>	<b>1,235.62</b>	<b>307.16</b>	<b>3.83</b>	<b>8,315.07</b>

### Trade Payable Ageing Schedule As at 31 March 2021

(₹ In lakhs)

Particulars	Outstanding for following period from due date				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
MSME	2,090.06	67.80	6.38	18.43	2,182.67
Others	11,947.86	1,745.61	604.21	31.45	14,329.13
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-
<b>Total</b>	<b>14,037.92</b>	<b>1,813.41</b>	<b>610.59</b>	<b>49.88</b>	<b>16,511.80</b>

## 20. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Interest accrued but not due on borrowing	1,330.98	1,969.54
Security and other deposits	0.50	13.90
Payable on purchase of capital goods	77.29	74.76
<b>Total</b>	<b>1,408.77</b>	<b>2,058.20</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 21. OTHER CURRENT LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Statutory dues payable (includes TDS, PF, GST etc)	211.18	532.48
Other liabilities	-	2.94
Contract liabilities	17,916.87	19,151.60
<b>Total</b>	<b>18,128.05</b>	<b>19,687.02</b>

## 22. REVENUE FROM OPERATIONS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from Contracts with Customers :		
Sale of products	96,940.46	58,615.13
Other operating revenue	68.52	128.47
<b>Total</b>	<b>97,008.98</b>	<b>58,743.60</b>

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 2022	Year ended 31st March 2021
Sale of consumer products		96,940.46	58,615.13
Royalty income		-	18.51
Scrap sales		46.91	46.13
Miscellaneous Income		21.61	63.83
<b>Total</b>		<b>97,008.98</b>	<b>58,743.60</b>

Revenue based on Geography		(₹ In lakhs)	
Particulars		Year ended 31st March 2022	Year ended 31st March 2021
India		97,008.98	58,743.60
Outside India		-	-
<b>Total</b>		<b>97,008.98</b>	<b>58,743.60</b>

Timing of revenue recognition		(₹ In lakhs)	
Particulars		Year ended 31st March 2022	Year ended 31st March 2021
Goods transferred at a point in time		96,987.37	58,661.26
Services transferred over time		21.61	82.34
<b>Total</b>		<b>97,008.98</b>	<b>58,743.60</b>

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.)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 22.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables (Net) (Refer note 11)	15,573.44	58,474.22
Contract assets	-	-
Contract liabilities (Refer note 21)	17,916.87	19,151.60

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:

Particulars	As at 31st March 2022	As at 31st March 2021
Amounts included in contract liabilities at the beginning of the year	19,151.60	123.08
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	19,151.60	123.08
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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue as per contracted price	99,514.80	61,372.41
Less: Discounts, rebates, refunds, credits, price concessions	(2,505.82)	(2,628.81)
Revenue from contracts with customers	97,008.98	58,743.60

### 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.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Within one year	17,916.87	19,151.60
More than one year	-	-

Open sales order as on 31 March 2022 is ₹ 393.17 lakhs (31 March 2021 is ₹ 4,480.15)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 23. OTHER INCOME

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Operating lease rent	7.85	3.39
Gain on Sale of Investment - Non Current	-	30.00
Interest income		
Inter corporate deposits	4,590.20	5,147.52
Others	233.05	231.76
Provision no longer required written back	123.25	72.08
Gain on termination of Lease Asset	325.22	406.09
Net Profit on foreign currency transactions and translation	220.02	-
Net gain on financial assets measured at FVTPL	321.73	279.76
Net gain on financial guarantees contract	2.95	7.26
Miscellaneous income	118.92	0.02
<b>Total</b>	<b>5,943.19</b>	<b>6,177.88</b>

## 24. COST OF MATERIALS CONSUMED

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock of raw materials and others (Refer note 10)	563.08	757.23
Add: Purchases	7,487.66	2,463.86
Closing stock of raw materials and others (Refer note 10)	(417.68)	(563.08)
<b>Total</b>	<b>7,633.06</b>	<b>2,658.01</b>

## 25. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock:		
Finished goods (Refer note 10)	170.30	361.24
Stock in trade (Refer note 10)	3,694.45	13,163.21
<b>Total (A)</b>	<b>3,864.75</b>	<b>13,524.45</b>
Closing stock:		
Finished goods (Refer note 10)	152.50	170.30
Stock in trade (Refer note 10)	4,102.04	3,694.45
<b>Total (B)</b>	<b>4,254.54</b>	<b>3,864.75</b>
<b>Decrease/ (Increase) during the year (A - B)</b>	<b>(389.79)</b>	<b>9,659.70</b>

## 26. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Salaries wages & bonus	4,004.08	4,395.58
Contribution to provident and other funds (Refer note 33.1)	165.10	165.94
Expenses / (Reversal) on employee stock option (ESOP) scheme (Refer note 35)	28.94	97.87
Staff welfare expenses	70.33	76.84
<b>Total</b>	<b>4,268.45</b>	<b>4,736.23</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 27. FINANCE COSTS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Interest expense on:		
Loans	5,551.20	6,453.26
Lease expenses (Refer note 32)	472.44	452.85
Others	35.37	38.64
Other borrowing costs	75.82	57.23
<b>Total</b>	<b>6,134.83</b>	<b>7,001.98</b>

### 28. DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTE 4)

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of property, plant & equipment	1,876.27	1,811.92
Amortisation of intangible assets	1,138.66	1,459.29
Depreciation of right-of-use assets	756.24	823.73
<b>Total</b>	<b>3,771.17</b>	<b>4,094.94</b>

### 29. OTHER EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Rent expenses (Refer note 32)	827.49	778.21
Warehousing and distribution expenses	4,555.67	2,980.47
Labour contract charges	1,274.25	833.83
Electricity expenses	308.74	168.96
Advertisement, publicity & selling expenses	265.57	497.45
Repairs and maintenance :		
On plant and machinery	86.37	37.97
On buildings	0.91	3.50
On others	42.91	49.49
Legal and professional charges	890.81	433.68
Consumables and Packing materials	22.69	8.24
Impairment allowance on trade and other receivables (Refer note 11 and 7 respectively)	21,306.32	16,800.67
Bad debts written off (net)	356.47	-
Rates and taxes	698.50	730.57
Insurance	75.46	78.02
Auditor's remuneration (Refer note 1 below)	90.70	90.38
Directors sitting fees	33.00	26.25
Loss on sale/retirement of property, plant and equipment (Net)	71.50	127.32
Net loss on foreign currency transactions and translation	-	117.22
Brand royalty	-	47.53
Corporate social responsibility (Refer note 47)	-	51.42
Miscellaneous expenses	2,089.30	2,309.31
<b>Total</b>	<b>32,996.66</b>	<b>26,170.49</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## Note :

### 1. Auditor's remuneration included in "Other Expenses"

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Audit fees	49.00	49.00
Tax audit	6.00	6.00
Other services	35.70	34.60
Out of pocket expenses	-	0.78
<b>Total</b>	<b>90.70</b>	<b>90.38</b>

## 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

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations from customers within India	97,008.98	58,743.60
Revenue from operations from customers outside India	-	-
	97,008.98	58,743.60

### 30.2 Major Customer

Top customer which individually contributes more than 10% of Company's total revenue.

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Reliance Retail Limited	61,175.98	15,754.97
Future Retail Limited	24,247.08	31,952.25

## 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 2022	Year ended 31st March 2021
Profit for the year attributable to equity holders of Company after exceptional items (₹ in lakhs)	(54,687.37)	(41,076.02)
Profit for the year attributable to equity holders of Company before exceptional item (₹ in lakhs)	(27,821.65)	(32,581.77)
Weighted average number of equity shares outstanding for Basic EPS	1,97,84,34,377	1,97,35,88,086
Add : Weighted average number of potential equity shares on account of employee stock options outstanding	-	-
Weighted average number of equity shares outstanding for diluted EPS	1,97,84,34,377	1,97,35,88,086
Earnings per share after exceptional item (₹)		
Basic	(2.76)	(2.08)
Diluted	(2.76)	(2.08)
Earnings per share before exceptional item (₹)		
Basic	(1.41)	(1.65)
Diluted	(1.41)	(1.65)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 32 LEASING ARRANGEMENT

#### Company as a lessee

The Company has lease contracts for various items of plant and 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 have lease terms 4 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 2020	833.99	5.52	5,839.02	6,678.53
Additions/Deletions	(90.62)	-	(2,790.45)	(2,881.07)
Depreciation Expenses	51.80	2.20	769.73	823.72
As at 31st March 2021	691.57	3.32	2,278.84	2,973.73

(₹ In lakhs)				
Particulars	Plant & Machinery	Vehicles	Buildings	Total
As at 1st April 2021	691.57	3.32	2,278.84	2,973.73
Additions/Deletions	(2.50)	-	1,289.33	1,286.83
Depreciation Expenses	25.81	2.21	728.22	756.24
As at 31st March 2022	663.26	1.11	2,839.95	3,504.32

#### 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 2022	Year ended 31st March 2021
Opening balance	3,858.57	7,613.42
Additions/Deletions	961.03	(3,288.08)
Accretion of Interest	472.44	452.85
Less: Payments	(1,008.15)	(919.61)
Closing Balance	4,283.89	3,858.57
Current Lease Liabilities	557.20	768.55
Non-Current Lease Liabilities	3,726.69	3,090.02

#### 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
As of 31 March 2022	215.02	217.00	493.70	939.80	1,778.02	5,076.28
As of 31 March 2021	254.08	254.63	557.35	956.08	1,747.64	4,016.16

Weighted average lessee's incremental borrowing rate for lease liabilities is 11.07%.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 32.4 The following are the amounts recognised in statement of profit and loss: IND AS 116

Particulars	(₹ In lakhs)	
	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	756.24	823.73
Interest expense on lease liabilities	472.44	452.85
Rent Expenses (included in other expenses)	827.49	778.21
<b>Total amount recognised in statement of profit and loss</b>	<b>2,056.17</b>	<b>2,054.79</b>

The Company had total cash outflows for leases of INR ₹ 535.27 lakhs in 31 March 2022 (Previous Year: Rs 466.76 lakhs).

## 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.

## 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 2021-2022 aggregating to ₹ 152.66 lakhs (Previous Year: ₹ 151.55 lakhs), ₹ 7.44 lakhs (Previous Year: ₹ 9.25 lakhs) for ESIC and Rs 4.72 lakhs for New Pension Scheme (Previous year: Rs 3.40 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 basic 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 increase in the government bond interest rate will decrease 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, 2022 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
1. Discount rate	7.23%	5.89%
2. Salary escalation	8.00%	2% for first years, 6% thereafter
3. Mortality rate	Indian Assured Lives Mortality (2012-04) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
4. Withdrawal rate	5%	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:

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Present value of unfunded defined benefit obligation	300.01	352.37
Fair value of plan assets	-	-
Net liability arising from gratuity	300.01	352.37

## 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.

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A. Components of expense recognised in the statement of profit and loss (in employee benefit expenses)		
Current service cost	48.13	94.50
Net interest expenses	18.86	40.85
<b>Total</b>	<b>66.99</b>	<b>135.35</b>

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
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 demographic assumptions	8.79	-
Actuarial (gains) and losses arising from changes in financial assumptions	19.78	13.93
Actuarial (gains) and losses arising from experience adjustments	(36.90)	(164.41)
<b>Total</b>	<b>(8.33)</b>	<b>(150.48)</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Following is movement in the present value of the defined benefit obligation

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Opening defined benefit obligation	352.37	737.07
Current service cost	48.13	94.50
Interest cost	18.86	40.85
Remeasurement (gains)/losses:		
Actuarial (Gain) / Loss - Demographic Assumptions	8.79	-
Actuarial (Gain) / Loss arising from changes in financial assumptions	19.78	13.93
Actuarial (Gain) / Loss arising from experience adjustments	(36.90)	(164.41)
Benefits paid	(111.01)	(369.57)
<b>Closing defined benefit obligation</b>	<b>300.01</b>	<b>352.37</b>

No actuarial valuation is done for computing gratuity liability related to employees of Farm Fresh division as the same was shut down during the year and the liability for such employees have been provided for amounting to 39 lakhs.

## Sensitivity analysis:

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

The result of Sensitivity Analysis on Defined Benefit Obligation due to increase or decrease in discount and salary escalation rate:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Impact on discount rate for 100 basis points increase in defined benefit obligation of gratuity	273.03	338.71
Impact on discount rate for 100 basis points decrease in defined benefit obligation of gratuity	331.56	367.20
Impact on salary escalation rate for 100 basis points increase in defined benefit obligation of gratuity	327.11	366.52
Impact on salary escalation rate for 100 basis points decrease in defined benefit obligation of gratuity	275.12	339.06

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.

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 12.92 years (Previous Year: 4.82 years).

## Expected Future Cash Flows

Year	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Year 1	13.29	64.49
Year 2	35.91	58.27
Year 3	28.40	61.82
Year 4	14.58	50.69
Year 5	16.89	44.13
Year 6 to 10	114.95	112.71
Above 10 years	495.15	70.45

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for the year ended 31<sup>st</sup> March 2022

- 33.3** The Company has recognised an expense of ₹ 2.33 lakhs (Previous Year ₹ 35.86 lakhs expense) 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 2022	Year ended 31st March 2021
Discounted rate	7.23%	5.89%
Salary increase	8.00%	2% for first year, 6% thereafter
Attrition rate	5%	20%
Retirement age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2012-04) Ultimate	Indian Assured Lives Mortality (2012-14) 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:

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Debt (i)	55,510.76	60,014.54
Less:- Cash and cash equivalent (iii)	2,016.01	3,488.46
Net debt	53,494.75	56,526.08
Equity (ii)	41,384.28	95,250.06
Net debt to equity ratio	1.29	0.59

(i) Debt is defined as long and short-term borrowings, 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 FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 34.2 Categories of financial instruments

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
Cash and cash equivalent	2,016.01	3,488.46
Trade receivables	15,573.44	58,474.22
Loans	37,148.62	41,066.45
Other financial assets	12,347.79	7,640.81
Investments	17,147.31	44,966.95
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Investment in preference shares	2,466.59	2,144.86
<b>Financial liabilities</b>		
<b>Measured at Amortised Cost</b>		
Borrowing	51,226.85	56,155.97
Lease Liabilities	4,283.89	3,858.57
Trade payable	8,315.07	16,511.80
Other financial liabilities	2,442.77	2,985.24

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).

Financial assets	Carrying Value / Fair value		Fair value hierarchy
	Year ended 31st March 2022	Year ended 31st March 2021	
<b>Financial assets at Fair Value Through Profit and Loss (FVTPL)</b>			
1% non cumulative redeemable preference share of The Nilgiris Dairy Farm Limited (Refer note no.5)	2,466.59	2,144.86	Level 2

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation technique:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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.

### 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 Directors.

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. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The year end foreign currency forward contracts and unhedged foreign currency exposures are given below :-

#### a) Derivatives (forward contracts) outstanding as at the reporting date (in respective currency)

Amount as at 31st March 2022			(₹ In lakhs)
Particulars of transactions	Currency	Foreign Currency	INR
Current year	USD	-	-
Previous year	USD	(3.90)	(286.87)

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## b) Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):-

Particulars	Foreign Currency	(₹ In lakhs)			
		As at 31st March 2022		As at 31st March 2021	
		Amount (Foreign Currency)	Amount (INR)	Amount (Foreign Currency)	Amount (INR)
<b>Receivables :</b>					
Loans given (including Interest accrued)	USD	79.00	5,989.05	75.45	5,546.19

### 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:

Foreign currency	(₹ In lakhs)			
	As at 31st March 2022		As at 31st March 2021	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(598.91)	598.91	(554.62)	554.62

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.

## 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:

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Variable interest rate borrowings	6,747.67	30,393.09
Fixed interest rate borrowings	44,486.86	25,762.89
<b>Total</b>	<b>51,234.53</b>	<b>56,155.98</b>

### 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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.

Particulars	(₹ In lakhs)			
	As at 31st March 2022		As at 31st March 2021	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(33.74)	33.74	(151.97)	151.97

### 34.7 Other price risks

The Company's exposure to other risks arises from investments in preference shares amounting to ₹ 2,466.59 Lakhs (Previous Year ₹ 2,144.86 Lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis has 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 2022 would increase/decrease by ₹ 123.33 Lakhs (Previous year by ₹ 107.24 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 trade and other receivable. Any delay, default or inability on the part of the other party 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 ₹ 54,308.43 lakhs and ₹ 75,999.23 lakhs as at March 31, 2022 and March 31, 2021, respectively and other receivables of ₹ 8,227.48 lakhs and ₹ 7,343.73 lakhs as at March 31, 2022 and March 31, 2021, 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 (FRL) and Reliance Retail Limited, being the largest customers of the Company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to these two customers did not exceed 91% (Previous Year: One customer- 95%) 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.

Certain secured creditors of one of FRL have filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against FRL. In light of the same, the Company has recorded an increased credit risk of ₹ 21,472.71 lakhs during the year ended March 31st, 2022 on the entirety of the amounts receivable from FRL.

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 and delay rates over the expected life of trade and other receivables and is adjusted for forward-looking estimates.

#### Age of Trade receivables (Aged from due date)

Particulars	(₹ in lakhs)	
	As at	As at
	31st March 2022	31st March 2021
Current but not due	2,595.93	2,909.35
Less than 6 Months	28,853.16	23,407.40
6 months – 1 year	12,483.84	37,551.46
1-2 years	10,081.49	11,949.79
More than 2 years	294.01	181.23
Less: Expected credit loss allowance	(38,734.99)	(17,525.01)
<b>Total</b>	<b>15,573.44</b>	<b>58,474.22</b>

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

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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 Company has invoked One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines which has been approved by all the lenders on May 06, 2021; and entered into an agreement with debenture trustees of CDC Emerging Markets on December 15, 2021, for deferment of repayments of Non-Convertible Debentures.

The Company had defaulted on the payments to holders of Non-Convertible Debentures of ₹ 2,666.60 lakhs due in February 2022. This amount of default was still outstanding as on March 31, 2022 but was subsequently repaid in April 2022. There were no other defaults to lenders as on March 31, 2022.

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 before considering the effect of One Time Restructuring & Revised Agreement with Debenture Trustees.

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
<b>As at 31st March 2022</b>						
<u>Variable interest rate borrowings</u>						
Principal	7.95%	6,747.67	-	-	6,747.67	6,747.67
Interest		536.25	-	-	536.25	-
<u>Fixed interest rate borrowings</u>						
Principal	10.21%	31,499.41	12,987.45	-	44,486.86	44,486.86
Interest		4,571.01	1,946.20	-	6,517.21	2,364.98
Lease Liability		925.72	2,717.82	5,076.28	8,719.82	4,283.89
Financial Gurantee Obligation		1,552.22	-	-	1,552.22	-
Non interest bearing (Trade payable, deposits etc.)		8,392.86	-	-	8,392.86	8,392.86
Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
<b>As at 31st March 2021</b>						
<u>Variable interest rate borrowings</u>						
Principal	9.57%	30,393.09	-	-	30,393.09	30,393.09
Interest		2,907.90	-	-	2,907.90	349.44
<u>Fixed interest rate borrowings</u>						
Principal	10.65%	8,792.35	16,970.53	-	25,762.88	25,762.88
Interest		3,674.12	3,041.48	-	6,715.60	2,547.00
Lease Liability		1,066.06	2,703.71	4,016.16	7,785.93	3,858.57
Financial Gurantee Obligation		6,272.79	-	-	6,272.79	-
Non interest bearing (Trade payable, deposits etc.)		16,600.46	-	-	16,600.46	16,600.46

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for the year ended 31<sup>st</sup> March 2022

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 ₹ 5,916 Lakhs (Previous Year ₹ 3,142 Lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

### 34.9 (a) Details of Quarterly Statements to Banking Lenders

As per the requirements of the respective Working Capital facilities, the Company has made available to all applicable banking lenders the periodic statements (DP filings) required for computation of Drawing Power as applicable. A reconciliation of the Trade Receivables, Trade Payables and Inventory balances included in such DP filings to the accounting records underlying the quarterly results of the Company are as below.

#### i Trade Receivables

(₹ In lakhs)

Quarter	Name of the Banks	Particulars of Securities Provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Q1 (Gross)	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	a) First pari passu hypothecation charge on all existing and future current assets of the Company	67,125	67,875	(750)	1) Statement filed with Banks as per Depository Participant (DP) Filings is net of impairment allowance
Q2 (Net of ECL)	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	b) Second Charge on fixed assets of the Company	40,252	41,402	(1,150)	2) Increased provision recorded on reassessment of credit risk
Q3 (Net of ECL)	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	33,149	36,601	(3,452)	3) Debit Notes from Customers toward post sale discounts 4) Other reclassifications based on nature of balances
Q4 (Gross)	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank		54,308	56,635	(2,327)	

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### ii Inventories

(₹ In lakhs)

Quarter	Name of the Banks	Particulars of Securities Provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Q1	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	a) First pari passu hypothecation charge on all existing and future current assets of the Company	6,549	6,883	(334)	1) Increased provision recorded on reassessment of realisation
Q2	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	b) Second Charge on fixed assets of the Company	6,699	6,852	(153)	
Q3	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	9,184	9,586	(402)	
Q4	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank		4,672	5,281	(609)	

### iii Trade Payables

(₹ In lakhs)

Quarter	Name of the Banks	Particulars of Securities Provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Q1	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	a) First pari passu hypothecation charge on all existing and future current assets of the Company	12,868	13,184	(316.00)	1) Due to reclassification of trade payable into customer advances. 2) Trade Payable in the earlier year were not netted off.
Q2	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank		11,547	11,547	-	
Q3	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	b) Second Charge on fixed assets of the Company	13,350	13,556	(206.00)	
Q4	1) SBI Bank 2) Kotak Mahindra Bank 3) Rabo Bank 4) RBL Bank 5) HDFC Bank	c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	5,309	5,640	(331.00)	

## 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. 5,00,00,000 options are covered under the ESOP 2011 for 5,00,00,000 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 3,45,35,000 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

- 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 3,19,50,000 options under primary route (ESOP 2014-Primary) and 7,98,00,000 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 2nd February, 2022, granted 58,89,500 options 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, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 22nd March, 2021, granted 7,27,793 options under secondary market route (ESOP 2014-Secondary) to certain employees of the Company.

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		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	Note-1 below	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
ESOP 2014-Secondary	727,793	22.03.2021		Note-2 below	6.40	0.91
ESOP 2014-Secondary	5,889,500	02.02.2022		Note-2 below	7.50	0.93

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
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%
Option life (Years)	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12% - 7.25%	6.43% - 6.64%	6.67% - 6.88%

Inputs into the model	ESOP 2014-Secondary Grant 4	ESOP 2014-Secondary Grant 5	ESOP 2014-Secondary Grant 6	ESOP 2014-Secondary Grant 7	ESOP 2014-Secondary Grant 8
Expected volatility (%)	44.08%	47.01%	55.91%	56.50%	62.00%
Option life (Years)	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	5.86% - 6.33%	5.94% - 6.38%	5.56% - 6.04%	4.82% - 5.67%	5.08% - 6.00%



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for the year ended 31<sup>st</sup> March 2022

## 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 2022		Year ended 31st March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	7,563,293	Refer Note-2 above	12,725,000	Refer Note-2 above
ESOP 2014 primary	2,807,500	21.40	3,631,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	5,889,500	Refer Note-2 above	727,793	Refer Note-2 above
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	2,955,500	Refer Note-2 above	5,605,500	Refer Note-2 above
ESOP 2014 primary	2,550,000	-	823,500	-
Exercised during the period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	-	Refer Note-2 above	-	Refer Note-2 above
ESOP 2014 primary	-	21.40	-	21.40
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	284,000	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	10,497,293	Refer Note-2 above	7,563,293	Refer Note-2 above
ESOP 2014 primary	257,500	21.40	2,807,500	21.40

## 35.4 Share options exercised during the year

No options were exercised during the financial year 2021-22.

## 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 1,375 days (Previous year: 813 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
ESOP 2014 secondary	3,325,559	5,131,500
ESOP 2014 primary	257,500	2,807,500

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

35.6 The expense recognised for employee services received during the year is shown in the following table:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Expenses arising from equity settled share based payment transactions	28.94	97.87

## 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 (upto 30th March 2022)  
 Appu Nutritions Private Limited  
 Avante Snack Foods Private Limited (upto 30th March 2022)  
 Bloom Foods and Beverages Private Limited  
 Delect Spices and Herbs Private Limited (w.e.f.18th July 2019)  
 FCEL Food Processors Limited (upto 30th March 2022)  
 FCEL Overseas FZCO  
 FCL Tradevest Private Limited  
 Future Consumer Products Limited (upto 30th March 2022)  
 Future Food and Products Limited  
 Future Food Processing Limited  
 Genoa Rice Mills Private Limited (upto 30th March 2022)  
 Integrated Food Park Limited  
 Nilgiri's Mechanised Bakery Private Limited  
 Nilgiris Franchise Limited  
 The Nilgiri Dairy Farm Private Limited

#### b) Associate

Amar Chitra Katha Private Limited

#### c) Joint Venture

Aussee Oats India Limited  
 Aussee Oats Milling (Private) Limited  
 Fonterra Future Dairy Private Limited  
 Hain Future Natural Products Private Limited  
 Illusie Trading Company (Formerly Known as Mibelle Future Consumer Products AG)  
 Cosmolift Consumer Products Private Limited (Formerly Known as Mibelle India Consumer Product Private Limited)  
 MNS Foods Limited  
 Sublime Foods Limited

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## d) Key Management Personnel (KMP) and their relatives

### Executive Directors

Mr. Narendra Baheti (upto 29th April 2021)

Ms. Ashni Biyani

### Non Executive Directors

Mr. Kishore Biyani

Mr. Ghyanendra Nath Bajpai

Mr. Adhiraj Harish

Ms. Neelam Chhiber

Mr. Deepak Malik

Mr. Fredric De Mevius

Mr. K K Rathi

Mr. Harminder Sahni

### KMP's

Mr. Manoj Gagvani

Mr. Sailesh Kedawat (upto 14th February 2022)

Mr. Jude Linhares (from 29th April 2021)

Mr. Rajendra Bajaj (from 15th February 2022)

Mr. Amit Kumar Agarwal (from 15th February 2022)

### Relatives of KMP

Mr. Rajendra Baheti (upto 29th April 2021)

Mrs. Archana Baheti (upto 29th April 2021)

Mrs. Sunder Devi Baheti (upto 29th April 2021)

Mrs. Ambika Agarwal (From 15th February 2022)

Mrs. Nidhi Kedawat (Upto 14th February 2022)

Mrs. Shilpa Gagvani

Mrs. Sonu Bajaj (From 15th February 2022)

## 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 (upto 29th April 2021)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(0.74)
Investment in Equity Shares	0.02	-	550.00	-	-
	(50.44)	(-)	(1,050.00)	(-)	(-)
Debentures converted in to equity	-	4,977.00	300.50	-	-
	(-)	(-)	(-)	(-)	(-)
Sale of Investments	0.02	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Investment in Debentures	-	-	-	-	-
	(-)	(-)	(300.50)	(-)	(-)
Inter corporate deposits given	10.00	-	-	-	-
	(2,165.95)	(-)	(-)	(-)	(-)
Inter corporate deposits received back	1,842.29	-	-	-	-
	(4,628.81)	(-)	(10.00)	(-)	(-)
Job Work Charges	180.59	-	-	-	-
	(352.17)	(-)	(-)	(-)	(-)
Sale of products	4,974.08	-	3.09	-	24,247.15
	(2,478.53)	(-)	(43.78)	(-)	(31,981.55)
Interest income	4,139.95	-	545.75	-	-
	(4,453.41)	(-)	(740.02)	(-)	(-)
Loan Given	-	-	-	-	-
	(-)	(-)	(1,392.89)	(-)	(-)
Recovery of expenses	-	-	-	-	-
	(50.40)	(-)	(16.67)	(-)	(-)
Purchase of goods	926.01	-	1,247.86	-	206.60
	(1,305.05)	(-)	(845.06)	(-)	(599.88)
Managerial remuneration*	-	-	-	881.74	-
	(-)	(-)	(-)	(244.02)	(-)
Rent expenses	431.09	-	-	-	323.07
	(365.35)	(-)	(-)	(21.83)	(660.64)
Warehousing Distribution and Transportation charges	-	-	-	-	1,067.35
	(-)	(-)	(-)	(-)	(1,278.84)
Sitting fees	-	-	-	33.00	-
	(-)	(-)	(-)	(26.25)	(-)
Sale of fixed assets	2.73	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Marketing expenses	-	-	-	-	-
	(-)	(-)	(-)	(-)	(287.67)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(₹ 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
Security Deposit Received back	35.47	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Car Lease Rent	-	-	-	6.94	-
	(-)	(-)	(-)	(-)	(-)
Other expenses	160.73	-	-	-	1.94
	(-)	(-)	(-)	(-)	(16.99)

(₹ 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	4,013.23	-	904.50	-	44,800.67
	(2,894.11)	(-)	(98.85)	(-)	(70,086.00)
Advance from Customer	-	-	-	-	19.00
	(-)	(-)	(-)	(-)	(8.57)
Advance given to Supplier	-	-	150.10	-	-
	(-)	(-)	(-)	(-)	(-)
Interest receivable	9,111.79	20.98	1,892.57	-	-
	(5,549.48)	(20.98)	(1,610.56)	(-)	(-)
Prepaid expenses	-	-	-	-	-
	(25.13)	(-)	(-)	(-)	(-)
Inter corporate deposits outstanding	31,970.15	-	5,178.47	-	-
	(33,802.44)	-	(5,871.12)	(-)	(-)
Security deposit given outstanding	120.52	-	-	-	-
	(157.32)	(-)	(-)	(2.50)	(-)
Loan given outstanding	-	-	-	-	-
	(-)	(-)	(1,392.89)	(-)	(-)
Advances given outstanding	-	-	-	-	-
	(6.12)	(-)	(35.66)	(-)	(-)
Trade payables outstanding	249.12	-	25.95	-	1,125.40
	(745.37)	(2.62)	(179.49)	(13.24)	(620.40)
Managerial Remuneration Payable	-	-	-	12.76	-
	(-)	(-)	(-)	(-)	(-)
Standby Letter of Credit outstanding	-	-	-	-	-
	(-)	(-)	(882.06)	(-)	(-)
Corporate guarantees outstanding	722.96	-	829.25	-	-
	(1,722.06)	(-)	(3,013.04)	(-)	(-)

Figures in bracket represent previous year's figures.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 36.3 Disclosure in respect of Material Transactions with Related Parties

		(₹ In lakhs)	
Nature of transactions	2021-22	2020-21	
<b>Purchase of property, plant and equipments</b>			
Future Retail Limited	1.00	0.74	
<b>Investment in Equity Shares</b>			
Fonterra Future Dairy Private Limited	550.00	865.00	
Hain Future Nature Product Private Limited	-	185.00	
<b>Investment made in Debentures</b>			
Hain Future Nature Product Private Limited	-	300.50	
<b>Advance given to supplier</b>			
Sublime Foods Limited	63.34	-	
MNS Foods Limited	86.75	-	
<b>Sale of Investments</b>			
FEL Food Processors	0.01	-	
Future Consumer Products Limited	0.01	-	
<b>Security Deposit given received back</b>			
Integrated Food Park Limited	35.47	-	
<b>Loan Given</b>			
Fonterra Future Dairy Private Limited	-	1,392.89	
<b>Inter corporate deposits given</b>			
Aadhaar Wholesale Trading and Distribution Limited	-	1,000.00	
Integrated Food Park Limited	-	680.00	
FCL Tradevest Private Limited	10.00	56.95	
The Nilgiri Dairy Farm Private Limited	-	200.00	
<b>Inter corporate deposits received back</b>			
Aadhaar Wholesale Trading and Distribution Limited	84.17	2,267.75	
Bloom Foods and Beverages Private Limited	-	706.00	
Integrated Food Park Limited	-	515.08	
Future Food and Products Limited	780.90	-	
Geona Rice Mill Private Limited	185.00	131.00	
Future Food Processing Limited	782.22	8.47	
The Nilgiri Dairy Farm Private Limited	10.00	1,000.51	
<b>Car Lease Rent</b>			
Nidhi Kedawat (Upto 14th February 2022)	2.95	-	
Shilpa Gagwani	3.36	-	
<b>Job Work Charges</b>			
Integrated Food Park Limited	51.82	80.20	
Affluence Food Processors Private Limited	-	102.87	
Geona Rice Mill Private Limited	128.77	169.11	
<b>Sale of products</b>			
Future Retail Limited	24,247.08	31,952.25	
Aadhaar Wholesale Trading and Distribution Limited	2,188.59	411.65	
The Nilgiri Dairy Farm Private Limited	2,785.03	2,066.87	

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

	(₹ In lakhs)	
Nature of transactions	2021-22	2020-21
<b>Interest income</b>		
Aadhaar Wholesale Trading and Distribution Limited	1,129.01	1,227.17
Aussee Oats Milling (Private) Limited	-	486.38
Integrated Food Park Limited	1,887.74	1,884.21
The Nilgiri Dairy Farm Private Limited	799.69	895.57
<b>Debentures converted into equity</b>		
Amar Chitra Katha Private Limited	4,977.00	-
<b>Sale of fixed assets</b>		
Integrated Food Park Limited	2.73	-
<b>Recovery of expenses</b>		
Future Food and Products Limited	-	27.72
Integrated Food Park Limited	-	21.43
MNS Foods Limited	-	8.34
Sublime Foods Limited	-	8.34
<b>Purchase of goods</b>		
Premium Harvest Limited	45.67	599.88
Bloom Foods and Beverages Private Limited	421.94	908.76
MNS Foods Limited	595.44	327.81
Sublime Foods Limited	479.27	439.71
The Nilgiri Dairy Farm Private Limited	468.01	250.98
<b>Managerial remuneration</b>		
Ms. Ashni Biyani	210.68	154.53
Mr. Jude Linhares (From 29th April 2021)*	372.69	-
Mr. Manoj Gagvani	123.32	-
Mr. Sailesh Kedawat (Upto 14th February 2022)*	138.45	-
Mr. Narendra Baheti	26.45	45.05
Mr. Rajendra Baheti	-	44.44
<b>Rent expenses</b>		
Future Retail Limited	-	229.84
Future Supply Chain Solutions Limited	313.34	266.77
Integrated Food Park Limited	431.09	365.35
<b>Warehousing Distribution and Transportation charges</b>		
Future Supply Chain Solutions Limited	1,067.35	1,278.84

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

	(₹ In lakhs)	
Nature of transactions	2021-22	2020-21
<b>Sitting fees</b>		
Mr. Ghyanendra Nath Bajpai	6.25	4.75
Mr. Kishore Biyani	3.25	3.50
Mr. Adhiraj Harish	6.00	4.50
Mr. Harminder Sahn	5.50	4.25
Mr. K K Rathi	5.25	4.00
Ms. Neelam Chhiber	3.75	2.75
<b>Marketing expenses</b>		
Future Retail Limited	-	287.67
<b>Other expenses</b>		
Integrated Food Park Limited	160.73	-
Premium Harvest Limited	1.58	14.85
Future Enterprises Limited	0.36	2.13

	(₹ In lakhs)	
Balances as on 31st March	2022	2022
<b>Trade and other receivable ***</b>		
Aadhaar Wholesale Trading and Distribution Limited	1,260.09	687.08
Future Corporate Resources Private Limited	6,976.61	6,976.59
Future Retail Limited	37,824.06	63,097.41
The Nilgiri Dairy Farm Private Limited	2,421.15	1,796.82
<b>Interest receivable</b>		
Aadhaar Wholesale Trading and Distribution Limited	2,324.61	1,248.11
The Nilgiri Dairy Farm Private Limited	1,837.14	1,045.45
Amar Chitra Katha Private Limited	20.98	20.98
Aussee Oats Milling (Private) Limited	1,622.78	1,305.63
Future Food Processing Limited	185.70	265.30
Integrated Food Park Limited	4,545.82	2,708.60
<b>Prepaid expenses</b>		
Integrated Food Park Limited	-	25.13
<b>Inter corporate deposits outstanding</b>		
Aadhaar Wholesale Trading and Distribution Limited	9,024.45	9,108.63
Aussee Oats Milling (Private) Limited	4,366.27	4,210.92
Integrated Food Park Limited	15,101.92	15,101.92
The Nilgiri Dairy Farm Private Limited	6,397.49	6,397.49
<b>Advance from Customer</b>		
Future Lifestyle Fashions Limited	19.00	8.57
<b>Security deposit given outstanding</b>		
Integrated Food Park Limited	120.52	157.32
<b>Advances given outstanding</b>		
Sublime Foods Limited	63.34	35.66
MNS Foods Limited	86.75	-
FCEL Overseas FZCO	-	6.12



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Nature of transactions	(₹ In lakhs)	
	2021-22	2020-21
<b>Trade payables</b>		
Integrated Food Park Limited	-	263.78
Future Supply Chain Solutions Limited	1,026.50	390.32
Genoa Rice Mills Private Limited	-	219.01
Premium Harvest Limited	-	98.41
The Nilgiri Dairy Farm Private Limited	249.12	133.39
MNS Foods Limited	-	157.58
<b>Loan Given Outstanding</b>		
Fonterra Future Dairy Private Limited	-	1,392.89
<b>Stand By Letter of Credit Outstanding</b>		
Aussee Oats Milling (Private) Limited	-	882.06
<b>Corporate guarantees outstanding</b>		
Integrated Food Park Limited	-	661.54
Aussee Oats Milling (Private) Limited	-	1,024.61
Fonterra Future Dairy Private Limited	83.33	659.75
The Nilgiri Dairy Farm Private Limited	722.96	1,060.51
Hain Future Natural Product Private Limited	596.36	877.94
Aussee Oats India Limited	-	155.80

\*includes share based payments to managerial personnel.

\*\*\* Gross of ECL

## 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 2022, the Company has recorded an impairment loss of ₹ 21,471.26 lakhs on receivables relating to amounts owed by related parties (31 March 2021: ₹ 16,177.11 lakhs). 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 & 45)

## 36.6 Compensation of key management personnel

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Short term employee benefits	44.33	243.72

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 22	Nos o/s as on March 21
12.08.2016	12.08.2022	21.40	-	2,500,000

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 37 CONTINGENT LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Claims against the company not acknowledged as debt*	47.34	101.26
Disputed income tax demands	23.43	-
Disputed sales tax and excise matters	116.40	248.42
Stand By Letter of Credit Outstanding	-	882.06
Corporate guarantees issued to banks and financial institutions are against credit facilities issued to third parties (Loans outstanding as at 31st March 2022 ₹ 1,552.22 lakhs; Previous Year ₹ 6,272.79 lakhs)	8,000.32	19,216.14
	<b>8,187.49</b>	<b>20,447.88</b>

\* 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 2022 is ₹ 72.44 lakhs (Previous Year ₹ 2.97 lakhs)

### 39 DISCLOSURE REQUIREMENT OF LOANS AND ADVANCES/ INVESTMENTS AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at	As at	During the year ended	During the year ended
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>Subsidiaries:</b>				
Aadhaar Wholesale Trading and Distribution Limited	9,024.45	9,108.63	9,108.63	10,376.38
The Nilgiri Dairy Farm Private Limited	6,397.49	6,397.49	6,397.49	7,298.00
Integrated Food Park Limited	15,101.92	15,101.92	15,101.92	15,268.45
Nilgiris Franchisee Limited	34.00	44.00	44.00	44.00
Bloom Foods and Beverages Private Limited	500.00	500.00	500.00	1,206.00
FCEL Food Processors Limited #	-	11.50	11.50	11.50
Future Food Processing Limited	592.84	1,375.05	1,375.05	1,383.52
Future Food and Products Limited	-	780.90	780.90	780.90
FCL Tradevest Private Limited #	319.45	97.95	319.45	97.95
Genoa Rice Mill Private Limited #	-	385.00	385.00	516.00
<b>Joint ventures:</b>				
Aussee Oats Milling (Private) Limited *	4,366.27	4,210.92	4,432.67	4,342.01

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at	As at	During the year	During the year
	31st March 2022	31st March 2021	ended 31st March 2022	ended 31st March 2021
Aussee Oats India Limited *	65.00	65.00	65.00	75.00
Sublime Food Limited* (refer note 43.6)	-	848.00	848.00	848.00
MNS Food Limited*	747.20	747.20	747.20	747.20
Fonterra Future Dairy Private Limited (refer note 43.2)	-	1,392.89	1,392.89	1,392.89
<b>Total</b>	<b>37,148.62</b>	<b>41,066.45</b>		

\* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

# As result of merger, Loan to FCEL Food Processors Limited and Genoa Rice Mill Private Limited are transferred to FCL Tradevest Private Limited. For further details on merger, refer note 43.7.

- 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.

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end*	416.52	2,182.67
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	15.44	21.33
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	57.25	41.81
Further interest remaining due and payable for earlier periods	41.81	20.48

\* Out of this Rs 198.88 lakhs (previous year 560.75 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 Capital work-in-progress as given below:

- (a) Ageing of Capital work-in-progress as given below:

Particulars	Amount of Capital Work in Progress for a period of				Total
	less than 1 year	1-2 years	2-3 years	more than 3 years	
Mar-22	-	-	-	-	-
Mar-21	21.42	-	-	-	21.42

There are no projects which are temporarily closed

- (b) No Capital Work in Progress is overdue as compared to original plan for the year ended 31st March 2022 and 31st March 2021.  
(c) There are no Projects which have exceeded their cost as compared to Original Plan.

## 42 ASSET HELD FOR SALE

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Investment in Amar Chitra Katha Private Limited (refer Note a)	4,976.99	-
Assets at Dal Mill (refer Note b)	281.00	409.08
<b>Total</b>	<b>5,257.99</b>	<b>409.08</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### Note a

Upon conversion on maturity of 4,976.99 Compulsorily Convertible Debentures (CCDs) in Amar Chitra Katha Private Limited (ACK), the Company was allotted 13,20,159 equity shares of ACK, which is an associate of the Company. The Board of Directors of the Company, have vide their resolution dated February 10, 2022 resolved to liquidate the Company's stake in ACK pursuant to which the investment in ACK has been recognized as Non-Current Asset Held For Sale, as on March 31, 2022. In May 2022, the Company has entered into a definitive agreement of sale for part of its stake in ACK amounting to 3,61,290 equity shares of ACK, at a total consideration of ₹ 1,362 lakhs.

### Note b

The Company intends to sell its Land along with the building and plant & machinery thereon have been classified at cost of ₹ 409.08 lakhs as on March 31, 2021 as non-current assets held for sale. Upon review, the recoverable amount is identified at Rs 281 lakhs and recognized an impairment of ₹ 128.08 lakhs during the year ended March 31, 2022 on these assets, which has been included in exceptional items for the year.

## 43 EXCEPTIONAL ITEMS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Losses on Force Majeure invoked by Customers (Refer Note 43.10)	-	3,558.80
Impairment of Investments (Refer Note 43.1 to 43.5)	23,389.22	4,219.71
Impairment of Brand (Refer Note 43.8, 43.9 and Note 50)	780.04	715.74
Write off of inter Corporate Loans (Refer Note 43.2 and 43.6)	2,564.89	-
Net Loss on Sale of Investments (Refer Note 43.7)	3.49	-
Impairment on Assets at Bidar Mill (Refer Note 42.b)	128.08	-
<b>Total</b>	<b>26,865.72</b>	<b>8,494.25</b>

### 43.1 The Nilgiri Dairy Farm Private Limited and Nilgiris Mechanised Bakery Private Limited

The Company has recognized an impairment loss of ₹ 10,772.86 lakhs (Previous Year 3,876.71 lakhs) on its investment in Nilgiri Dairy Farm Private Limited (NDFPL), a wholly owned subsidiary including an impairment loss of ₹ 54.19 lakhs on Nilgiris Mechanised Bakery Private Limited (NMBPL) a subsidiary of NDFPL, due to lower business performance and based on the analysis of recoverable value of its subsidiary.

Further, subsequent to the year ended 31st March 2022, NDFPL has entered into the agreement of sales with respect to land held for sale as on 31st March 2022, at consideration of ₹ 6,870 lakhs which was ₹ 4,712.98 lakhs lower than carrying value of such land in their books. Since the assessed fair value of the land form part of the assessment of the fair value of the Company's investment in NDFPL, this reduction in fair value has been considered while computing the impairment recorded on such investment.

The equity value is based on a value in use calculation, which applies revenue multiple of comparative companies in similar business on projected revenue of the NDFPL and considering the Net Asset Value of subsidiaries of The Nilgiri Dairy Farm Private Limited."

### 43.2 Fonterra Future Dairy Private Limited

In light of the continued losses sustained on the investment, the Board of Directors of the Company have vide their resolution dated March 10th, 2022 resolved to discontinue the business operations of Fonterra Future Dairy Private Limited (Fonterra). Pursuant to this, the Company has recorded an impairment loss of ₹ 2,965 lakhs on investments and ₹ 1,482.34 lakhs on Inter Corporate Loans and interest thereon, which has been included in the exceptional costs during the year ended March 31, 2022.

### 43.3 FCL Tradevest Private Limited

Consequent to the impairment in its step-down subsidiaries viz. Future Food and Products Limited ₹ 2,145 lakhs, Future Food Processing Limited ₹ 1,385.41 lakhs, Sublime Foods Private Limited ₹ 104 lakhs, (Previous Year: ₹ 343 lakhs), MNS Foods Limited ₹ 64 lakhs, Delect Foods & Spices ₹ 173.40 lakhs and Hain Future Natural Products Private Limited ₹ 52.81 lakhs respectively due to lower business performance and based on the analysis of recoverable value of its subsidiaries, the Company has recognized an impairment loss of ₹ 3,924.62 lakhs (Previous Year ₹ 343 lakhs) on its investment in FCL Tradevest Private Limited, a wholly owned subsidiary.

### 43.4 Aadhaar Wholesale Trading & Distribution Limited

The Company has recognized an impairment loss of ₹ 3,890.98 lakhs on its investment in Aadhaar Wholesale Trading & Distribution Limited (Aadhaar), a wholly owned subsidiary of the Company due to lower business performance and based on the analysis of recoverable value of Aadhaar. 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 period of five years, discounted at a rate of 12.7% per annum, which is the weighted average cost of capital for the Company. Cash flows beyond the period of five years have been extrapolated using the steady growth rate of 5% per annum, based on the long-term average growth rate for Aadhaar's business.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 43.5 Hain Future Natural Products Private Limited

The Company has recognized an impairment loss of ₹ 1,835.76 lakhs on its investment in Hain Future Natural Products Private Limited (Hain), a joint venture of the Company due to lower business performance and based on the analysis of recoverable value of Hain. 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 period of five years, discounted at a rate of 16.5% per annum, which is the weighted average cost of capital for the Company. Cash flows beyond the period of five years have been extrapolated using the steady growth rate of 5% per annum, based on the long-term average growth rate for Hain's business.

## 43.6 Inter Corporate Deposits to Sublime Foods Limited

Based on an assessment of the recoverability of the Inter Corporate Deposits (ICD) given to Sublime Foods Limited, a joint venture of the Company, the Company has recognized an impairment loss of ₹ 1,082.55 lakhs on the same, amounting to the entirety of the principal outstanding on such ICDs, and the interest outstanding thereon as on March 31, 2022.

## 43.7 Business Combination

FCL Tradevest Private Limited (FTPL), wholly owned subsidiary of the company, has completed the merger of 5 companies viz. Affluence Food Processors Private Limited, Avante Snack Foods Private Limited, FCEL Food Processors Limited (FCEL FP), Future Consumer Products Limited (FCPL) and Genoa Rice Mills Private Limited with effect from March 30, 2022. The scheme of merger ("scheme") was filed with Registrar of Companies on the same date.

The scheme submitted by the FTPL was approved by Hon'ble National Company Law Tribunal by its order dated 24th February, 2022 (Mumbai bench). Of the transferors, FCPL and FCEL FP were each wholly owned subsidiaries of the Company, and the others were wholly owned subsidiaries of FTPL. As per the terms of the Scheme, FCL Tradevest has recorded the accounting treatment of this merger with effect from the beginning of the comparative period, i.e., April 1st, 2020.

As per the terms of the scheme, FCL Tradevest will allot 100 equity shares of ₹ 10 each against the shares held by the Company in FCPL and FCEL FP respectively. The same has been disclosed under Other Non-Current Financial Asset in the books of the Company. Further, the same has been subsequently allotted by FCL Tradevest Private Limited in May 2022.

## 43.8 Impairment on Brands

### 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 14.1% per annum (Previous year 12.7% p.a.) 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 ₹ 291.92 lakhs (Previous year Rs 200 lakhs) on this brand during the year.

Pertaining only to Previous year ended March 31, 2021

## 43.9 Brand KBFP

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 had fully impaired its Brand of Rs 515.74 Lakhs during the previous year ended March 31, 2021 which is included in exceptional items in Statement of Profit and Loss.

## 43.10 Losses on Force Majeure invoked by Customers

Due to Covid-19 pandemic and resulting lockdowns, one of the Company's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Company had recognised a loss of ₹ 3,558.80 lakhs which was included in exceptional items for the year ended March 31, 2021.

## 44 GOODWILL

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 11% per annum. (Previous year 11%) 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 45 PARTICULARS OF LOANS GIVEN/ INVESTMENTS MADE/ GUARANTEES GIVEN AS REQUIRED BY CLAUSE (4) OF SECTION 186 OF THE COMPANIES ACT, 2013

#### 1) Loans given

(₹ In lakhs)				
Name of the Company	For FY 2021-22			
	Amount	Period	Interest Rate	Purpose
FCL Tradevest Private Limited	10.00	365 Days	12.50%	General Corporate Purpose
<b>Total</b>	<b>10.00</b>			

Name of the Company	For FY 2020-21			
	Amount	Period	Interest Rate	Purpose
Fonterra Future Dairy Private Limited	1,392.89	1825 days	5.45 % - 5.46 %	General Corporate Purpose
Aadhaar Wholesale Trading & Distribution Limited	1,000.00	365 Days	12.50%	General Corporate Purpose
Integrated Food Park Limited	680.00	365 Days	12.50%	General Corporate Purpose
Bloom Foods And Beverages Private Limited	200.00	365 Days	12.50%	General Corporate Purpose
The Nilgiri Dairy Farm Private Limited	200.00	365 Days	12.50%	General Corporate Purpose
Future Food Processing Limited	24.00	365 Days	12.50%	General Corporate Purpose
Future Food And Products Limited	5.00	365 Days	12.50%	General Corporate Purpose
FCL Tradevest Private Limited	56.95	365 Days	12.50%	General Corporate Purpose
<b>Total</b>	<b>3,558.84</b>			

#### 2) Investment made

(₹ In lakhs)				
Name of the Company	For FY 2021-22			
	Amount	Period	Interest Rate	Purpose
Fonterra Future Dairy Private Limited	550.00	Not Applicable	Not Applicable	Not Applicable
<b>Total</b>	<b>550.00</b>			

(₹ In lakhs)				
Name of the Company	For FY 2020-21			
	Amount	Period	Interest Rate	Purpose
Fonterra Future Dairy Private Limited	865.00	Not Applicable	Not Applicable	Not Applicable
Debenture in Hain Future Nature Product Private Limited	300.50	Not Applicable	Not Applicable	Not Applicable
Hain Future Nature Product Private Limited	185.00	Not Applicable	Not Applicable	Not Applicable
Bloom Foods And Beverages Private Limited	50.44	Not Applicable	Not Applicable	Not Applicable
<b>Total</b>	<b>1,400.94</b>			

Guarantees given during the year is ₹ Nil (Previous year year ₹ Nil)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 46 RATIOS INCLUDING REASON FOR VARIANCE OF MORE THAN 25% AS REQUIRED BY SCHEDULE III

Sr. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% change
1	Current ratio	Current Assets	Current Liabilities	0.54	0.87	(37.71)
	Reason for variance – The decrease in ratio is due to decrease in current assets on account of ECL provision on receivables and impairment of investments and decrease in creditors balance on account of payments.					
2	Debt- Equity Ratio	Total Debt (Borrowings)	Shareholder's Equity	1.34	0.63	112.89
	Reason for variance – The increase in ratio is due to reduction in equity mainly due to ECL provision on receivable and Impairment of Investments.					
3	Debt Service Coverage ratio	Earnings after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest & Lease Payments + Principal Repayments	0.29	(0.68)	(142.04)
	Reason for variance – Profit available for servicing debts has been increase due the better utilisation of the working capital & increased sales.					
4	Return on Equity ratio	Earnings After Taxes	Average Shareholder's Equity	0.80	(35.79)	124.66
	Reason for variance – Increase in ratio is due to reduction in equity mainly due to ECL provision on receivable and Impairment of Investments.					
5	Inventory Turnover ratio	Cost of goods sold = Cost of material consumed + Change in inventory + Purchase of Traded goods	Average Inventory	18.37	5.71	221.88
	Reason for variance – Increase in Inventory T/o is due to better business operation and reduction in maintaining the average inventories due to business closure of one of major customer of the companies.					
6	Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivable	2.62	0.93	181.10
	Reason for variance – Increase in ratio is mainly due to decrease in debtors balance on account of provision of one of major customer and increase in revenue post covid.					
7	Trade Payable Turnover Ratio	Purchase of Traded goods + Purchases of Raw material (Including packing material and Stores)	Average Trade Payables	6.75	2.00	237.07
	Reason for variance – Increase in ratio is due to decrease in creditors and increase in purchases due to increased operations post covid.					
8	Net Capital Turnover Ratio	Revenue from operations	Working capital = Current assets – Current liabilities	(3.17)	(5.88)	(46.13)
	Reason for variance – Increase in ratio is mainly due to increase in ECL provision on receivables and increase in revenue from operations post covid.					
9	Net Profit ratio	Earnings After Taxes	Revenue from operations	(56.37%)	(69.92%)	(19.38)
	Reason for variance – The reason for variance is increase in turnover.					
10	Return on Capital Employed	Earnings before interest and taxes and exceptional item	Shareholder's Equity = Equity - Goodwill - Other Intangible Assets	(25.41)	(16.50)	54.05
	Reason for variance - Decrease in ratio is due to reduction in equity mainly due to ECL provision on receivables and Impairment of Investments.					
11	Return on Investment	Interest (Finance Income)	Average cash & cash equivalent + Non Current Investments	3.64	2.83	28.54
	Reason for variance - Increase in ratio is due to better allocation Investments.					

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 47 DETAILS OF CSR EXPENDITURE

Particulars	(₹ In lakhs)	
	31 March 2022	31 March 2021
a. Gross amount required to be spent during the year	-	51.42
b. Amount spent in cash during the year ended on 31st March, 2022:		
Construction / acquisition of any asset	-	-
Others	-	51.42
<b>Total</b>	<b>-</b>	<b>51.42</b>

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The Company has incurred losses in current and in previous years. Accordingly, as the average net profit for immediately preceding three financial years is NIL there are no amounts required to be spend on corporate social responsibility under section 135 of the Companies Act, 2013. Consequently, there are no unspent amount on ongoing projects / other than ongoing projects

### 48 NOTE ON GOING CONCERN BASIS USED FOR PREPARATION OF FINANCIALS

COVID-19 pandemic has adversely affected the operations of the Company including its ability to be consistent with supplies and sales and which in turn has also impacted liquidity position of the Company. While the Company continues to work very closely with all stakeholders, the situation continues to be still evolving. The Company has adopted several cost reductions measures to address the liquidity crunch to maintain sufficient operational cash flows.

The Company has debt servicing obligations aggregating to 38,239.40 Lakhs within the next twelve months, comprising of Current Maturities of Long-Term debt amounting to ₹ 13,588.34 lakhs and short-term borrowings of ₹ 24,651.06 lakhs. The Company has incurred loss before tax during the year ended March 31, 2022 amounting to 54,687.37 Lakhs (Including Exceptional items) primarily owing to the lower volumes, impairment losses, Expected Credit Loss (ECL) provision, finance costs and depreciation and also has accumulated losses as at March 31, 2022 of ₹ 1,18,831.22 lakhs. The Company's current liabilities exceeded its current assets by ₹ 30,647.79 lakhs as at the balance sheet date. Also, the Company has defaulted in repayment of its debentures as on March 31, 2022 of Rs 2,666.60 lakhs which has been subsequently paid.

Further, certain secured creditors of one of the Company's major customers have filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against such customer. In light of the same, the Company has recorded an increased ECL of ₹ 21,472.71 lakhs during the year ended March 31, 2022 on the entirety of the balance amounts receivable from the said customer.

These events/conditions indicate the existence of material uncertainty on the Company's ability to continue as going concern. To address the liquidity crunch and to maintain the sufficient working capital, the Company has adopted several measures including sales to other customers, cost optimisation, invoking One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines which has been approved by all the lenders on May 06, 2021; and entered into an agreement with debenture trustees of CDC Emerging Markets on December 15, 2021, for deferment of repayments of Non-Convertible Debentures. Further, the Board of Directors of the Company has approved the plan for monetization of some of the assets including investments, to repay the debts and manage the working capital requirements.

The success of the above measures adopted by the Company is dependent on the effective implementation of its operating plans and timely identification of the prospective buyers for monetisation of its assets including investments which is dependent of many internal / external factors. The management is confident that they will be able to arrange sufficient liquidity by monetization of its assets, increase in operations and other strategic initiatives. Accordingly, the financial statements are prepared on a going concern basis.

- 48.1** The Company had invoked One Time Restructuring (OTR) of loans from banks on November 09, 2020 as per RBI guidelines vide circular dated August 6, 2020 on 'Resolution Framework for COVID-19 related stress' and follow on circular dated September 7, 2020 on 'Resolution Framework for COVID-19-related Stress – Financial Parameters'. The aforesaid OTR has been approved by all the lenders on May 06, 2021.

Accordingly, the approval of One Time Restructuring and signing of agreement with debenture trustees has had the following impact on the Company's working capital position:

- Limits of Short-Term Borrowings (Working Capital Demand Loan and Cash Credit) to continue as per existing limits;
- Interest moratorium on all facilities with lenders participating in the OTR till September 2021 and creation of funded interest term loan on the same along with any unpaid interest as on the date of implementation;
- Outstanding bills discounted as at November 09, 2020 have been converted into Working Capital Term Loan repayable from June 2022 onwards;
- Extension of tenure of term loans by up to 24 months and moratorium of principal repayment till February 2023.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 49 UPDATE ON COMPOSITE SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement which involves: (i) merger of the Company and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Composite Scheme of Arrangement"/ "Scheme"), has been approved by Board of Directors of the Company at its meeting held on August 29, 2020. Pursuant to the directions given by National Company Law Tribunal, Mumbai (NCLT), the meetings of shareholders and creditors of all the companies involved in the Scheme has been convened and held between April 20, 2022 to April 23, 2022. As in most of the secured creditors meetings of various companies involved in the Scheme, the voting was not in favour of the Scheme, the Company along with all other listed entities involved in the Scheme have communicated to stock exchanges on April 23, 2022 that the subject Scheme cannot be implemented.

### 50 NOTE ON DEMERGER OF ATHENA LIFE SCIENCES PRIVATE LIMITED

The Scheme of Arrangement between Athena Life Sciences Private Limited ('Athena') and the Company and their respective Shareholders and Creditors ("Scheme") was sanctioned in terms of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 by Hon'ble National Company Law Tribunal, Mumbai Bench. The scheme was filed with Registrar of Companies on 6th October 2021 which is considered to be the effective date on which the control is transferred to the Company.

On 6th October 2021, the Company has completed the transfer of identified undertaking of Athena via an all-equity consideration under which 13 shares of the Company were allotted for 83 shares of Athena. Pursuant to the Scheme, the Company has, on 6th October 2021, approved allotment of 99,93,764 equity shares of ₹ 6/- each to the equity shareholders of Athena as provided under the Scheme. With this transfer, the Company acquired the marketing selling and distribution business of Athena in relation to the portfolio products/brands namely, D'Free, Hair for Sure, Iraya and Safe & Sure. On March 31, 2022, in light of the poor performance of these brands, the Company has recognized an impairment loss of ₹ 488.12 lakhs on the same, which has been included in the exceptional items for the year.

### 51 NOTE ON QUALIFICATION IN AUDITOR'S REPORT

The Company has investments in Aussee Oats Milling Private Limited (joint venture) and Aussee Oats India Private Limited (step down joint venture) (together referred to as 'JV') of ₹ 9,311.50 Lakhs (including investments, loans and other assets). There is a dispute between the Company and said JV partners and due to non-availability of financial results for the year ended March 31, 2022 pursuant to non-cooperation of the said JV partners in direct contravention of court rulings, the Company is unable to determine the fair value of Company's investments in JV as at March 31, 2022 and consequent impact thereof on the financial statements. However, the Management believe that it will not have a material impact on the financial statements for the year ended March 31, 2022.

### 52 NOTE FOR FINANCIAL IMPACT ASSESSMENT OF SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code of Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 53 OTHER STATUTORY INFORMATION

- There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- The Company has not entered into any transactions with struck off companies during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

**53.1** The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, the Company has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 54 PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

The accompanying notes are an integral part of the financial statements 1-54

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

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

G.N.Bajpai

Chairman

Samson Samuel

Chief Executive Officer

Amit Agarwal

Executive Director

per Pramod Kumar Bapna

Partner

Membership No 105497

Manoj Gagvani

Company Secretary

& Legal Head

Rajendra Bajaj

Dy Chief Financial Officer

Place : Mumbai

Date : 27th May, 2022

Place : Mumbai

Date : 27th May, 2022

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 Financial Statements

### Opinion

We have audited the accompanying consolidated 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, 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated 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, 2022, their consolidated loss including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Qualified Opinion

As described in Note 51(a) to the consolidated financial statements as regards non-availability of financial information and ongoing dispute with Joint Venture partner of 2 Joint Venture companies, which are not considered for consolidation in the attached consolidated financial statements, which is a non-compliance of IND AS 27. Consequently, we are unable to determine the impact of such non-compliance on the loss, earnings per share for the year ended March 31, 2022 and investment in joint venture, reserves and surplus as of March 31, 2022.

As described in Note 51(b) to the consolidated financial statements, we did not audit the financial statement of 2 Joint Ventures, included in the consolidated financial statements, whose share of loss of ₹ 1,959.96 lakhs, for the year ended March 31, 2022 as considered in the consolidated financial statements and the Group's investment/(liabilities) in the aforesaid joint venture as at March 31, 2022 is ₹ (658.63 lakhs). These financial statements have not been audited and have been presented solely based on the information complied by the management. Accordingly, we are unable to comment on the financial

impact, if any, on the consolidated financial statement if the same had been audited.

We conducted our audit of the consolidated 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 Financial Statements' section of our report. We are independent of the Group, associate, 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 qualified audit opinion on the consolidated financial statements.

### Material Uncertainty Related to Going Concern

We draw attention to Note 52 of the consolidated financial statements which indicates the existence of material uncertainty on the Group and its joint venture's ability to meet its debt obligations. The appropriateness of going concern assumption is dependent upon the Group and its joint venture's ability to arrange sufficient liquidity by monetization of its assets, increase in operations and other strategic initiatives to meet its obligations. 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 financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section and in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Impairment of Investments</b> (as described in Note 5 and 45 of the consolidated financial statements)	
During the year, impairment indicators were identified by the management on certain investments wherein net worth of the investee company is negative or the Carrying value of the investments 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.	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Group has in relation to impairment assessment processes;</li> <li>We assessed the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of Group's internal and external specialists involved in the process;</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>For the purpose of the above impairment assessment, recoverable value has been determined by forecasting and discounting future cash flows or by using revenue multiple of comparable companies to future sales, as appropriate to the respective investment. Furthermore, the recoverable value is highly sensitive to changes in some of the inputs used for forecasting the future cash flows/enterprise value. 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.</p> <p>Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 19 pandemic and its effect on business and terminal growth rates used;</li> <li>• 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;</li> <li>• We involved our experts to assess the Group's valuation methodology and assumptions around the key drivers of the cash flow forecasts used in determining the recoverable amount;</li> <li>• We assessed the adequacy of disclosures made in the consolidated financial statements as per Ind AS 36.</li> </ul>
Related Party Transactions (Refer Note 38 of the consolidated financial statements)	
<p>The Group has significant transactions with Related Parties which includes sale of products, services, rent, loans and advances given and interest income.</p> <p>One of the Group's top customer which is a related party contributes about 17% of the total revenue of the Group. Also, proportion of loans to related parties is 100% of the total loans of the group.</p> <p>Considering the high volume of transactions with related parties, judgement involved in determination of arm's length price, related party transaction has been considered as a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls in relation to 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;</li> <li>• We read contracts and agreements with related parties to understand the nature of the transactions;</li> <li>• We read the related party transaction report as prepared by third party consultant to assess whether the transactions are at arm's length;</li> <li>• We read the inputs used in the related party transaction report as prepared by third party consultant and also read the evaluation performed in determining arm's length price of related party transactions;</li> <li>• We assessed the objectivity and competence of the Group's external specialists involved;</li> <li>• We assessed the adequacy of disclosures made in the consolidated financial statements as per Ind AS 24.</li> </ul>
Impairment assessment of Goodwill and other Intangible assets (as described in Note 4 and 46 of the consolidated financial statements)	
<p>The Group is required to, at least annually, perform impairment assessments of goodwill and intangible assets with indefinite useful life recognised in books.</p> <p>The Group performs an annual impairment assessment of goodwill and intangible assets with indefinite useful life to determine whether the recoverable value is below the carrying amount. We focused on this area as the assessments made by management for determination of future cash flows involved significant estimates and judgments, including estimates for revenue growth rates, gross profit margin, net profit margin, and terminal growth rate used to estimate future cash flows and discount rates/ sales multiples of comparable companies to future sales 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/ sales multiples of comparable companies to future sales applied.</p> <p>The current economic climate also increases the complexity of forecasting.</p> <p>Accordingly, the impairment test of goodwill and intangible assets with indefinite useful life is considered to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Holding Company has in relation to impairment review processes;</li> <li>• We assessed the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of Group's internal specialists involved in the process;</li> <li>• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates/ sales multiples of comparable companies to future sales, expected growth rates, impact of the Covid 19 pandemic and its effect on business and terminal growth rates used;</li> <li>• We discussed with the management changes in key drivers as compared to the previous year to evaluate the reasonableness of the inputs and assumptions used in the cash flow forecasts;</li> <li>• We involved our experts to assess the Group's valuation methodology and assumptions around the key drivers of the cash flow forecasts used in determining the recoverable amount;</li> <li>• We assessed the adequacy of disclosures made in the consolidated financial statements as per Ind AS 36.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<b>Carrying Value of Trade and Other Receivables</b> (as described in Note 12 and Note 7 of the consolidated financial statements)	
<p>As at March 31, 2022, Trade and Other Receivables constitutes approximately 13% of total assets of the Group. The Group is required to regularly assess the recoverability of its Trade and Other receivables.</p> <p>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.</p> <p>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.</p> <p>Further, certain secured creditors of one of the Group's major related customers has filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against such customer. In light of the same, the Group has recorded an expected credit loss of ₹ 39,390.93 lakhs during the year ended March 31st, 2022 on the entirety of the amounts receivable from the said customer.</p> <p>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.</p> <p>Accordingly, the recoverability of Trade and Other Receivables is a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• We tested the aging of trade and other receivables and receipts subsequent to the year-end;</li> <li>• We assessed the Group's Expected Credit Loss model applied in determining the recoverable amount;</li> <li>• For samples selected for testing, we obtained direct confirmation for the receivable balances and performed alternate procedure for confirmation not received;</li> <li>• We assessed the adequacy of Group's disclosures in relation to Trade and Other receivables included in the consolidated financial statements as per Ind AS 109.</li> </ul>

#### 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 financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 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 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 financial statements for the financial year ended March 31, 2022 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

We did not audit the financial statements and other financial information, in respect of 12 subsidiaries whose financial statements include total assets of ₹ 38,058.04 Lakhs as at March 31, 2022, and total revenues of ₹ 50,075.03 Lakhs and net cash outflows of ₹ 500.34 lakhs for the year ended as on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 189.99 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 2 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the report(s) of such other auditors.

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

The consolidated financial statements also include the Group's share of net loss of ₹ 1,962.82 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 5 joint ventures, 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 to the amounts and disclosures included in respect of these 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 joint ventures, 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, the financial statements and other financial information of 2 joint ventures are material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is modified in respect of the above matters with respect to the financial statements and other financial information of 2 joint ventures which are material to the Group and are certified by the Management.

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies, associate company and joint ventures companies,

incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. 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 except for the matter(s) described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) Except for the matter(s) described in the Basis for Qualified Opinion paragraph, 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 loss, 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 financial statements;
  - (d) Except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid consolidated 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) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above and the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
  - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
  - (h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate company and joint ventures incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (i) 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, 2022 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;

- (j) 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 financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures and in its consolidated financial statements – Refer Note 39 to the consolidated 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, 2022;
  - 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, 2022;
  - iv. a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in the note to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in



the note to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, associate and joint ventures from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our

or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries, associate and joint venture companies, 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 : 22105497AJTDYY9645

Place : Mumbai  
Date : May 27, 2022

## 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 LIMITED

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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1.	Future Consumer Limited	L52602MH1996PLC192090	Holding Company	ii (b)
2.	Future Consumer Limited	L52602MH1996PLC192090	Holding Company	iii (c)
3.	Future Consumer Limited	L52602MH1996PLC192090	Holding Company	iii (e)
4.	Future Consumer Limited	L52602MH1996PLC192090	Holding Company	ix (a)
5.	Future Consumer Limited	L52602MH1996PLC192090	Holding Company	xix
6.	Sublime Foods Limited	U15310KA2012PLC101087	Joint Venture	vii (a)
7.	Sublime Foods Limited	U15310KA2012PLC101087	Joint Venture	xix
8.	MNS Foods limited	U15400KA2015PLC101423	Joint Venture	xix
9.	Delect Spices and Herbs Private Limited	U15490KA2017PTC106461	Subsidiary	vii a
10.	Aadhaar Wholesale Trading and Distribution Limited	U52110MH2006PLC160440	Subsidiary	i (c)
11.	Aadhaar Wholesale Trading and Distribution Limited	U52110MH2006PLC160440	Subsidiary	ix (a)
12.	The Nilgiri Dairy Farm Private Limited	U85110MH1970PTC265706	Subsidiary	iii (e)
13.	The Nilgiri Dairy Farm Private Limited	U85110MH1970PTC265706	Subsidiary	xix
14.	FCL Tradevest Private Limited	U15549MH2018PTC318714	Subsidiary	vii (a)

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

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497  
UDIN : 22105497AJTDYY9645

Place : Mumbai  
Date : May 27, 2022

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMITED

#### 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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate 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 companies included in the Group, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary, associate and joint ventures which are incorporated in India, internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated financial statements.

#### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to 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 with reference to 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 with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group, its associate and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

#### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to 11 subsidiaries and 2 joint ventures, which are companies incorporated in India, is based on the corresponding report of the auditor of subsidiaries 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 : 22105497AJTDYY9645

Place : Mumbai

Date : May 27, 2022

# CONSOLIDATED BALANCE SHEET

as at 31st March 2022

		(₹ In lakhs)	
Particulars	Note	As at	As at
		31st March 2022	31st March 2021
<b>Assets</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	4	29,879.44	32,785.96
(b) Capital work-in-progress	43	898.38	915.81
(c) Investment property	4	677.04	685.30
(d) Goodwill	4	6,911.02	6,911.02
(e) Other intangible assets	4	15,697.71	17,144.39
(f) Right-of-use assets	4	11,078.79	10,179.96
(g) Financial assets			
(i) Investments	5	822.35	6,476.17
(ii) Loans	6	5,178.47	7,264.01
(iii) Other financial assets	7	3,536.20	2,054.06
(h) Deferred tax assets (net)	8	5.10	4.12
(i) Other assets	9	3,057.63	3,352.54
<b>Total non-current assets</b>		<b>77,742.13</b>	<b>87,773.34</b>
<b>2 Current assets</b>			
(a) Inventories	10	7,857.04	5,693.02
(b) Financial assets			
(i) Investments	11	1.70	1.82
(ii) Trade receivables	12	14,916.27	62,838.49
(iii) Cash and cash equivalents	13	2,762.36	3,690.86
(iv) Bank balances other than (iii) above	13	34.74	1,057.18
(v) Loans	6	-	481.02
(vi) Other financial assets	7	1,235.60	1,487.69
(c) Other assets	9	2,036.30	2,587.63
		<b>28,844.01</b>	<b>77,837.71</b>
Assets held for sale	44	15,699.52	15,735.32
<b>Total current assets</b>		<b>44,543.53</b>	<b>93,573.03</b>
<b>Total assets</b>		<b>122,285.66</b>	<b>181,346.37</b>
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	119,014.91	118,415.29
(b) Other equity	15	(103,981.70)	(59,219.96)
Equity attributable to owners of the Group		<b>15,033.21</b>	<b>59,195.33</b>
(c) Non-controlling interests	16	0.70	(0.83)
<b>Total equity</b>		<b>15,033.91</b>	<b>59,194.50</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	12,987.45	16,970.53
(ii) Lease Liabilities	34	5,025.60	3,696.46
(iii) Other financial liabilities	18	1,226.08	1,002.21
(b) Provisions	19	338.44	404.25
(c) Deferred tax liabilities (net)	8	3,391.36	3,460.70
(d) Other non-current liabilities	20	3,144.00	3,434.89
<b>Total non-current liabilities</b>		<b>26,112.93</b>	<b>28,969.04</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	39,050.52	40,981.39
(ii) Lease Liabilities	34	685.76	731.24
(iii) Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		701.80	2,418.40
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		10,993.32	17,519.43
(iv) Other financial liabilities	18	3,541.32	4,450.55
(b) Provisions	19	804.02	1,010.42
(c) Other current liabilities	20	25,362.11	26,071.40
<b>Total current liabilities</b>		<b>81,138.82</b>	<b>93,182.83</b>
<b>Total equity and liabilities</b>		<b>122,285.66</b>	<b>181,346.37</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1- 57		

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

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

per Pramod Kumar Bapna  
Partner  
Membership No: 105497

G.N.Bajpai  
Chairman  
Manoj Gagvani  
Company Secretary & Head - Legal

Amit Agarwal  
Executive Director  
Rajendra Bajaj  
Dy Chief Financial Officer

Samson Samuel  
Chife Executive Officer

Place: Mumbai  
Date: 27 May 2022

Place: Mumbai  
Date: 27 May 2022

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

		(₹ In lakhs)	
Particulars	Note	Year ended 31st March 2022	Year ended 31st March 2021
<b>1. Revenue</b>			
(a) Revenue from operations	23	146,878.86	118,451.32
(b) Other income	24	2,057.69	2,117.95
<b>Total income</b>		<b>148,936.55</b>	<b>120,569.27</b>
<b>2. Expenses</b>			
(a) Cost of materials consumed	25	8,613.71	4,055.96
(b) Purchase of stock-in-trade (traded goods)		122,709.12	94,279.90
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(2,476.08)	10,293.37
(d) Employee benefits expenses	27	5,417.95	6,304.42
(e) Finance costs	28	6,322.13	7,229.50
(f) Depreciation and Amortisation expenses	29	5,150.07	5,821.67
(g) Other expenses	30	38,626.95	32,063.68
<b>Total expense</b>		<b>184,363.85</b>	<b>160,048.50</b>
<b>3. (Loss) / Profit before share of profit /(loss) of an Associate/ Joint Ventures and exceptional items and tax (1-2)</b>		<b>(35,427.30)</b>	<b>(39,479.23)</b>
4. Share of Loss in Associate Company and Joint Ventures		(2,200.75)	(2,459.42)
<b>5. Loss before exceptional items and tax (3+4)</b>		<b>(37,628.05)</b>	<b>(41,938.65)</b>
<b>6. Exceptional items</b>	45	<b>(7,409.20)</b>	<b>(4,274.54)</b>
<b>7. Loss before tax (5+6)</b>		<b>(45,037.25)</b>	<b>(46,213.19)</b>
<b>8. Tax expense / (benefit)</b>			
(a) Current tax		4.00	24.06
(b) Tax relating to prior years		4.70	(143.91)
(c) Deferred tax	8	(70.32)	2,237.43
<b>Net tax expense / (benefit)</b>		<b>(61.62)</b>	<b>2,117.58</b>
<b>9. Loss for the period (7-8)</b>		<b>(44,975.63)</b>	<b>(48,330.77)</b>
<b>10. Other comprehensive income (OCI)</b>			
(a) (i) Items that will not be reclassified to statement of profit and loss			
Remeasurement (loss) / gain on defined benefit plans		17.64	173.80
Share of other comprehensive income in Associate Company and Joint Ventures		5.23	14.05
(ii) Income tax relating to items that will not be reclassified to ' ' statement of profit and loss		-	(37.87)
(b) (i) Items that will be reclassified to statement of profit and loss			
Exchange differences in translating the financial statements of ' foreign operations		(25.87)	22.39
<b>Total other comprehensive income</b>		<b>(3.00)</b>	<b>172.37</b>
<b>11. Total comprehensive income (9+10)</b>		<b>(44,978.63)</b>	<b>(48,158.40)</b>
<b>12. Loss for the year attributable to:</b>			
Owners of the Group		(44,967.96)	(48,330.32)
Non-controlling interests		(7.67)	(0.45)
		<b>(44,975.63)</b>	<b>(48,330.77)</b>
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the Group		(3.00)	172.36
Non-controlling interests		-	0.01
		<b>(3.00)</b>	<b>172.37</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Group		(44,970.96)	(48,157.96)
Non-controlling interests		(7.67)	(0.44)
		<b>(44,978.63)</b>	<b>(48,158.40)</b>
<b>Earnings per share after exceptional item attributable to owners of the Group (Face Value ₹ 6 each)</b>	32		
(a) Basic (₹)		(2.27)	(2.45)
(b) Diluted (₹)		(2.27)	(2.45)
<b>Earnings per share before exceptional item attributable to owners of the Group (Face Value ₹ 6 each)</b>	32		
(a) Basic (₹)		(1.90)	(2.23)
(b) Diluted (₹)		(1.90)	(2.23)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1-57		

As per our report of even date  
For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm Registration number: 324982E/E300003

per Pramod Kumar Bapna  
Partner  
Membership No: 105497

Place: Mumbai  
Date: 27 May 2022

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

G.N.Bajpai  
Chairman  
Manoj Gagvani  
Company Secretary & Head - Legal

Place: Mumbai  
Date: 27 May 2022

Amit Agarwal  
Executive Director  
Rajendra Bajaj  
Dy Chief Financial Officer

Samson Samuel  
Chife Executive Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

a. Equity Share Capital (Refer note 14)												(₹ In Lakhs)	
Particulars												Amount	
Balance as at 31st March 2020												114,459.41	
Changes in Equity Share capital during the Year													
Equity shares issued and allotted during the year												3,955.88	
Issue of Equity shares under employee share option plan (ESOP) (Refer note 37)												-	
Shares purchased (net) by ESOP trust treated as treasury Shares												-	
As at 31st March 2021												118,415.29	
Changes in Equity Share capital during the Year													
Equity shares issued and allotted during the year												599.62	
As at 31st March 2022												119,014.91	
b. Other Equity (Refer note 15)													
Particulars	Equity Component of compound financial instruments	Reserves & Surplus					Capital redemption reserve	Retained Earnings	Money received against share warrants	Other Comprehensive Income	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Foreign Currency translation reserve							
Balance 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	(220.39)	(9,036.45)	1.26	(9,035.19)	
Loss for the year	-	-	-	-	-	-	(48,330.32)	-	-	(48,330.32)	(0.45)	(48,330.77)	
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	157.98	172.36	0.01	172.37	
Total comprehensive income for the year	-	-	-	-	-	-	(48,330.32)	-	157.98	(48,157.96)	(0.44)	(48,158.40)	
Recognition of share-based payments	-	-	-	-	210.38	-	-	-	-	210.38	-	210.38	
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(0.25)	-	-	(0.25)	-	(0.25)	
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(920.13)	-	920.13	-	-	-	-	-	
Share warrants lapsed	-	1,750.00	-	-	-	-	-	-	-	1,750.00	-	1,750.00	
Issue of Shares	(26,253.16)	-	24,017.52	-	-	-	-	(1,750.00)	-	(3,985.64)	-	(3,985.64)	
On account of acquisition of Subsidiary	-	-	-	-	-	-	(0.04)	-	-	(0.04)	0.04	-	
NCI written off of a Subsidiary	-	-	-	-	-	-	-	-	-	-	(1.69)	(1.69)	
As at 31st March 2021	-	2,064.94	38,130.12	0.59	1,314.40	5.20	(100,631.05)	-	(62.41)	(59,219.96)	(0.83)	(59,220.79)	

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

Particulars	Equity Component of compound financial instruments	Reserves & Surplus					Money received against share warrants	Other Comprehensive Income		Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital redemption reserve		Retained Earnings	Foreign Currency translation reserve			
Loss for the year	-	-	-	-	-	-	(44,967.96)	-	-	(44,967.96)	(7.67)	(44,975.63)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(25.87)	22.87	(3.00)	(3.00)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,967.96)</b>	<b>-</b>	<b>(25.87)</b>	<b>22.87</b>	<b>(44,970.96)</b>	<b>(7.67) (44,978.63)</b>
Recognition of share-based payments	-	-	-	-	28.94	-	-	-	-	28.94	-	28.94
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(0.40)	-	-	(0.40)	-	(0.40)
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(629.93)	-	629.93	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	(5.92)	-	-	(5.92)	-	(5.92)
Issue of Shares	-	-	186.60	-	-	-	-	-	-	186.60	-	186.60
Share Application Money pending Allotment	-	-	-	-	-	-	-	-	-	0.02	-	0.02
On account of additional stake in Subsidiary	-	-	-	-	-	-	-	-	-	-	2.73	2.73
NCI written off of a Subsidiary	-	-	-	-	-	-	-	-	-	-	6.47	6.47
<b>As at 31st March 2022</b>	<b>-</b>	<b>2,064.94</b>	<b>38,316.72</b>	<b>0.59</b>	<b>713.41</b>	<b>5.20</b>	<b>(144,975.40)</b>	<b>-</b>	<b>(67.62)</b>	<b>(39.54) (103,981.70)</b>	<b>0.70</b>	<b>(103,981.00)</b>

\*Others include Remeasurement gain on defined benefit plans and share in Associate Company and Joint Ventures.

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the consolidated financial statements (Refer note 1 - 57)

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

As per our report of even date  
For SRBC & CO LLP

Chartered Accountants  
ICAI Firm Registration number: 324982E/E300003

G.N.Bajpai  
Chairman

Amit Agarwal  
Executive Director

per Pramod Kumar Bapna  
Partner  
Membership No: 105497

Manoj Gagvani  
Company Secretary & Head - Legal

Rajendra Bajaj  
Dy Chief Financial Officer

Samson Samuel  
Chife Executive Officer

Place: Mumbai  
Date: 27 May 2022

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

	(₹ in lakhs)	
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>Cash flows from operating activities</b>		
Net loss before tax as per the Statement of Profit and Loss	(45,037.25)	(46,213.19)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Exceptional items (Refer note 45)	7,409.20	4,274.54
Finance costs (including fair value change in financial instruments)	6,322.13	7,229.50
Finance income (including fair value change in financial instruments)	(670.89)	(919.08)
Interest on income tax refund	(128.98)	(96.77)
Share of loss of associate and joint ventures	2,200.75	2,459.42
Gain on Sale of Investments	-	(29.90)
Income from Investment Property	-	(11.20)
Provision no longer required written back	(141.83)	(72.08)
Net loss / (gain) on disposal of property, plant and equipment	178.33	214.99
Net loss / (gain) on financial assets measured at fair value through profit or loss	-	(0.43)
Net unrealised exchange (gain) / loss	(26.24)	22.69
Expected Credit Loss on trade and other receivable and advances written off	23,775.68	19,358.74
Depreciation and Impairment of Property, Plant & Equipment, CWIP & Right-of-Use Assets	3,956.49	4,380.38
Amortization of intangible Assets	1,208.61	1,606.66
Share-based payment expenses	28.94	320.72
Gain on termination / revaluation of Lease Assets	(288.16)	(558.69)
Amortisation of Government Grant	(285.66)	(284.80)
Goodwill written off	-	0.04
	<b>43,538.37</b>	<b>37,894.73</b>
	<b>(1,498.88)</b>	<b>(8,318.46)</b>
<b>Working capital adjustments:</b>		
(Increase) / Decrease in trade and other receivables	24,852.19	(3,757.58)
(Increase) / Decrease in inventories	(2,164.01)	10,927.09
(Increase) / Decrease in other assets	14.60	754.67
Increase / (Decrease) in trade payables	(8,347.85)	(9,396.62)
Increase / (Decrease) in provisions	(254.56)	(27.69)
Increase / (Decrease) in other liabilities	(1,614.18)	12,486.19
	<b>12,486.19</b>	<b>19,011.53</b>
	<b>17,511.40</b>	
<b>Cash flow from operations</b>	<b>10,987.31</b>	<b>9,192.94</b>
Income taxes (paid) / refund	912.46	318.96
<b>Net cash flow from operating activities</b>	<b>11,899.77</b>	<b>9,511.90</b>
<b>Cash flows from investing activities</b>		
Purchase of investments in financial assets	(640.00)	(1,350.50)
Proceeds on sale of investments in financial assets	0.04	30.00
Income from Investment Property	-	11.20
Loans given	-	(1,392.88)
Loans refunded	(109.33)	138.04
Interest received	53.06	268.88
Purchase of property, plant and equipment including CWIP	(921.70)	(557.83)
Proceeds from sale of property, plant and equipment	161.94	197.55
Purchase of intangible assets	(3.93)	(3.00)
Advance Received Against Assets Held for Sale	2,015.75	1,084.25
<b>Net cash flow used in investing activities</b>	<b>555.83</b>	<b>(1,574.29)</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

	(₹ in lakhs)	
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(4,490.85)	(1,482.45)
Repayment of lease Liabilities	(607.95)	(555.24)
Proceeds from short term borrowings (net)	(3,381.58)	(2,233.11)
Interest paid	(4,903.72)	(4,854.93)
Government grant received	-	50.00
<b>Net cash flow used in financing activities</b>	<b>(13,384.10)</b>	<b>(9,075.73)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(928.50)</b>	<b>(1,138.12)</b>
Cash and cash equivalents at the beginning of the year	3,690.86	4,828.98
<b>Cash and cash equivalents at the end of the year (Refer note 13)</b>	<b>2,762.36</b>	<b>3,690.86</b>
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 - 57)		

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: 27 May 2022

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

Manoj Gagvani  
Company Secretary & Head - Legal

Place: Mumbai  
Date: 27 May 2022

Amit Agarwal  
Executive Director

Rajendra Bajaj  
Dy Chief Financial Officer

Samson Samuel  
Chife Executive Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 1. GENERAL INFORMATION ABOUT THE COMPANY

The consolidated financial statements comprise financial statements of the parent Future Consumer Limited ('the Company' or 'Holding Company') and its subsidiaries (collectively, the Group) for the year ended 31 March, 2022. The Company was incorporated in India on 10<sup>th</sup> 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 9<sup>th</sup> August 2007 and it became a Public Limited Company with effect from 7<sup>th</sup> September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10<sup>th</sup> May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30<sup>th</sup> September 2013 and then to "Future Consumer Limited" effective from 13<sup>th</sup> 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.

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 21<sup>st</sup> 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 27<sup>th</sup> May 2022.

## 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 (Rs. 00,000), except when otherwise indicated.

### 2.2 Basis of measurement

The consolidated Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

### 2.3 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## 2.4 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 of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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.

### Consolidation procedure:

- 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.
- 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.
- 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.

### Changes in the Group's ownership interests in existing subsidiaries

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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 2022	As at 31st March 2021
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	-	90.00%
FCEL Overseas FZCO	Subsidiary	60.00%	60.00%
FCEL Food Processors Limited*	Subsidiary	-	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%
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	Subsidiary of FCL TPL	100.00%	99.93%
Delect Spices and Herbs Private Limited	Subsidiary of FCL TPL	99.82%	99.82%
Genoa Rice Mills Private Limited (Subsidiary w.e.f. 30 September 2019)*	Subsidiary of FCL TPL	-	50%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at 31st March 2022	As at 31st March 2021
Avante Snack Foods Private Limited (Subsidiary of FCL Tradevest Pvt Ltd w.e.f. 31 March 2019)*	Subsidiary of FCL TPL	-	67.03%
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited) ("SFPL")	Joint Venture (Held by FCL TPL)	51%	51%
Mibelle Future Consumer Products AG	Joint Venture	50%	50%
Mibelle India Consumer Product Private Limited	Joint Venture	50%	50%
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	Joint Venture	50% + 1 Share	50% + 1 Share
Aussee Oats Milling (Private) Limited	Joint Venture	50% + 1 Share	50% + 1 Share
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	Joint Venture	50.01%	50.01%
Hain Future Natural Products Private Limited	Joint Venture	50%	50%
Fonterra Future Dairy Private Limited	Joint Venture	50%	50%
Sarjena Foods Private Limited (upto 22 July 2020)	Associate	-	19.59%
Amar Chitra Katha Private Limited (Refer note 33.2)	Associate	-	-

\*upto 30th March, further Refer Note No. 50 (b)

## 2.5 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").

## 2.6 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,

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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, 2022. 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.

## 2.7 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.

## 2.8 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.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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.

## 2.9 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.

## 2.10 Leasing

The Group 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

#### Policy applicable from 1<sup>st</sup> April 2019

#### Group 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

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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.

## 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.

## 2.11 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.

## 2.12 Borrowing costs

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

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

The Group may incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset



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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.

## 2.13 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.

## 2.14 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.

## 2.15 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.

## 2.16 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).

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Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, 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 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.

## 2.17 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's

accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on property, plant and equipment has been provided on straight line method using the rates arrived at based on the useful lives estimated by the management, which are equal to or lower than lives as prescribed under Schedule II of the Companies Act, 2013. The Group's has used the following useful life to provide depreciation on its Property, Plant & Equipment:

Asset	Useful Life	Asset	Useful Life
Buildings	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		

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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.

## 2.18 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.

## 2.19 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.

## 2.20 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.

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- 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.

## 2.21 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.

## 2.22 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.

## 2.23 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 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.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit 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

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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.

## 2.24 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.

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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.

## **2.25 Derivative financial instruments**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately. Group does not designate the derivative instrument as a hedging instrument.

## **2.26 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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.

## 2.27 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.

## 2.28 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'.

## 2.29 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.

## 2.30 Onerous contracts

If the Group 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 Group 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 Group 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.

### Significant Estimates

### Going Concern

The Group has prepared future cash flow forecasts taking into cognizance the plan for monetization of some of the assets including investments, to repay the debts and manage the



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

working capital requirements, sales to other customers and cost optimisation (Refer Note 52 of consolidated financial statements), which involves judgement and estimates of key variables and market conditions. Based on such an analysis, the Group continues to prepare its financial statements on a going concern basis.

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

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

## Key sources of estimation uncertainty

### a) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management. Refer note 4 for further disclosure.

### b) Impairment of property, plant and equipment and intangible assets

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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 Group 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 Group 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 Group 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 Group '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 Group 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, 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.

## i) Impairment of Financial Assets:

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimated impairment allowance on financial assets is based on the aging of the receivable balances and historical experience. Individual receivable balances are written off when management deems them not to be collectible. The information about the impairment provision on the Group's trade and other receivables is disclosed in Note 7 and 12.

## Critical accounting judgements

Refer note 33 for the judgement exercised by the Group in establishing significant influence over Amar Chitra Katha 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

Application of the following amendments to the existing standards did not have any significant impact on the consolidated financial statements of the Group:

- (i) Ind AS 101- First time adaption of Ind AS
- (ii) Ind AS 103 – Business Combinations
- (iii) Ind AS 109 – Financial Instruments
- (iv) Ind AS 16 – Property, Plant & Equipment
- (v) Ind AS 37- Provision, Contingent Liabilities and Contingent Assets
- (vi) Ind AS 41- Agriculture

The Company has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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 2021	Additions	Deletions	Loss/ (Gain) on foreign currency exchange differences	As at 31st March 2022	As at 1st April 2021	For the Period	Deletions	Impairment (Refer note 45)	Gain/ (Loss) on foreign currency exchange differences	As at 31st March 2022	As at 31st March 2022
<b>A. Property, plant and equipment</b>												
Freehold land	1,568.50	-	-	-	1,568.50	-	-	-	-	-	-	1,568.50
Building	16,424.30	61.67	1.12	(1.72)	16,486.57	2,252.09	465.13	1.07	-	-	2,716.15	13,770.41
Office equipments	1,330.67	19.80	279.93	-	1,070.54	921.40	142.64	254.05	-	-	809.99	260.55
Computers	1,368.31	8.41	46.68	0.01	1,330.03	1,214.29	75.77	43.54	-	0.01	1,246.51	83.52
Furniture & fixtures	3,900.34	32.57	1,016.95	(0.02)	2,915.98	1,932.66	651.08	913.12	26.23	-	1,696.85	1,219.13
Vehicles	98.40	-	27.92	(0.01)	70.49	79.69	4.17	18.69	-	-	65.17	5.32
Plant & machinery	20,352.90	651.63	1,882.82	(1.37)	19,123.08	8,263.48	1,565.57	1,698.18	229.91	0.01	8,360.76	10,764.09
Leasehold improvements	2,513.09	151.05	101.33	(0.01)	2,562.82	784.43	144.75	87.87	70.08	-	911.40	1,651.41
Hydraulic works and pipelines	762.57	0.74	-	(0.19)	763.50	260.68	51.14	-	-	-	311.82	451.68
Roads	1,076.70	-	-	-	1,076.70	901.10	70.76	-	-	-	971.86	104.84
<b>Subtotal (A)</b>	<b>49,395.78</b>	<b>925.87</b>	<b>3,356.75</b>	<b>(3.31)</b>	<b>46,968.19</b>	<b>16,609.82</b>	<b>3,171.99</b>	<b>3,016.52</b>	<b>325.23</b>	<b>0.02</b>	<b>17,090.50</b>	<b>29,879.44</b>
<b>B. Other intangible assets</b>												
Brands, brand usage rights and trademarks (Refer note no. ii)	23,651.46	540.87	-	(0.01)	24,192.34	7,788.14	627.17	-	780.12	-	9,195.43	14,994.15
Software	3,857.67	3.93	24.79	(0.01)	3,836.82	2,576.60	581.44	24.79	-	-	3,133.26	703.56
<b>Subtotal (B)</b>	<b>27,509.13</b>	<b>544.80</b>	<b>24.79</b>	<b>(0.02)</b>	<b>28,029.16</b>	<b>10,364.75</b>	<b>1,208.61</b>	<b>24.79</b>	<b>780.12</b>	<b>-</b>	<b>12,328.69</b>	<b>15,697.71</b>
<b>C. Goodwill (Refer notes 46)</b>	<b>17,407.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>10,496.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>
<b>Subtotal (C)</b>	<b>17,407.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>10,496.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>
<b>D. Investment property (Refer notes 47)</b>												
Freehold land	236.36	-	-	-	236.36	-	-	-	-	-	-	236.36
Building	490.16	-	-	-	490.16	41.22	8.26	-	-	-	49.48	440.68
<b>Subtotal (D)</b>	<b>726.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726.52</b>	<b>41.22</b>	<b>8.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.48</b>	<b>677.04</b>
<b>E. Right-of-use assets</b>												
Land	6,502.97	-	-	-	6,502.97	6.70	3.34	-	-	-	10.04	6,492.93
Building	3,844.78	3,692.40	2,546.95	-	4,990.23	997.43	701.99	514.60	-	-	1,184.82	3,805.41
Vehicles (Refer note iii)	8.61	-	-	-	8.61	5.30	2.21	-	-	-	7.51	1.10
Plant and Machinery	891.57	-	-	-	891.57	58.54	53.68	-	-	-	112.22	779.35
<b>Subtotal (E)</b>	<b>11,247.93</b>	<b>3,692.40</b>	<b>2,546.95</b>	<b>-</b>	<b>12,393.38</b>	<b>1,067.97</b>	<b>761.21</b>	<b>514.60</b>	<b>-</b>	<b>-</b>	<b>1,314.59</b>	<b>11,078.79</b>
<b>Total (A+B+C+D+E)</b>	<b>106,286.63</b>	<b>5,163.07</b>	<b>5,928.49</b>	<b>(3.33)</b>	<b>105,524.52</b>	<b>38,580.00</b>	<b>5,150.07</b>	<b>3,555.91</b>	<b>1,105.35</b>	<b>0.02</b>	<b>41,279.51</b>	<b>64,244.01</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation				Net Block			
	As at 1st April 2020	Additions	Deletions	Loss/ (Gain) on foreign currency exchange differences	As at 31st March 2021	As at 1st April 2020	For the Period	Deletions	Impairment (Refer note 45)	Gain/ (Loss) on foreign currency exchange differences	As at 31st March 2021	As at 31st March 2021
<b>A. Property, plant and equipment</b>												
Freehold land	3,804.36		2,235.86		1,568.50	-	-	-	-	-	-	1,568.50
Building	15,866.98	565.61		8.29	16,424.30	1,805.49	446.60	-	-	-	2,252.09	14,172.21
Office equipments	1,415.93	63.20	148.46		1,330.67	867.99	177.92	124.51	-	-	921.40	409.27
Computers	1,449.79	9.95	91.43		1,368.31	1,163.13	137.05	85.89	-	-	1,214.29	154.02
Furniture & fixtures	4,566.92	9.04	675.38	0.24	3,900.34	2,017.45	408.10	492.79	-	0.10	1,932.66	1,967.68
Vehicles	128.18		29.78		98.40	99.03	5.84	25.18	-	-	79.69	18.71
Plant & machinery	22,226.96	592.70	2,460.20	6.56	20,352.90	8,724.11	1,771.65	2,332.28	100.00	-	8,263.48	12,089.42
Leasehold improvements	2,641.25	145.88	274.04		2,513.09	689.80	300.73	206.10	-	-	784.43	1,728.66
Hydraulic works and pipelines	720.98	42.52		0.93	762.57	212.33	48.35	-	-	-	260.68	501.89
Roads	1,069.34	7.36			1,076.70	830.57	70.53	-	-	-	901.10	175.60
<b>Subtotal (A)</b>	<b>53,890.69</b>	<b>1,436.26</b>	<b>5,915.15</b>	<b>16.02</b>	<b>49,395.78</b>	<b>16,409.90</b>	<b>3,366.77</b>	<b>3,266.75</b>	<b>100.00</b>	<b>0.10</b>	<b>16,609.82</b>	<b>32,785.96</b>
<b>B. Other intangible assets</b>												
Brands, brand usage rights and trademarks (Refer note no. ii)	23,651.46	-	-	-	23,651.46	6,108.68	963.72	-	715.74	-	7,788.14	15,863.32
Software	3,840.51	17.47	0.31	-	3,857.67	1,933.96	642.95	0.31	-	-	2,576.60	1,281.07
<b>Subtotal (B)</b>	<b>27,491.97</b>	<b>17.47</b>	<b>0.31</b>	<b>-</b>	<b>27,509.13</b>	<b>8,042.64</b>	<b>1,606.67</b>	<b>0.31</b>	<b>715.74</b>	<b>-</b>	<b>10,364.74</b>	<b>17,144.39</b>
<b>C. Goodwill (Refer Notes 46)</b>	<b>17,407.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>10,496.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>
<b>Subtotal (C)</b>	<b>17,407.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>10,496.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>
<b>D. Investment property (Refer notes 47)</b>												
Freehold land	236.36	-	-	-	236.36	-	-	-	-	-	-	236.36
Building	490.16	-	-	-	490.16	32.96	8.26	-	-	-	41.22	448.94
<b>Subtotal (D)</b>	<b>726.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726.52</b>	<b>32.96</b>	<b>8.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.22</b>	<b>685.30</b>
<b>E. Right-of-use assets</b>												
Land	6,503.12		0.15	-	6,502.97	3.36	3.34	-	-	-	6.70	6,496.27
Building	7,667.37	1,339.59	5,162.18	-	3,844.78	1,300.05	768.03	1,070.65	-	-	997.43	2,847.35
Vehicles (Refer note iii)	8.61	-	-	-	8.61	3.09	2.21	-	-	-	5.30	3.31
Plant and Machinery	873.44	579.87	561.74	-	891.57	66.58	66.39	74.43	-	-	58.54	833.03
<b>Subtotal (E)</b>	<b>15,052.54</b>	<b>1,919.46</b>	<b>5,724.07</b>	<b>-</b>	<b>11,247.93</b>	<b>1,373.08</b>	<b>839.97</b>	<b>1,145.08</b>	<b>-</b>	<b>-</b>	<b>1,067.97</b>	<b>10,179.96</b>
<b>Total (A+B+C+D+E)</b>	<b>114,569.00</b>	<b>3,373.19</b>	<b>11,639.53</b>	<b>16.02</b>	<b>106,286.63</b>	<b>36,354.83</b>	<b>5,821.67</b>	<b>4,412.14</b>	<b>815.74</b>	<b>0.10</b>	<b>38,580.00</b>	<b>67,706.63</b>

### Notes:

- For Property, plant and equipment and other intangible assets pledged as security (Refer note 17 & 21)
- Includes Kara brand of ₹ 300 lakhs (Previous Year : ₹ 609 lakhs) with indefinite useful life (Refer note 45 (c)). Additions include brand acquired from Athena Life Sciences Private Limited as part of merger scheme. (Refer note 54)
- Vehicle taken on lease is secured by hypothecation created under said lease

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 5. NON CURRENT INVESTMENTS

Particulars	Number of Units		Amount	
	As at	As at	As at	As at
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>(a) Investment in Associate</b>				
(i) Investment in debentures (unquoted, fully paid up, at cost) (Refer note 44)				
0.001% Compulsorily Convertible Debentures of Amar Chitra Katha Private Limited (Refer note 44(d))	-	4,977	-	4,976.91
<b>(b) Investment in Joint Ventures</b>				
(i) Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method)				
Aussee Oats India Limited	500,001	500,001	10.05	10.20
(formerly known as Aussee Oats India Private Limited) (Refer note 51(a))				
Mibelle Future Consumer Products AG	400	400	-	-
(a company incorporated in Switzerland, face value CHF 1000 each)				
Hain Future Natural Products Private Limited (Refer note 51(b))	24,350,000	21,345,000	358.51	434.76
(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) (Refer note 51(a))	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) (Refer note 45 (a))	-	3,000,000	-	300.00
(iv) Investment in debentures (unquoted, fully paid up, at cost)				
8.10% Compulsory Convertible Debentures of Hain Future Natural Products Private Limited	-	3,005,000	-	300.50
<b>(c) Other investments</b>				
(i) Investment in equity shares - (unquoted, fully paid up, at cost)				
Saraswat Co-Operative Bank Limited	-	50	-	0.01
<b>Total</b>			<b>822.35</b>	<b>6,476.17</b>

### 6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	Amount	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
Loans to related parties (Refer note 38)	5,178.47	7,264.01
<b>Total</b>	<b>5,178.47</b>	<b>7,264.01</b>
<b>Current</b>		
Inter-corporate deposits	-	481.02
<b>Total</b>	<b>-</b>	<b>481.02</b>

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for the year ended 31<sup>st</sup> March 2022

## 7. OTHER FINANCIAL ASSETS (UNSECURED)

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(₹ In lakhs)		
Particulars	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
<b>Considered good</b>		
Security deposits	314.07	366.27
Other deposits	58.23	37.16
Other Receivables	855.43	-
Interest accrued on deposits	1,723.16	1,601.33
Operating lease receivables	555.56	-
Bank Deposits with more than 12 months maturity	29.74	49.30
	<b>3,536.20</b>	<b>2,054.06</b>
<b>Significant increase in credit risk</b>		
Other Receivable	49.07	-
Considered doubtful		
Security and other deposits	23.46	23.46
<b>Impairment allowance</b>		
Other Receivable which have significant increase in Credit Risk	(49.07)	-
Deposits which are considered doubtful	(23.46)	(23.46)
<b>Total</b>	<b>3,536.20</b>	<b>2,054.06</b>
<b>Current</b>		
<b>Considered good</b>		
Security Deposits	802.72	901.34
Other Deposits	6.79	8.15
Interest accrued on deposits and others	214.36	229.99
Operating Lease receivables	47.81	-
Others receivables (for related party, Refer note 38)	-	348.21
<b>Significant increase in credit risk</b>		
Other receivables (for related party, Refer note 38)	8,276.46	8,103.62
	<b>9,348.14</b>	<b>9,591.31</b>
<b>Impairment allowance</b>		
Other Receivables which have significant increase in credit risk (Refer note 30)	(8,112.54)	(8,103.62)
<b>Total</b>	<b>1,235.60</b>	<b>1,487.69</b>

## 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 2022	As at 31st March 2021	
Deferred tax assets (DTA) (Net)	5.10	4.12	
Deferred tax liabilities (DTL) (Net)	3,391.36	3,460.70	
<b>Net</b>	<b>3,386.26</b>	<b>(3,456.58)</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

		(₹ In lakhs)	
8.1	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Deferred tax liabilities:</b>		
	Accelerated depreciation for tax purposes	2,222.28	4,921.63
	Government Grants	711.98	763.97
	Taxable temporary differences on financial liability measured at amortised cost	570.85	28.84
	<b>Total deferred tax liabilities (A)</b>	<b>3,505.11</b>	<b>5,714.44</b>
	<b>Deferred tax assets:</b>		
	Provision for doubtful debts	11,736.33	1,884.36
	Provisions for employee benefits	249.46	297.78
	Taxable temporary differences on lease accounting	226.77	75.72
	Investment Property- Land	65.10	-
	Losses available for offsetting against future taxable income	4,558.07	-
	<b>Total deferred tax assets (B)</b>	<b>16,835.73</b>	<b>2,257.86</b>
	<b>Net Deferred Tax Liability / (Asset) (C=A-B)</b>	<b>(13,330.62)</b>	<b>3,456.58</b>
	<b>Net Deferred Tax (Net Asset) not recognised (D)</b>	<b>(16,716.88)</b>	<b>-</b>
	<b>Net Deferred Tax Liability / (Asset) (C-D)</b>	<b>3,386.26</b>	<b>3,456.58</b>

### 8.2 Movement of Deferred Tax

		(₹ In lakhs)	
Particulars	As at 31st March 2022	As at 31st March 2021	
Deferred tax asset / (liability) at the start of the year	(3,456.58)	(1,181.28)	
(Charge) / Credit to the Statement of Profit and Loss	70.32	(2,237.43)	
(Charge) / Credit to Other Comprehensive Income	-	(37.87)	
<b>Deferred tax asset / (liability) at the end of the year</b>	<b>(3,386.26)</b>	<b>(3,456.58)</b>	

### 8.3 Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:

		(₹ In lakhs)	
Particulars	As at 31st March 2022	As at 31st March 2021	
Tax losses (revenue in nature)	85,391.39	53,935.84	
Tax losses (capital in nature)	12,521.77	12,521.69	
Other Temporary differences	48,096.65	17,258.44	
<b>Total</b>	<b>146,009.81</b>	<b>83,715.97</b>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 9. OTHER ASSETS

Financial Statements

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Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
<b>Considered good</b>		
Capital advances	107.27	176.34
Deferred lease asset	13.90	4.41
Balances with government authorities	-	0.69
Advance taxes (net)	2,935.81	3,156.03
Other advances	0.65	15.07
<b>Significant increase in credit risk</b>		
Capital advances	29.63	-
<b>Impairment allowance</b>		
Capital advances which have significant increase in Credit Risk (Refer note 30)	(29.63)	-
<b>Total</b>	<b>3,057.63</b>	<b>3,352.54</b>
<b>Current</b>		
<b>Considered good</b>		
Advances given to suppliers	509.15	828.75
Advances to employees	24.27	15.39
Balances with government authorities	1,376.81	1,056.68
Deferred lease asset	0.65	0.87
Advance Taxes	-	571.96
Other advances	125.42	113.98
<b>Significant increase in credit risk</b>		
Advances given to suppliers	63.34	-
<b>Impairment allowance</b>		
Advance given to suppliers which have significant increase in Credit Risk (Refer note 30)	(63.34)	-
<b>Total</b>	<b>2,036.30</b>	<b>2,587.62</b>

## 10. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Raw materials (at cost)	208.49	453.86
Finished goods (at lower of cost and net realisable value)	192.92	216.21
Stock - in - trade (at lower of cost and net realisable value)	7,142.37	4,643.00
Packing material (at cost)	267.07	295.50
Stores, spares and Others (at cost)	46.19	84.45
<b>Total</b>	<b>7,857.04</b>	<b>5,693.02</b>

Notes:

- For Inventory hypothecated as security, Refer note 21
- The amount of write down of inventories recognised as an expense during the year is ₹ 772.48 lakhs (Previous year: ₹ 514.76 lakhs)

## 11. CURRENT INVESTMENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Investment in Government Security (At Cost)</b>		
National savings certificate (lodged with Sales Tax Authorities)	0.45	0.45
<b>Investments in equity shares (quoted, fully paid up, At FVTPL)</b>		
Karnataka Bank Limited	1.25	1.37
<b>Total</b>	<b>1.70</b>	<b>1.82</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 12. TRADE RECEIVABLES (UNSECURED)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Gross trade receivables</b>		
Considered good	14,950.46	15,581.16
Which has significant increase in credit risk	25.67	63,623.57
Credit impaired	42,982.31	3,632.63
	<b>57,958.44</b>	<b>82,837.36</b>
<b>Impairment Allowance</b>		
Considered good	(34.19)	(21.97)
Which has significant increase in credit risk	(25.67)	(16,344.27)
Credit impaired	(42,982.31)	(3,632.63)
<b>Total Impairment allowance</b>	<b>(43,042.17)</b>	<b>(19,998.87)</b>
<b>Net trade receivables</b>	<b>14,916.27</b>	<b>62,838.49</b>

#### Trade receivables ageing schedule As at 31 March 2022

(₹ In lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment [Note (iv)]				Total
		Less than 6 Months	6 months – 1 year	1-2 years	More than 2 years	
Undisputed – considered good	3,925.64	10,745.43	180.42	73.56	25.42	14,950.46
Undisputed – which have significant increase in credit risk	-	-	25.67	-	-	25.67
Undisputed – credit impaired	78.91	17,458.89	11,793.86	10,700.78	2,949.87	42,982.31
Disputed - considered good	-	-	-	-	-	-
Disputed – which have significant increase in credit risk	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,004.55</b>	<b>28,204.32</b>	<b>11,999.95</b>	<b>10,774.34</b>	<b>2,975.29</b>	<b>57,958.44</b>

#### Trade receivables ageing schedule As at 31 March 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment [Note (iv)]				Total
		Less than 6 Months	6 months – 1 year	1-2 years	More than 2 years	
Undisputed – considered good	3,924.89	11,288.73	188.17	143.57	35.80	15,581.16
Undisputed – which have significant increase in credit risk	1,959.83	14,107.54	36,416.43	11,139.78	-	63,623.57
Undisputed – credit impaired	-	124.63	107.24	947.97	2,452.79	3,632.63
Disputed - considered good	-	-	-	-	-	-
Disputed – which have significant increase in credit risk	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>5,884.72</b>	<b>25,520.90</b>	<b>36,711.84</b>	<b>12,231.31</b>	<b>2,488.59</b>	<b>82,837.36</b>

Note :

- (i) For trade receivables hypothecated as security (Refer note 17 & 21)
- (ii) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (iii) For Related Party (Refer note 38)
- (iv) Gross of Impairment Allowance



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 13. CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Cash and cash equivalents</b>		
On current accounts	861.04	1,895.63
In fixed deposit accounts	1,865.19	1,790.77
Cash and cheques on hand	36.13	4.46
<b>Total</b>	<b>2,762.36</b>	<b>3,690.86</b>
<b>Bank balances other than Cash and cash equivalents</b>		
As margin money	34.74	1,057.18
<b>Total</b>	<b>34.74</b>	<b>1,057.18</b>

### Changes in liability due to financial activities

(₹ In lakhs)

Particulars	As at 31st March 2021	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	As at 31st March 2022
Current Borrowings (Refer note 21)	32,127.50	(3,381.58)	-	(3,283.76)	25,462.16
Non- current borrowings, including current maturities (Refer note 17)	25,824.42	(4,490.85)	1,958.46	3,283.76	26,575.79
Lease Liabilities (Refer note 34)	4,427.70	(607.95)	1,891.60	-	5,711.35
<b>Total</b>	<b>62,379.62</b>	<b>(8,480.38)</b>	<b>3,850.06</b>	<b>-</b>	<b>57,749.30</b>

(₹ In lakhs)

Particulars	As at 31st March 2020	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	As at 31st March 2021
Current Borrowings (Refer note 21)	31,537.01	(2,233.11)	-	2,823.60	32,127.50
Non- current borrowings, including current maturities (Refer note 17)	29,544.29	(1,482.45)	144.36	(2,381.78)	25,824.42
Lease Liabilities (Refer note 34)	8,473.27	(555.24)	(3,490.33)	-	4,427.70
<b>Total</b>	<b>69,554.57</b>	<b>(4,270.80)</b>	<b>(3,345.97)</b>	<b>441.82</b>	<b>62,379.62</b>

During the current year the Group entered into non-cash investment activity acquisition of ROU Assets of ₹ 3,692.40 lakhs (Previous Year ₹ 1,919.46 lakhs) These are not reflected in the statement of cash flows.

## 14. Equity Share Capital

### a) Share Capital

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
<b>Authorised</b>				
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
<b>Total</b>		<b>506,000.00</b>		<b>506,000.00</b>
<b>Issued, subscribed &amp; fully paid-up capital</b>				
Equity shares of ₹ 6 each	1,997,034,643	119,822.08	1,987,040,879	119,222.46
Add/(Less): Shares held by ESOP trust treated as treasury shares	(13,452,793)	(807.17)	(13,452,793)	(807.17)
<b>Total</b>	<b>1,983,581,850</b>	<b>119,014.91</b>	<b>1,973,588,086</b>	<b>118,415.29</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity shares at the beginning of the year	1,973,588,086	118,415.29	1,907,656,887	114,459.41
Add: Equity shares issued and allotted during the year	9,993,764	599.62	65,931,199	3,955.88
<b>Equity shares at the end of the year</b>	<b>1,983,581,850</b>	<b>119,014.91</b>	<b>1,973,588,086</b>	<b>118,415.29</b>

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vistra ITCL India Limited	448,258,338	22.45	447,239,338	22.51
Future Capital Investment Private Limited	123,584,630	6.19	243,544,041	12.26
Verlinvest SA	156,929,569	7.86	156,929,569	7.90
Black River Food 2 Pte. Ltd	146,283,195	7.33	146,283,195	7.36
International Finance Corporation	107,819,921	5.40	107,819,921	5.43

**d) Shares held by promoters at the end of the year as on March 31, 2022**

Promoter Name	No of shares	% of total shares	% change during the year
Future Enterprises Limited*	100	0.00	-
Future Capital Investment Private Limited	123,584,630	6.19	(6.07)
<b>Promoter Group</b>			
Central Departmental Stores Pvt Ltd*	100	0.00	-
Ryka Commercial Ventures Private Limited*	100	0.00	-
Srishti Mall Management Company Private Limited	-	-	(1.48)
Future Corporate Resources Private Limited	14,327,302	0.72	-
Future Ideas Company Limited	29,476,462	1.48	1.48
Avni Kishorkumar Biyani	99,619	0.01	-
Ashni Kishore Biyani*	67,169	0.00	-
<b>Total</b>	<b>167,555,482</b>	<b>8.40</b>	

\*Less than 0.01% of total shares.

**Shares held by promoters at the end of the year as on March 31, 2021**

Promoter Name	No of shares	% of total shares	% change during the year
Future Enterprises Limited*	100	0.00	-
Future Capital Investment Private Limited	243,544,041	12.26	30.77
<b>Promoter Group</b>			
Central Departmental Stores Pvt Ltd*	100	0.00	-
Ryka Commercial Ventures Private Limited*	100	0.00	-
Srishti Mall Management Company Private Limited	29,476,462	1.48	0.05
Future Corporate Resources Private Limited	14,327,302	0.72	0.03
Avni Kishorkumar Biyani	99,619	0.01	-
Ashni Kishore Biyani*	67,169	0.00	-
<b>Total</b>	<b>287,514,893</b>	<b>14.47</b>	

\*Less than 0.01% of total shares.

**e) Share options granted under the Holding 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

- f) Rights, Preferences and Restrictions attached to equity shares:**
- The Holding 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.
  - Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
  - The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
  - Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.
- g) During the financial year 2021-22:**
- The Holding Company has approved allotment of 99,93,764/- equity shares of ₹ 6/- each to the shareholders of Athena Life Sciences Private Limited ("Athena") pursuant to the Scheme of Arrangement between Athena and the Holding Company, which was filed with the Registrar of Companies on October 6th, 2021 after sanction in terms of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 by Hon'ble National Company Law Tribunal, Mumbai. (Refer note 54)
  - As at March 31, 2022, 2,57,500 equity shares (FY 2021: 28,07,500 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 37) for ESOP Primary Scheme.
  - In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the group, 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)

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Capital reserve	2,064.94	2,064.94
Securities premium account	38,316.72	38,130.12
General reserve	0.59	0.59
Share options outstanding account	713.41	1,314.40
Capital redemption reserve	5.20	5.20
Retained earnings	(144,975.40)	(100,631.05)
Foreign Currency Translation reserve	(67.62)	(41.75)
Other comprehensive income	(39.54)	(62.41)
<b>Total</b>	<b>(103,981.70)</b>	<b>(59,219.96)</b>

### Description of reserves

#### Capital reserve

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 FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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.

## 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, exchange differences in translating the financial statements of foreign operations and income tax effect of the same.

## 16. NON-CONTROLLING INTERESTS ("NCI")

(₹ In lakhs)		
Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the end of the year *	0.70	(0.83)
<b>Total</b>	<b>0.70</b>	<b>(0.83)</b>

\* Refer statement of changes in equity

## 17. NON CURRENT BORROWINGS

(₹ In lakhs)				
Particulars	As at 31st March 2022		As at 31st March 2021	
	Non-Current	Current (Refer note 21)	Non-Current	Current (Refer note 21)
<b>Secured - at amortised cost</b>				
<b>Term loans from banks:</b>				
Term Loan Facility	3,619.94	227.50	2,937.71	971.54
Funded Interest Term Loans	-	2,506.85	-	-
Working Capital Term Loans from Bank	-	532.00	-	-
9.95% redeemable non convertible debentures of ₹ 1 lakh each	-	-	-	2,000.00
11.07% redeemable non convertible debentures of ₹ 10 lakh each	9,367.51	8,588.23	14,032.82	5,882.35
<b>Unsecured - at amortised cost</b>				
<b>Term loans from banks:</b>				
Funded Interest Term Loans	-	87.36	-	-
Working Capital Term Loans from Bank	-	1,646.40	-	-
<b>Total</b>	<b>12,987.45</b>	<b>13,588.34</b>	<b>16,970.53</b>	<b>8,853.89</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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 2022	As at 31st March 2021
<b>1</b>	<b>Term loan from banks*</b>			
(i)	<p>a) Secured by exclusive first charge on specific fixed assets of the Holding Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing.</p> <p>b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering facility amount. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Holding Company. e) First Pari Passu charge over land and building owned by Nilgiri Dairy Farm Private Limited and Appu Nutritions Private Limited. (Bommasandra and Veerasandra , Bangalore)</p>	The facility has been restructured as part of the One time restructuring (OTR) Scheme. The next quarterly instalment is due in Feb 2023. Interest is fixed @ 10.50% p.a.	3,847.44	3,847.71
(ii)	<p>a) Secured by first exclusive Charge on the current assets of and all the movable assets of the Nilgiris Dairy Farm Pprivate Limited (including capex for cookie project &amp; other capex), existing as well as future.</p> <p>b) Unconditional and irrevocable Personal Guarantee of Mr Kishore Biyani</p> <p>c) Unconditional and irrevocable Corporate Guarantee of Future Consumer Limited</p> <p>d) Subordination of preference share capital and undertaking from Future Consumer Limited that unsecured loan of ₹ 6,397 Lakhs as on 31st March 2022 (previous year ₹ 6,397 Lakhs) would be retained in the Company's business till the facilities are availed from the bank.</p>	This loan has been repaid during the year	-	61.54
<b>2</b>	<b>9.95% NCD:</b>			
	<p>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.</p> <p>b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.</p>	These NCDs have been repaid during the year.	-	2,000.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(₹ In lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2022	As at 31st March 2021
3	<b>11.07 % NCD:</b> 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. e) Senior first ranking charge over 117 acres land in Nagpur (Future Food and Products Limited and Future Food Processing Limited) f) Second charge over land and buildings at Bommasandra and Veerasandra in Bangalore owned by Nilgiri Dairy Farm Private Limited and Appu Nutritions Private Limited.	The NCDs is redeemable in 17 equal quarterly installments which commenced from February 2021. Certain installments have been restructured in light of the Covid-19 pandemic (Refer Note 52.1). 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.	17,955.74	19,915.17
4	<b>Secured Fixed Instalment Term Loan from Banks*</b> 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	Repayable in four quarterly instalments, continuing from June 2022 interest at rates varying from 7.85% to 8.10% p.a	2,506.85	-
5	<b>Secured Working Capital Term Loans from Banks*</b> 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 d) Cash collateral (FD lien of ₹ 1,670 Lakhs) e) 1st mortgage charge over Sipcot land and building owned by Nilgiri Franchisee Private Limited.	Repayable in two monthly instalments commencing from November 2022 interest rate 9.80% p.a	532.00	-
6	<b>Unsecured Working Capital Term Loans from Banks*</b>	Repayable on various repayment dates (as per individual facilities) between June and September 2022 interest at rates varying from 7.90% to 8.15% p.a	1,646.40	-
7	<b>Unsecured Funded Interest Term Loans from Banks*</b>	Repayable in four quarterly instalments, continuing from June 2022, interest at rates interest rate 8.10% p.a	87.36	-
			<b>26,575.79</b>	<b>25,824.42</b>
	Less: Current maturities of long term debt (Refer note 21)		(13,588.34)	(8,853.89)
	<b>Total</b>		<b>12,987.45</b>	<b>16,970.53</b>

\* Refer note 52.1 for OTR Scheme

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 18. OTHER FINANCIAL LIABILITIES

Financial Statements

FMCG 2.0

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
Interest accrued but not due	1,114.54	927.04
Deposits received from customers	12.34	16.27
Security deposits received	99.20	58.90
<b>Total</b>	<b>1,226.08</b>	<b>1,002.21</b>
<b>Current</b>		
Interest accrued but not due & due	1,253.95	1,992.93
Security and other deposits received	638.03	770.60
Payable on purchase of capital goods	1,649.34	1,687.02
<b>Total</b>	<b>3,541.32</b>	<b>4,450.55</b>

## 19. PROVISIONS

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non-current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	338.44	317.49
Provision for bonus, incentives and others	-	86.76
<b>Total</b>	<b>338.44</b>	<b>404.25</b>
<b>Current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	59.70	70.62
Provision for compensated absences (Refer note 35)	252.91	300.75
Provision for bonus, incentives and others	456.41	600.05
Provision for claims and contingencies (Refer note a)	35.00	39.00
<b>Total</b>	<b>804.02</b>	<b>1,010.42</b>

### Note a

#### Movement in Provision for claims and contingencies

Particulars	(₹ In lakhs)
<b>Balance as at 31st March 2020</b>	<b>53.00</b>
Provisions (utilised) / written back during the year	(14.00)
<b>Balance as at 31st March 2021</b>	<b>39.00</b>
Provisions (utilised) / written back during the year	(4.00)
<b>Balance as at 31st March 2022</b>	<b>35.00</b>

The provision for claims and contingencies relates to the estimated amount to be paid for claims raised on the Group in lieu of legal disputes for commercial matters and for 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 FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 20. OTHER LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Other non-current liabilities</b>		
Contract liabilities	508.88	511.20
Deferred lease payables	10.89	13.79
Deferred revenue arising from government grant	2,624.23	2,909.90
<b>Total</b>	<b>3,144.00</b>	<b>3,434.89</b>
<b>Other current liabilities</b>		
Statutory dues payable (includes TDS, PF, GST etc)	302.22	652.94
Deferred lease payables	4.42	2.90
Deferred revenue arising from government grant	285.66	285.66
Contract liabilities	18,189.93	19,495.30
Capital advance received towards assets held for sale (Refer note 44)	4,211.00	2,195.25
Other liabilities	2,368.90	3,439.35
<b>Total</b>	<b>25,362.11</b>	<b>26,071.40</b>

### 21. CURRENT BORROWINGS

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks	9,978.83	9,665.43
Current Maturities of Long Term Debt (Refer note 17)	11,854.58	8,853.89
Other loans from bank	15,400.00	20,677.98
	37,233.41	39,197.30
Less :- Unamortised cost	(7.68)	-
	37,225.73	39,197.30
<b>Unsecured - at amortised cost</b>		
Inter Corporate Deposits from Related Party (Refer note 38)	1.03	73.90
Inter Corporate Deposits from others	90.00	-
Current Maturities of Long Term Debt (Refer note 17)	1,733.76	-
Other loans from bank	-	1,710.19
<b>Total</b>	<b>39,050.52</b>	<b>40,981.39</b>

#### Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
<b>Loans repayable on demand from banks (Cash Credit)</b>	
Loan is secured by	The cash credit is repayable on demand and carries interest at rates varying from 7.80% to 10.50% p.a. Interest on these facilities has been restructured as part of the One time restructuring (OTR) Scheme (Refer note 52.1 for OTR Scheme).
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	
<b>Loans repayable on demand from banks (Bank Overdraft)</b>	



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Nature of Security	Terms of Interest and repayment
Loan is secured by a) Secured by first exclusive Charge on the current assets of and all the movable assets of the Nilgiris Dairy Farm Private Limited (including capex for cookie project & other capex), existing as well as future.	The working capital loan carries variable interest rate of 1.25% p.a. above the bank's 1 year MCLR (March 31, 2021: 1.25% p.a. above the bank's 1 year MCLR) as declared from time to time.
a) Unconditional and irrevocable Personal Guarantee of Mr Kishore Biyani	
b) Unconditional and irrevocable Corporate Guarantee of Future Consumer Limited	
c) Subordination of preference share capital and undertaking from Future Consumer Limited that unsecured loan of ₹ 6,397 Lakhs as on 31st March 2022 (previous year ₹ 6,397 Lakhs) would be retained in the Company's business till the facilities are availed from the bank.	
<b>Other Loans from Bank (Working capital loan)</b>	
Loan is secured by	The other loans from Bank is repayable on due dates within a period of 1 year and carries interest at rates varying from 8.05 % to 10.50% p.a. These facilities have been restructured as part of the OTR Scheme (Refer note 52.1)
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.	
<b>Pertaining to Previous Year</b>	
Outstanding amount of ₹ 661.54 lakhs on Secured Term Loans from bank had been regrouped to Current Borrowings.	
<b>Details of terms of interest and repayment for unsecured current borrowings</b>	
Inter Corporate Deposits to be repayable within 365 days and carries interest average @ 10% - 12.50%	

## 22. TRADE PAYABLES

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 42)	701.80	2,418.40
Total outstanding dues of trade payables other than micro enterprises and small enterprises (for related party, refer note 38)	10,993.32	17,519.43
<b>Total</b>	<b>11,695.12</b>	<b>19,937.83</b>

### Trade Payable Ageing Schedule As at 31 March 2022

Particulars	(₹ In lakhs)				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	593.54	63.74	26.84	17.68	701.80
Others	7,381.79	2,742.23	498.53	370.77	10,993.32
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-
<b>Total</b>					<b>11,695.12</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## Trade Payable Ageing Schedule As at 31 March 2021

(₹ In lakhs)					
Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	2,241.59	125.74	18.03	33.04	2,418.40
Others	14,038.52	3,049.31	225.58	206.02	17,519.43
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-
<b>Total</b>					<b>19,937.83</b>

## 23. REVENUE FROM OPERATIONS

(₹ In lakhs)		
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from Contracts with Customers :		
Sales of products	144,871.19	116,619.88
Sales of services	979.65	774.59
Other operating revenue	1,028.02	1,056.85
<b>Total</b>	<b>146,878.86</b>	<b>118,451.32</b>

**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 2022	Year ended 31st March 2021
Sale of consumer products	144,871.33	116,619.88
Leasing Income	850.73	774.59
Franchisee fees	529.43	761.40
Royalty income	83.18	130.27
Scrap sales	125.53	47.44
Miscellaneous Income	418.66	117.74
<b>Total</b>	<b>146,878.86</b>	<b>118,451.32</b>

### Revenue based on Geography

(₹ In lakhs)		
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
India	146,878.86	118,451.32
<b>Total</b>	<b>146,878.86</b>	<b>118,451.32</b>

### Timing of revenue recognition

(₹ In lakhs)		
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Goods transferred at a point in time	144,996.86	116,667.32
Services transferred over time	1,881.99	1,784.00
<b>Total</b>	<b>146,878.86</b>	<b>118,451.32</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

**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 2022	As at 31st March 2021
Trade receivables (net) (Refer note 12)	14,916.27	62,838.49
Contract assets	-	78.13
Contract liabilities (Refer note 20)	18,698.81	20,006.50

Trade receivables are non interest bearing and are generally on terms of 0 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.

**Set out below is the amount of revenue recognised from:**

(₹ In lakhs)		
Particulars	As at 31st March 2022	As at 31st March 2021
Amounts included in contract liabilities at the beginning of the year	20,006.50	768.94
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	20,006.50	768.94

## 23.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ In lakhs)		
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue as per contracted price	149,384.68	121,304.52
Less: Discounts, rebates, refunds, credits, price concessions	(2,505.82)	(2,853.20)
<b>Revenue from contracts with customers</b>	<b>146,878.86</b>	<b>118,451.32</b>

## 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 2022	As at 31st March 2021
Within one year	18,698.81	20,006.50
More than one year	-	-

Open sales order as on 31 March 2022 is ₹ 393.17 lakhs (31 March 2021 is ₹ 4,480.15)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 24. OTHER INCOME

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Amortisation of government grant	285.66	284.80
Operating lease rent income	41.42	22.18
Gain on sale of investment - non current	-	29.90
Interest income on:		
Inter corporate deposits	450.24	748.51
Others	349.63	281.29
Provision no longer required written back (net)	141.83	72.08
Gain on termination of Lease Asset	288.16	541.44
Net Profit on foreign currency transactions and translation	244.12	-
Net gain on financial assets measured at FVTPL	-	0.43
Miscellaneous income	256.63	137.32
<b>Total</b>	<b>2,057.69</b>	<b>2,117.95</b>

### 25. COST OF MATERIALS CONSUMED

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock of raw materials and others (Refer note 10)	833.81	1,467.54
Add: Purchases	8,301.64	3,422.23
Less: Closing stock of raw materials and others (Refer note 10)	(521.74)	(833.81)
<b>Total</b>	<b>8,613.71</b>	<b>4,055.96</b>

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock of finished goods (Refer note 10)	216.21	801.16
Less: Closing stock of finished goods (Refer note 10)	(192.92)	(216.21)
<b>Total (A)</b>	<b>23.29</b>	<b>584.95</b>
Opening stock of traded goods (Refer note 10)	4,643.00	14,351.42
Less: Closing stock of traded goods (Refer note 10)	(7,142.37)	(4,643.00)
<b>Total (B)</b>	<b>(2,499.37)</b>	<b>9,708.42</b>
<b>Decrease/ (Increase) during the year (A - B)</b>	<b>(2,476.08)</b>	<b>10,293.37</b>

### 27. EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Salaries wages & bonus	5,062.58	5,641.09
Contribution to provident and other funds	220.89	223.60
(Reversal) / Expenses on Employee Stock Option (ESOP) scheme (Refer note 37)	28.94	320.72
Staff welfare expenses	105.54	119.01
<b>Total</b>	<b>5,417.95</b>	<b>6,304.42</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 28. FINANCE COSTS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Interest expenses on:		
Loans	5,652.98	6,647.76
Lease expenses (Refer note 34)	525.92	511.20
Others	59.08	13.31
Other borrowing costs	84.15	57.23
<b>Total</b>	<b>6,322.13</b>	<b>7,229.50</b>

## 29 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTE 4)

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of property, plant and equipment	3,171.99	3,366.77
Depreciation of investment property	8.26	8.26
Amortisation of intangible assets	1,208.61	1,606.67
Depreciation of right-of-use assets	761.21	839.97
<b>Total</b>	<b>5,150.07</b>	<b>5,821.67</b>

## 30. OTHER EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Rent expenses (Refer note 34)	806.50	701.14
Consumables and packing material	107.58	63.09
Warehousing and distribution expenses	5,883.56	4,204.15
Electricity expenses	612.29	558.88
Advertisement, publicity and selling expenses	293.90	548.93
Labour contract charges	1,409.66	861.85
Repairs and maintenance :		
On plant and machinery	91.42	43.19
On buildings	8.94	4.02
On others	88.79	107.07
Legal and professional charges	1,326.57	878.67
Rates & taxes	875.14	940.66
Insurance	106.26	107.45
Auditor's remuneration	154.38	166.63
Directors sitting fees	46.20	36.58
Loss on sale/retirement of property plant and equipment (Net)	178.34	214.99
Sundry Balances Written Off	35.09	-
Impairment of PPE/CWIP	15.03	165.37
Net loss on foreign currency transactions and translation	0.01	147.71
Corporate social responsibility (Refer note 48)	10.33	60.72
Brand royalty	-	47.53
Impairment allowance on trade and other receivable and advances written off (Refer note 9, 7 and 12 respectively)	23,749.38	19,358.74
Donation	10.33	-
Miscellaneous expenses	2,817.25	2,846.31
<b>Total</b>	<b>38,626.95</b>	<b>32,063.68</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 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

Particulars	(₹ in lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations from customers within India	146,878.86	118,451.32
Revenue from operations from customers outside India	-	-
	146,878.86	118,451.33

#### 31.2 Major Customer

Top customer which individually contribute more than 10% of Group's total revenue.

Particulars	(₹ in lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Future Retail Limited	42,328.43	47,478.70
Reliance Retail Limited	61,175.98	15,754.97

### 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 2022	Year ended 31st March 2021
Profit/(Loss) for the year after adjusting non-controlling interest (₹ in lakhs)	(44,967.96)	(48,330.32)
Profit/(Loss) for the year before exceptional item after adjusting non-controlling interest (₹ in lakhs)	(37,558.76)	(44,055.78)
Weighted average number of equity shares outstanding for basic EPS	1,978,434,377	1,973,588,086
Add : Weighted average number of potential equity shares on account of Employee Stock Options Outstanding	-	-
Weighted average number of equity shares outstanding for diluted EPS	1,978,434,377	1,973,588,086
Earnings per share after exceptional item (₹)		
Basic	(2.27)	(2.45)
Diluted	(2.27)	(2.45)
Earnings per share before exceptional item (₹)		
Basic	(1.90)	(2.23)
Diluted	(1.90)	(2.23)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 33 DETAILS OF THE SUBSIDIARIES

**33.1** Details of the 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 Holding Company	
			As at 31st March 2022	As at 31st March 2021
Aadhaar Wholesale Trading and Distribution Limited	Rural retailing	India	100.00%	100.00%
Affluence Food Processors Private Limited (upto March 30th, 2022)	Manufacturing and distribution	India	-	100.00%
Appu Nutritions Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Avante Snack Foods Private Limited (upto March 30th, 2022)	Manufacturing and distribution	India	-	100.00%
Bloom Foods and Beverages Private Limited	Distribution	India	100.00%	100.00%
Delect Spices and Herbs Private Limited	Food processing	India	99.82%	99.82%
FCL Tradevest Private Limited	Manufacturing and distribution	India	100.00%	100.00%
FCEL Overseas FZCO	Distribution	UAE	60.00%	60.00%
FCEL Food Processors Limited (upto March 30th, 2022)	Food processing	India	-	100.00%
Future Consumer Products Limited (upto March 30th, 2022)	Branding	India	-	100.00%
Future Food and Products Limited	Food processing	India	100.00%	100.00%
Future Food Processing Limited	Food processing	India	100.00%	100.00%
Genoa Rice Mills Private Limited (upto March 30th, 2022)	Food processing	India	-	100.00%
Integrated Food Park Limited	Operation and maintenance of food park	India	100.00%	99.93%
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%
The Nilgiri Dairy Farm Private Limited	Manufacturing and 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 2.4 of the consolidated financial statement.

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/ Equity Shares of ACK are held at cost. Since the investment in ACK are held for sale, the Group has not recognized any share of profit or loss of ACK under the equity method.

### 33.3 Investments in Joint Ventures

The details of proportion of ownership interest held by the Group in Joint Venture are disclosed in Note 2.4 of the consolidated financial statement.

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for the year ended 31<sup>st</sup> March 2022

### Aggregate information of Joint Ventures that are not individually material

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
The Group's share of loss from continuing operations	(2,200.75)	(2,459.42)
The Group's share of other comprehensive income	5.23	14.05
The Group's share of total comprehensive income	(2,195.52)	(2,445.37)

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Aggregate carrying amount of the Group's interests in these Joint Ventures (excluding preference shares held)	368.56	444.96
Aggregate carrying amount of the Group's liabilities in these Joint Ventures	1,017.14	2,232.73

There are no significant restriction on the joint Venture to transfer funds to the group in the form of cash, dividends, or to repay loan or advances made by the Group.

## 34 LEASING ARRANGEMENTS

The Group has lease contracts for various items of plant and 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 have lease terms 4 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:

34.1 Particulars	(₹ in lakhs)				
	Plant & Machinery	Vehicles	Land	Buildings	Total
As at 1st April 2021	833.03	3.31	6,496.27	2,847.35	10,179.96
Additions/(Deletions)	-	-	-	1,660.05	1,660.04
Depreciation Expenses	53.68	2.21	3.34	701.99	761.21
As at 31st March 2022	779.35	1.10	6,492.93	3,805.41	11,078.79

Particulars	(₹ In lakhs)				
	Plant & Machinery	Vehicles	Land	Buildings	Total
As at 1st April 2020	806.86	5.52	6,499.76	6,367.32	13,679.47
Additions/(Deletions)	92.56	-	(0.15)	(2,751.94)	(2,659.53)
Depreciation Expenses	66.39	2.21	3.34	768.03	839.97
As at 31st March 2021	833.03	3.31	6,496.27	2,847.35	10,179.96

34.2 Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Opening balance	4,427.70	8,473.27
Less: Additions/Deletions	1,803.30	(4,478.05)
Add: Accretion of Interest	704.07	780.21
Less: Payments	(1,133.87)	(1,376.90)
Add/(Less): Elimination	(89.83)	1,029.17
Closing Balance	5,711.36	4,427.70
Current Lease Liabilities	685.76	731.24
Non-Current Lease Liabilities	5,025.60	3,696.46



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for the year ended 31<sup>st</sup> March 2022

## 34.3 The maturity analysis of lease liabilities are disclosed as below:

	(₹ In lakhs)					
<b>Maturity analysis of contractual undiscounted cash flow</b>	<b>Upto 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 12 months</b>	<b>12 months to 2 years</b>	<b>2 years to 5 years</b>	<b>more than 5 years</b>
As at 31st March 2022	491.39	487.64	882.30	1,597.11	3,151.97	7,178.92
As at 31st March 2021	346.62	347.20	740.21	1,385.88	2,756.86	6,145.92

The Group effective interest rate for lease liabilities is ranging between 11.70%-12.50%.

## 34.4 The following are the amounts recognised in profit or loss:

	(₹ In lakhs)	
<b>Particulars</b>	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Depreciation expense of right-of-use assets	761.22	839.97
Interest expense on lease liabilities	525.92	511.20
Rent Expenses (included in Other Expenses)	806.50	701.14
<b>Total amount recognised in statement of profit and loss</b>	<b>2,093.64</b>	<b>2,052.31</b>

The Group had total cash outflows for leases of ₹ 607.95 lakhs in 31 March 2022 (Previous Year: ₹ 555.24 lakhs).

## 34.5 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.

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 ₹ 5.15 lakhs ( Previous Year: ₹ 5.15 lakhs).

## 34.6 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 lock in 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)	
<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Not later than one year	1,708.83	1,083.80
Later than one year and not later than five years	3,375.27	3,801.09
Later than five years	67,075.10	68,615.90

Lease income for the year 2021-22 is Rs 947.11 lakhs (Previous Year: ₹ 916.44 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 2021-2022 aggregating to ₹ 195.65 Lakhs (Previous Year: ₹ 196.63 lakhs), ₹ 11.32 lakhs (Previous Year: ₹ 13.49 lakhs ) for ESIC and ₹ 13.52 lakhs for New Pension Scheme (Previous year: ₹ 11.63 lakhs) has been recognised in the Statement of profit or loss under the head employee benefits expense.

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for the year ended 31<sup>st</sup> March 2022

## Defined Benefit Plans

### Gratuity

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

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

### Interest risk

A increase in the government bond interest rate will decrease 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.

### Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
1. Discount rate	6.80% - 7.25%	5.89% - 6.95%
2. Salary escalation	5% - 8%	2% - 10%
3. Mortality rate	Indian Assured Lives Mortality Ultimate	Indian Assured Lives Mortality Ultimate
4. Withdrawal rate	20% to 2% Age based	20% to 1% Age based
5. Retirement age	58 years	58 years

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Balances of defined benefit plan		(₹ in lakhs)
Present value of defined benefit obligation	443.49	466.89
Fair value of plan assets	(84.35)	(78.78)
<b>Net liability arising from gratuity</b>	<b>359.14</b>	<b>388.11</b>

No actuarial valuation is done for computing gratuity liability related to employees of Farm Fresh division of holding company as the same was shut down during the year and the liability for such employees have been provided for amounting to ₹ 39 lakhs.

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for the year ended 31<sup>st</sup> March 2022

## 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:

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>A. Components of expense recognised in the Consolidated Statement of Profit and Loss (in employee benefit expenses)</b>		
Current service cost	70.64	119.96
Expected return on plan assets	(5.22)	(4.81)
Net interest expenses	26.12	50.52
<b>Total (A)</b>	<b>91.54</b>	<b>165.67</b>
<b>B. Components of defined benefit costs recognised in other comprehensive income</b>		
Actuarial gains and losses arising from changes in demographic assumptions	8.62	-
Actuarial gains and losses arising from changes in financial assumptions	18.55	12.51
Actuarial gains and losses arising from experience adjustments	(9.53)	(189.58)
<b>Total (B)</b>	<b>17.64</b>	<b>(177.07)</b>
<b>C. Movements in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	466.89	995.84
Current service cost	70.64	119.96
Interest cost	26.12	50.52
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in demographic assumptions	8.62	-
Actuarial gains and losses arising from changes in financial assumptions	18.55	12.51
Actuarial gains and losses arising from experience adjustments	(9.53)	(189.58)
Benefits paid	(137.80)	(522.36)
<b>Closing defined benefit obligation (C)</b>	<b>443.49</b>	<b>466.89</b>
<b>D. Movements in the fair value of the plan assets</b>		
Opening fair value of plan assets	78.78	105.75
Interest income	5.22	4.81
<b>Remeasurement gain (loss):</b>		
Return on plan assets (excluding amounts included in net interest expense)	0.35	0.60
Benefits paid	-	(32.38)
<b>Closing fair value of plan assets (D)</b>	<b>84.35</b>	<b>78.78</b>

## Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Insurer managed funds	84.35	78.78
<b>Total</b>	<b>84.35</b>	<b>78.78</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 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.

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Debt (i)	57,749.33	62,379.63
Less:- Cash and cash equivalent	2,797.10	4,748.04
Net debt	54,952.23	57,631.59
Equity (ii)	15,033.21	59,195.33
Net debt to equity ratio	3.66	0.97

(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.

#### 36.2 Categories of financial instruments

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
Cash and bank balances	2,797.10	4,797.35
Investments in certificate of deposits and others	0.45	0.45
Trade receivables	14,916.27	62,838.49
Loans	5,178.47	7,745.03
Other financial assets	4,771.80	3,492.45
Investments in debentures	-	5,277.41
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Investment in preference shares	453.79	753.79
Investments in equity shares	369.81	446.34
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings	52,037.97	57,951.93
Lease Liabilities	5,711.36	4,427.70
Trade payable	11,695.12	19,937.83
Other financial liabilities	4,767.40	5,452.76

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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.

## 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 2022	31st March 2021	
<b>Financial assets at Fair Value Through Profit and Loss (FVTPL)</b>			
0% Non cumulative redeemable preference share (Refer note 5 & 51)	453.79	753.79	Level 2
Equity investment in Karnataka Bank Limited (Refer note 11)	1.25	1.37	Level 1

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 Directors.

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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. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Year end foreign currency forward contracts and unhedged foreign currency exposures are given below :-

a) **Derivatives (forward contracts) outstanding as at the reporting date (in respective currency)**

(₹ in lakhs)			
Particulars of transactions	Currency	Foreign Currency	INR
March - 2022	USD	-	-
March - 2021	USD	(3.90)	(286.87)

There were no forward contracts outstanding as at March 31, 2022

b) **Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):-**

(₹ in lakhs)					
Particulars	Foreign Currency	As at 31st March 2022		As at 31st March 2021	
		Amount in Foreign Currency	Amount Rupees	Amount in Foreign Currency	Amount Rupees
<b>Receivables :</b>					
Loans given (including Interest accrued)	USD	79.00	5,989.05	75.45	5,546.19
<b>Payables :</b>					
Borrowings	USD	-	-	9.00	661.54

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 2022		As at 31st March 2021	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(598.91)	598.91	(488.46)	488.46

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 Group has long term foreign currency borrowings as on 31st March 2022 which have been utilised for the purchase of Property Plant and Equipment's. 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 Equipment's. Accordingly, the Exchange Gain/(Loss) on such borrowings of Rs 3.29 lakhs (Previous Year Rs 15.81 lakhs) have been included in the cost of Property Plant and Equipment's and depreciation of Rs 0.22 lakhs (Previous Year Rs 0.60 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 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

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requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides unhedged break-up of Group's fixed and floating rate borrowings:

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Variable interest rate borrowings	6,747.67	32,115.15
Fixed interest rate borrowings	45,290.30	25,836.79
<b>Total</b>	<b>52,037.97</b>	<b>57,951.94</b>

### 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.

Particular	(₹ in lakhs)			
	As at 31st March 2022		As at 31st March 2021	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(33.74)	33.74	(160.58)	160.58

### 36.7 Other price risks

The Group's exposure to other risks arises from investments in preference shares amounting to ₹ 453.79 lakhs (Previous Year: ₹ 753.79 lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis has 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 2022 would increase/decrease by ₹ 22.69 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 trade and other receivable. Any delay, default or inability on the part of the other party to pay on time will expose the Group to credit risk and can impact profitability. Group's net maximum credit exposure is in respect of trade receivables of ₹ 14,916.27 lakhs and ₹ 62,838.49 lakhs as at March 31, 2022 and March 31, 2021, respectively and other receivables of ₹ 1,019.35 lakhs and ₹ 348.21 lakhs as at March 31, 2022 and March 31, 2021, 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 and Reliance 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 these two customers did not exceed 91% (Previous Year: One customer - 94%) 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.

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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 and delay rates over the expected life of trade and other receivables and is adjusted for forward-looking estimates.

### Age of Trade receivables (Aged from due date)

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Current but not due	4,004.55	5,884.72
Less than 6 Months	28,204.32	25,520.90
6 months – 1 year	11,999.95	36,711.84
1-2 years	10,774.34	12,231.31
More than 2 years	2,975.29	2,488.59
Less: Expected credit loss allowance	(43,042.17)	(19,998.87)
<b>Total</b>	<b>14,916.27</b>	<b>62,838.49</b>

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 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 Holding Company has invoked One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines which has been approved by all the lenders on May 06, 2021; and entered into an agreement with debenture trustees of CDC Emerging Markets on December 15, 2021, for deferment of repayments of Non-Convertible Debentures.

The Holding Company had defaulted on the payments to holders of Non-Convertible Debentures of ₹ 2,666.60 lakhs due in February 2022. This amount of default was still outstanding as on March 31, 2022 but was subsequently repaid in April 2022. There were no other defaults to lenders as on March 31, 2022.

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 before considering the effect of One Time Restructuring & Revised Agreement with Debenture Trustees.

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
<b><u>As at 31st March 2022</u></b>						
<u>Variable interest rate borrowings</u>						
Principal	7.95%	6,747.67	-	-	6,747.67	6,747.67
Interest		536.25	-	-	536.25	-
<u>Fixed interest rate borrowings</u>						
Principal	10.13%	32,302.85	12,987.45	-	45,290.30	45,290.30
Interest		4,571.01	1,946.20	-	6,517.21	2,368.49
Lease Liability		1,861.32	4,749.08	7,178.92	13,789.32	5,711.36
Financial Guarantee Obligation		1,552.22	-	-	1,552.22	-
Non interest bearing (Trade payable, deposits etc.)		14,081.66	-	-	14,081.66	14,081.66



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

						(₹ in lakhs)
Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
<b>As at 31st March 2021</b>						
<u>Variable interest rate instruments</u>						
Principal	9.53%	32,115.15	-	-	32,115.15	32,115.15
Interest		3,059.95	-	-	3,059.95	-
<u>Fixed interest rate instruments</u>						
Principal	11.58%	8,866.25	16,970.53	-	25,836.78	25,836.78
Interest		3,683.36	3,041.48	-	6,724.84	2,919.97
Lease Liability		1,434.03	4,142.74	6,145.92	11,722.69	4,427.70
Financial Guarantee Obligation		4,550.73	-	-	4,550.73	-
Non interest bearing (trade payable, deposits etc.)		22,454.36	-	-	22,454.36	22,454.36

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 Company has ₹ 5,916 Lakhs (Previous Year ₹ 3,164 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. 5,00,00,000 options are covered under the ESOP 2011 for 5,00,00,000 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 3,45,35,000 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 3,19,50,000 options under primary route (ESOP 2014-Primary) and 7,98,00,000 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 2nd February, 2022, granted 58,89,500 options 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, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 22nd March, 2021, granted 7,27,793 options under secondary market route (ESOP 2014-Secondary) to certain employees of the Company.

The following share-based payment arrangements were in existence during the current and prior years:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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		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	Note-1 below	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
ESOP 2014-Secondary	727,793	22.03.2021		Note-2 below	6.40	0.91
ESOP 2014-Secondary	5,889,500	02.02.2022		Note-2 below	7.50	0.93

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	ESOP 2014-Secondary Grant 7	ESOP 2014-Secondary Grant 8
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%	44.08%	47.01%	55.91%	56.50%	62.00%
Option life (Years)	4-6	4-6	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%	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%	4.82% - 5.67%	5.08% - 6.00%

### **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 2022		Year ended 31st March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	7,563,293	Refer note-2 above	12,725,000	Refer note-2 above
ESOP 2014 primary	2,807,500	21.40	3,631,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	5,889,500	Refer note-2 above	727,793	Refer note-2 above
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011				

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
ESOP 2014 secondary	2,955,500	Refer note-2 above	5,605,500	Refer note-2 above
ESOP 2014 primary	2,550,000	Refer note-2 above	823,500	Refer note-2 above
Exercised during the period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	-	Refer note-2 above	-	Refer note-2 above
ESOP 2014 primary	-	21.40	-	21.40
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	284,000	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	10,497,293	Refer note-2 above	7,563,293	Refer note-2 above
ESOP 2014 primary	257,500	21.40	2,807,500	21.40

## 37.4 Share options exercised during the year

No options were exercised during the financial year 2021-22 (Previous Year: Nil).

## 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 1,375 days (Previous year: 813 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
ESOP 2014 secondary	3,325,559	5,131,500
ESOP 2014 primary	257,500	2,807,500

## 37.6 The expense recognised for employee services received during the year is shown in the following table:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Expenses arising from equity settled share based payment transactions	28.94	320.72
<b>Total expenses arising from share based transactions</b>	<b>28.94</b>	<b>320.72</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 38 RELATED PARTY DISCLOSURES

### 38.1 Name of Related Party and Nature of Relationship

**a) Associate**

Amar Chitra Katha Private Limited

**b) Joint Venture**

Aussee Oats India Limited

Aussee Oats Milling (Private) Limited

Fonterra Future Dairy Private Limited

Hain Future Natural Products Private Limited

Illusie Trading Company (Formerly Known as Mibelle Future Consumer Products AG)

Cosmolift Consumer Products Private Limited (Formerly Known as Mibelle India Consumer Product Private Limited)

MNS Foods Limited

Sublime Foods Limited

**c) Key Management Personnel (KMP) and their relatives**

**Executive Directors**

Mr. Narendra Baheti (upto 29th April 2021)

Ms. Ashni Biyani

**Non Executive Directors**

Mr. Kishore Biyani

Mr. Ghyanendra Nath Bajpai

Mr. Adhiraj Harish

Ms. Neelam Chhiber

Mr. Deepak Malik

Mr. Fredric De Mevius

Mr. K K Rath

Mr. Harminder Sahni

**KMP's**

Mr. Manoj Gagvani

Mr. Sailesh Kedawat (upto 14th February 2022)

Mr. Jude Linhares (from 29th April 2021)

Mr. Rajendra Bajaj (from 15th February 2022)

Mr. Amit Kumar Agarwal (from 15th February 2022)

**Relatives of KMP**

Mr. Rajendra Baheti (upto 29th April 2021)

Mrs. Archana Baheti (upto 29th April 2021)

Mrs. Sunder Devi Baheti (upto 29th April 2021)

Mrs. Ambika Agarwal (From 15th February 2022)

Mrs. Nidhi Kedawat (Upto 14th February 2022)

Mrs. Shilpa Gagvani

Mrs. Sonu Bajaj (From 15th February 2022)

**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 (upto 29th April 2021)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 38.2 Transactions with Related Party

Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	(₹ in lakhs)
				Entities controlled / having significant influence by KMP and their relatives
Purchase of property, plant and equipment	-	-	-	1.00
	(-)	(-)	(-)	(0.74)
Sale of property, plant and equipment	-	-	-	44.60
	(-)	(-)	(-)	(-)
Inter corporate deposits received back	-	-	-	-
	(-)	(10.00)	(-)	(-)
Inter corporate deposits taken	-	-	-	90.00
	(-)	(-)	(-)	(-)
Investments in Debentures	-	-	-	-
	(-)	(300.50)	(-)	(-)
Investments in Equity Shares	-	640.00	-	-
	(-)	(1,050.00)	(-)	(-)
Loan Given	-	-	-	-
	(-)	(1,392.89)	(-)	(-)
Loan taken	-	-	-	961.12
	(-)	(-)	(-)	(-)
Reimbursement of Expenses	-	-	-	-
	(-)	(-)	(-)	(0.90)
Sale of products	-	3.71	-	42,330.14
	(-)	(2,345.01)	(-)	(47,508.01)
Sale of Services	-	205.84	-	-
	(-)	(256.23)	(-)	(-)
Interest income	-	545.75	-	-
	(-)	(740.02)	(-)	(-)
Franchise fees income	-	-	-	206.08
	(-)	(-)	(-)	(190.36)
Recovery of expenses	-	118.16	-	-
	(-)	(16.67)	(-)	(-)
Purchase of goods	-	1,248.48	-	415.67
	(-)	(3,137.99)	(-)	(599.88)
Debentures Converted to Equity	4,977.00	300.50	-	-
	(-)	(-)	(-)	(-)
Car Lease Rent	-	-	6.94	-
	(-)	(-)	(-)	(-)
Managerial remuneration*	-	-	881.74	-
	(-)	(-)	(243.72)	(-)
Rent expenses	-	-	0.05	325.21
	(-)	(-)	(22.30)	(669.90)
Finance cost	-	2.25	-	3.45
	(-)	(2.44)	(-)	(-)
Warehousing Distribution and Transportation charges	-	-	-	1,099.31
	(-)	(-)	(-)	(1,353.59)
Sitting fees	-	-	35.00	-
	(-)	(-)	(27.05)	(-)
Marketing expenses	-	-	-	-
	(-)	(-)	(-)	(330.71)
Other expenses	-	-	6.94	5.41
	(-)	(112.34)	(-)	(20.96)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Balance as at 31st March, 2022				(₹ 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	-	1,438.84	-	47,516.24
	(-)	(2,805.94)	(-)	(74,612.66)
Interest receivable	20.98	2,127.12	-	-
	(20.98)	(1,610.56)	(-)	(-)
Inter corporate deposits outstanding	-	6,026.47	-	-
	(-)	(5,871.12)	(-)	(-)
Inter corporate deposits received outstanding	-	1.03	-	-
	(-)	(73.90)	(-)	(-)
Inter corporate deposits taken outstanding	-	-	-	90.00
	(-)	(-)	(-)	(-)
Security deposit given outstanding	-	-	-	-
	(-)	(-)	(2.50)	(-)
Loan Given Outstanding	-	-	-	-
	(-)	(1,392.89)	(-)	(-)
Loan Outstanding Payable	-	-	961.12	-
	(-)	(-)	(-)	(-)
Advances given to suppliers	-	150.10	-	-
	(-)	(35.66)	(-)	(-)
Advances rent received	-	32.16	-	-
	(-)	(45.40)	(-)	(-)
Interest Accrued but not due	-	-	-	3.11
	(-)	(-)	(-)	(-)
Advance received from customer	-	-	-	19.00
	(-)	(-)	(-)	(8.57)
Security deposit received outstanding	-	18.78	-	-
	(-)	(53.00)	(-)	(-)
Trade and other payables	-	54.73	1.17	1,295.24
	(2.62)	(2,422.29)	(13.78)	(774.39)
Share Application Money Received	-	-	-	450.00
	(-)	(-)	(-)	(-)
Standby Letter of Credit outstanding	-	-	-	-
	(-)	(882.06)	(-)	(-)
Corporate guarantees outstanding	-	829.25	-	-
	(-)	(3,013.04)	(-)	(-)

Figures in bracket represent previous year's figures.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 38.3 Disclosure in respect of Material Transactions with Related Parties

	(₹ in lakhs)	
Nature of Transactions	2021-22	2020-21
<b>Purchase of property, plant and equipments</b>		
Future Retail Limited	1.00	0.74
<b>Reimbursement of Expenses</b>		
Future Retail Limited	-	0.90
<b>Investment in Equity shares</b>		
Fonterra Future Dairy Private Limited	550.00	865.00
Hain Future Natural Products Private Limited	90.00	185.00
<b>Investments in Debentures</b>		
Hain Future Natural Products Private Limited	-	300.50
<b>Inter corporate deposits received back</b>		
Aussee Oats India Limited	10.00	10.00
<b>Inter corporate deposits Taken</b>		
Future Corporate Resources Private Limited	90.00	-
<b>Debentures Converted to Equity</b>		
Amar Chitra Katha Private Limited	4,977.00	-
<b>Car Lease Rent</b>		
Shilpa Gagwani	3.36	-
Nidhi Kedawat (Upto 14th February 22)	2.95	-
<b>Sale of Assets</b>		
Kaizen Dairy Foodworks Private Limited	44.60	-
<b>Loan Given</b>		
Fonterra Future Dairy Private Limited	-	1,392.89
<b>Loan Taken</b>		
Future Retail Limited	961.12	-
<b>Sale of products</b>		
Future Retail Limited	42,328.43	47,478.70
Premium Harvest Limited	0.08	29.30
Sublime Foods Limited	3.71	4.62
<b>Sale of Services</b>		
Hain Future Natural Products Private Limited	83.14	83.08
MNS Foods Limited	71.92	87.59
Sublime Foods Limited	50.78	85.57
<b>Interest Expense</b>		
Future Corporate Resources Private Limited	3.45	-
<b>Interest income</b>		
Aussee Oats Milling (Private) Limited	242.72	486.38
Fonterra Future Dairy Private Limited	79.96	-
MNS Foods Limited	93.40	93.40
Sublime Foods Limited	106.00	106.00
<b>Franchise fees income</b>		
Future Retail Limited	206.08	190.36
<b>Recovery of expenses</b>		
MNS Foods Limited	35.85	8.34
Hain Future Natural Products Private Limited	50.75	-
Sublime Foods Limited	31.56	8.34

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

	(₹ in lakhs)	
<b>Nature of transactions</b>	<b>2021-22</b>	<b>2020-21</b>
<b>Purchase of goods</b>		
Aussee Oats Milling (Private) Limited	-	1,674.69
Aussee Oats India Limited	-	614.47
Sublime Foods Limited	479.27	440.34
Hain Future Natural Products Private Limited	165.99	-
Kaizen Dairy Foodworks Private Limited	360.57	-
MNS Foods Limited	596.06	-
Premium Harvest Limited	45.67	599.88
<b>Finance Cost</b>		
Hain Future Natural Products Private Limited	0.73	1.13
MNS Foods Limited	1.36	1.21
Sublime Foods Limited	0.16	0.11
<b>Managerial remuneration</b>		
Ms. Ashni Biyani *	210.68	154.53
Mr. Jude Linhares *	372.69	-
Mr. Manoj Gagvani *	123.32	-
Mr. Sailesh Kedawat ( Upto 14th February 2022)	138.45	-
Mr. Narendra Baheti *	26.45	45.05
Mr. Rajendra Baheti*	-	44.44
<b>Rent expenses</b>		
Future Retail Limited	2.15	238.10
Future Enterprises Limited	4.72	11.08
Future Supply Chain Solutions Limited	313.34	266.77
Premium Harvest Limited	5.00	88.92
Archana Baheti	0.03	11.60
<b>Warehousing, Distribution and Transportation charges</b>		
Future Supply Chain Solutions Limited	1,099.31	1,353.59
<b>Sitting fees</b>		
Mr. Ghyanendra Nath Bajpai	6.25	4.75
Mr. Kishore Biyani	3.25	3.50
Mr. Harminder Sahni	5.50	4.25
Mr. Adhiraj Harish	6.80	4.90
Mr. K K Rathi	5.25	4.00
Ms. Neelam Chhiber	3.75	2.75
<b>Marketing expenses</b>		
Future Retail Limited	-	330.71
<b>Other expenses</b>		
Future Enterprises Limited	3.47	2.13
Hain Future Natural Products Private Limited	-	34.20
MNS Foods Limited	-	38.93
Sublime Foods Limited	-	39.20
Premium Harvest Limited	1.58	14.85



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

	(₹ in lakhs)	
<b>Balance as at 31st March</b>	<b>2022</b>	<b>2021</b>
<b>Trade and other receivable ***</b>		
Future Retail Limited	39,395.45	66,534.96
Future Corporate Resources Private Limited	8,069.27	8,065.71
Sublime Foods Limited	147.34	189.69
<b>Interest receivable</b>		
Amar Chitra Katha Private Limited	20.98	20.98
MNS Foods Limited	225.71	-
Sublime Foods Limited	234.55	-
Aussee Oats Milling (Private) Limited	1,622.78	1,305.63
<b>Inter corporate deposits received outstanding</b>		
Sublime Foods Limited	1.03	73.90
<b>Inter corporate deposits outstanding</b>		
MNS Foods Limited	747.20	747.20
Sublime Foods Limited	848.00	848.00
Aussee Oats Milling (Private) Limited	4,366.27	4,210.92
<b>Advances received from customers</b>		
Future Lifestyle Fashion Limited	19.00	8.57
<b>Advances rent received</b>		
Hain Future Natural Products Private Limited	12.52	13.76
MNS Foods Limited	19.64	21.71
Sublime Foods Limited	-	9.93
<b>Advances given Outstanding</b>		
MNS Foods Limited	86.75	-
Sublime Foods Limited	63.34	35.66
<b>Security deposit received outstanding</b>		
Hain Future Natural Products Private Limited	6.58	15.75
MNS Foods Limited	12.20	26.55
Sublime Foods Limited	-	10.70
<b>Inter corporate deposits Taken</b>		
Future Corporate Resources Private Limited	90.00	-
<b>Share Application Money Received</b>		
Future Corporate Resources Private Limited	450.00	-
<b>Loan Given Outstanding</b>		
Fonterra Future Diary Private Limited	-	1,392.89
<b>Loan Taken Outstanding</b>		
Future Retail Limited	961.12	-
<b>Trade and Other payables</b>		
Future Retail Limited	18.60	16.53
Aussee Oats India Limited	13.54	945.03
Future Supply Chain Solutions Limited	1,168.61	506.25
Sublime Foods Limited	-	0.09
Future Corporate Resources Private Limited	11.39	-
Aussee Oats Milling (Private) Limited	-	1,303.86
MNS Foods Limited	0.55	157.58
Premium Harvest Limited	-	98.41

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

	(₹ in lakhs)	
Balance as at 31st March	2022	2021
<b>Stand By Letter of Credit Outstanding</b>		
Aussee Oats Milling (Private) Limited	-	882.06
<b>Corporate guarantees outstanding</b>		
Hain Future Natural Products Private Limited	596.36	877.94
Fonterra Future Dairy Private Limited	83.33	659.75
MNS Foods Limited	149.56	-
Aussee Oats Milling (Private) Limited	-	1,024.61
Aussee Oats India Limited	-	155.80
<b>Interest Accrued but not due</b>		
Future Corporate Resources Private Limited	3.11	-
<b>Security deposit given outstanding</b>		
Mrs. Archana Baheti	-	1.50
Mr. Narendra Baheti	-	1.00

\*includes share based payments to managerial personnel.

\*\*\* Gross of ECL

### 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 other than those disclosed above. For the year ended 31 March 2022, the Group has recorded an impairment loss of ₹ 23,749.38 lakhs on receivables relating to amounts owed by related parties (Previous Year: ₹ 15,672.93 lakhs). 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 2022	Year ended 31st March 2021
Short Term Employee Benefits	44.33	243.72

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 2022	Nos o/s as on 31st March 2021
12.08.2016	12.08.2022	21.40	-	2,500,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 39 CONTINGENT LIABILITIES

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Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Claims against the Group not acknowledged as debt*	89.94	143.26
Disputed Income Tax Demands	5,732.62	5,709.18
Disputed Sales Tax and Excise Matters	179.86	387.54
Stand By Letter of Credit Outstanding	-	882.06
Corporate guarantees issued to banks and financial institutions are against credit facilities issued to third parties (Loans outstanding as at 31st March 2022 ₹ 1552.22 lakhs; Previous Year ₹ 4,550.73 lakhs)	23,000.32	13,278.50
<b>Total</b>	<b>29,002.74</b>	<b>20,400.53</b>

\* Does not include cases where liability is not ascertainable

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

## 40 CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2022 is ₹ 187.69 lakhs (Previous Year ₹ 1,086.45 lakhs)

## 41 DISCLOSURE REQUIREMENT OF LOANS AND ADVANCES/ INVESTMENTS AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

Name of the Company	(₹ in lakhs)			
	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March 2022	As at 31st March 2021	During the year ended 31st March 2022	During the year ended 31st March 2021
<b>Joint ventures:</b>				
Aussee Oats Milling (Private) Limited *	4,366.27	4,210.92	4,432.67	4,342.01
Aussee Oats India Limited *	65.00	65.00	65.00	75.00
Sublime Food Limited*	-	848.00	848.00	848.00
MNS Food Limited*	747.20	747.20	747.20	747.20
Fonterra Future Dairy Private Limited	-	1,392.89	1,392.89	1,392.89
Hain Future Natural Products Limited	90.00	-	90.00	-
<b>Total</b>	<b>5,268.47</b>	<b>7,264.01</b>		

\* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### 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 GROUP.

Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end*	672.51	2,418.40
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	47.12	30.78
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	90.90	55.23
Further interest remaining due and payable for earlier periods	70.86	24.45

\* Out of this Rs 198.88 lakhs is overdue (Previous year Rs 560.75 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 CAPITAL WORK IN PROGRESS

#### Disclosure in Terms of Schedule III of the Companies Act 2013

As at March 31, 2022						(₹ In lakhs)
Particulars	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	17.04	50.07	130.29	417.50		614.90
Projects temporarily suspended (Note (i))	-	-	5.95	277.54		283.48
<b>Total</b>	<b>17.04</b>	<b>50.07</b>	<b>136.24</b>	<b>695.04</b>		<b>898.38</b>

As at March 31, 2021						(₹ In lakhs)
Particulars	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	50.07	130.29	267.06	184.91		632.33
Projects temporarily suspended (Note (i))	-	5.95	262.86	14.68		283.48
<b>Total</b>	<b>50.07</b>	<b>136.24</b>	<b>529.92</b>	<b>199.59</b>		<b>915.81</b>

(i) The Projects of the Company are temporarily suspended on account of expansion plants being put on hold.

Details of Capital Work in Progress where completion is Overdue:

As at March 31, 2022		(₹ In lakhs)
Particulars	To be completed in Less than 1 year	
ETP Plant (Refer note i)	104	
Spice Unit (Refer note i)	363	
Land Purchases from KIADB (Refer note ii)	222	
<b>Total</b>	<b>689</b>	

As at March 31, 2021		(₹ In lakhs)
Particulars	To be completed in Less than 1 year	
ETP Plant (Refer note i)	104	
Spice Unit (Refer note i)	351	
Land Purchases from KIADB (Refer note ii)	222	
<b>Total</b>	<b>676</b>	

Note i: The projects are delayed due to liquidity constraints in the last 2 years on account of Covid-19 Impact

Note ii: The Company is coordinating with Karnataka Government for execution of sale deed in respect of land acquired for Tumkur plant

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 44 ASSET HELD FOR SALE

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Particulars	(₹ In lakhs)	
	As at 31st March 2022	As at 31st March 2021
Land and Building at Dairy Plant (Refer note a)	6,870.00	11,582.99
Land at Nagpur (Refer note b)	3,571.53	3,743.25
Assets at Dal Mill (Refer note c)	281.00	409.08
Investment in Amar Chitra Katha Private Limited (Refer note d)	4,977.00	-
<b>Total</b>	<b>15,699.53</b>	<b>15,735.32</b>

### 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 The Nilgiris Dairy Farm Private Limited (NDF), a subsidiary of the Group. Accordingly, the land along with building and non current assets of ₹ 11,582.99 lakhs were classified as Assets Held for Sale by the Group as on March 31, 2021. In April 2022, NDF has sold these assets for a consideration of ₹ 6,870 lakhs which was ₹ 4,712.98 lakhs below the book value of such assets. Pursuant to this sale, the Group has recorded an impairment of ₹ 4,712.98 lakhs on the assets held for sale, which has been included in exceptional items for the year ended March 31, 2022.

### Note b

The Group has entered into a Memorandum of Understanding (MoU) for sale of land parcels at Nagpur, which was being developed by 2 subsidiaries of the Group as a Food Park. Accordingly, Freehold Land of ₹ 2,235.86 lakhs and Capital Work in Progress of ₹ 1,507.39 lakhs have been classified at cost as non-current assets held for sales by the Group as on March 31, 2021. Further, the Group has received a capital advance of ₹ 2100 lakhs as per terms of the above MoU, which has been classified as Advance received against assets held for sale. In April 2022, the Group has sold this land for a total consideration of ₹ 4,160 lakhs. Since in the case of one land parcel, the sale value was ₹ 171.72 lakhs below the book value of such assets, the Group has recorded an impairment of ₹ 223.41 lakhs on the same as on March 31, 2022 which has been included in exceptional items for the year.

### Note c

The Group intends to sell its Land along with the building and plant & machinery thereon have been classified as non current assets held for sale at cost ₹ 409.08 lakhs as on March 31, 2021. Upon review, the recoverable amount is identified at Rs 281 lakhs and recognized an impairment of ₹ 128.08 lakhs during the year ended March 31, 2022 on these assets, which has been included in exceptional items for the year.

### Note d

Upon conversion on maturity of 4,977 Compulsorily Convertible Debentures (CCDs) in Amar Chitra Katha Private Limited (ACK), the Company was allotted 13,20,159 equity shares of ACK, which is an associate of the Company. The Board of Directors of the Company, have vide their resolution dated February 10, 2022 resolved to liquidate the Company's stake in ACK pursuant to which the investment in ACK has been recognized as Non-Current Asset Held For Sale, as on March 31, 2022. In May 2022, the Company has entered into a definitive agreement of sale for part of its stake in ACK amounting to 3,61,290 equity shares of ACK, at a total consideration of ₹ 1,362 lakhs.

## 45 EXCEPTIONAL ITEMS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2022	Year ended 31st March 2021
Impairment on Assets Held for Sale (Refer notes from 44(a) to 44(c) above)	5,064.48	-
Write off of Inter Corporate Loans and Interest thereon (Refer note a below)	1,239.43	-
Losses on Force Majeure invoked by Customers (Refer note b below)	-	3,558.80
Impairment of Brand (Refer note c below)	780.04	715.74
Impairment of Plant and Machinery (Refer note d below)	325.25	-
<b>Total</b>	<b>7,409.20</b>	<b>4,274.54</b>

### a Inter Corporate Deposits to Sublime Foods Limited

Based on an assessment of the recoverability of the Inter Corporate Deposits (ICD) given to Sublime Foods Limited, a joint venture of the Group, the Group has recognized an impairment loss of ₹ 616.81 lakhs on the same, amounting to the entirety of the Group's exposure to the principal outstanding on such ICDs, and the interest outstanding thereon as on March 31, 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

### Inter Corporate Deposit to Lord Jagannath Retail Private Limited

Based on an assessment of the recoverability of the Inter Corporate Deposits (ICD) given to Lord Jagannath Retail Private Limited, the Group has recognized an impairment loss of ₹ 622.62 lakhs on the same, amounting to the entirety of the principal outstanding on such ICDs, and the interest outstanding thereon as on March 31, 2022.

### b Losses on Force Majeure invoked by Customers

Due to Covid-19 pandemic and resulting lockdowns, one of the Group's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Group has recognised a loss of ₹ 3,558.80 lakhs which is included in exceptional items for the year ended March 31, 2021.

### c Impairment of Brands

#### 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 ₹ 291.92 lakhs (Year ended March 31 2021: Rs 200 lakhs) on this brand during the year.

#### Brands acquired from Athena Life Science Private Limited

The Scheme of Arrangement between Athena Life Sciences Private Limited ('Athena') and the Company and their respective Shareholders and Creditors ("Scheme") was sanctioned during the year ended March 31, 2022 (Refer Note 55). With this transfer, the Company acquired the marketing selling and distribution business of Athena in relation to the portfolio products/brands namely, D'Free, Hair for Sure, Iraya and Safe & Sure. On March 31, 2022, in light of the poor performance of these brands, the Company has recognized an impairment loss of ₹ 488.12 lakhs on the same, which has been included in the exceptional costs for the year ended March 31, 2022.

#### Pertaining only to previous year ended March 31, 2021

#### Brand KBFP

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 had fully impaired its Brand of Rs 515.74 Lakhs during the year ended March 31, 2021 which is included in exceptional items in Statement of Profit and Loss.

### d Property, Plant and Equipment of Nilgiri Dairy Farm Private Limited

During the 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 INR 325.25 lakhs in the year ended March 31, 2022 against the plant and machinery, previously carried at INR 479.43 lakhs. The impairment charge is recorded in the Statement of Profit and Loss as an exceptional item.

## 46 THE CARRYING AMOUNT OF GOODWILL IS AS FOLLOWS :-

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
a) The Nilgiris Dairy Farm Limited	3,547.14	3,547.14
b) Centre of Plate	2,951.82	2,951.82
c) Others	412.06	412.06
<b>Total</b>	<b>6,911.02</b>	<b>6,911.02</b>

Centre of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands.

#### Goodwill

The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management, 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

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	11.00%	17.70%	11.97%-13.48%
Terminal value growth rate	5.00%	5.00%	5.00%
Period of cash flow projections	5	5	5

## 47 INVESTMENT PROPERTY

The fair value of the Group's investment properties as at 31st March 2022 has been arrived at on the basis of a valuation carried out on the respective dates by independent valuers not related to the Group. 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.

**Details with regards to fair value is given as under :-**

(₹ in lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Rent Income	24.98	23.77
Expenses incurred for maintenance of investment property	1.81	3.38
Fair value of Investment Property - Land and Building	677.04	1,561.50

## 48 DETAILS OF CSR EXPENDITURE

(₹ In lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
a. Gross amount required to be spent during the year	10.33	60.72
b. Amount spent in cash		
Construction / acquisition of any asset	-	-
Others	10.33	60.72
<b>Total</b>	<b>10.33</b>	<b>60.72</b>

## 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 2022		Share in P/L For the year ended 31st March 2022		Share in OCI For the year ended 31st March 2022		Share in Total comprehensive income (loss) For the year ended 31st March 2022	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount
Future Consumer Limited	294.20%	44,229.15	(82.43%)	(37,075.92)	-	-	(82.42%)	(37,075.92)
<b>Subsidiaries</b>								
<b>Indian</b>								
Aadhaar Wholesale Trading and Distribution Limited	(157.76%)	(23,717.88)	1.97%	884.24	-	-	1.97%	884.24
Future Food and Products Limited	8.97%	1,349.04	(1.54%)	(691.53)	-	-	(1.54%)	(691.53)
Future Food Processing Limited	(6.22%)	(935.39)	(0.50%)	(225.11)	-	-	(0.50%)	(225.11)
Delect Spices and Herbs Private Limited	(1.14%)	(171.70)	(0.10%)	(45.99)	-	-	(0.10%)	(45.99)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

(₹ in lakhs)

Name of the entities	Net assets, i.e. total assets minus total liabilities As at 31st March 2022		Share in P/L For the year ended 31st March 2022		Share in OCI For the year ended 31st March 2022		Share in Total comprehensive income (loss) For the year ended 31st March 2022	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount
The Nilgiri Dairy Farm Private Limited and subsidiaries	61.22%	9,203.37	(8.00%)	(3,596.62)	-	-	(8.00%)	(3,596.62)
Integrated Food Park Limited	(51.71%)	(7,774.07)	(2.15%)	(964.93)	-	-	(2.15%)	(964.93)
FCL Tradevest Private Limited	(33.48%)	(5,033.02)	(1.54%)	(693.10)	-	-	(1.54%)	(693.10)
Bloom Foods and Beverages Private Limited	7.14%	1,074.14	(0.78%)	(351.67)	-	-	(0.78%)	(351.67)
<b>Foreign</b>								
FCEL Overseas FZCO	-	-	(0.02%)	(9.71)	-	-	(0.02%)	(9.71)
<b>Minority Interest in all subsidiaries</b>								
<b>Indian</b>								
Integrated Food Park Limited	(0.01%)	(1.11)	(0.00%)	(1.11)	-	-	(0.00%)	(1.11)
Delect Spices and Herbs Private Limited	0.00%	0.68	(0.00%)	(0.08)	-	-	(0.00%)	(0.08)
<b>Foreign</b>								
FCEL Overseas FZCO	(5.46%)	(820.43)	(0.01%)	(6.47)	14.85%	0.68	(0.01%)	(5.80)
<b>Joint Ventures</b>								
<b>Indian</b>								
MNS Foods Limited	(3.54%)	(532.70)	(0.22%)	(99.03)	(4.41%)	(0.20)	(0.22%)	(99.23)
Sublime Foods Limited	-	-	(0.20%)	(90.96)	(22.73%)	(1.03)	(0.20%)	(91.99)
Hain Future Natural Products Private Limited	-	-	(1.04%)	(467.43)	(14.87%)	(0.68)	(1.04%)	(468.10)
Aussee Oats India Limited	(5.45%)	(819.38)	(0.00%)	(0.16)	-	-	(0.00%)	(0.16)
Fonterra Future Dairy Private Limited	(6.76%)	(1,016.79)	(3.32%)	(1,495.39)	(48.14%)	(2.19)	(3.33%)	(1,497.58)
<b>Foreign</b>								
Aussee Oats Milling (Private) Limited	-	-	(0.11%)	(47.78)	(24.70%)	(1.12)	(0.11%)	(48.90)
	<b>100.00%</b>	<b>15,033.91</b>	<b>100.00%</b>	<b>(44,978.75)</b>	<b>100.00%</b>	<b>(4.54)</b>	<b>100.00%</b>	<b>(44,983.29)</b>

(₹ In lakhs)

Name of the entities	Net assets, i.e. total assets minus total liabilities As at 31st March 2021		Share in P/L For the year ended 31st March 2021		Share in OCI For the year ended 31st March 2021		Share in Total comprehensive income (loss) For the year ended 31st March 2021	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount
Future Consumer Limited	127.64%	75,554.83	(85.73%)	(41,299.23)	-	-	(85.76%)	(41,299.23)
<b>Subsidiaries</b>								
<b>Indian</b>								
Aadhaar Wholesale Trading and Distribution Limited	(38.81%)	(22,973.99)	(2.91%)	(1,401.75)	-	-	(2.91%)	(1,401.75)
Future Food and Products Limited	3.61%	2,137.71	0.09%	41.58	-	-	0.09%	41.58
Future Consumer Products Limited	0.25%	148.68	0.01%	6.76	-	-	0.01%	6.76
FCEL Food Processors Limited	(0.02%)	(12.80)	(0.00%)	(1.51)	-	-	(0.00%)	(1.51)
Future Food Processing Limited	(0.91%)	(539.03)	(0.00%)	(1.66)	-	-	(0.00%)	(1.66)
Avante Snack Foods Pvt Ltd	(0.01%)	(3.45)	(0.01%)	(3.49)	-	-	(0.01%)	(3.49)



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for the year ended 31<sup>st</sup> March 2022

Name of the entities	(₹ In lakhs)							
	Net assets, i.e. total assets minus total liabilities As at 31st March 2021		Share in P/L For the year ended 31st March 2021		Share in OCI For the year ended 31st March 2021		Share in Total comprehensive income (loss) For the year ended 31st March 2021	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount
Affluence Food Processor Pvt. Ltd.	(0.11%)	(65.58)	(0.07%)	(34.46)	-	-	(0.07%)	(34.46)
Genoa Rice Mills private limited	0.10%	57.26	(0.10%)	(49.31)	-	-	(0.10%)	(49.31)
Delect Spices and Herbs Private Limited	(0.21%)	(125.71)	(0.24%)	(115.92)	-	-	(0.24%)	(115.92)
The Nilgiri Dairy Farm Private Limited and subsidiaries	26.31%	15,573.79	(0.87%)	(420.93)	-	-	(0.87%)	(420.93)
Integrated Food Park Limited	(9.36%)	(5,541.53)	(2.92%)	(1,404.57)	-	-	(2.92%)	(1,404.57)
FCL Tradevest Private Limited	(2.41%)	(1,426.35)	(0.38%)	(183.15)	-	-	(0.38%)	(183.15)
Bloom Foods and Beverages Private Limited	1.07%	630.95	(1.88%)	(904.35)	-	-	(1.88%)	(904.35)
<b>Foreign</b>								
FCEL Overseas FZCO	(1.32%)	(780.12)	0.12%	59.38	-	-	0.12%	59.38
<b>Minority Interest in all subsidiaries</b>								
<b>Indian</b>								
Integrated Food Park Limited	(0.00%)	(1.62)	(0.00%)	(1.87)	-	-	(0.00%)	(1.87)
Avante Snack Foods Pvt Ltd	-	-	(0.00%)	(0.04)	-	-	(0.00%)	(0.04)
Delect Spices and Herbs Private Limited	0.00%	0.78	(0.00%)	(0.21)	-	-	(0.00%)	(0.21)
<b>Foreign</b>								
FCEL Overseas FZCO	-	-	0.01%	2.67	7.52%	0.98	0.00%	1.69
<b>Joint Ventures</b>								
<b>Indian</b>								
MNS Foods Limited	(0.73%)	(433.87)	(0.50%)	(240.14)	(11.97%)	(1.56)	(0.50%)	(238.58)
Sublime Foods Limited	(1.14%)	(676.81)	(0.39%)	(188.95)	(11.04%)	(1.44)	(0.39%)	(187.51)
Hain Future Natural Products Private Limited	-	-	(1.19%)	(575.46)	(5.26%)	(0.68)	(1.19%)	(574.77)
Aussee Oats India Limited	-	-	(0.04%)	(18.22)	0.31%	0.04	(0.04%)	(18.26)
Fonterra Future Dairy Private Limited	(2.63%)	(1,555.90)	(2.99%)	(1,441.91)	(90.23%)	(11.74)	(2.97%)	(1,430.17)
<b>Foreign</b>								
Aussee Oats Milling (Private) Limited	(1.31%)	(772.73)	0.01%	5.31	10.67%	1.39	0.01%	3.93
	<b>100.00%</b>	<b>59,194.51</b>	<b>100.00%</b>	<b>(48,171.41)</b>	<b>100.00%</b>	<b>(13.01)</b>	<b>100.00%</b>	<b>(48,158.40)</b>

## 50 BUSINESS COMBINATION

### a) Acquisition of additional interest in Integrated Food Park Limited

On 26 November 2021, the Group acquired an additional 0.07% interest in the voting shares of Integrated Food Park Limited (IFPL), increasing its ownership interest to 100%. Cash consideration of ₹ 3.19 Lakhs was paid to the non-controlling shareholders. The carrying value of the net assets of IFPL (excluding goodwill on the original acquisition) was (₹ 3,910.68 Lakhs). The carrying value of the additional interest acquired at the date of acquisition was (₹ 2.74 lakhs).

### b) Business Combination

The Group has completed the merger of 5 companies viz. Affluence Food Processors Private Limited, Avante Snack Foods Private Limited, FCEL Food Processors Limited (FCEL FP), Future Consumer Products Limited (FCPL) and Genoa Rice Mills Private Limited with effect from March 30, 2022. The scheme was filed with Registrar of Companies on the same date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

The scheme of merger ("scheme") submitted by the Group was approved by Hon'ble National Company Law Tribunal by its order dated 24th February, 2022 (Mumbai bench). Of the transferors, FCPL and FCEL FP were each wholly owned subsidiaries of the Holding Company Future Consumer Limited (FCL), and the others were wholly owned subsidiaries of the group respectively. As per the terms of the Scheme, the group has recorded the accounting treatment of this merger with effect from the beginning of the comparative period, i.e., April 1st, 2020.

As per guidance on accounting for common control transactions contained in Ind AS 103 "Business Combinations" the merger has been accounted for using the Asset Acquisition method in case of FCEL FP and pooling of interest method in case of remaining 4 companies.

As per the terms of the scheme, the group will allot 100 equity shares of ₹ 10 each against the shares held by the FCL in FCPL and FCEL FP respectively. The same has been disclosed under Other Equity as Share application money pending allotment. Further, the same has been subsequently allotted by the group in May 2022.

### c) Acquisition during the year ended March 31, 2021

#### Acquisition of additional interest in Avante Snack Foods Private Limited

On 20 July 2020, the Group acquired an additional 32.97% interest in the voting shares of Avante Snack Foods Private Limited, increasing its ownership interest to 100%. Cash consideration of ₹ 0.01 Lakhs was paid to the non-controlling shareholders. The carrying value of the net assets of Avante Snack Foods Private Limited (excluding goodwill on the original acquisition) was ₹ 0.02 Lakhs. The carrying value of the additional interest acquired at the date of acquisition was ₹ (0.03) lakhs. Following is a schedule of additional interest acquired in Avante Snack Foods Private Limited :

(₹ in lakhs)	
Particulars	Amount
Cash consideration paid to non-controlling shareholders	0.01
Carrying value of the additional interest in Avante Snack Foods Private Ltd	0.03
<b>Goodwill</b>	<b>0.04</b>

## 51 NOTE ON QUALIFICATIONS IN AUDIT REPORT

- a) The Group has investments in Joint Ventures Aussee Oats Milling Private Limited and Aussee Oats India Private Limited (together referred to as 'JV') of ₹ 6,650.53 Lakhs (including investments, loans and other assets). There is a dispute between the Group and said JV partners and due to non-availability of financial statement for the year ended March 31, 2022 as a consequence of non-cooperation of the said JV partners which is in direct contravention of court rulings, the Group is unable to determine the fair value of Group's investments in JV as at March 31, 2022 and consequent impact thereof on the financial statements. However, the Management believes that it will not have a material impact on the financial statements for the year ended March 31, 2022

- b) In the context of 2 joint ventures, viz.:

- i) Hain Future Natural Products Private Limited, a joint venture of the Group (Hain Future JV): Due to the non-alignment of the Group with the co-joint venturers on key aspects pertaining to the operations of Hain Future JV, the entity is unable to finalise and approve the financial statements for the year ended March 31, 2022 as on date.
- ii) Fonterra Future Dairy Private Limited, a joint venture of the Group (Fonterra Future JV): As per the resolutions dated March 10, 2022 passed by the Board of Directors of the Holding Company, it has been agreed to discontinue the operations of the Fonterra Future JV. Since the audit of Fonterra Future JV is still in progress, audited financial statements for the year ended March 31, 2022 have not been made available to the Group as on date.

Since the audited financial statements of Hain Future JV and Fonterra Future JV are not available as on date, the Group has consolidated the proportionate share of the results of these entities based on the Management-Certified Financials, received from the respective entities. However, the Management believes that the audit of these entities will not have a material impact on the financial statements of the Group for the year ended March 31, 2022, or on the book value of the Group's exposure to these entities as on March 31, 2022.

## 52 NOTE ON GOING CONCERN BASIS USED FOR PREPARATION OF FINANCIALS

The COVID-19 pandemic has adversely affected the operations of the Group including its ability to be consistent with supplies and sales and which in turn has also impacted liquidity position of the Group. While the Group continues to work very closely with all the stakeholders, the situation continues to be still evolving. The Group has adopted several cost reductions measures to address the liquidity crunch to maintain sufficient operational cash flows.

The Group has debt servicing obligations aggregating to ₹ 39,050.52 Lakhs within the next twelve months, comprising of Current Maturities of Long-Term debt amounting to ₹ 11,854.58 lakhs and short-term borrowings of ₹ 27,195.94 lakhs. The Group has incurred loss before tax during the year ended March 31, 2022 amounting to 45,037.25 Lakhs (Including Exceptional items) primarily owing to the lower volumes, impairment losses, Expected Credit Loss (ECL) provision, finance costs and depreciation and also has accumulated losses as at March 31, 2022 of ₹ 1,44,975.40 lakhs. The Group's current liabilities exceeded its current assets by ₹ 36,595.29 lakhs as at the balance sheet date. Also, the Holding Company has defaulted in repayment of its debentures as on March 31, 2022 of Rs 2,666.60 lakhs which has been subsequently paid.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

Further, certain secured creditors of one of the Group's major customers have filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against such customer. In light of the same, the Group has recorded an increased ECL of ₹ 21,415.26 lakhs during the year ended March 31<sup>st</sup>, 2022 on the entirety of the amounts receivable from the said customer.

These events/conditions indicate the existence of material uncertainty on the Group's ability to continue as going concern. To address the liquidity crunch and to maintain the sufficient working capital, the Group has adopted several measures including sales to other customers, cost optimisation, invoking One Time Restructuring (OTR) of the Holding Company's loans on November 09, 2020 as per RBI guidelines which has been approved by all the lenders on May 06, 2021; and entered into an agreement with debenture trustees of CDC Emerging Markets on December 15, 2021, for deferment of repayments of Non-Convertible Debentures issued by the Holding Company. Further, the Board of Directors of the Holding Company has approved the plan for monetization of some of the assets including investments, to repay the debts and manage the working capital requirements.

The success of the above measures adopted by the Group is dependent on the effective implementation of its operating plans and timely identification of the prospective buyers for monetisation of its assets including investments which is dependent of many internal / external factors. The management is confident that they will be able to arrange sufficient liquidity by monetization of its assets, increase in operations and other strategic initiatives. Accordingly, the financial statements are prepared on a going concern basis.

**52.1** The Holding Company had invoked One Time Restructuring (OTR) of loans from banks on November 09, 2020 as per RBI guidelines vide circular dated August 6, 2020 on 'Resolution Framework for COVID-19 related stress' and follow on circular dated September 7, 2020 on 'Resolution Framework for COVID-19-related Stress – Financial Parameters'. The aforesaid OTR has been approved by all the lenders on May 06, 2021.

Further, the Holding Company has entered into an agreement with debenture trustee CDC Emerging Market on December 15, 2021 for the deferment of payment of principal and interest due during the year.

Accordingly, the approval of One Time Restructuring and signing of agreement with debenture trustees has had the following impact on the Holding Company's working capital position:

- Limits of Short-Term Borrowings (Working Capital Demand Loan and Cash Credit) to continue as per existing limits;
- Interest moratorium on all facilities with lenders participating in the OTR till September 2021 and creation of funded interest term loan on the same along with any unpaid interest as on the date of implementation;
- Outstanding bills discounted as at November 09, 2020 have been converted into Working Capital Term Loan repayable from June 2022 onwards;
- Extension of tenure of term loans by up to 24 months and moratorium of principal repayment till February 2023.

## 53 UPDATE ON COMPOSITE SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement which involves: (i) merger of the Holding Company and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Composite Scheme of Arrangement"/ Scheme"), has been approved by Board of Directors of the Holding Company at its meeting held on August 29, 2020. Pursuant to the directions given by National Company Law Tribunal, Mumbai (NCLT), the meetings of shareholders and creditors of all the companies involved in the Scheme has been convened and held between April 20, 2022 to April 23, 2022. As in most of the secured creditors meetings of various companies involved in the Scheme, the voting was not in favour of the Scheme, the Holding Company along with all other listed entities involved in the Scheme have communicated to stock exchanges on April 23, 2022 that the subject Scheme cannot be implemented.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 54 NOTE ON DEMERGER OF ATHENA LIFE SCIENCES PRIVATE LIMITED

The Scheme of Arrangement between Athena Life Sciences Private Limited ('Athena') and the Holding Company and their respective Shareholders and Creditors ("Scheme") was sanctioned in terms of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 by Hon'ble National Company Law Tribunal, Mumbai Bench. The scheme was filed with Registrar of Companies on 6th October 2021 which is considered to be the effective date on which the control is transferred to the Group.

On 6th October 2021, the Group has completed the transfer of identified undertaking of Athena via an all-equity consideration under which 13 shares of the Holding Company were allotted for 83 shares of Athena. Pursuant to the Scheme, the Holding Company has, on 6th October 2021, approved allotment of 99,93,764 equity shares of ₹ 6/- each to the equity shareholders of Athena as provided under the Scheme. With this transfer, the Group acquired the marketing selling and distribution business of Athena in relation to the portfolio products/brands namely, D'Free, Hair for Sure, Iraya and Safe & Sure. On March 31, 2022, in light of the poor performance of these brands, the Group has recognized an impairment loss of ₹ 488.12 lakhs on the same, which has been included in the exceptional items for the year (Refer Note 44(c) above).

## 55 NOTE FOR FINANCIAL IMPACT ASSESSMENT OF SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code of Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 56 OTHER STATUTORY INFORMATION

- There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- The Group has not entered into any transactions with struck off companies during the year.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**56.1** The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, the Group has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 57 PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

Summary of significant accounting policies	2
See accompanying Notes to the consolidated financial statements	1-57

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

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

per Pramod Kumar Bapna  
Partner  
Membership No: 105497

G.N.Bajpai  
Chairman  
  
Manoj Gagvani  
Company Secretary & Head - Legal

Amit Agarwal  
Executive Director  
  
Rajendra Bajaj  
Dy Chief Financial Officer

Place: Mumbai  
Date: 27 May 2022

Place: Mumbai  
Date: 27 May 2022

Samson Samuel  
Chife Executive Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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 2022

(₹ In lakhs except % of share holding)													
Sr. No	Name of the Company	Date since when subsidiary was acquired	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	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	(16,086.84)	7,698.46	7,698.46	-	22,633.83	(2,407.84)	-	(2,407.84)	-	1.00
2	FCL Tradevest Private Limited ("FCL Tradevest")	24.12.2018	12,768.60	(5,801.62)	7,818.63	7,818.63	-	128.77	(3,928.49)	2.00	(3,930.50)	-	1.00
3	Aussee Oats India Limited (Subsidiary of FCL Tradevest, formerly known as Aussee Oats India Private Limited) #	19.02.2016	100.00	(80.30)	1,645.75	1,645.75	-	789.24	(0.32)	-	(0.32)	-	50% + 1 Share
4	Future Food and Products Limited (Subsidiary of FCL Tradevest)	02.08.2010	313.00	1,396.97	2,899.66	2,899.66	-	-	(754.27)	-	(754.27)	-	1.00
5	Future Food Processing Limited (Subsidiary of FCL Tradevest)	21.10.2014	201.00	(1,078.79)	951.60	951.60	-	-	(364.69)	-	(364.69)	-	1.00
6	Integrated Food Park Limited (Subsidiary of FCL Tradevest)	05.02.2015	4,481.30	(8,876.85)	23,419.88	23,419.88	-	1,880.16	(2,271.39)	(69.34)	(2,202.05)	-	1.00
7	MNS Foods Limited (Subsidiary of FCL Tradevest)	04.08.2015	240.00	(1,510.06)	1,503.57	1,503.57	-	1,903.40	(191.93)	6.09	(198.03)	-	0.50
8	Sublime Foods Limited (Subsidiary of FCL Tradevest)	18.02.2015	437.23	(2,062.35)	405.38	405.38	-	454.24	(189.67)	(3.83)	(185.84)	-	0.51
9	Delect Spices and Herbs Private Limited	18.07.2019	542.47	(165.85)	385.47	385.47	-	-	(46.07)	-	(46.07)	-	1.00
10	Aussee Oats Milling (Private) Limited** #	16.09.2014	5,075.95	(70.79)	14,827.65	14,827.65	-	1,601.83	(95.35)	-	(95.35)	-	50% + 1 Share
11	Bloom Foods and Beverages Private Limited	15.01.2016	100.00	1,433.59	2,566.99	2,566.99	-	25,432.27	10.79	3.02	7.77	-	1.00
13	FCEL Overseas FZCO ***	30.07.2014	20.55	(829.70)	12.90	12.90	-	-	(16.18)	-	(16.18)	-	0.60
14	The Nilgiri Dairy Farm Private Limited ("NDFPL")	20.11.2014	241.44	(7,882.90)	10,864.75	10,864.75	-	6,353.66	(6,944.31)	-	(6,944.31)	-	1.00
15	Appu Nutritions Private Limited (Subsidiary of NDFPL)	20.11.2014	10.00	1,555.15	1,655.47	1,655.47	-	15.00	(5.21)	-	(5.21)	-	1.00
16	Nilgiris Franchise Limited (Subsidiary of NDFPL)	20.11.2014	425.00	(388.83)	125.52	125.52	-	54.21	42.12	3.73	38.39	-	1.00
17	Nilgiris Mechanised Bakery Private Limited (Subsidiary of NDFPL)	20.11.2014	14.14	(32.19)	251.50	251.50	-	68.18	(101.76)	-	(0.20)	-	1.00

\*\* Converted into Indian Rupees at the exchange Rate USD 1 = ₹ 74.3456

\*\*\* Converted into Indian Rupees at the exchange rate AED 1 = ₹ 20.5542

# Refer note to accounts note number 51(a)

Note :- 1. The reporting period for all the subsidiaries is 31st March 2022 Except Aussee Oats Milling (Private Limited) and Aussee Oats India Limited reporting period is 30th June 2021

Note :- 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 FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

## 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	Fonterra Future Dairy Private Limited	Hain Future Natural Products Private Limited
1. Latest audited Balance Sheet Date	31st March'2021	31st March'2021
2. Date on which the Associate or Joint Venture was associated or acquired	01.10.2018	20.06.2017
3. Shares of Associate/Joint Ventures held by the Company on the Year end		
No.	24,150,000	24,350,000
Amount of Investment in Associates or Joint Venture	₹ 2,415.00	₹ 2,134.50
Extent of Holding %	50%	50%
4. Description of how there is significant influence	Shareholders Agreement	Shareholders Agreement
5. Reason why the associate/joint venture is not Consolidated	NA	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	(1,579.71)	554.20
7. Profit / Loss for the year (₹ In lakhs)*		
i. Considered in Consolidation (₹ In lakhs)	(1,493.21)	(466.75)
ii. Not Considered in Consolidation	-	-

Note: Amar Chitra Katha Private Limited (ACK) have been considered as associates in terms of Ind AS 109. (Refer Note 33.2).

\* Based on Management Certified Accounts

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

G.N.Bajpai  
Chairman

Manoj Gagvani  
Company Secretary & Head - Legal

Amit Agarwal  
Executive Director

Rajendra Bajaj  
Dy Chief Financial Officer

Samson Samuel  
Chife Executive Officer

Place: Mumbai  
Date: 27 May 2022

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2022

**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 31<sup>st</sup> March, 2022.**

### **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 Rs) Last Employment**

1. Amit Kumar Agrawal, Dy. Chief Financial Officer, 49, C.A, 23, 26-Aug-2009, 61,84,177, Reliance Retail Limited, 2. Anand Ramaswamy, Chief – Supply Chain, 44, BE & PGDM- Management, 21, 15-May-19, 1,19,37,257, Mondelez India (P) Foods Limited, 3. Ashni Biyani, Managing Director, 37, Graduate in Textile Designing, 14, 15- Nov-2014, 2,10,67,524, Future Corporate Resources Limited, 4. J Sabari Balan, Chief- Quality Assurance, 48, M.Sc Chemistry, 25, 25-June-2018, 88,39,348, Fieldfresh Foods Private Ltd, 5. Jude Linhares, Director Manufacturing, 56, B Tech, 34, 15-Nov-18, 3,54,20,807, Dabur International Ltd, 6. Keshav Biyani, Business Head, 28, B.B.A, 7, 1-April-2016, 61,02,600, None, 7. Manoj Gagvani, Company Secretary & Head- Legal, 55, C.S, LL.B, 36, 23-Jun-08, 1,26,67,960, Pidilite Industries Limited, 8. Nikunj Biyani, Business Head, 29, B.Sc Management, 9, 1-April-2016, 62,18,452, None, 9. Sailesh Kedawat^, Chief Financial Officer, 48, B.Com, C.A, 24, 1-Apr-2018, 1,32,98,534, Integrated Food park Limited 10. Sudesh Gajanan Lele, Head Sales – General Trade, 51, B.Com, 27, 1-May-2021, 49,10,530, Anchor Health & Beauty Care Private Limited

^employed for part of the year

#### **Note:**

1. All appointments are contractual and can be terminated by notice on either side
2. None of the employees mentioned above are related to any Director of the Company save and except Ms. Ashni Biyani. Ms. Ashni Biyani is daughter of Mr. Kishore Biyani.

## NOTES

[illegible]







Knowledge House, Shyam Nagar  
Off Jogeshwari Vikhroli Link Road, Jogeshwari (East)  
Mumbai 400 060, Maharashtra, India  
[www.futureconsumer.in](http://www.futureconsumer.in)

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.