

30th August, 2016

To,  
**BSE Limited**  
PhirozeJeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**Scrip Code: 523574 / 570002**

**Debt Scrip Code: 947649-9020-9039 / 952008-9-10-45-  
46-53-54-74-75-89-90-97-98 / 952715-717-718-721-879-  
880-881-882-883 / 954326-28-30-34-35-40-43**

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Re.: NSE Symbol – FEL / FEL DVR**

Dear Sir / Madam,

**Sub.: Annual Report**

This is with reference to Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed the 28th Annual Report of the Company in soft copy.

Kindly take the aforesaid on records.

Thanking you,

Yours faithfully,

For **Future Enterprises Limited**

**Deepak Tanna**  
**Company Secretary**

Encl. : As above.









# NEXT GENERATION INFRASTRUCTURE FUELING INDIA'S CONSUMPTION BOOM



In a country, with almost 400 million people born in the 21<sup>st</sup> century and consumption expenditure expected to cross USD 2.8 trillion by 2020, Future Enterprises Limited focusses on building and managing the next generation infrastructure that fuels India's consumption boom. The company builds, owns and leases the retail infrastructure

for leading retail chains in 221 cities and towns in the country, along with holding significant stakes in companies specializing in logistics and supply chain, life and general insurance, garment manufacturing units and minority stakes in leading retail and consumer goods companies of Future Group.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**V. K. Chopra**

DIN: 02103940

Chairman & Director (From May 4, 2016)

**Kishore Biyani**

DIN: 00005740

Managing Director (up to May 1, 2016)

Vice-Chairman & Director (from May 4, 2016)

**Rakesh Biyani**

DIN: 00005806

Joint Managing Director (up to May 1, 2016)

**Vijay Biyani**

DIN: 00005827

Managing Director (from May 4, 2016)

**S. Doreswamy**

DIN: 00042897

Director

**Anil Harish**

DIN: 00001685

Director

**Bala Deshpande**

DIN: 00020130

Director

**Dinesh Maheshwari**

DIN: 00088451

Executive Director & Chief Financial Officer

(from May 4, 2016)

## STATUTORY AUDITORS

NGS & CO. LLP.

## RISK ADVISORS

Ernst & Young Pvt. Ltd.

## COMPANY SECRETARY

Deepak Tanna

## SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078.

Tel + 91 22 2594 6970

Fax + 91 22 2594 6969

## BANKERS

IDBI Bank

Indian Overseas Bank

South Indian Bank

State Bank of India

ECL Finance Ltd.

Corporation Bank

State Bank of Patiyala

## REGISTERED OFFICE

Knowledge House, Shyam Nagar,  
Off. Jogeshwari-Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060.

Tel + 91 22 66442200

Fax + 91 22 6644 2201

## CORPORATE OFFICE

247 Park, 'C' Tower, LBS Marg,  
Vikhroli (West), Mumbai - 400 083.

Tel + 91 22 61990000

Fax + 91 22 61995019

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

## INVESTOR EMAIL ID

[Investorrelations@futuregroup.in](mailto:Investorrelations@futuregroup.in)

## CORPORATE IDENTITY NUMBER

L52399MH1987PLC044954

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EXPOSURE ACROSS THE VALUE CHAIN OF INDIA'S CONSUMPTION PIE

# MAKE



Captive garment manufacturing capacity



# MOVE



Future Supply Chain (FSC) operates a country wide logistics network. The company owns 70% stake in FSC and significant stakes in life and general insurance companies



# SELL



**FUTURE RETAIL**



Big Bazaar, EasyDay, FBB, Home Town, Ezone & Foodhall. The company leases out retail infrastructure of 13 mn sq. ft. of retail space

The company owns 9% stake in FCEL, the FMCG arm of Future Group

**FLF**

The company owns 16% stake in FLF that operates Central, Brand Factory and markets over 24 fashion brands

**STAPLES**

The company owns 60% stake in Staples Office Products, an office supplies company

# MESSAGE FROM VICE CHAIRMAN



Dear Stakeholders

We are pleased to present to you the Annual Report of your company, Future Enterprises Limited for the financial year 2015-16. During the year, your company announced combination of businesses between Bharti Retail Limited, now known as “**Future Retail Limited**” with itself.

The combination of businesses of Future Retail Limited and your company brought together seven leading retail formats, Big Bazaar, EasyDay, Home Town, eZone, Food Bazaar, fbb and Foodhall, which collectively operate 738 retail stores in 221 cities, spread over 13 million square feet of retail space. Along with the large retail, supply chain, manufacturing and technology infrastructure required to operate this network, it also brings together a large number of investments the companies had made in allied businesses.

Modern retail thrives in bringing together billions of merchandise seamlessly across physical and digital channels to millions of customers across the country. The infrastructure required to operate such a wide network is tremendous. The skills and expertise required to grow such a vast infrastructure are also quite distinct. The capital and balance sheet profile that is required to maintain and fuel such a network needs to be unique and distinct from that of operating the retail business.

In order to streamline the combined businesses and ensure continuous growth, it was proposed to consolidate the backend infrastructure of the network, along with the investments in allied businesses in your company. The front-end operational businesses and formats of the network were consolidated within Future Retail Limited.

India is ranked as the second most attractive modern retail destination by global consultancy firm, AT Kearney. The total modern retail space is expected to cross 100 million square feet within the next two to three years. Setting up of new modern retail stores requires specialized skills and investments in project management, design, architecture, electrical engineering, supply chain and technology. Specialized furniture, fixtures, lighting, IT networks, point of sales technology, in-store warehouse infrastructure and much more go into setting up these stores. Modern retail stores are now also integrating digital platforms, interactive touch-screens, endless aisles, smart trial rooms and new age experiences within physical stores.

Your company is designed to deliver and build upon these assets and skills required to manage and grow them efficiently. The lease income from owning and managing these assets will be the key source of revenues for the company.

In addition, its subsidiary, Future Supply Chain Solutions has grown into one of the leading consumer-industry focused supply chain and logistics companies in the country. In order to fuel its growth further, the company has brought in a new investor, SSG Capital that will acquire a 40% stake in the company, valuing it at ₹ 1,450 Crore. Your company will own 57.4% stake, post completion of the transaction.

In addition, the company holds substantial stakes in life and general insurance companies, operated in partnership with Europe’s largest insurer, Generali, as well as minority stakes in group companies. In addition, it operates joint ventures with National Textile Mills to operate two textile mills, Apollo and Goldmohur that are located in the heart of Mumbai. Its oldest business, manufacturing garments and supplying to various group businesses, continues to be part of the company. Over time, the company will explore ways to monetize each of these investments and create further value for its stakeholders.

The consumption sector will continue to be one of the most promising sectors that will drive growth and development in the country. Your company is well placed to play the role of the catalyst and benefit from this growth. We thank you for having your faith in us and look forward to your continued support and encouragement in our journey.

**Rewrite Rules, Retain Values**

**Kishore Biyani**



# RETAIL INFRASTRUCTURE

As a part of the scheme of arrangement between erstwhile Future Retail Limited and Bharti Retail Limited, Future Enterprises Limited was created with combined retail backend and infrastructure of both these companies to support the retail front end. Lease rentals form an important source of income for the company, while the regular maintenance and security of the fixed assets will be responsibility of the Lessee.

The company has the inherent expertise and capabilities to set up and operate a very large number of multi-format retail stores. **The company owns the fixed assets used in setting up and operating hypermarket chain of Big Bazaar, medium-sized stores like fbb and Easy Day, specialty stores such as eZone and Home Town and smaller format stores within the Foodhall, EasyDay and KB's convenience store networks.** The fixed assets owned by the company include, furniture, specialized store fixtures, in-store warehousing, networking, payment systems, other technology infrastructure, electrical fittings and equipments within the stores, among others.

As on March 2016, the company owned the fixed assets and infrastructural assets of **738 stores across various retail chains, that are present in 221 cities and towns across the country, covering almost 13 million square feet of retail space. Collectively, these stores attracted over 295 million customer footfalls and over 150 million transactions, selling billions of merchandise units.** The company has the capability and expertise to roll out infrastructure assets for almost 3 million square feet of new retail space across the country, across various store sizes and formats.

The company will be incurring capital expenditure towards fittings and fit outs for setting up the new stores and for renovation or refurbishing of existing stores based on the requirement of the front end retail chains. The company has dedicated team of professionals, involved in execution of projects having good expertise in executing the projects.

FEL stands to benefit from having India's foremost Retail chain as the anchor customer and from significant potential of growth of Modern Retail in the country. Lease rentals represent steady and strong annuity cash flows to FEL in the coming years. Other than the Group retail network, your company is also exploring opportunities of leasing business outside the Group.




TOTAL STORES

738

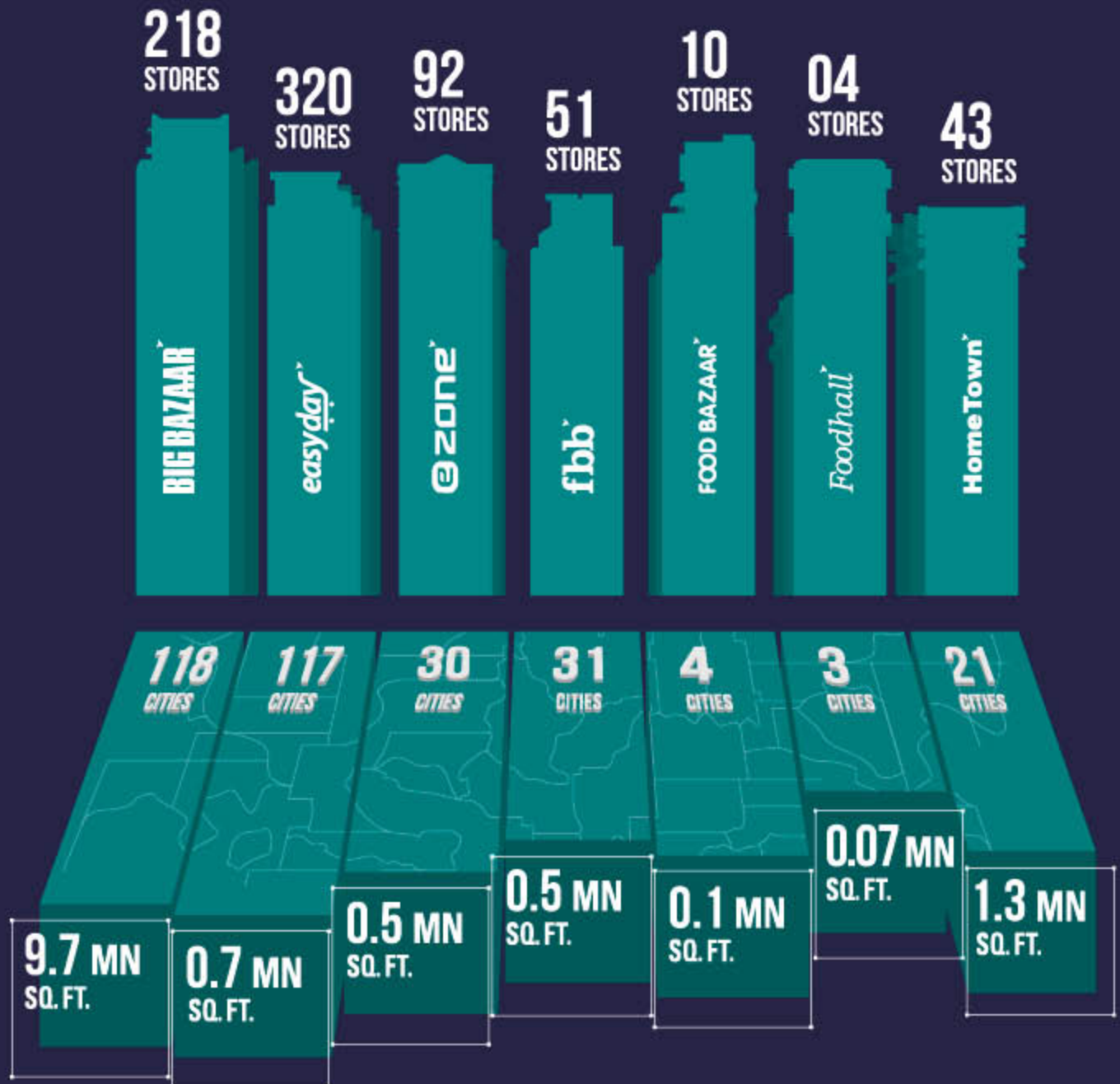
TOTAL CITIES

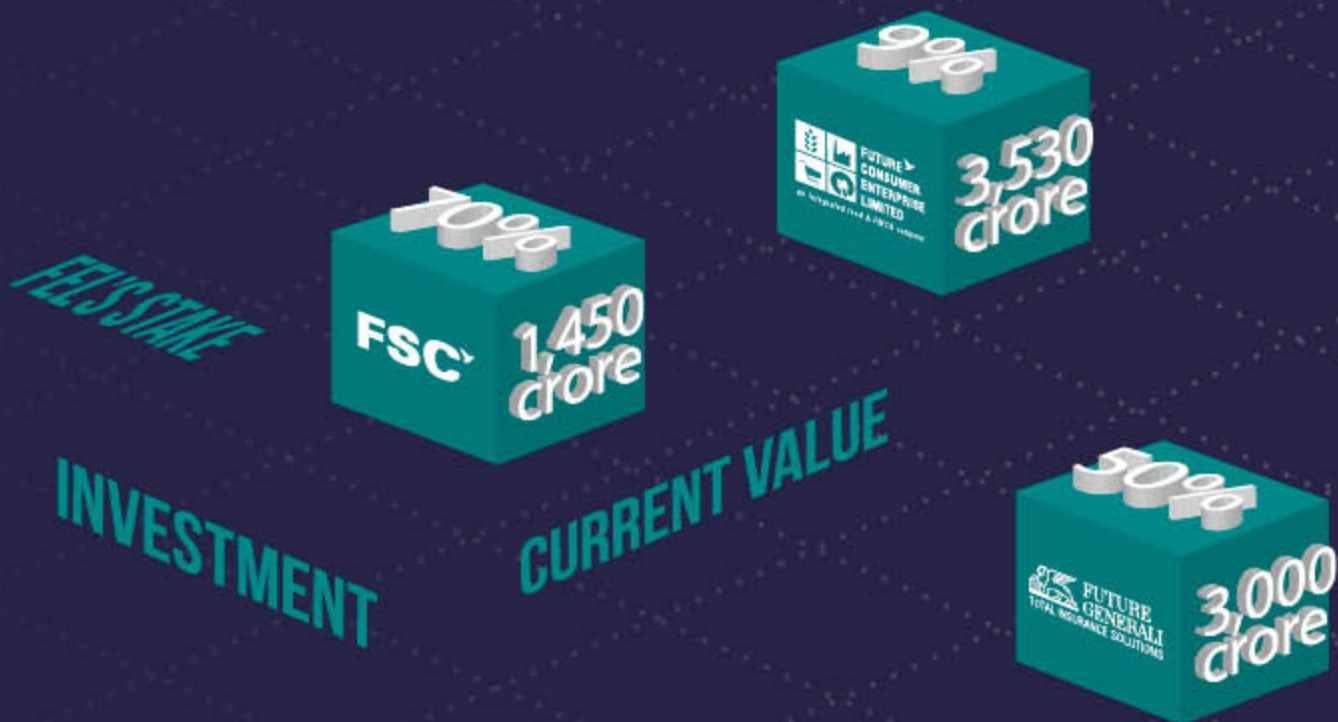
221

TOTAL AREA

13 MN. SQ. FT.

# RETAIL INFRASTRUCTURE





## INVESTMENTS

### Future Supply Chain Solutions Limited

**Future Supply Chain Solutions Limited (FSC) has one of the leading, technology-focussed, GST-ready consumption logistics in the country.** The company posted a total income of ₹ 524 Crore, a growth of around 28% over the previous year.

The company has developed strong capabilities across all domains of supply chain including an integrated warehousing and distribution network, GST ready big box logistics parks, built to suit infrastructure for contract logistics, a pan India network covering 10,000+ pin codes for express and ecommerce logistics, and a dedicated division for cold chain logistics.

Almost 40% of its revenues now come from businesses outside the Future Group, leading companies including Tata Motors, Honda, Hitachi, Carrier, Mondelez, ITC, P&G Puma, Tupperware, J&J, Philips, among others as its clients.

Recently, FSC has also attracted PE investments from SSG Capital Management Group. The transaction was announced on April 07, 2016 involves SSG Capital acquiring a 40% stake from existing shareholders valuing the company at ₹ 1,450 Crore. FEL will continue to hold 57.4% in FSC post the transaction.





Figures above show the stake FEL holds in companies and the estimated value of the companies.

Future Supply Chain's Valuation based on recent transaction with SSG Capital at a total equity valuation of ₹ 1450 Crore.

Future Consumer Enterprises Limited and Future Lifestyle Fashion Limited are listed and valuation is based on market price.

Future Generali India Insurance Co. Ltd. posted gross written premium of ₹ 1595 Crore and capital employed is ₹ 448 Crore.

Future General Life Insurance Co. Ltd. posted gross written premium of ₹ 593 Crore and capital employed is ₹ 212 Crore.

Apollo & Goldmohur Mills posted total revenues of ₹ 619 Crore and net profit of ₹ 15 Crore.

FCEL and FLF are listed on NSE and BSE and are based on their market capitalization

### Future Generali India Life Insurance Company Limited & Future Generali India Insurance Company Limited

The Generali Group is the largest insurer in Europe and has a heritage of more than 185 years. The company has in partnership with The Generali group, introduced a number of innovations both in terms of products and distribution to increase the penetration of insurance products in the country. **Future Generali India Life Insurance Company Limited (FGI-Life)** is company's joint venture in the Life insurance sector while **Future Generali India Insurance Company Limited (FGI-General)** is the company's joint venture in the general insurance space.

FGI-Life has sourced over 11 lakh policies since inception and aims to be the most trusted insurer in India. FEL along with its special purpose vehicle Sprint Advisory Services Private Limited effectively holds 27.4% stake in FGI-Life. FGI-Life had over ₹ 2,600 Crore in Assets Under Management as on March 2016. During the financial year ended March 31, 2016, FGI-Life has registered income

from operations of ₹ 569 Crore. FEL, along with its Special Purpose Vehicle, Shendra Advisory Services Limited effectively holds 49.9% stake in FGI-General. FGI-General has assets under management of around ₹ 2,000 Crore as on March 2016. For the financial year ended March 31, 2016, FGI-General registered income from operations of ₹ 1,081 Crore and EBITDA of ₹ 1 Crore.

### Staples Future Office Products Limited

**Staples Future Office Products Limited (SFOPL)** provides office supplies, office equipments and products to a large number of corporates. SFOPL was formed as a Joint Venture between the Company and Staples Asia Investment Limited (a subsidiary of Staples Inc USA). FEL holds equity capital of 60% in SFOPL. During the financial year ended March 31, 2016, SFOPL has registered income from operations amounting to ₹ 82 Crore.



# INVESTMENTS

## Future Consumer Enterprise Limited

Future Consumer Enterprise Limited (FCEL) is the FMCG arm of Future Group. The company has a strong portfolio of food and FMCG brands which are present across multiple categories and respond to the diversity in culture, tastes and preferences of various Indian communities. Each of the brands has been developed through extensive consumer and product research. FCEL's portfolio is now present in categories such as staples, dairy and bakery, home and personal care and value added products. **FCEL's key brands include Golden Harvest, Nilgiris, Desi Atta, Karmiq, Sangi's Kitchen, Clean Mate, Care Mate etc. The company has an extensive agricultural produce sourcing base and manufacturing facilities at India Food Park in Tumkur, Karnataka, along with access to around 2000 modern retail stores in chains like Big Bazaar, EasyDay, Foodhall, Aadhaar, Nilgiris, Annapurna Bhandaar, Star Bazaar, among others.**

FEL holds around 9% stake in FCEL. FCEL reported revenues of ₹ 1,758 Crore representing a growth of 34% on year-on-year basis. Top line growth was supported by a robust 45% growth in brands business over the period. Gross margins of FCEL stood at 16% in FY16, an improvement of 265 bps on year-on-year basis. Operating performance of FCEL exhibited a turnaround with FCEL reporting a consolidated positive EBITDA of ₹ 3 Crore in FY16 vs an EBITDA loss of ₹ 19 Crore for FY15.

## Future Lifestyle Fashions Limited

Future Lifestyle Fashions Limited (FLF) is the integrated lifestyle fashion arm of Future Group. **FLF has a wide portfolio of over two dozen brands catering to various demographics such as Lee Cooper, Indigo Nation, Scullers, Bare, Jealous 21, and John Miller. It also invests into in fast growing fashion companies and building the portfolio of fashion brands backed by talented designers and entrepreneurs.** This enables the Company to fill the gaps within its portfolio especially in categories like footwear, handbags, and accessories among others. **FLF recently launched Cover Story, India's first fast fashion brand for women, out of "Future Style Lab" in London.**

FEL holds around 16% stake in FLF. For the financial year ended March 2016, FLF posted a total income from operations of ₹ 3300 Crore, a gross margin of 38% and a net profit of ₹ 29 Crore, compared to ₹ 19 Crore in the previous year. The company reported a free cash flow of ₹ 85 Crore at the end of the financial year.

# MANUFACTURING

Future Enterprises Limited has manufacturing capacity at its own manufacturing facility at Tarapur, near Mumbai and at Apollo Mills and Goldmohur Mills in Mumbai that are operated as joint ventures with the National Textile Corporation and also at various other associates. Almost the entire production is used for Future Group's fashion brands that are retailed through Future Retail Limited and Future Lifestyle Fashion Limited.

Around 1,100 people are employed at the above mentioned three facilities, with almost two-thirds of them women. The company is investing in improving capabilities and quality at these facilities through training and machinery so as to cater to the increasing demand across the various retail formats and brands within Future Group as well as some third parties.

The company owns 39% stake in each of two independent SPV companies, Apollo Design Apparel Parks Limited (ADAPL) & Goldmohur Design & Apparel Park Limited (GDAPL). During the financial year ended March 31, 2016 ADAPL's income from operations grew by 21% on year-on-year basis to ₹ 313 Crore earning a net profit of ₹ 7 Crore. Further, during the year GDAPL registered income from operations amounting to ₹ 305 Crore (23% year-on-year growth) and earned net profit of ₹ 8 Crore.

The ADAPL & GDAPL would be working for the restructuring and development of the Apollo Mills and Goldmohur Mills respectively as per the memorandum of understanding and other documents signed with NTC.



## Captive garments manufacturing capacity



### INVESTMENTS

**₹4,300 Cr.**

Estimated value of investments in the hands of the company



### RETAIL INFRASTRUCTURE

**1,29,69,390 sq ft**

Retail infrastructure across the country



### SUPPLY CHAIN

**300,000 tons**

Capacity of goods movement per month within FSC to over 10,000 pin codes



# FEL IN FIGURES

2015-2016



## Management Discussion and Analysis

The fiscal 2016 witnessed the realignment Company's business with realignment of businesses of two large retail companies – Future Enterprises Limited (formerly known as Future Retail Ltd) ("the Company" / "FEL") and Future Retail Limited (formerly known as Bharti Retail Limited) ("FRL") creating a geographically synergetic retail network spread across over 200 cities and towns in India. With this realignment, retail business of Future Group and Bharti Group was combined in FRL and the Company emerged as Retail Infrastructure Provider in addition to other businesses of manufacturing and trading as well as holding investments in various initiatives of the Future Group.

Through Composite Scheme of arrangement between FEL, FRL and its respective shareholders and creditors, the retail business of the Company was demerged and vested with FRL and demerged retail infrastructure business of FRL was vested with the Company. Pursuant to this Scheme, the Company could reduce its overall debt and transfer all retail operational costs to front end company and thereby enabling it to concentrate on retail infrastructure business, which can be expanded in future to provide similar services to overall retail industry. The Company once again enjoys first mover advantage in this new business activity and its experience in modern retail will once again give it advantage over the other players in this business.

This consolidation of entire retail infrastructure operations under one entity will ensure better efficiency at reduced costs and improved profitability. This will also enable the Company to increase economic value of business for each stakeholder and enhance shareholders' value.

With the idea of strengthening the core competency in the new discovered business, we undertook the below steps

- Retail operations of the Company were combined with retail operations of Retail arm of Bharti Group to form FRL, a pure play retail company
- Retail infrastructure operations of Retail arm of Bharti Group were combined into retail infrastructure operations of the Company to reorganise the Company, as a retail infrastructure company. All the non-core investments and manufacturing operations were also retained in FEL.

As a part of this realignment, FEL has also transferred its working capital debt to FRL together with retail operations. This will ensure significant reduction in interest expenses in the coming period. On the operational side, there would be continuous improvement to achieve better economies as well as control cost of setup and operations. Having received all the necessary approvals for completion of this transaction, both the Companies have filed certified copy of the order of Hon'ble High Court of Judicature at Bombay on May 01, 2016 with Registrar of Companies at Mumbai and the Composite Scheme of arrangement had been made effective from the Appointed Date as defined in Scheme i.e. October 31, 2015.

The Company would be having different revenue streams from its various businesses. It is banking upon the expansion plans of the group for its retail operations for its retail infrastructure businesses. Further for its manufacturing activities, a country wide distribution network availability is there in form of retail stores of the Group as well as other multi brand retail outlets. The Company is also ensuring incubation of businesses of its various investee and joint venture companies in order to realise better value at opportune time. Being in retail industry, the objective of the Group as well as that of the Company is to create such shopping environment, which will attract new customers and give an improved shopping experience to existing customers at various formats across various shopping categories.

### Operational Overview

The creation of a retail infrastructure business is a first mover initiative and will ensure in minimising the capex cost involved in setup of the required infrastructure for a retail format, speedy and efficient execution and faster commencement of retail operations. The Company will have sufficient asset base to get further funding for execution of new projects. As the operational team will have to focus on delivering the retail infrastructure within a fixed time limit at a minimum cost, optimum utilisation of various resources would be key driver. The knowledge of functioning and need of various categories of retail format will be an added advantage for the Company and will enable it to deliver a functional and shoppers' delight infrastructure site for the retail company to move in and setup its business. The Company would also be using more green initiatives in designing and creation of retail infrastructure. In addition to the above, optimum usage of available technology will ensure ease of operation for the Company as well as for the retail entity moving in the provided retail infrastructure.

The manufacturing activities of the Company are having ready market in form of various formats spread across pan India as well as its access to various multi brand retail outlets in tier II and tier III cities. The Company may consider to augment its manufacturing capabilities in future based on the market potential. The trading activities of the Company would be an added function to manufacturing activities. As the Company would be aware of the trend of the market, and since it has sources in form of its business relations with various textile and other manufacturers, trading activities would be generating additional revenue.

The various investments made by the Company, over the years have been incubated for a long period and now would be starting to generate value propositions. Before the end of year, the Company has signed binding term sheet to monetise a part of its investment in its supply chain business at a valuation of ₹ 1450 Crore. The Company is monetising only a small part of its full investment in Future Supply Chain Solutions Ltd. As per one of the internal study of the various investments held



by the Company, it can become debt free by monetising only few of its investments and the rest of investments can continue to grow further to enhance shareholders' value.

### Customer and Marketing Overview

With the realignment the direct customer of the Company has changed from final consumer to the retail entities and retail formats. However, the retail infrastructure business as well as manufacturing business of the Company is required to also keep focus on the need and ease of final consumer as its ultimate customer, the direct dealing and customer interface would be retail stores and formats. This will ensure more interaction with customer to deliver their desired results in provision of the retail infrastructure as well as adhering to the design provided for manufacture of the ready garments.

The Company can increase its market of retail infrastructure, as it has at present first mover advantage and there are no other direct player providing a comprehensive solution to retail entities for provision of retail infrastructure and assets to enable them to concentrate on their core competence of retail operations. The Company proposes to enhance its reach in providing retail infrastructure to other group companies and other external companies as well.

With the Group's plan to continuously carry out expansion plan as well as refurbish its existing stores to give a better shopping experience to its ultimate customers and also take advantages of technologies and innovations for smooth operations, the Company would have ready market for its retail infrastructure business operations. Further, the readymade garments off take is increasing as there are more young as well as fashion conscious customers looking for the latest fashion at a value price, which is the proposition offered by various Future Group retail formats and some of which are being manufactured in the Company's manufacturing unit, there will be further incremental demand for such products. The Company may consider in future to expand its manufacturing capabilities depending on the market requirements.

### Awards & Recognition

For its past initiatives, the Company had been recognised in its past and also awarded for its outstanding contributions in retail sector. The Future Group mantra "rewrite rules retain values" and confidence of management will ensure that the Company repeats its habit of staying ahead in the new business initiatives as well.

### Competition

Your Company was pioneer in modern retail segment, and is now once again commenced a new business initiative by creating a niche area of operation being services of provision retail infrastructure in retail sector.

At present there are other leasing companies which could be considered to be a competition, however, there are no players which provide holistic solution for retail

infrastructure. Having said that entry of new players as well as competition from various individual service providers cannot be ruled out and hence the Company need to ensure on quality and viable cost for its customers.

With our capabilities including experience in retail sector, sourcing strengthens, the Company would be in stronger position to face competition.

### Human Resource Initiatives

Human Resource is one of the key interfaces the Company has which has strong domain knowledge and hence it will be very critical to ensure continuous learning and development of its people resources as well as retention of them. The Company encourages and ensures individual development by imparting training for improvement of skills, knowledge and leadership abilities. The Company has set of best talents from the retail industry as well as been successful in retaining its core team, which has rich experience of last 20 years leading the Company's core retail business and now would be contributing to successfully lead the new business initiative of the Company. Further, the Company is in process of implementing ESOP program to give better retention benefits to its valued human assets.

### Business Outlook

As per BCG Retail 2020 report, Indian retail market is projected to double from \$600bn in 2015 to \$1tn by 2020. During this period, modern trade is expected to grow from \$60bn at present to \$180bn by 2020 growing at twice the pace of the overall retail market. This means the expansion of the retail across the geography of the country, wherein the expertise of the Company would be utilised at its best to provide the retailers the requisite retail infrastructure and the Company is poised to reap benefit from this multiplying growth. As the retailers would be concentrating on the fast expansion to capture maximum customer attention by making its format available across consumption areas, they would surely be looking for expert solutions to turn around the new stores at much faster pace with full efficiency. The Company would be encashing these growth phase to establish itself as one of the most sought after retail infrastructure provider.

The multiplying growth of retail would also mean additional demand for the manufacturing capabilities for readymade garments, one of the sector which will have higher growth than any other sectors. This would mean the Company would have more demand for its manufacturing facilities and provide opportunities for further expansion of its manufacturing facilities.

The overall growth expected in next few years would also mean the growth of its investee businesses and better valuation of its investments.

With revised emphasis on reducing financing cost, the Company would be able to increase its profitability and thereby increase the value for its shareholders.

The Credit Analysis & Research Limited (CARE), rating for Long Term borrowings as well as Long Term Non-

Convertible Debentures to CARE AA- [Double A Minus] as of March 31, 2016, which is at present under watch, is expected to be continued for the Company based on the revision request submitted post completion of the Scheme of arrangement.

### Risks and Threats

The state of external environment, including factors like interest rates, inflation, and growth in economic activity and job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any slowdown in the economic activity in the country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company. Other external factors, including a steep rise in interest rates or drastic changes in the policy or regulatory environment can pose financial challenge for the Company. However, the continued steps taken by the Company to deleverage its balance sheet, reducing its reliance on the debt funds, improving its debt maturity profile and thereby reducing stress on its cash flow, improved business efficiency reducing overall operating cost and continuous efforts to increase customer ticket size and capturing new class of customers to increase overall higher spend in various formats of the Company, are aimed at mitigating each of the above discussed external threats. We shall also note that at this time, we do not anticipate any major adverse change in macroeconomic factors.

The set controls and defined responsibilities at each level of management require evaluation of the various existing risks and new expected risks at an early stage and immediate action plan to mitigate such risks. Further the authorities given at each management level ensures implementation and execution of such action plan with minimised risk. Further, use of information technology for implementation as well as regular review and evaluation of such risks and risk mitigation action plan by management ensures minimisation of such risks.

### Internal controls and their adequacy

The Company had identified the key risks and control process to mitigate the same. Further the Company continues this process of Enterprise Risk Management as a continuing process, in order to identify the new risks and to define and establish the control process to mitigate the identified risks. Further the Internal Control Framework for financial reporting, organization structure, documented authorities & procedures and internal controls are being reviewed by internal audit team on continuous basis and any issues arising out of the said audit are addressed appropriately. The Company is continuously upgrading its internal control systems by measuring state of controls at various locations. Controls in SAP, an ERP system have been strengthened with help of review conducted by Ernst & Young.

The Audit Committee, comprising independent directors is involved in regular review of financial and risk management policies, significant audit findings, the

adequacy of internal controls and compliance with the accounting standards.

Review of Financial Performance of the Company for the year under review.

We note that, the period under review, FY 15-16 is not comparable with the previous fiscal year FY 14-15. Fiscal year under review for your Company consists of,

- 12 month of retail infrastructure and other operations from April 01, 2015 till March 31, 2016 of FEL;
- 7 month of retail operations from April 01, 2015 till October 30, 2015 of FEL;
- 5 month of retail infrastructure operations from October 31, 2015 till March 31, 2016 of FRL;

The financial performance of the Company for the year under review was not comparable to the previous financial year as the current period of accounts includes twelve month retail infrastructure and other operations of FEL, seven month of retail business of FEL and five month of retail infrastructure operations of FRL.

**Sales:** The Company's Sales and Other Operating Income has decreased from ₹ 10,341.66 Crore in previous twelve months to ₹ 8,339.56 Crore with YOY de-growth of 24 % for the financial year ended March 31, 2016.

**Profit Before Tax:** Profit Before Tax (including exceptional items) of the Company for financial year ended March 31, 2016 stood at ₹ 13.15 Crore as compared to ₹ 61.36 Crore during the previous twelve months.

**Interest:** Interest & Financial charges outflow has decreased from ₹ 669.04 Crore incurred in previous twelve months of 2014-15 to ₹ 488.86 Crore for financial year ended March 31, 2016. The decrease in interest and financial charges is mainly on account of transfer of borrowings pertaining to Retail Business to FRL. The interest & financial charges cover for financial year ended March 31, 2016 under review is 2.34 times as compared to 1.86 times in the previous twelve months.

**Net Profit:** Net Profit (including exceptional items) of the Company for financial year ended March 31, 2016 stood at ₹ 11.83 Crore as compared to ₹ 74.06 Crore in the previous twelve months with decrease of ₹ 62.23 Crore and with YOY decrease of 5.3 times over the previous twelve months.

**Dividend:** The Board of Directors has recommended a dividend of ₹ 0.10 (5%) per equity share. The dividend would be payable on all equity shares of the Company including Class B Shares (Series-1). Class B Shares (Series-1) would be entitled to a dividend (if declared) ₹ 0.14 (7%) being 2% additional dividend as per the terms of issue of Class B Shares (Series-1)

**Capital Employed:** The capital employed (net of cash) in the business is ₹ 8089.54 Crore as at March 31, 2016. Return on capital employed EBIDTA including exceptional item/average capital employed) during 2015-16 is 11.65% as compared to 11.82% during 2014-15.

**Surplus management:** The Company generated a cash profit of ₹ 558.57 Crore for financial year ended March 31, 2016 as compared to ₹ 586.94 Crore in the previous twelve months, registering the degrowth of 5.1%. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund the growth. The growth of the Company has partly been funded by the cash generated from the business as well as from additional funds borrowed and equity funds infused during the financial period.

**Equity Share Capital:** The equity share capital of the Company has been increased from ₹ 82.84 Crore to ₹ 85.57 Crore due to issue of ESOP shares and conversion of 1,34,98,300 Class B Warrants into Class B (Series-1) shares during the financial year under review.

**Debt-equity:** Debt-equity ratio of the Company has increased due to decrease in net worth due to transfer of the net assets pertaining to the retail business under the

Scheme. Debt-equity ratio has increased from 0.93 in the previous year to 1.46 as at March 31, 2016.

**Earnings Per Share (EPS) :**The Company's Basic EPS has decreased from ₹ 2.75 in previous financial year to ₹ 0.26 per share for the current financial year ended March 31, 2016.

**Cash Earnings Per Share (CEPS):** The Company's Cash Earnings per Share (CEPS) has decreases to ₹ 12.66 in current financial year in comparison to ₹ 21.37 in the preceding financial period.

**Investment:** The Company's investment portfolio has reduced from ₹ 1295.16 Crore to ₹ 1294.68 Crore during the current financial year ended March 31, 2016. The reduction in investment during the financial year is mainly due divestment of part of investment in Centrum Capital Limited.

## DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the Twenty Eighth Annual Report of the Company together with the Audited financial statements for the financial year ended March 31, 2016.

### FINANCIAL HIGHLIGHTS:

The financial performance of the Company is as follows:

(₹ in Crore)

Particulars	Financial Year 2015-16	Financial Year 2014-15
Sales (Net of Taxes)	7,981.08	10,157.79
Other Operating Income	358.48	183.87
Other Income	36.91	26.73
<b>Total Income</b>	<b>8,376.47</b>	<b>10,368.39</b>
Profit before Depreciation, Exceptional Items and Tax	559.89	473.73
Less: Depreciation	546.74	512.88
Profit/(Loss) before Exceptional Items and Tax	13.15	(39.15)
Exceptional Items	-	100.51
Tax expense	1.32	(12.70)
<b>Profit after Tax</b>	<b>11.83</b>	<b>74.06</b>
Add: Profit brought forward	102.14	68.64
<b>Surplus available for appropriation</b>	<b>113.97</b>	<b>142.70</b>
APPROPRIATION		
Proposed Dividend	4.44	24.96
Provision for Dividend Distribution Tax	0.90	4.99
Transfer to general Reserve	-	7.41

### REVIEW OF PERFORMANCE

During the year the Company has recorded de-growth due to transfer of retail business pursuant to Composite Scheme of Arrangement. Income from operations for the financial year 2015-16 for the year under review was at ₹ 8339.56 Crore which was at ₹ 10,341.66 Crore during the financial year of 2014-15. Profit before Depreciation, exceptional items and tax stood at ₹ 559.89 Crore for the financial year 2015-16, which was at ₹ 473.73 Crore for the previous year. PAT for the year under review was ₹ 11.83 Crore which was at ₹ 74.06 Crore for the previous year. During the year, operation and profit figures also include part of the operation and profit from the Retail Business, which in current year has been transferred to Future Retail Limited (formerly known as Bharti Retail Limited). Accordingly, the current year financial result is not comparable with the previous year.

### COMPOSITE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND BHARTI RETAIL LIMITED

The Composite Scheme of Arrangement between Future Enterprises Limited (formerly known as - 'Future Retail Limited') and Future Retail Limited (formerly known as - 'Bharti Retail Limited') and their respective shareholders

and creditors ("the Scheme") under the provisions of sections 391-394 of the Companies Act, 1956. The Scheme, which provides for demerger of Retail Business Undertaking of the Company into the Future Retail Limited "FRL" and demerger of Retail Infrastructure Business Undertaking of "FRL" and vesting into the Company with effect from Appointed Date of October 31, 2015, as defined in the Scheme, has been given effect on May 1, 2016, after filing of order issued by Hon'ble High Court of Original Jurisdiction at Bombay with Registrar of Companies, Mumbai under Ministry of Corporate Affairs. Pursuant to the scheme, all the assets and liabilities pertaining to the Retail Business Undertaking of the Company has been demerged and vested into FRL and all the assets and liabilities pertaining to Retail Infrastructure Business Undertaking of FRL has been demerged and vested into the Company. Accordingly, the shares of FRL have been allotted to the shareholders of the Company as on May 18, 2016 as ascertained on record date May 12, 2016 and shares of the Company have been issued to the shareholders of FRL prior to demerger as stated in the Scheme, as per entitlement ratio of 1 (One) fully paid Equity Share of ₹ 2/- (Rupees Two Only) each of FRL for



every 1 (One) Equity Shares and or Class B (Series-1) Share of ₹ 2/- (Rupees Two) each held in the Company and 4,34,78,261 shares of the Company have been issued to the shareholders of FRL.

## SHARE CAPITAL

During the year under review, the Company has issued and allotted 1,64,294 Equity Shares and 1,34,98,300 Class B Shares (Series I) as under:

- 1,64,294 Equity Shares were issued and allotted under Employees' Stock Option Scheme – 2012 to eligible Employees of the Company;
- 1,34,98,300 Class B shares (Series-1) were issued and allotted on exercise of option by Future Corporate Resources Limited (FCRL) on Class B Warrant at a price of ₹ 68.69 per Class B Share (including share premium of ₹ 66.69 per Class B (Series 1) share)

## DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹ 0.10 (5%) per Equity Share (previous financial year ₹ 0.60 (30%) per Equity Share) and dividend of ₹ 0.14 (7%) per Class B (Series-1) Share (previous financial year ₹ 0.64 (32%) per Class B (Series-1) Share) for the Financial year ended March 31, 2016. The said dividend shall be declared and paid subject to the approval of the members at the ensuing Annual General Meeting.

The dividend, if approved by the shareholders in the Annual General meeting shall based on the paid up share capital as at the end of financial year, entail a payout of ₹ 5.34 Crore including dividend distribution tax of ₹ 0.90 Crore. As per Listing regulations, dividend shall be payable to all the outstanding shares as on the record date fixed to ascertain dividend entitlement. The dividend is free of tax in the hands of the shareholders.

## INVESTMENTS & DIVESTMENTS

During the year under review, the Company has not made any strategic investment. During the current financial year 2016-17 the Company acquired 92% of Bluerock eServices Private Limited (owning Fabfurnish brand).

Further, in financial year 2016-17, the Company also made a small investment in Right issue of one of its subsidiary company, Staples Future Office Products Limited.

During the year under review, the Company has not divested any investment, except a small part of investment in shares of Centrum Capital Limited. The Company has already signed binding term sheet for divestment of part of future supply chain solutions investment at a valuation of ₹ 1450 Crore. The final documents are being negotiated and are in final stage

## CHANGE OF NAME

As provided in the Scheme the name of the Company was changed from "Future Retail Limited" to "Future Enterprises Limited" and a Certificate of Incorporation consequent to change of name was obtained from Registrar of Companies, Mumbai on May 04, 2016.

## DEBENTURES (NCDs)

During the year under review, the Company has raised long term funds through Non-convertible Debentures aggregating ₹ 2650 Crore. The funds were utilised for the objects as stated at the time of raising funds. This has helped the Company to improve its debt maturity profile and reduce the overall cost of debt.

The Company has made timely payment of interests and principal amount, as and when due on Debentures, issued by the Company. The Company has partially repaid the principal amount of Secured Redeemable Non-Convertible Debentures Series-IV on August 30, 2015 and Secured Redeemable Non-Convertible Debentures Series-VII on June 21, 2015, August 12, 2015, December 30, 2015 and February 02, 2016

## Debentures (OCDs)

Pursuant to the Scheme, the Optionally Convertible Debentures as standing in the books of pre-demerged retail entity which was splitted between the two companies as per the assets and liabilities transferred for the Retail Business Undertaking and Retail Infrastructure Business Undertaking. Accordingly, the Company issued 958, 10% Optionally Convertible Debentures of ₹ 10,00,000/- each (hereinafter referred to as "OCDs") aggregating to ₹ 95.80 Crores to Cedar Support Services Limited, not forming part of Promoter Group subject to the necessary approval of the regulatory authorities.

## PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2016.

## CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which comes into effect from December 01, 2015 and corresponding provisions of erstwhile Listing Agreement for the period between April 01, 2015 and November 30, 2015 hereinafter referred to as "Listing Regulations" forms part of this Annual Report.

## MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis as required under Regulation 34 read with Schedule V of the Listing Regulations, forms part of the Annual Report.

## DISCLOSURE REQUIREMENTS

Details of programmes for familiarization of Independent Directors with the Company are available on the website of the Company at the link [http://felindia.in/pdf/ID\\_Familiarization.pdf](http://felindia.in/pdf/ID_Familiarization.pdf)

Policy for determining material subsidiaries of the

Company is available on the website of the Company at the link [http://felindia.in/pdf/Mat\\_Sub\\_Policy.pdf](http://felindia.in/pdf/Mat_Sub_Policy.pdf)

Policy for determining Materiality of Events of the Company is available on the website of the Company at the link [http://felindia.in/pdf/Policy\\_for\\_Determining\\_Materiality\\_of\\_Events.pdf](http://felindia.in/pdf/Policy_for_Determining_Materiality_of_Events.pdf)

Archival policy of the Company is available on the website of the Company at the link [http://felindia.in/pdf/Archival\\_Policy.pdf](http://felindia.in/pdf/Archival_Policy.pdf)

Policy for determining the code of conduct of board of directors and senior management personnel of the Company is available on the website of the Company at the link [http://felindia.in/pdf/Code\\_of\\_Conduct.pdf](http://felindia.in/pdf/Code_of_Conduct.pdf)

Policy on dealing with related party transactions is available on the website of the Company at the link [http://felindia.in/pdf/RPT\\_Policy.pdf](http://felindia.in/pdf/RPT_Policy.pdf)

The Company has formulated and disseminated a Whistle Blower Policy to provide Vigil Mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of the Act and the regulations of the Listing Regulations.

## NUMBER OF BOARD MEETINGS

The Board of Directors had 6 (Six) Board Meetings during the financial year 2015-16. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of the Annual Report.

## COMMITTEES OF THE BOARD OF DIRECTORS

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

## SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

### SUBSIDIARY COMPANIES

The Company has following Subsidiaries (including step down subsidiaries), as at the end of financial year ended March 31, 2016.

#### Futurebazaar India Limited

Futurebazaar India Limited (FBIL) is set up as the E-Retailing arm of the Future Group for providing on-line shopping experience through e-portal [www.futurebazaar.com](http://www.futurebazaar.com). Your Company holds 100% in FBIL.

#### Future Media (India) Limited

Future Media (India) Limited (FMIL) is the Group's media venture, aimed at creation of media properties in the ambience of consumption and thus offers active engagement to brands and consumers. FMIL offers relevant engagement through its media properties like Visual Spaces, Television and Activation. The Company holds equity capital of 93.10% in FMIL however, considering the total capital comprising of convertible

preference capital the Company's holding in the total capital of FMIL works out to 35.37%. However the Company continues to be holding Company of FMIL as it controls composition of Board of FMIL. FMIL also has Convertible Preference Shares, which has not yet been converted into equity shares.

#### Future Supply Chain Solutions Limited

Future Supply Chain Solutions Limited (FSC) is designed to operate in the logistics, transportation, distribution and warehousing space. FSC provides solutions in the areas of integrated Supply Chain Management, warehousing, distribution and Multi Modal transportation. Your Company has 70.17% stake in FSC. FSC has warehousing space of around 3.5 million square feet spread over all across India. FSC is currently building large scale warehousing facilities and also increasing its presence in 3PL logistics solutions.

#### Future E-Commerce Infrastructure Limited

Future E-Commerce Infrastructure Limited (FECIL) is to capture the consumption space through the internet, as well as other technology based and digital modes and provide infrastructure assets for the same. The Company holds equity capital of 70.43 % however, considering total capital comprising of convertible preference capital the Company's holding in the total capital of FECIL works out to 40.33%. FECIL also has Convertible Preference Shares, which has not yet been converted into equity shares. The Company has still been consolidated as subsidiary Company, in terms of clarification issued by Ministry of Corporate Affairs, with regard to applicability of Accounting Standards, since the Company would be deemed to be subsidiary as per definition given in relevant accounting standard.

#### Staples Future Office Products Limited

Staples Future Office Products Limited (SFOPL) is designed to capture the consumption space of office supplies, office equipments and products. SFOPL was formed as a Joint Venture between the Company and Staples Asia Investment Limited (a subsidiary of Staples Inc USA). Your Company holds equity capital of 60% in SFOPL however, considering the total capital comprising of Convertible preference capital the Company's holding in the total capital of SFOPL works out to 52.17%.

#### Office Shop Private Limited

Office Shop Private Limited (OSPL) was incorporated to deal in the business of distribution services. OSPL is 100% subsidiary of SFOPL and accordingly, is step down subsidiary of the Company.

## ASSOCIATE COMPANY

### Galaxy Entertainment Corporation Limited

Galaxy Entertainment Corporation Limited (GECL) is a leisure and entertainment organization. The company is in to operation of family entertainment gaming centers, food courts in shopping malls and restaurants. GECL also undertakes sponsorship contracts. Your Company has 31.55% stake in GECL.

## JOINT VENTURE COMPANIES

### Apollo Design Apparel Parks Limited and Goldmohur Design & Apparel Park Limited

The Company has entered into joint venture with National Textile Corporation (NTC) for the restructuring and development of the Apollo Mills and Goldmohur Mills situated in Mumbai. For the same two separate SPV companies have been created viz. Apollo Design Apparel Parks Limited (ADAPL) & Goldmohur Design & Apparel Park Limited (GDAPL). The ADAPL & GDAPL would be working for the restructuring and development of the Apollo Mills and Goldmohur Mills respectively as per the memorandum of understanding and other documents signed with NTC.

### Future Generali India Life Insurance Company Limited

Future Generali India Life Insurance Company Limited (FGI-Life) is Company's joint venture in the Life insurance sector. FGI-Life has introduced many insurance products to suit requirements of various categories of customers.

### Future Generali India Insurance Company Limited

Future Generali India Insurance Company Limited (FGI-General) is Company's joint venture in the general insurance sector. FGI-General has introduced insurance products for various general insurance needs of the different categories of customers.

### Shendra Advisory Services Private Limited

Shendra Advisory Services Private Limited (Shendra) is a SPV with respect to the Company's insurance arm Future Generali India Insurance Company Limited.

### Sprint Advisory Services Private Limited

Sprint Advisory Services Private Limited (Sprint) is a SPV with respect to the Company's insurance arm Future Generali India Life Insurance Company Limited.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided as **Annexure I as AOC-1** to this report forming part of Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of section 152 of the Act, Mr. Kishore Biyani is liable to retire by rotation and being eligible, offers himself for re-appointment.

The details of changes in the Board structure as follows:

- Mr. Kishore Biyani, Managing Director of the Company has step down as Managing Director with effect from closing hours of May 01, 2016. However, he will continue as a Non-Executive Director of the Company. Further, he has been appointed as Vice-Chairman of the Company with effect from May 04, 2016.
- Mr. Rakesh Biyani, Joint Managing Director of the Company has resigned with effect from closing hours of May 01, 2016.

- Mr. V. K. Chopra has been appointed as Chairman of the Board with effect from May 04, 2016.
- Mr. Vijay Biyani, Wholetime Director of the Company has been re-designated as a Managing Director with effect from May 04, 2016 upto September 25, 2017.
- Mr. Dinesh Maheshwari, Chief Financial Officer of the Company has been re-designated as an Executive Director & Chief Financial Officer with effect from May 04, 2016.

Additional information on appointment / re-appointment of directors as required under Regulation 36 of the Listing Regulations, is given in the Notice convening the ensuing Annual General Meeting.

The Company has received necessary declarations from all the Independent Directors under section 149(7) of the Act that they meet the criteria of independence laid down in section 149(6) of the Act and Regulation 25 of the Listing Regulations.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act, has been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

## PARTICULARS OF EMPLOYEE STOCK OPTION SCHEME 2012 (ESOS-2012)

During the year under review, the Nomination and Remuneration Committee has granted 7,57,896 Stock Options to the eligible employees under the FEL Employees Stock Option Scheme-2012 ("ESOS-2012").

The applicable disclosures as stipulated under SEBI (Share Based Employee Benefits) Regulations 2014 as on March 31, 2016 with regard to the ESOS-2012 are provided in **Annexure II** to this Report.

Further, the Company has formulated a new FEL Employees Stock Option Scheme-2015, which will be routed / implemented through the FEL Employees' Welfare Trust, set up by the Company.

## EXTRACT OF ANNUAL RETURN

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

## 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, Guarantee provided and Investment made by the Company which are covered under the provision of Section 186 of the Companies Act, 2013, is provided in note no. 53 of Notes forming part of Standalone Financial Statements.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, all transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Accordingly, the disclosure of related party transactions as required under section 134(3)(h) of the Act, in Form AOC-2 is not applicable to your Company.

Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of the financial statements.

## **REGULATION 39(4) OF THE LISTING REGULATIONS**

Pursuant to Regulation 39 (4) read with Schedule V of the Listing Regulations, pertaining to outstanding shares lying in Unclaimed Suspense Account at the beginning of Financial year under review, the aggregate number of shareholders holding Equity Shares were 92 and that of holding Class B (Series-1) shares were 84 holding 92,010 equity shares and 9,250 Class B (Series I) shares respectively. The total shareholders continue to remain 92 for Equity shares and 84 for Class B (Series I) shares holds 92,010 Equity and 9,250 Class B (Series I) outstanding shares respectively lying in the Unclaimed Suspense Account as on March 31, 2016. All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## **MATERIAL CHANGES AND COMMITMENTS**

Except as disclosed in this report about the scheme becoming effective on May 1, 2016 and thereby Retail Business Undertaking of the Company stands demerged and vested with FRL and Retail Infrastructure Business Undertaking of FRL stands demerged from FRL and vest with the Company with effect from October 31, 2015, the Appointed Date defined in the scheme, there were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts.

## **FUTURE OUTLOOK**

Indian retail market is projected to double from \$600bn in 2015 to \$1tn by 2020. During this period, modern trade is expected to grow from \$60bn at present to \$180bn by 2020 growing at twice the pace of the overall retail market. This means the expansion of the retail across the geography of the country, wherein the expertise of the Company would be utilised at its best to provide the retailers the requisite retail infrastructure and the Company is poised to reap benefit from this multiplying growth. As the retailers would be concentrating on the

fast expansion to capture maximum customer attention by making its format available across consumption areas, they would surely be looking for expert solutions to turn around the new stores at much faster pace with full efficiency. The Company would be encashing these growth phase to establish itself as one of the most sought after retail infrastructure provider.

The multiplying growth of retail would also mean additional demand for the manufacturing capabilities for readymade garments, one of the sector which will have higher growth than any other sectors. This would mean the Company would have more demand for its manufacturing facilities and provide opportunities for further expansion of its manufacturing facilities.

The overall growth expected in next few years would also mean the growth of its investee businesses and better valuation of its investments.

## **VIGIL MECHANISM**

The Company has established a vigil mechanism to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s) and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted / framed from time to time. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Your Directors have pleasure in attaching the Consolidated Financial Statements which is prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

## **AUDITORS AND AUDITORS' REPORT**

M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No. 119850W) have been appointed as the Statutory Auditors of the Company from the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company held on August 02, 2014 till the conclusion of the 29<sup>th</sup> Annual General Meeting of the Company. However, their appointment shall be subject to ratification by the Members in every Annual General Meeting during the said term.

The Company has received a written confirmation from the Auditors that the ratification of their appointment for the next financial year, if made, shall be in accordance with the criteria as provided under section 141 of the Act.

The Auditors' Report on the financial statements for the financial year ended March 31, 2016 is issued with unmodified opinion and does not contain any qualification, reservation or adverse remark.

## **Secretarial Auditor**

M/s. Virendra Bhatt, Practicing Company Secretary (Membership No. 1157 / Certificate of Practice No. 124)



was appointed as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2015-16, as required under section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2015-16 is appended as **Annexure IV** which forms part of this Report.

The said Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks.

### **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 March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year and of the profit of the Company for the year ended March 31, 2016;
- 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 March 31, 2016, 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 and;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The particulars as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption foreign exchange earnings and outgo, are provided in **Annexure V** which forms part of this report.

### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Mr. S. Doreswamy, Independent Director as Chairman of the

Committee and Mr. V. K. Chopra, Independent Director and Ms. Bala Deshpande, Independent Director, as Members of the Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

### **RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL**

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risk associated with the business of the Company.

The Board has delegated responsibility to the Risk Management Committee to monitor and review risk management, assessment and minimization procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risks which the Company may be exposed to. The Audit Committee and the Board also periodically review the risk management assessment and minimization procedures.

The Company has in place adequate internal financial controls with reference to Financial Statements. Key risks and threats to the Company and internal controls are analyzed in the Management Discussion and Analysis, which forms part of this Annual Report.

### **CORPORATE RESPONSIBILITY STATEMENT (CSR)**

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 has based on recommendation made by CSR Committee formulated and approved CSR Policy of the Company.

During the year under review, "Sone Ki Chidiya" Foundation Trust has been set up with an objective to consolidate and merge the CSR funds at Future Group level so that the combined corpus from all the Group entities would help in undertaking better and larger CSR initiatives.

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

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Future Enterprises premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Act, Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the directors individually.

At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the independent directors was carried out by the entire Board except the independent director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

### PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees 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 are provided under **Annexure VII**, which is annexed to this Report.

In terms of the provisions Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual report.

Having regard to the provisions of the first proviso to section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those Members who have registered their email addresses and is also available on the Company's website.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 28, 2016

**V. K. Chopra**  
Chairman

## ANNEXURE I

FORM NO. AOC.1

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Part "A": Subsidiaries**

Sl. No.	Name of the Subsidiary Companies	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment (excluding investments in subsidiaries)	Revenue From Operations	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholdings
1	Future Supply Chain Solutions Limited	March 31, 2016	39.14	208.20	482.78	482.78	0.01	519.87	44.79	15.23	29.56	-	70.17
2	Future Media (India) Limited	March 31, 2016	77.41	(34.60)	47.72	47.72	-	32.26	1.09	-	1.09	-	93.10
3	Futurebazaar India Limited	March 31, 2016	19.16	(21.31)	0.57	0.57	-	10.27	(0.21)	-	(0.21)	-	100.00
4	Future E-Commerce Infrastructure Limited	March 31, 2016	50.98	(92.02)	5.87	5.87	-	10.19	(0.13)	-	(0.13)	-	70.43
5	Staples Future Office Products Limited	March 31, 2016	6.17	60.01	99.51	99.51	0.01	81.81	(8.63)	-	(8.63)	-	60.00
6	Office Shop Private Limited*	March 31, 2016	0.01	(16.48)	4.06	4.06	-	39.90	(1.76)	-	(1.76)	-	60.00

**Note: Revenue from Operations excludes Other Income**

**\* 100% subsidiary of Staples Future Office Products Limited**

**Part B: Associate And Joint Ventures**

**Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate & Joint Ventures**

S. No.	Name of the Associate/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)	Profit/Loss for the year	
			No.	Amount of Investment in Associates/ Joint Ventures (₹ in Crore)				Extent of the Holding Companies Interest(%)	Considered in Consolidation (₹ in Crore)
1	Apollo Design Apparel Parks Limited	March 31,2016	2,203,500	73.64	39.00%	Due to Joint Venture Agreement	39.13	2.85	-
2	Goldmohur Design and Apparel Park Limited	March 31,2016	22,81,500	70.30	39.00%	Due to Joint Venture Agreement	38.22	2.98	-
3	Future Generali India Insurance Company Limited	March 31,2016	18,10,50,000	181.05	25.50%	Due to Joint Venture Agreement	114.13	(1.34)	-
4	Future Generali India Life Insurance Company Limited	March 31,2016	4,35,60,000	43.56	3.00%	Due to Joint Venture Agreement	6.37	(1.07)	-
5	Sprint Advisory Services Private Limited	March 31,2016	17,86,99,931	178.70	49.80%	Due to Joint Venture Agreement	354.39	(0.01)	-
6	Shendra Advisory Services Private Limited	March 31,2016	8,74,95,000	87.50	49.80%	Due to Joint Venture Agreement	173.26	(0.01)	-
7	Galaxy Entertainment Corporation Limited	March 31,2016	49,37,935	19.03	31.55%	Due to Shareholding	(0.38)	(0.64)	-

\* Aggregate of the paid-up equity share capital and convertible preference share capital

For and on behalf of Board of Directors

**V. K. Chopra**  
Chairman & Director

**Kishore Biyani**  
Vice-Chairman & Director

**Vijay Biyani**  
Managing Director

**S. Doreswamy**  
Director

**Anil Harish**  
Director

**Bala Deshpande**  
Director

**Mumbai**  
May 28, 2016

**Dinesh Maheshwari**  
Executive Director & Chief Financial Officer

**Deepak Tanna**  
Company Secretary

## ANNEXURE II

**A. Disclosure with respect to FEL Employees Stock Options Scheme – 2012 (FEL ESOS – 2012) of the Company as at March 31, 2016**

I.	Date of Shareholders' approval	Approved by shareholders dated February 4, 2013
II.	Total number of options approved under ESOS	25,00,000 (Twenty Five Lac only) Equity Shares of face value of ₹ 2/- each
III.	Vesting requirements	Options granted under FEL ESOS - 2012 would vest not less than 1 year and not more than 3 years from the Grant Date of such Options.
IV.	Exercise price or pricing formula	Exercise price for options granted during the year was ₹ 10/-
V.	Maximum term of options granted	3 Years from the respective date of vesting of options granted
VI.	Source of shares (primary, secondary or combination)	Primary
VII.	Variation in terms of options	None
VIII.	Method used to account for ESOS	Intrinsic Value Method

B. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2015-16 is ₹ 4.95 Crore. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2015-16 would be ₹ 4.97 Crore. The effect of adopting the fair value method on the net income and earnings per share is given in note no. 47 of notes forming part of the financial statements.

**C. Option movement during the year ended on March 31, 2016:**

Particulars	Details
Number of options outstanding at the beginning of the period	4,14,514
Number of options granted during the year	7,57,896
Number of options forfeited / lapsed during the year	-
Number of options vested during the year	2,07,257
Number of options exercised during the year	1,64,294
Number of shares arising as a result of exercise of options	1,64,294
Exercise Price	₹ 10/-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 16,42,940/-
Loan repaid by the Trust during the year from exercise price received	N.A.
Total number of options in force	
Number of options outstanding at the end of the year	10,08,116
Number of options exercisable at the end of the year	42,963

**D. Weighted average Fair Value of options granted during the year whose:**

i	Exercise price equals market price	-
ii	Exercise price is greater than market price	-
iii	Exercise price is less than market price	105.29
<b>Weighted average Exercise price of options granted during the year whose:</b>		
i	Exercise price equals market price	-
ii	Exercise price is greater than market price	-
iii	Exercise price is less than market price	10.00



E.	<b>Employee-wise details of options granted during the financial year 2015-16:</b>	
i.	Senior managerial personnel	
	<b>Name of the Employee</b>	<b>No. of options</b>
1	Mr. Dinesh Maheshwari (KMP)	47,416
2	Mr. Rajan Malhotra	56,900
3	Mr. Sadashiv Nayak	56,900
4	Mr. Anurag Agarwal	37,932
5	Mr. Vineet Jain	37,932
ii.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	
	<b>Name of the Employee</b>	<b>No. of options</b>
1	Mr. Dinesh Maheshwari (KMP)	47,416
2	Mr. Rajan Malhotra	56,900
3	Mr. Sadashiv Nayak	56,900
4	Mr. Anurag Agarwal	37,932
5	Mr. Vineet Jain	37,932
iii.	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants.	
	None	

F.	<b>Method and Assumptions used to estimate the fair value of options granted during the year:</b>		
	The fair value has been calculated using the Black Scholes Option Pricing model		
	The Assumptions used in the model are as follows:		
	<b>Date of grant</b>	<b>30-Aug-15</b>	
		<b>Option I</b>	<b>Option II</b>
	Risk Free Interest Rate	7.68%	7.70%
	Expected Life	2.75	3.00
	Expected Volatility	58.69%	58.78%
	Dividend Yield	0.52%	0.52%
	Price of the underlying share in market at the time of the option grant (₹)	115.00	115.00
	Stock Price	Closing price on National Stock Exchange on the date of grant has been considered.	
	Volatility	The historical volatility over the expected life has been considered to calculate the fair value.	
	Risk-free rate of return	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.	
	Exercise Price	Exercise Price of each specific grant has been considered.	
	Time to Maturity	Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.	
	Expected divided yield	Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.	

Disclosure with respect to FEL Employees Stock Options Scheme – 2015 (FEL ESOP – 2015) of the Company as at March 31, 2016

The Shareholders of the Company has passed resolution through postal ballot on March 30, 2015 has approved the Future Enterprises Limited (f/k/a Future Retail Limited) Employee Stock Option Plan 2015 (“FEL ESOP 2015”) and also approved to offer, issue and allot at any time or to acquire by way of secondary acquisition, to or for the benefit of Eligible Employees under FEL ESOP 2015, not exceeding 75,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Committee.

Pursuant to the applicable provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Company has set up a ‘Future Enterprises Limited Employees’ Welfare Trust’ (“Trust”) for implementation of the said Scheme.

As on March 31, 2016, no grant of options was made under FEL ESOP 2015.

## ANNEXURE III

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION & OTHER DETAILS:

i	CIN	L52399MH1987PLC044954
ii	Registration Date	October 12,1987
iii	Name of the Company	Future Enterprises Limited
iv	Category/Sub-category of the Company	Public
v	Address of the Registered office & contact details	Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060
vi	Whether listed company	Listed
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078, Tel: 022-6171 5400, Fax: 022-2596 2329

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

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Retailing in Multiple Products	47	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Future Supply Chain Solutions Limited (FSCSL) Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U63030MH2006PLC160376	Subsidiary	70.17	Section 2(87)(ii)
2	Future Media (India) Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U74300MH2006PLC160375	Subsidiary	93.10	Section 2(87) (ii)
3	Futurebazaar India Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U51900MH2006PLC159197	Subsidiary	100.00	Section 2(87) (ii)
4	Future E- Commerce Infrastructure Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U52399MH2007PLC171178	Subsidiary	70.43	Section 2(87) (ii)

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
5	Staples Future Office Products Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U74999MH2007PLC166866	Subsidiary	60.00	Section 2(87) (ii)
6	Office Shop Private Limited* 509, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai-400018	U30006MH2007PTC173922	Step Down Subsidiary	60.00	Section 2(87) (ii)
7	Galaxy Entertainment Corporation Limited 3rd Floor, Block A, Orchid City Centre Mall, 225, Belasis Road, Mumbai Central, Mumbai-400008	L51900MH1981PLC024988	Associate	31.55	Section 2(6)
8	Apollo Design Apparel Parks Limited 382, N. M. Joshi Marg, Chinchpokli, Mumbai-400011	U17291MH2007GOI195397	Joint Venture	39.00	Section 2(6)
9	Goldmohur Design and Apparel Park Limited Dada Saheb Phalke Road, Dadar (East), Mumbai-400014	U17291MH2007GOI195402	Joint Venture	39.00	Section 2(6)
10	Future Generali India Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013	U66030MH2006PLC165287	Joint Venture	25.50	Section 2(6)
11	Future Generali India Life Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013	U66010MH2006PLC165288	Joint Venture	03.00	Section 2(6)
12	Sprint Advisory Services Private Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U51909MH2005PTC151869	Joint Venture	49.80	Section 2(6)
13	Shendra Advisory Services Private Limited. Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U45200MH2005PTC157267	Joint Venture	49.80	Section 2(6)

\*100% subsidiary of Staples Future Office Products Limited

#### IV. SHARE HOLDING PATTERN

##### (i) Equity Share Capital Breakup as percentage of Total Equity

##### Category-wise Share Holding

Category code	Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoters and Promoter Group</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	-	-	-	-	-	-	-	-	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	19,60,31,022	-	19,60,31,022	50.48	20,17,05,865	-	20,17,05,865	51.92	1.44
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(1)</b>	<b>19,60,31,022</b>	<b>-</b>	<b>19,60,31,022</b>	<b>50.48</b>	<b>20,17,05,865</b>	<b>-</b>	<b>20,17,05,865</b>	<b>51.92</b>	<b>1.44</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Promoter Companies	-	-	-	-	-	-	-	-	0.00
(c)	Institutions	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>19,60,31,022</b>	<b>-</b>	<b>19,60,31,022</b>	<b>50.48</b>	<b>20,17,05,865</b>	<b>-</b>	<b>20,17,05,865</b>	<b>51.92</b>	<b>1.44</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									-
(a)	Mutual Funds/ UTI	22,41,340	-	22,41,340	0.58	1,09,89,914	-	1,09,89,914	2.83	2.25
(b)	Financial Institutions/ Banks	54,45,072	-	54,45,072	1.40	50,34,717	-	50,34,717	1.30	-0.10
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	0.00



Category code	Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Insurance Companies	42,09,828	-	42,09,828	1.08	28,41,004	-	28,41,004	0.73	-0.35
(f)	Foreign Institutional Investors	6,42,69,740	-	6,42,69,740	16.55	8,63,07,013	-	8,63,07,013	22.22	5.67
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(h)	Foreign Bodies Corporate	3,55,595	-	3,55,595	0.09	-	-	-	-	-0.09
	<b>Sub-Total (B)(1)</b>	<b>7,65,21,575</b>	<b>-</b>	<b>7,65,21,575</b>	<b>19.70</b>	<b>10,51,72,648</b>	<b>-</b>	<b>10,51,72,648</b>	<b>27.07</b>	<b>7.37</b>
<b>(2)</b>	<b>Non-Institutions</b>									-
(a)	Bodies Corporate	9,10,01,709	3,005	9,10,04,714	23.45	6,55,86,686	3,005	6,55,89,691	16.88	-6.57
(b)	Individuals									-
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	98,19,691	10,34,742	1,08,54,433	2.80	79,95,785	10,01,229	89,97,014	2.32	-0.48
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1,25,98,861	-	1,25,98,861	3.24	58,34,643	-	58,34,643	1.50	-1.74
(c)	Any Other									
	1. N R I	2,83,134	2,000	2,85,134	0.07	2,96,200	2,000	2,98,200	0.08	0.01
	2. Directors & Relatives	10,000	-	10,000	0.00	-	-	-	-	-0.00
	3. Clearing Member	7,02,784	-	7,02,784	0.18	5,90,343	-	5,90,343	0.15	-0.03
	4. Trust	3,12,800	-	3,12,800	0.08	200	-	200	0.00	-0.08
	6. Hindu Undivided Family	-	-	-	-	2,97,013	-	2,97,013	0.08	0.08
	<b>Sub-Total (B)(2)</b>	<b>11,47,28,979</b>	<b>10,39,747</b>	<b>11,57,68,726</b>	<b>29.81</b>	<b>8,06,00,870</b>	<b>10,06,234</b>	<b>8,16,07,104</b>	<b>21.01</b>	<b>-8.81</b>
	<b>Total Public Shareholding (B)= (B) (1)+(B)(2)</b>	<b>19,12,50,554</b>	<b>10,39,747</b>	<b>19,22,90,301</b>	<b>49.52</b>	<b>18,57,73,518</b>	<b>10,06,234</b>	<b>18,67,79,752</b>	<b>48.08</b>	<b>-1.52</b>
	<b>TOTAL (A)+(B)</b>	<b>38,72,81,576</b>	<b>10,39,747</b>	<b>38,83,21,323</b>	<b>100.00</b>	<b>38,74,79,383</b>	<b>10,06,234</b>	<b>38,84,85,617</b>	<b>100.00</b>	<b>-0.08</b>
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>38,72,81,576</b>	<b>10,39,747</b>	<b>38,83,21,323</b>	<b>100.00</b>	<b>38,74,79,383</b>	<b>10,06,234</b>	<b>38,84,85,617</b>	<b>100.00</b>	<b>0.00</b>

**Shareholding Pattern (Class B (Series-1) Share Capital Break up as percentage to total Class B shares)  
Category-wise Share Holding**

Category code	Category of Shareholders	No. of Class B Shares (Series I) held at the beginning of the year				No. of Class B Shares (Series I) held at the end of the year				% Changes during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoters and Promoter Group</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	88,115	-	88,115	0.34	88,115	-	88,115	0.22	-0.12
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	1,48,23,156	-	1,48,23,156	57.28	2,83,21,456	-	2,83,21,456	71.93	14.65
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(1)</b>	<b>1,49,11,271</b>	<b>-</b>	<b>1,49,11,271</b>	<b>57.63</b>	<b>2,84,09,571</b>	<b>-</b>	<b>2,84,09,571</b>	<b>72.15</b>	<b>14.52</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)			-	-				-	0.00
(b)	Promoter Companies	-	-	-	-	-	-	-	-	0.00
(c)	Institutions	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1,49,11,271</b>	<b>-</b>	<b>1,49,11,271</b>	<b>57.63</b>	<b>2,84,09,571</b>	<b>-</b>	<b>2,84,09,571</b>	<b>72.15</b>	<b>14.52</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	50	-	50	0.00	3,90,384	-	3,90,384	0.99	0.99
(b)	Financial Institutions/ Banks	96,991	-	96,991	0.37	96,991	-	96,991	0.25	-0.12
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	0.00

Category code	Category of Shareholders	No. of Class B Shares (Series I) held at the beginning of the year				No. of Class B Shares (Series I) held at the end of the year				% Changes during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Insurance Companies	35,682	-	35,682	0.14	23,579	-	23,579	0.06	-0.08
(f)	Foreign Institutional Investors	1,96,831	-	1,96,831	0.76	1,51,350	-	1,51,350	0.38	-0.38
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(h)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (B)(1)</b>	<b>3,29,554</b>	<b>-</b>	<b>3,29,554</b>	<b>1.27</b>	<b>6,62,304</b>	<b>-</b>	<b>6,62,304</b>	<b>1.68</b>	<b>0.41</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	30,90,206	410	30,90,616	11.94	24,13,694	410	24,14,104	6.13	-5.81
(b)	Individuals									0.00
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	17,17,895	111465	18,29,360	7.07	11,11,582	1,08,121	12,19,703	3.10	-3.97
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	56,48,021	-	56,48,021	21.83	53,69,060	-	53,69,060	13.64	-8.19
(c)	Any Other									0.00
	1. N R I	18,464	200	18,664	0.07	9,083	200	9,283	0.02	-0.05
	2. Directors & Relatives	1,000	-	1,000	0.00	-	-	-	-	-0.00
	3. Clearing Member	47,893	-	47,893	0.19	4,52,742	-	4,52,742	1.15	0.96
	4. Trust	-	-	-	-	15	-	15	0.00	0.00
	6. Hindu Undivided Family	-	-	-	-	8,37,897	-	837897	2.13	2.13
	<b>Sub-Total (B)(2)</b>	<b>1,05,23,479</b>	<b>1,12,075</b>	<b>1,06,35,554</b>	<b>41.10</b>	<b>1,01,94,073</b>	<b>108731</b>	<b>1,03,02,804</b>	<b>26.17</b>	<b>-14.93</b>
	<b>Total Public Shareholding (B)= (B) (1)+(B)(2)</b>	<b>1,08,53,033</b>	<b>1,12,075</b>	<b>1,09,65,108</b>	<b>42.37</b>	<b>1,08,56,377</b>	<b>108731</b>	<b>10965108</b>	<b>27.85</b>	<b>-14.52</b>
	<b>TOTAL (A)+(B)</b>	<b>2,57,64,304</b>	<b>1,12,075</b>	<b>2,58,76,379</b>	<b>100.00</b>	<b>3,92,65,948</b>	<b>108731</b>	<b>3,93,74,679</b>	<b>100.00</b>	<b>0.00</b>
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2,57,64,304</b>	<b>1,12,075</b>	<b>2,58,76,379</b>	<b>100.00</b>	<b>3,92,65,948</b>	<b>108731</b>	<b>3,93,74,679</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters****Equity - Share Holding of Promoters/Promoters Group**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Future Corporate Resources Limited	15,75,96,398	40.58	34.73	16,27,71,294	41.90	37.94	1.32
2	PIL Industries Limited	3,78,98,109	9.76	5.90	3,83,98,056	9.88	8.06	0.12
3	Ryka Commercial Ventures Private Limited	5,35,515	0.14	0.00	5,35,515	0.14	0.00	0.00
4	Akar Estate and Finance Private Limited	1,000	0.00	0.00	1000	0.00	0.00	0.00
<b>Total</b>		<b>19,60,31,022</b>	<b>50.48</b>	<b>40.63</b>	<b>20,17,05,865</b>	<b>51.92</b>	<b>46.00</b>	<b>1.44</b>

**Class B (Series-1) Shares - Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Future Corporate Resources Limited	12,75,496	4.93	0.00	1,47,73,796	37.52	0.00	32.59
2	PIL Industries Limited	57,38,034	22.17	3.82	57,38,034	14.57	2.51	-7.60
3	Manz Retail Private Limited	15,79,103	6.10	0.77	15,79,103	4.01	0.51	-2.09
4	Gargi Business Ventures Private Limited (f/k/a - Gargi Developers Private Limited)	45,50,000	17.58	5.02	45,50,000	11.56	3.30	-6.02
5	Ryka Commercial Ventures Private Limited	11,49,148	4.44	0.00	11,49,148	2.92	0.00	-1.52
6	Future Capital Investment Private Limited	5,31,375	2.05	0.00	5,31,375	1.35	0.00	-0.70
7	Kishore Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
8	Gopikishan Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
9	Laxminarayan Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
10	Vijay Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
11	Sunil Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
12	Anil Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
13	Rakesh Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
14	Ashni Biyani	71,147	0.27	0.00	71,147	0.18	0.00	-0.09
15	Vivek Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
	<b>TOTAL</b>	<b>1,49,11,271</b>	<b>57.63</b>	<b>9.62</b>	<b>2,84,09,571</b>	<b>72.15</b>	<b>6.32</b>	<b>14.52</b>



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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	19,60,31,022	50.48	19,60,31,022	50.48
1	June 12, 2015 market purchase	16,23,168	0.42	19,76,54,190	50.90
2	June 15, 2015 market purchase	93,257	0.02	19,77,47,447	50.92
3	June 18, 2015 market purchase	28,198	0.01	19,77,75,645	50.93
4	July 24, 2015 market purchase	3,00,000	0.08	19,80,75,645	51.01
5	August 11, 2015 market purchase	12,00,000	0.31	19,92,75,645	51.32
6	August 12, 2015 market purchase	13,00,000	0.33	20,05,75,645	51.65
7	August 13, 2015 market purchase	5,00,000	0.13	20,10,75,645	51.78
8	September 01, 2015 market purchase	89,876	0.02	20,11,65,521	51.80
9	September 03, 2015 market purchase	40,397	0.01	20,12,05,918	51.81
10	November 17, 2015 market purchase	5,00,000	0.13	20,17,05,918	51.94
11	December 09, 2015 holding reconciliation	-53	-0.00	20,17,05,865	51.94
	At the end of the year			20,17,05,865	51.92

**Class B Shares (Series I)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1,49,11,271	57.63	1,49,11,271	57.63
1	July 6, 2015 conversion of Class B Warrants	1,34,98,300	34.28	2,84,09,571	72.15
	At the end of the year			2,84,09,571	72.15

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)****Equity Shares**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Arisag Partners(Asia) PTE Ltd. A/C Arisag India Fund Limited	3,16,37,118	8.15	3,16,37,118	8.15
	At the end of the year			3,16,37,118	8.15
2	Brand Equity Treaties Limited	2,49,99,999	6.44	2,49,99,999	6.44
	At the end of the year			2,49,99,999	6.44

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Counseled Mercantile Private Limited	2,18,28,193	5.62	2,18,28,193	5.62
	Less: May 22, 2015 - Market Sale	(23,72,539)	(0.61)	1,94,55,654	5.01
	Add: June 5, 2015 - Market Purchase	1,08,012	0.03	1,95,63,666	5.04
	Add: June 12, 2015 - Market Purchase	15,82,128	0.41	2,11,45,794	5.45
	Add: June 19, 2015 - Market Purchase	13,64,015	0.35	2,25,09,809	5.80
	Less: July 17, 2015 - Market Sale	(25,00,000)	(0.64)	2,00,09,809	5.15
	Less: July 31, 2015 - Market Sale	(6,25,000)	(0.16)	1,93,84,809	4.99
	Less: August 14, 2015 - Market Sale	(7,00,000)	(0.18)	1,86,84,809	4.81
	Less: October 09, 2015 - Market Sale	(36,00,000)	(0.93)	1,50,84,809	3.88
	Less: October 16, 2015 - Market Sale	(46,64,872)	(1.20)	1,04,19,937	2.68
	Less: November 20, 2015 - Market Sale	(5,00,000)	(0.13)	99,19,937	2.55
	Less: December 18, 2015 - Market Sale	(5,50,000)	(0.14)	93,69,937	2.41
	At the end of the year			93,69,937	2.41
4	Bennett Coleman and Company Limited	2,03,91,700	5.25	2,03,91,700	5.25
	At the end of the year			2,03,91,700	5.25
5	Copthall Mauritius Investment Limited	1,07,55,879	2.77	1,07,55,879	2.77
	At the end of the year			1,07,55,879	2.77
6	Government Pension Fund Global	71,29,223	1.84	71,29,223	1.84
	Add: April 10, 2015 - Market Purchase	9,08,682	0.23	80,37,905	2.07
	Add: April 17, 2015 - Market Purchase	191,318	0.05	82,29,223	2.12
	Add: April 24, 2015 - Market Purchase	30,000	0.01	82,59,223	2.13
	Add: May 01, 2015 - Market Purchase	40,000	0.01	82,99,223	2.14
	Add: May 15, 2015 - Market Purchase	20,000	0.01	83,19,223	2.14
	Add: May 22, 2015 - Market Purchase	12,000	0.00	83,31,223	2.15
	Add: May 29, 2015 - Market Purchase	18,000	0.00	83,49,223	2.15
	Add: July 10, 2015 - Market Purchase	80,000	0.02	84,29,223	2.17
	Add: September 18, 2015 - Market Purchase	64,000	0.02	84,93,223	2.19
	Add: September 25, 2015 - Market Purchase	36,000	0.01	85,29,223	2.20
	Less: January 22, 2016 - Market Sale	(51,559)	(0.01)	84,77,664	2.18
	Less: January 29, 2016 - Market Sale	(30,018)	(0.01)	84,47,646	2.17
	Less: February 05, 2016 - Market Sale	(1,67,313)	(0.04)	82,80,333	2.13
	Less: February 12, 2016 - Market Sale	(7,391)	(0.00)	82,72,942	2.13
	Add: March 4, 2016 - Market Purchase	60,000	0.02	83,32,942	2.14
	Add: March 11, 2016 - Market Purchase	50,000	0.01	83,82,942	2.16
	Add: March 18, 2016 - Market Purchase	90,000	0.02	84,72,942	2.18
	Add: March 25, 2016 - Market Purchase	3,62,135	0.09	88,35,077	2.27
	Add: March 31, 2016 - Market Purchase	17,865	0.00	88,52,942	2.28
	At the end of the year			88,52,942	2.28

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Life Insurance Corporation of India	49,70,150	1.28	49,70,150	1.28
	At the end of the year			49,70,150	1.28
8	IDFC Sterling Equity Fund	NIL	NIL	NIL	NIL
	Add: May 29, 2015 - Market Purchase	41,00,000	1.06	41,00,000	1.06
	Less: June 19, 2015 - Market Sale	(13,131)	(0.00)	40,86,869	1.05
	Less: June 26, 2015 - Market Sale	(17,317)	(0.00)	40,69,552	1.05
	Less: June 30, 2015 - Market Sale	(8,738)	(0.00)	40,60,814	1.05
	Less: July 03, 2015 - Market Sale	(14,622)	(0.00)	40,46,192	1.04
	Less: July 10, 2015 - Market Sale	(26,729)	(0.01)	40,19,463	1.04
	Less: July 17, 2015 - Market Sale	(25,417)	(0.01)	39,94,046	1.03
	Less: July 24, 2015 - Market Sale	(10,000)	(0.00)	39,84,046	1.03
	Add: October 09, 2015 - Market Purchase	6,44,000	0.17	46,28,046	1.19
	Add: November 20, 2015 - Market Purchase	87,000	0.02	47,15,046	1.21
	Add: November 27, 2015 - Market Purchase	63,000	0.02	47,78,046	1.23
	Less: December 04, 2015 - Market Sale	(59,125)	(0.02)	47,18,921	1.22
	Add: December 11, 2015 - Market Purchase	25,399	0.01	47,44,320	1.22
	Less: February 12, 2016 - Market Sale	(52,008)	(0.01)	46,92,312	1.21
	Less: February 19, 2016 - Market Sale	(47,992)	(0.01)	46,44,320	1.20
	At the end of the year			46,44,320	1.20
9	Verlinvest SA	NIL	NIL	NIL	NIL
	Add: September 30, 2015 - Market Purchase	46,80,712	1.21	46,80,712	1.21
	Add: October 09, 2015 - Market Purchase	10,00,000	0.26	56,80,712	1.46
	Add: October 16, 2015 - Market Purchase	20,00,000	0.52	76,80,712	1.98
	Add: October 23, 2015 - Market Purchase	30,00,000	0.77	1,06,80,712	2.75
	Add: October 30, 2015 - Market Purchase	50,000	0.01	1,07,30,712	2.76
	At the end of the year			1,07,30,712	2.76
10	L And T Mutual Fund Trustee Limited - L And T Tax Advantage Fund	NIL	NIL	NIL	NIL
	Add: September 30, 2015 - Market Purchase	28,71,055	0.74	28,71,055	0.74
	Add: October 09, 2015 - Market Purchase	20,37,984	0.52	49,09,039	1.26
	Add: October 16, 2015 - Market Purchase	1,64,736	0.04	50,73,775	1.31
	Add: November 20, 2015 - Market Purchase	50,000	0.01	51,23,775	1.32
	Add: January 08, 2016 - Market Purchase	25,000	0.01	51,48,775	1.33
	Add: January 22, 2016 - Market Purchase	50,000	0.01	51,98,775	1.34
	Add: February 05, 2016 - Market Purchase	1,25,000	0.03	53,23,775	1.37
	At the end of the year			53,23,775	1.37

Note:

\* The percentage of top 10 shareholders under cumulative percentage is as on date of change on the basis of total shares of the company

**Class B Shares (Series I)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vallabh Roopchand Bhanshali	6,81,907	2.64	6,81,907	2.64
	At the end of the year			6,81,907	1.73
2	Akash Bhanshali	6,05,445	2.34	6,05,445	2.34
	Add: March 18, 2016 - Market Purchase	1,58,875	0.40	7,64,320	1.94
	At the end of the year			7,64,320	1.94
3	Lata Bhanshali	5,90,702	2.28	5,90,702	2.28
	Add: May 15, 2015 - Market Purchase	2,65,901	1.03	8,56,603	3.31
	Add: May 22, 2015 - Market Purchase	36,564	0.14	8,93,167	3.45
	Add: May 29, 2015 - Market Purchase	67,747	0.26	9,60,914	3.71
	At the end of the year			9,60,914	3.71
4	Akash Bhanshali	4,77,228	1.84	4,77,228	1.84
	At the end of the year			4,77,228	1.21
5	Purvi Pankaj Patel	3,90,339	1.51	3,90,339	1.51
	Add: September 11, 2015 - Market Purchase	3,57,907	0.91	7,48,246	1.90
	At the end of the year			7,48,246	1.90
6	AADI Financial Advisors LLP	3,75,419	1.45	3,75,419	1.45
	Add: May 8, 2015 - Market Purchase	69,752	0.27	4,45,171	1.72
	Add: May 15, 2015 - Market Purchase	1,885	0.01	4,47,056	1.73
	At the end of the year			4,47,056	1.14
7	Counseled Mercantile Private Limited	3,63,022	1.40	3,63,022	1.40
	Add: June 19, 2015 - Market Purchase	7,615	0.03	3,70,637	1.43
	Add: August 07, 2015 - Market Purchase	10,000	0.03	3,80,637	0.97
	Add: August 14, 2015 - Market Purchase	20,000	0.05	4,00,637	1.02
	At the end of the year			4,00,637	1.02
8	Payal Bhanshali	NIL	NIL	NIL	NIL
	Add: May 08, 2015 - Market Purchase	1,59,076	0.61	1,59,076	0.61
	Add: May 15, 2015 - Market Purchase	2,00,000	0.77	3,59,076	1.39
	At the end of the year			3,59,076	0.91



Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	IDFC Classic Equity Fund	NIL	NIL	NIL	NIL
	Add: July 10, 2015 - Market Purchase	3,01,517	0.77	3,01,517	0.77
	Add: July 17, 2015 - Market Purchase	25,417	0.06	3,26,934	0.83
	Add: July 24, 2015 - Market Purchase	10,000	0.03	3,36,934	0.86
	Less: September 18, 2015 - Market Sale	(3,36,934)	-0.86	-	0.00
	Add: February 05, 2016 - Market Purchase	3,36,934	0.86	3,36,934	0.86
	Less: February 26, 2016 - Market Sale	(3,36,934)	-0.86	-	0.00
	Add: March 18, 2016 - Market Purchase	3,36,934	0.86	3,36,934	0.86
	At the end of the year			3,36,934	0.86
10	Swati Prashant Patel	NIL	NIL	NIL	NIL
	Add: September 4, 2015 - Market Purchase	2,22,431	0.56	2,22,431	0.56
	Add: September 11, 2015 - Market Purchase	2,84,406	0.72	5,06,837	1.29
	Less: February 05, 2016 - Market Sale	(2,84,406)	-0.72	2,22,431	0.56
	Add: February 19, 2016 - Market Purchase	2,84,406	0.72	5,06,837	1.29
	At the end of the year			5,06,837	1.29

Note:

\*The percentage of top 10 shareholders under cumulative percentage is as on date on the basis of total shares of the company.

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

##### v. Shareholding of Directors and Key Managerial Personnel

##### Equity shares

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year (as on April 1, 2015 i.e. on the basis of SHP of March 31, 2015 )		Change in Shareholding ( No. of Shares )		Shareholding at the end of the year (as on March 31, 2016 on the basis of SHP of March 31, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Anil Harish	10000	0.01	-	-	10000	0.01	10000	0.01

**CLASS B ( Series 1)**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year (as on April 1, 2015 i.e. on the basis of SHP of March 31, 2015)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (as on March 31, 2016 on the basis of SHP of March 31, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Kishore Biyani	2121	0.01	-	-	2121	0.01	2121	0.01
2	Mr. Rakesh Biyani	2121	0.01	-	-	2121	0.01	4242	0.02
3	Mr. Vijay Biyani	2121	0.01	-	-	2121	0.01	6363	0.03
4	Mr. Anil Harish	1000	0.01	-	-	1000	0.00	7363	0.04

Note: Mr. S. Doreswamy, Mr. V. K Chopra, Ms. Bala Deshpande, Mr. Dinesh Maheshwari and Mr. Deepak Tanna did not hold any shares in the Company during the Fiscal year 2016.

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

(₹ in Crore)

PARTICULARS	SECURED LOANS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
	EXCLUDING DEPOSITS			
<b>Indebtedness at the beginning of the financial year April 01, 2015</b>				
1) Principal Amount	4658.95	163.80	0.00	4822.75
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	62.61	4.62	0.00	67.23
<b>Total of (1+2+3)</b>	<b>4721.56</b>	<b>168.42</b>	<b>0.00</b>	<b>4889.98</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	2832.13	105.36	0.00	2937.49
- Reduction	(2687.33)	(164.18)	0.00	(2851.51)
Net change	<b>144.80</b>	<b>(58.82)</b>	<b>0.00</b>	<b>85.98</b>
<b>Indebtedness at the end of the financial year March 31, 2016</b>				
1) Principal Amount	4739.98	109.60	0.00	4849.58
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	126.38	0.00	0.00	126.38
<b>Total of (1+2+3)</b>	<b>4866.36</b>	<b>109.60</b>	<b>0.00</b>	<b>4975.96</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹)
		Mr. Kishore Biyani	Mr. Rakesh Biyani	Mr. Vijay Biyani	
1	Gross Salary				
	(a) Salary* as per provisions contained in section 17(1) of the Income Tax Act	2.42	2.45	1.38	6.25
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00#	0.00#	0.00#	0.01
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - As % of Profit - Others, specify	Nil	Nil	Nil	Nil
5	Retiral Benefits	0.14	0.11	0.09	0.34
	<b>Total (A)</b>	<b>2.57</b>	<b>2.56</b>	<b>1.47</b>	<b>6.60</b>
	<b>Ceiling as per the Act</b>	₹ 4.22 Crore being 10% profit under Section 198 <sup>s</sup>			

\* The above remuneration is as per Income-Tax Act, 1961 and excludes contribution by the Company to Provident Fund and provision for special retirement benefit, etc. Further, these amounts are as paid to Managing Director, Joint Managing Director and Whole Time Director during the year.

# Represent ₹ 39,600

\$ Since the ceiling amount is less the Company has made application to Central Government for payment of excess remuneration in case of one director and is in process of making application for appointment and payment of remuneration in case of two directors, as per applicable provisions of the Act.

### B. Remuneration of other directors:

#### I. Independent Directors:-

(₹ in Crore)

Particulars of Remuneration	Name of Directors				Total Amount (₹)
	Ms. Bala Deshpande	Mr. S. Doreswamy Rao	Mr. Vijay Chopra	Mr. Anil Harish	
Fee for attending board committee meetings	0.09	0.09	0.10	0.05	0.33
Commission	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
<b>Total (I)</b>	<b>0.09</b>	<b>0.09</b>	<b>0.10</b>	<b>0.05</b>	<b>0.33</b>

#### II. Other Non-Executive Directors:-

Other Non-Executive Directors	Name of Non-Executive Directors			Total Amount (₹)
Fee for attending board committee meetings	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil
Others (Gross Remuneration)	Nil	Nil	Nil	Nil
<b>Total (II)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total (B)=(I+II)</b>				<b>0.33</b>
<b>Total (A)+(B)</b>				<b>6.93</b>
<b>Overall Ceiling as per the Act</b>	₹ 4.22 Crore being 10% profit under Section 198			

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

(₹ in Crore)

Sr. No	Particulars of Remuneration	Name of KMP		Total Amount (₹)
		Mr. Deepak Tanna	Mr. Dinesh Maheshwari	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	0.37	0.89	1.29
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00*	0.00*	0.00**
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - As % of Profit - Others, specify	Nil	Nil	Nil
5	Retiral Benefits	0.02	0.07	0.06
	Total (C)	0.39	0.96	1.35

\* Represent 32,400

\*\* Represent 64,800

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act 2013 against the Company or its Directors or other officers in default, if any, during the year.

## ANNEXURE IV

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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 Enterprises Limited**  
**(Earlier known as Future Retail Limited)**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Enterprises Limited. (Hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on March 31, 2016, has prima facie 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 March 31, 2016 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (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 Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 (effective May 15, 2015);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective October 28, 2014);
  - (e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2016:-
  - (a) 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;
  - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Based on the representation given by the Management of the Company, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.

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

- (a) The Listing Agreements & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 entered into by the Company with the BSE Limited & National Stock Exchange Limited.



(b) The Company has complied with the Secretarial Standards 1 & 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 I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for, Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

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

I further report that as per the information provided the company has given adequate notice 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 agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.

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

I further report that during the audit period:

(a) There were instances of:

1. Preferential issue of shares / debentures/allotment of shares under Employee Stock Option scheme
2. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs.
3. Merger / reconstruction etc.

(b) There were no instances of:

1. Redemption / buy- back of securities
2. Foreign Technical Collaborations.
3. Public / Rights issue of shares

I further report that:

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. 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 basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.

**Place: Mumbai**  
**Date : May 28, 2016**

**Virendra Bhatt**  
**ACS No – 1157**  
**COP No – 124**

## ANNEXURE V

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo under section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

<p><b>(A) Conservation of Energy :</b></p> <p>(i) the steps taken or impact on : conservation of energy</p>	<p>The operations of your Company are not energy intensive, however adequate measures have been taken to reduce energy consumption.</p>
<p>(ii) the steps taken by the company for utilising alternate sources of energy</p>	<p>All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.</p>
<p>(iii) the capital investment on energy conservation equipments;</p>	<p>NIL</p>
<p><b>(B) Technology absorption :</b></p> <p>(i) the efforts made towards technology absorption</p>	<p>N.A.</p>
<p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution</p>	<p>N.A.</p>
<p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</p> <p>(a) the details of technology imported;</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed;</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.</p>	<p>N.A.</p>
<p>(iv) the expenditure incurred on Research and Development.</p>	<p>Nil</p>
<p><b>(C) Foreign exchange earnings and Outgo :</b></p>	<p>The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note No. 42,43 and 44 of other Notes to the Standalone Financial Statements.</p>

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 28, 2016

**V. K. Chopra**  
Chairman

## ANNEXURE VI

### A brief outline of the Company's CSR Policy

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013. The CSR Committee is working towards identification of CSR projects, which may be undertaken by the Company.  CSR Policy of the Company is available on the website of the Company at the link <a href="http://www.felindia.in/pdf/FLFL_CSR_Policy.pdf">http://www.felindia.in/pdf/FLFL_CSR_Policy.pdf</a>
2. The Composition of the CSR Committee.	Ms. Bala Deshpande - Chairperson & Independent Director Mr. Kishore Biyani – Member Mr. Vijay Biyani - Member
3. Average net profit/loss of the company for last three financial years.	Average Net Profits ₹ 30.57 Crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 0.61 Crore
5. Details of CSR spent during the financial year 2015 -16: a. Total amount to be spent for the financial year 2015 -16; b. Amount un spent, if any	a. ₹ 0.61 Crore  b. ₹ 0.61 Crore

Sl. No.	CSR project or activity identified.	Sector in which the project is covered.	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs 2) Overheads:	Cumulative Expenditure upto the reporting period.	Amount spent direct or through implementing agency.
1	2	3	4	5	6	7	8
	No direct project undertaken. Sone ki Chidiya Foundation, a group trust created for this purpose would be undertaking various initiatives as provided under CSR policy.	The projects would be undertaken by the Foundation based on the sectors covered within schedule VII as amended from time to time.	The projects would be mainly taken in state of Maharashtra, however, as stated the projects can be taken in other states as well depending on the necessity as well as urgency of such spent in such areas. The Trust created for the purposes of the CSR spent would be finalising the districts in which CSR activities would be undertaken.	The Committee would be allocating the total CSR budget amount and transfer to the Foundation with instruction to spend for various projects eligible as per CSR policy of the Company and give information to the Company for incorporating in its annual report.	Nil	Nil	Nil

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.  
The Company has identified the amount to be spent for the purpose of CSR. The Company proposes to spend its CSR allocation through "Sone Ki Chidiya" a Foundation Trust, which has been set up with an objective to consolidate and merge the CSR funds at Future Group level so that the combined corpus from all the Group entities would help in undertaking better and larger initiatives. The Trust registration activities had been completed only recently on March 29, 2016. The Trust would commence its activities in FY 2016-17 to complete all consolidated CSR spent of various group companies together.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

## ANNEXURE VII

### DETAILS PERTAINING TO REMUNERATION 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 and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(₹ In Crore)

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (₹ in Crore)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director to MRE for Financial Year 2015-16
Mr. Kishore Biyani - Managing Director	2.57	NIL	197.90
Mr. Rakesh Biyani - Joint Managing Director	2.56	NIL	197.63
Mr. Vijay Biyani - Wholetime Director	1.47	NIL	112.96
Mr. Dinesh Maheshwari – CFO	0.96	15.71*	73.65
Mr. Deepak Tanna - Company Secretary	0.39	12	30.48

\* The % increase has been shown in remuneration excluding stock option perquisite.

- II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 1,29,764/- previous year it was ₹ 1,18,611/-
- III. The increase in MRE in the financial year 2016, as compare to the financial year 2015 is 9.40%;
- IV. There were 1,038 permanent employees on the rolls of Company as on March 31, 2016;
- V. Relationship between average increase in remuneration and company performance: - The total turnover of the Company has been Decreased by 19.36% and the Profit before Tax has been Increased by 133.59 times for the financial year ended March 31, 2015 as compare to the previous financial year, whereas the increase in median remuneration was 9.40%. The decline in turnover and profit after tax is due to realignment of business pursuant to the Scheme. The average increase in median remuneration was commensurate with the industry standard in which company operates.
- VI. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

(₹ In Crore)

Aggregate remuneration of Key Managerial Personnel (KMP)	7.95
Revenue	8,339.56
Remuneration of KMPs (as % of revenue)	0.10
Profit before tax (PBT)	13.15
Remuneration of KMP (as% of PBT)	60.46

- VII. a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 was ₹ 5018.84 Crore (₹ 3762.05 Crore as on March 31, 2015)
- b) Variations in the market capitalisation of Class B (Series I) of the Company: The market capitalisation of Class B (Series I) Shares as on March 31, 2016 was ₹ 454.22 Crore (₹ 119.23 Crore as on March 31, 2015) (based on volume weighted average price quoted on NSE)
- c) Price Earnings ratio of Equity Shares of the Company was 496.88 as on March 31, 2016 and was 35.23 as on March 31, 2015
- d) Price Earnings ratio of Class B (Series I) Shares of the Company was 384.53 as on March 31, 2016 and was 16.52 as on March 31, 2015
- VIII. Average percentage increase/ decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 9% whereas there was no increase in the managerial remuneration for the same financial year.
- IX. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is 2.46 times (on annualised basis).
- XI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 28, 2016

**V. K. Chopra**  
Chairman

## CORPORATE GOVERNANCE REPORT

*Corporate Governance indicates transparency, accountability and reliability of any organisation.*

*One of the core missions of your organisation is to achieve excellence in all spheres, be it profitability, growth in market share, superior quality of products and services to the satisfaction of the stakeholders through an efficient and effective code of governance.*

*We aim at providing fairness, clarity and transparency in all our dealings and increasing the value of all stakeholders of the Company.*

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes / policies, pursuant to the Companies Act, 2013 (**'the Act'**), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**'Listing Regulations'**) and Clause 49 of the erstwhile Listing Agreement.

During the year under review, the Company has complied with all the provisions as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, which comes into effect from December 01, 2015 and corresponding provisions of erstwhile Listing Agreement for the period between April 1, 2015 and November 30, 2015. All reference to the Listing Regulations would also be deemed to be regarded as reference to the corresponding provisions of the erstwhile Listing Agreement for the relevant period.

### CODE OF CONDUCT

The Company has laid down a Code of Conduct ("Code") for the Board Members and Senior Management Personnel of the Company. The Company has also adopted code of conduct for Independent Directors as prescribed under Schedule IV of the Act.

The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code has also been posted on the Company's website [www.felindia.in](http://www.felindia.in)

### ESTABLISHMENT OF WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for directors and employees to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices.

This Policy inter alia provides a direct access to a Whistle Blower to the Chairman of Audit Committee.

The Whistle Blower Policy covering all employees and directors is hosted on the Company's website.

### COMPOSITION OF THE BOARD

The composition of the Board of Directors (**'the Board'**) is in conformity with the requirement of Regulation 17 of the Listing Regulations. Presently, the Board of the Company comprises of 7 (seven) directors including one Woman Director. The number of Non-Executive Directors (NEDs) is more than one-half of the total number of Directors.

None of the Directors on the Board are serving as an Independent director in more than 7 (seven) / 3 (Three) Listed entities, as the case may be, as specified in Regulation 25 of the Listing Regulations.

None of the Directors on the Board is a Member of more than 10 Committees and/or Chairman of more than 5 Committees (as specified in Regulation 26 of Listing Regulations), across all the public companies in which he/she is a Director.

Further, the maximum tenures of Independent Directors are in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder.



The information on composition of the Board, Category and their Directorships/Committee Membership across all the companies in which they are Directors, as on March 31, 2016 is as under:

Name of Director	Category	No. of Directorships*		**No. of Memberships / Chairmanships of Committees in public companies	
		Public	Private / Non profit	Memberships	Chairmanships
Mr. Kishore Biyani	Managing Director (Promoter Group)	8	1	3	1
Mr. Vijay Biyani	Wholetime Director (Promoter Group)	4	8	1	-
Mr. Rakesh Biyani	Joint Managing Director (Promoter Group)	6	6	3	-
Mr. V. K Chopra	Independent Director	9	2	9	4
Mr. Anil Harish	Independent Director	5	3	4	3
Mr. S. Doreswamy	Independent Director	2	1	4	2
Ms. Bala Deshpande	Independent Director	2	8	2	-

\* Number of Directorships held by the Directors do not include directorships in foreign companies.

\*\* In accordance with Regulation 26 of the Listing Regulations, Memberships / Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

Except Mr. Kishore Biyani and Mr. Vijay Biyani who are brothers, no other directors have any inter se relationship.

Names of directors and their shareholding in the Company as on March 31, 2016 are as follows:

Sl. No.	Name of the Director	No. of Shares held	
		Equity Shares	Class B (Series1) Shares
1.	Mr. Kishore Biyani	0	2,121
2.	Mr. Vijay Biyani	0	2,121
3.	Mr. Rakesh Biyani	0	2121
4.	Mr. V.K.Chopra	0	0
5.	Mr. Anil Harish	10,000	1,000
6.	Mr. S. Doreswamy	0	0
7.	Ms. Bala Deshpande	0	0

### BOARD MEETINGS AND LAST AGM

During the year under review, six Board Meetings were held on May 04, 2015, May 25, 2015, August 07, 2015, November 05, 2015, February 13, 2016 and March 30, 2016.

The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations. Twenty Seventh Annual General Meeting (AGM) of the Company was held on August 26, 2015.

The attendance of Directors at the above Board Meetings and AGM is as under:

Sl. No.	Name of Director	No. of Board Meetings		AGM
		Held	Attended	
1.	Mr. Kishore Biyani	6	5	Yes
2.	Mr. Vijay Biyani	6	6	Yes
3.	Mr. Rakesh Biyani	6	4	Yes
4.	Mr. V. K. Chopra	6	6	Yes
5.	Mr. Anil Harish	6	6	Yes
6.	Mr. S. Doreswamy	6	5	No
7.	Ms. Bala Deshpande	6	6	No

## AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Directors and majority of them are Independent Directors. Mr. S. Doreswamy, Chairman of the Committee is an Independent Director. All the Members of the Committee possess accounting and financial management expertise.

The Company Secretary functions as Secretary to the Committee.

During the year under review, Six meetings of the Committee were held on May 04, 2015, May 25, 2015, August 07, 2015, November 05, 2015, February 13, 2016 and March 30, 2016. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

The composition of the Committee and the attendance of the Members at the above meetings is as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Mr. S. Doreswamy	Chairman	6	5
Mr. V. K. Chopra	Member	6	6
Ms. Bala Deshpande	Member	6	6

### Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of section 177 of the Act.

### Role of the Audit Committee inter-alia includes the following

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Reviewing of the following information**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of Listing Regulations.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company comprises of four Non-Executive Independent Directors. During the year under review, two meetings of the Committee were held on May 25, 2015 and February 13, 2016. The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of meetings	
		Held	Attended
Mr. V. K. Chopra	Member	2	2
Mr. Anil Harish	Member	2	2
Mr. S. Doreswamy	Member	2	2
Ms. Bala Deshpande	Member	2	2

Members of the Committee appoint one among them as Chairman of the Meeting.

#### **Terms of Reference**

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements as specified in Part D of the Schedule II of the Listing Regulations, the provisions of section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including corresponding provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014) as may be applicable.

The role of the Nomination and Remuneration Committee inter-alia includes the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To identify 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;

- Whether to attend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of Independent Directors on the basis of the report of performance evaluation of Independent Director.
- To establish and from time to time review the policy for ESOP, ESOS and recommend the grants to be made of options under ESOP / ESOS; and
- To review Company's remuneration and human resources policy.

### Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retirement benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organization. The remuneration policy is in consonance with the existing industry practice.

### Remuneration policy for Executive Directors:

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to the Managing Director and the Executive Director, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee (NRC) evaluates the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Managing Director and the Executive Director as per terms of appointment and based on the performance of the individual as well as the Company. Performance criteria for Managing Director and Executive Director, entitled for Commission or Performance Bonus are determined by NRC.

### Criteria of making payments to Non-Executive Directors:

The eligible Non-Executive Directors may be paid commission upto an aggregate maximum of 1% of the net profits of the Company as specifically computed for this purpose and as may be approved by Board of Directors of the Company. The criteria of making payments to Non-Executive Directors cover, inter-alia, number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

Non-Executive Directors are paid sitting fees for attending any Meeting of the Board and Committees of the Board including meeting of Independent Directors, as decided from time to time by the Board. The members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the meeting of the Committee.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

### Remuneration to Managing Director / Executive Director

Remuneration to Managing Director/Joint Managing Director / Wholetime Director for the year ended March 31, 2016:  
(₹ in Crore)

Name of Managing Director/ Executive Director	Salary	Performance Bonus/ Commission	Company's Contribution to Funds	Perquisites and allowances	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Kishore Biyani	2.42	-	0.14	0.00*	2.57	April 01, 2015 to March 31, 2018	6	Nil
Mr. Rakesh Biyani	2.45	-	0.11	0.00*	2.56	April 01, 2012 to March 31, 2017	6	Nil
Mr. Vijay Biyani	1.38	-	0.09	0.00*	1.47	September 26, 2014 to September 25, 2017	6	Nil

\* Represent ₹ 39,600

Notes:

- (1) All the above components of Remuneration, except Commission, are fixed in nature.
- (2) In view of the inadequacy of the net profits for the year ended March 31,2016 as computed under Section 198 read with Section 197 of the Companies Act, 2013 (the Act), the above managerial remuneration is subject to the approval of the Central Government, in terms of provisions of Section II of Part II of Schedule V to the Act.

## Remuneration to Non-Executive Directors

The sitting fees and commission paid to Non-Executive Directors during the year under review are as under:

Name of Director	Sitting Fee paid (₹ in Crore)	*Commission paid (₹ in Crore)
Mr. V. K. Chopra	0.10	NIL
Mr. Anil Harish	0.05	NIL
Mr. S. Doreswamy	0.09	NIL
Ms. Bala Deshpande	0.09	NIL

\*No Commission was paid to any Non-Executive Directors for the financial year 2015-16 in view of inadequacy of profits.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee presently comprises of Mr. S. Doreswamy, Independent Director as a Chairman of the Committee, Mr. Rakesh Biyani, Joint Managing Director and Mr. Vijay Biyani, Wholetime Director of the Company, as the other members of the Committee.

During the year under review, four Meetings of Stakeholders' Relationship Committee were held on May 25, 2015, August 10, 2015, November 05, 2015 and February 13, 2016.

The attendance of the Members at the above meetings is as under:

Name of Director	Designation	No. of meetings	
		Held	Attended
Mr. S. Doreswamy	Chairman	4	4
Mr. Rakesh Biyani	Member	4	3
Mr. Vijay Biyani	Member	4	4

## Terms of reference of the Committee

- To determine on behalf of the Board the Company's policy on serving the stakeholders in line with best corporate governance norms;
- To periodically review stakeholders' grievance mechanism of the Company;
- To review and redress stakeholders' grievances regarding allotment of securities, transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. and other allied matters;
- The Committee is also authorised to:
  - i. Investigate any activity within its terms of reference;
  - ii. Seek any information from any employee of the Company;
  - iii. Obtain outside legal or independent professional advice. Such advisors may attend meetings if necessary; and
  - iv. Incur such reasonable expenditure, as it deems necessary.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee.

## SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of three Directors, Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. Vijay Biyani. The Share Transfer Committee meets as and when required to consider the transfer proposals and attend to Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares.

## Investors' Grievance Redressal

During the year under review, 49 complaints were received from the Investors and all of them were attended to and resolved promptly. As on March 31, 2016 there were no outstanding complaints from the Investors.

## Compliance Officer

Mr. Deepak Tanna, Company Secretary of the Company is the Compliance Officer of the Company.

## Code of Conduct for Prevention of Insider Trading

The Company's Code of Conduct for Prevention of Insider Trading as approved by the Board of Directors, inter-alia, prohibits dealing in the securities of the Company by Directors and certain employees while in possession of unpublished price sensitive information in relation to the Company. The same is available on the Company's website.



## INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on March 30, 2016 and the attendance of Independent Directors at the above Meeting is as under:

Name of Director	Category	No. of meetings	
		Held	Attended
Mr. V. K. Chopra	Independent Director	1	1
Mr. Anil Harish	Independent Director	1	1
Mr. S. Doreswamy	Independent Director	1	1
Ms. Bala Deshpande	Independent Director	1	1

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee presently comprises of Ms. Bala Deshpande, Mr. Kishore Biyani and Mr. Vijay Biyani. During the year under review, no meeting of the Committee was held.

The Committee functions in accordance with the terms of reference as specified under the Act, and as may be specified by the Board from time to time, which inter-alia includes:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

## COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani, Mr. Vijay Biyani and Mr. S. Doreswamy. The Board has delegated powers to the Committee of Directors to carry out various activities for day to day operations of the Company. Thirty one meetings of the Committee were held during the financial year 2015-16.

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Kishore Biyani, Mr Rakesh Biyani and Mr. Vijay Biyani.

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which inter-alia includes implementing and monitoring of risk management plan and policy of the Company.

## RISK MANAGEMENT

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company.

The Audit Committee / Board of Directors periodically review the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework.

The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis forming part of the Annual Report.

## DISCLOSURES

### Related Party Transactions

All related party transactions were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in Note No. 29 in Notes forming part of the financial statements for the year ended March 31, 2016. Policy on dealing with related party transactions is available on the website of the Company at the link [http://felindia.in/pdf/RPT\\_Policy.pdf](http://felindia.in/pdf/RPT_Policy.pdf)

### Disclosure of Accounting Treatment

During the year under review, the Company followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006, in the preparation of its financial statements.

### Management

A Management Discussion and Analysis (MDA) forms part of the Annual Report.

All members of the Senior Management have confirmed to the Board that there are no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

### CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Executive Director and Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2016.

## Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary companies. The Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link [http://felindia.in/pdf/Mat\\_Sub\\_Policy.pdf](http://felindia.in/pdf/Mat_Sub_Policy.pdf)

## Details of non-compliance

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter relating to the capital markets during the last three years.

## Establishment of Whistle Blower Policy/Vigil Mechanism

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy inter-alia provides a direct access to a Whistle Blower to the Chairman of the Audit Committee.

## Internet access: [www.felindia.in](http://www.felindia.in)

The website of the Company contains all relevant information about the Company. The Annual Reports, Shareholding pattern, unaudited quarterly results and all other material information are hosted on this website.

## GENERAL BODY MEETINGS

### Annual General Meeting

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

Year	No. of AGM	Day, Date & Time of AGM	Venue
2014-15	27	August 26, 2015 at 10:00 am	Y.B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021
2013-14	26	August 02, 2014 at 10:30 am	
2011-12	25	May 08, 2013 at 11:00 am	

Special Resolutions passed in the previous three Annual general Meetings are as follows:

AGM No.	AGM date	Special Resolutions passed through show of hands
27	August 26, 2015	<ul style="list-style-type: none"><li>To re-appoint Mr. Kishore Biyani as Managing Director</li></ul>
26	August 02, 2014	<ul style="list-style-type: none"><li>To approve payment of remuneration to Mr. Kishore Biyani as Managing Director</li><li>To approve payment of remuneration to Mr. Rakesh Biyani as Joint Managing Director</li><li>To approve payment of remuneration to Mr. Vijay Biyani as Wholetime Director</li><li>To re-appoint Mr. Vijay Biyani as Wholetime Director</li><li>To approve payment of commission to Directors other than MD, JMD and WTD</li></ul>
25	May 08, 2013	NIL

### Extraordinary General Meeting

During the year under review, one Extraordinary General Meeting held on November 18, 2015 and following Special Resolution(s) were passed:

1. Utilisation of Securities Premium Account;
2. Change of Name; and
3. Change of Object Clause.

### Court Convened Meeting

During the year under review, one Court Convened Meeting held on November 18, 2015 for approving the Composite Scheme of arrangement between Company and Bharti Retail Limited.

### Postal Ballot

During the year under review, the Company had successfully completed the process of obtaining the approval of its Members through Postal Ballots as per provisions of section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof) ("the Rules"), pertaining to:

### Issue of securities on private placement basis.

Approval of members (both Equity and Class B Shares (Series-1) Shareholders) obtained for the following business:

Issue and allot, in one or more tranches Secured / Unsecured / Redeemable Non-convertible Debentures (NCDs) for an amount not exceeding ₹ 1,500 Crore (Rupees One Thousand Five Hundred Crore only).

Voting Pattern and Procedure for Postal Ballot:

- (i) The Board of Directors of the Company at its meeting held on May 25, 2015 has appointed Mr. Virendra Bhatt, Practising Company Secretary, as the Scrutiniser for conducting the postal ballot voting process for both the Postal Ballots;
- (ii) Process for the Postal Ballot was carried out in a fair and transparent manner. The postal ballot forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;
- (iii) All postal forms received / receivable up to the close of working hours on July 08, 2015 the last date and time fixed by the Company for receipt of the forms in the postal ballot, had been considered by Scrutiniser in his scrutiny;
- (iv) Envelopes containing postal ballot forms received after July 08, 2015 for the respective postal ballot had not been considered for his scrutiny;
- (v) The result of the Postal Ballot was announced on July 10, 2015 at the Registered Office of the Company as per scrutiniser's Report are as under:

### Resolution 1 – Issue of securities on Private Placement basis

Resolution Required: Special Resolution

Mode of Voting: Postal ballot /E-voting

Promoter / Public	No. of shares held		No. of votes polled	%of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1	2						
Promoter and Promoter Group	Shares	21,09,42,293	20,72,14,422	99.99	20,72,14,422	0	100.00	0.00
	Voting Rights	20,72,14,475						
Public - Institutional holders	Shares	8,25,87,359	1,48,17,215	17.96	1,48,17,215	0	100.00	0.00
	Voting Rights	8,24,99,154						
Public - Others	Shares	12,06,68,050	5,48,75,401	46.50	5,48,54,368	21,033	99.96	0.04
	Voting Rights	11,80,14,979						
Total	Shares	41,41,97,702	27,69,07,038	67.91	27,68,86,005	21,033	99.99	0.01
	Voting Rights	40,77,28,607						

# since the shares includes differential voting rights shares, 'percentages of votes polled have been derived on the voting rights polled to voting rights held.

### MEANS OF COMMUNICATION:

The Company regularly informs its unaudited as well as audited Financial Results to the Stock Exchanges, as soon as these are taken on record / approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. "The Free Press Journal"- (English Daily) and "Nav Sakthi" (Marathi Newspaper). The Company's financial results, Shareholding Pattern and official news releases are displayed on the Company's website www.felindia.in. The Company's presentations to institutional investors and analysts, are posted on the website of the Company's.

The Company sends Annual Report, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by e-mail to those shareholders whose e-mail ids are registered with the Company / Depository Participants and in hard copies to those shareholders whose e-mail ids are not registered.

All filing, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information generally available.

## GENERAL SHAREHOLDERS INFORMATION

### Date, time and Venue of the 28<sup>th</sup> Annual General Meeting

Monday, August 29, 2016 of 11:30 a.m. at Rangswar, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai 400021.

### Financial Year

The financial year covers the period from April 1 of every year to March 31 of the next year.

### Financial Reporting for

Quarter	Release Date (tentative & subject to change)
1 <sup>st</sup> Quarter ending June 30, 2016	Second week of August, 2016
2 <sup>nd</sup> Quarter ending September 30, 2016	Second week of November, 2016
3 <sup>rd</sup> Quarter ending December 31, 2016	Second week of February, 2017
4 <sup>th</sup> Quarter ending March 31, 2017	Fourth week of May, 2017

Note: The above dates are indicative.

### Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of 0.10 (5%) per Equity Share and dividend of 0.14 (7%) per Class B Share (Series-1). Dividend, if approved, at the ensuing Annual General Meeting, will be paid/credited within a period of 30 days from the date of declaration, to those members whose names appear on the Company's Register of Members and to the beneficial owners as per the particulars to be furnished by the Depositories as on record date August 22, 2016 i.e. on Record Date.

### Registered office

"Knowledge House", Shyam Nagar,  
Off Jogeshwari-Vikhroli Link Road,  
Jogeshwari (East), Mumbai – 400 060

### Listing on Stock Exchanges

#### Equity Shares and Class B (Series-1) Shares

The **Equity Shares** and **Class B (Series-1) Shares** of the Company are listed in the following Stock Exchanges:

- BSE Limited (BSE)
- National Stock Exchange of India Limited (NSE)

### Debt Securities

**Non-convertible Debentures (Series IV), (Series V), (Series VII), (Series VIII), (Series IXA) to (Series IXK), (Series XA), (Series XB), (Series XIA) to (Series XIG), (Series XIII A) and (Series XIII B)** of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

### Listing Fees

Listing Fees, as prescribed, has been paid to both the Stock Exchanges where the securities of the Company are listed.

### Debenture Trustees

#### For Non-convertible Debentures (Series V), (Series VIII), (Series IXA to Series IXE), (Series XIII A and Series XIII B)

Axis Trustee Services Limited  
Axis House, 2<sup>nd</sup> Floor, Wadia International Centre,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 025  
Tel No.: +91 22 24255215, Fax No.: +91 22 24255216  
Website: www.axistrustee.com

#### For Non-convertible Debentures (Series IV), (Series VII), (Series IXF to Series IXK), (Series XA & Series XB), (Series XIA to Series XIG)

Centbank Financial Services Limited  
Central Bank of India - MMO Building,  
3<sup>rd</sup> Floor, 55, M G Road, Fort, Mumbai - 400 001  
Tel No.: +91 22 2261 6217, Fax No.: +91 22 2261 6208

**Stock Code**

Shares	ISIN No.	Stock Code	
		BSE	NSE
Equity	INE623B01027	523574	FEL
Class B Shares (Series-1)	IN9623B01058	570002	FELDVR
12.10% Secured Non-Convertible Debentures (Series IV)	INE623B07065	947649	-
11.50% Secured Non-Convertible Debentures (Series V)	INE623B07073	949020	-
11.50% Secured Non-Convertible Debentures (Series VII)	INE998K07013	946840	-
11.50% Secured Non-Convertible Debentures (Series VIII)	INE998K07021	949039	-
10.25% Secured Non-Convertible Debentures (Series IXA)	INE623B07099	952008	-
10.25% Secured Non-Convertible Debentures (Series IXB)	INE623B07107	952009	-
10.25% Secured Non-Convertible Debentures (Series IXC)	INE623B07115	952010	-
10.10% Secured Non-Convertible Debentures (Series IXD)	INE623B07123	952045	-
10.10% Secured Non-Convertible Debentures (Series IXE)	INE623B07131	952046	-
10.10% Secured Non-Convertible Debentures (Series IXF)	INE623B07149	952053	-
10.10% Secured Non-Convertible Debentures (Series IXG)	INE623B07156	952054	-
10.10% Secured Non-Convertible Debentures (Series IXH)	INE623B07164	952074	-
10.10% Secured Non-Convertible Debentures (Series IXI)	INE623B07172	952075	-
10.10% Secured Non-Convertible Debentures (Series IXJ)	INE623B07180	952089	-
10.10% Secured Non-Convertible Debentures (Series IXK)	INE623B07198	952090	-
10.25% Secured Non-Convertible Debentures (Series XA)	INE623B07206	952097	-
10.25% Secured Non-Convertible Debentures (Series XB)	INE623B07214	952098	-
10.25% Secured Non-Convertible Debentures (Series XIA)	INE623B07222	952715	-
10.25% Secured Non-Convertible Debentures (Series XIB)	INE623B07230	952717	-
10.25% Secured Non-Convertible Debentures (Series XIC)	INE623B07248	952718	-
10.25% Secured Non-Convertible Debentures (Series XID)	INE623B07255	952721	-
10.25% Secured Non-Convertible Debentures (Series XIE)	INE623B07263	952880	-
10.25% Secured Non-Convertible Debentures (Series XIF)	INE623B07271	952881	-
10.25% Secured Non-Convertible Debentures (Series XIG)	INE623B07289	952879	-
10.10% Secured Non-Convertible Debentures (Series XIII A)	INE623B07297	952882	-
10.10% Secured Non-Convertible Debentures (Series XIII B)	INE623B07305	952883	-

**Corporate Identification Number (CIN)**

The Company's CIN as allotted by the Ministry of Corporate Affairs, is L52399MH1987PLC044954.



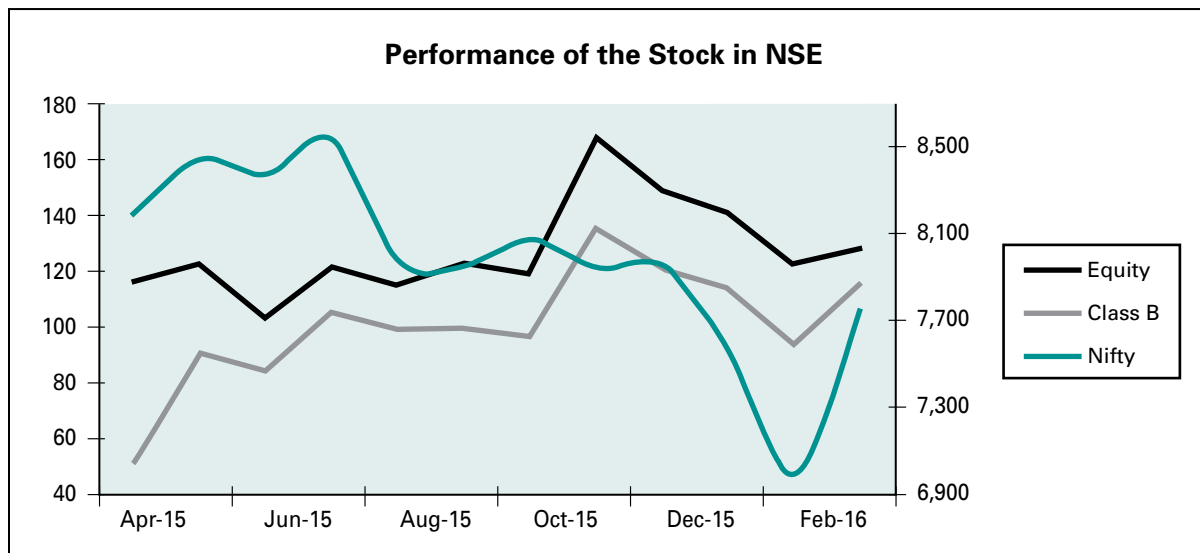
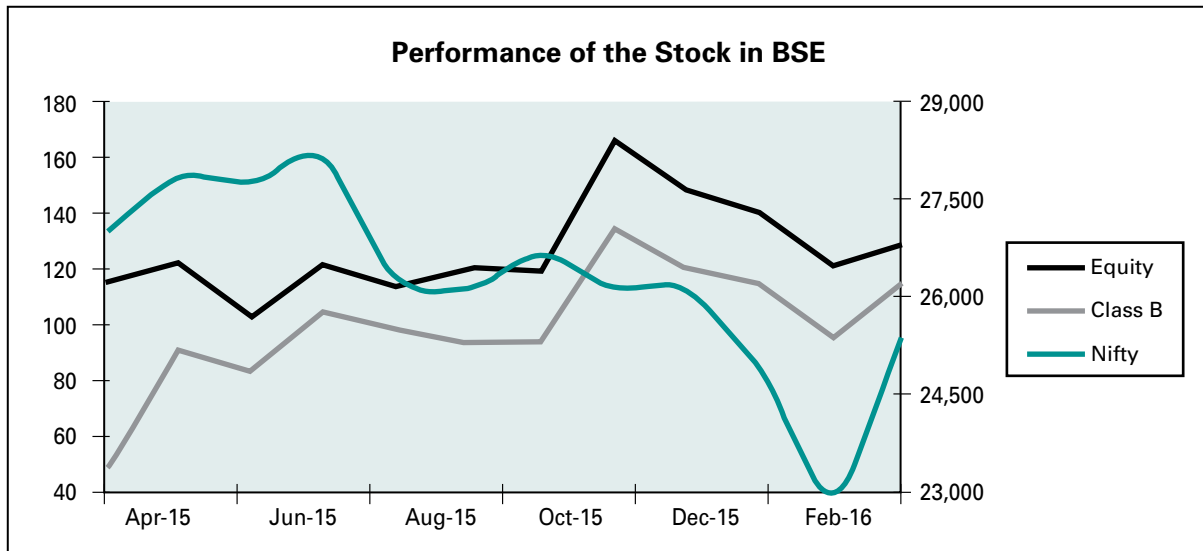
## Stock Performance

The performance of the Equity Shares of the company at the Stock Exchanges during the year under review is as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April-2015	116.95	98.05	3703247	116.95	97.50	18745696
May-2015	137.00	110.10	9719692	137.10	110.00	32377224
June-2015	121.25	94.00	16562248	123.70	93.80	26564418
July-2015	124.35	101.80	6104809	124.70	102.35	20618093
August-2015	132.80	98.75	2287039	133.00	98.20	15399789
September-2015	127.55	103.60	4705767	127.50	103.55	9156640
October-2015	148.80	117.55	9011966	148.75	117.15	20565120
November-2015	170.90	113.75	3500472	172.00	111.80	14926743
December-2015	172.85	137.65	4173125	172.95	137.65	20450573
January-2016	151.50	122.35	1677948	151.55	121.00	6288282
February-2016	144.50	112.45	1498705	144.80	112.10	4743140
March-2016	140.05	122.80	668685	140.25	122.00	5579140

The performance of the Class B Shares (Series-1) of the company at the Stock Exchanges during the year under review is as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April-2015	54.40	46.05	819116	54.45	45.75	175527
May-2015	96.00	52.30	518274	97.90	53.50	1799015
June-2015	90.90	76.55	66425	94.00	77.00	267295
July-2015	107.80	82.00	31483	115.00	81.50	460000
August-2015	113.00	86.00	54141	112.55	87.00	175767
September-2015	101.50	90.00	3089	116.40	90.00	38538
October-2015	129.65	93.05	51352	120.25	93.00	264819
November-2015	144.10	85.40	222255	144.20	85.50	345544
December-2015	138.90	101.00	37824	138.90	101.60	251386
January-2016	125.90	100.00	7974	125.75	100.05	74501
February-2016	114.80	90.00	7619	116.45	92.00	179942
March-2016	120.00	96.10	511493	119.40	94.00	230339



#### Share Transfer System

Trading in Equity Shares and Class B Shares (Series-1) of the Company through recognised Stock Exchanges is permitted only in dematerialized form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company. The Share Transfer Committee and Stakeholders' Relationship Committee meet as and when required to consider the transfer proposals and attend to Investors' grievances.

#### Dematerialisation of shares

99.74% of the Equity Shares and 99.72% of Class B Shares (Series-1) of the Company have been dematerialised as on March 31, 2016. The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares and Class B Shares (Series-1) as on March 31, 2016 are as under:

Particulars	Equity Shares		Class B Shares (Series-1)	
	No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
National Securities Depository Limited	31,59,31,976	81.32%	3,53,20,512	89.70%
Central Depository Services (India) Limited	7,15,47,407	18.42%	39,45,436	10.02%
<b>Total Dematerialised</b>	<b>38,74,79,383</b>	<b>99.74%</b>	<b>3,92,65,948</b>	<b>99.72%</b>
Physical	10,06,234	0.26%	1,08,731	0.28%
<b>Total</b>	<b>38,84,85,617</b>	<b>100.00%</b>	<b>3,93,74,679</b>	<b>100.00%</b>

#### Distribution of Shareholding of Equity and Class B Shares (Series-1) as on March 31, 2016

##### Equity Shares

No. of Shares	No. of shareholders	%	Total Shares	%
1-500	36,109	90.5351	38,47,888	0.9905
501-1000	2,201	5.5185	16,38,288	0.4217
1001-5000	1,173	2.9410	24,83,092	0.6392
5001-10000	144	0.3610	10,78,262	0.2776
10001-50000	133	0.3335	29,31,212	0.7545
50001-100000	40	0.1003	28,96,279	0.7455
100001-999999	56	0.1404	2,20,51,396	5.6762
Above 1000000	28	0.0702	35,15,59,200	90.4948
<b>Total</b>	<b>39884</b>	<b>100.0000</b>	<b>38,84,85,617</b>	<b>100.0000</b>

##### Class B Shares (Series-1)

No. of Shares	No. of shareholders	%	No. of Shares (₹)	%
1-500	13,451	97.1612	4,60,600	1.1698
501-1000	161	1.1630	1,19,984	0.3047
1001-5000	118	0.8524	2,55,464	0.6488
5001-10000	31	0.2239	2,31,760	0.5886
10001-50000	32	0.2311	6,93,367	1.7609
50001-100000	14	0.1011	9,78,521	2.4852
100001-999999	32	0.2311	1,09,67,719	27.8548
Above 1000000	5	0.0361	2,56,67,264	65.1872
<b>Total</b>	<b>13,844</b>	<b>100.0000</b>	<b>3,93,74,679</b>	<b>100.0000</b>

#### 14.14 Categories of Shareholders as on March 31, 2016

Category	Equity Shares		Class B Shares (Series-1)	
	No. of Shares	% holding	No. of Shares	% holding
Promoters and Promoter Group	20,17,05,865	51.92	2,84,09,571	72.15
Mutual Funds	1,09,89,914	2.83	3,90,384	0.99
Banks, Financial Institutions	50,34,717	1.30	96,991	0.25
Venture Capital Funds	0	0.00	0	0.00

Category	Equity Shares		Class B Shares (Series-1)	
	No. of Shares	% holding	No. of Shares	% holding
Insurance Companies	28,41,004	0.73	23,579	0.06
Foreign Portfolio Investor	8,63,07,013	22.22	1,51,350	0.38
Non Resident Indians	2,98,200	0.08	9,283	0.02
Bodies Companies	6,55,89,691	16.88	24,14,104	6.13
Indian Public (Individual)	1,48,31,657	3.82	65,88,763	16.73
Directors & their Relatives	0	0.00	0	0.00
Clearing Members	5,90,343	0.15	4,52,742	1.15
Trust	200	0.00	15	0.00
Hindu Undivided Family	2,97,013	0.08	8,37,897	2.13
Foreign Nationals	0	0.00	0	0.00
<b>Total</b>	<b>38,84,85,617</b>	<b>100.00</b>	<b>3,93,74,679</b>	<b>100.00</b>

#### **Outstanding GDR /ADR /Warrants or any convertible instruments, conversion date and impact on equity.**

During the year under review, the Company has issued 1,34,98,300 Class B Warrants at a price of ₹ 68.69 per Class B warrant (including share premium of ₹ 66.69 per Class B (Series-1)) each, to M/s. Future Corporate Resources Limited, a promoter group company on August 19, 2014 have been converted into 1,34,98,300 Class B Shares (Series-1) of ₹ 2/- each of the Company on July 06, 2015

#### **Plant Locations**

G-6, MIDC, Tarapur, Dist. Thane.

#### **Address for Correspondence:**

##### **Investor Correspondence for securities physical form**

Registrar and Share Transfer Agents  
Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L B S Marg, Bhandup (West), Mumbai – 400 078  
Telephone No. : 022- 2594 6970, Fax No. : 022 – 2594 6969  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), Website: [www.linkintime.co.in](http://www.linkintime.co.in)

##### **For securities held in demat Form**

Investors' concerned Depository Participant(s) and / or Link Intime India Private Limited.

For any query on the Annual Report:

Mr. Deepak Tanna  
Company Secretary  
Future Enterprises Limited  
Knowledge House, Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai 400060  
Tel No: +91 22 6644 2200, Fax No: +91 22 6644 2201  
Email : [investorrelations@futuregroup.in](mailto:investorrelations@futuregroup.in), Website: [www.felindia.in](http://www.felindia.in)

#### **Discretionary requirements:**

- 1. Chairman of the Board:** At present, Company do not have a Chairman for the Board. The Company did not maintain a Chairman's office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review. However during the current financial year 2016-17, the Company has appointed Chairman of the Board
- 2. Shareholders' Rights:** Quarterly / half yearly / annual financial results of the Company are furnished to the Stock Exchanges and are also published in the news papers and uploaded on website of the Company. Hence, half yearly results were not separately sent to shareholders. Significant events are also posted on the Company's website under the Investors Section. The complete Annual Report sent to every shareholder of the Company.
- 3. Modified Opinion(s) in Audit Report:** During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continue to adopt best practices and ensure a track record of financial statements with unmodified audit opinion.

4. **Reporting of Internal Auditor:** Internal Auditors are invited to the meetings of Audit Committee to make presentation directly to the Committee on their observations during the course of their Internal Audit.
5. **Separate posts of Chairman and CEO:** The Company do not have a Chairman. There is no CEO at Company level however, for each category of business a separate CEO is appointed.
6. **Unclaimed Dividend:**

Pursuant to Section 124 of the Companies Act, 2013, dividends that are unpaid / unclaimed for a period of seven years from the dates it became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central government. Given below the dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
30/06/2009	02/12/2009	06/12/2009	07/01/2017
30/06/2010	03/11/2010	07/11/2010	09/12/2017
30/06/2011	15/11/2011	19/11/2011	21/12/2018
31/12/2012	08/05/2013	12/05/2013	13/06/2020
31/03/2014	02/08/2014	06/08/2014	07/09/2021
31/03/2015	26/08/2015	31/08/2015	01/10/2022

Members who have so far not encashed their dividend warrants are requested to write to the Company / Registrar and Share Transfer Agent and claim the same, to avoid transfer to IEPF. Members are advised that no claims shall be lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund.

During the Financial period under review, the Company has transferred unpaid/unclaimed dividend of ₹ 5,32,366/- relating to financial year 2007-08 to Investor Education and Protection Fund.

#### 7. **Equity Shares in the Suspense Account**

Pursuant to Regulation 39 (4) read with Schedule V of the Listing Regulations, pertaining to outstanding shares lying in Unclaimed Suspense Account at the beginning of Financial year under review, the aggregate number of shareholders holding Equity Shares were 92 and that of holding Class B (Series-1) shares were 84 holding 92,010 equity shares and 9,250 Class B (Series I) shares respectively. The total shareholders continue to remain 92 for Equity shares and 84 for Class B (Series I) shares holds 92,010 Equity and 9,250 Class B (Series I) outstanding shares respectively lying in the Unclaimed Suspense Account as on March 31, 2016. All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

#### 8. **ESOS**

The Company has reserved issuance of 20,47,112 (2015: 22,11,406) Equity Shares of ₹ 2/- each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). During the year, Company has granted 7,57,896 (2015: 4,14,514) to the eligible employees at exercise price ₹ 10/- per option plus all applicable taxes, as may be levied in this regard on the company. Out of the 4,14,514 options granted to employees in previous year. The options would vest over a maximum period of 3 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.



## AUDITORS REPORT ON CORPORATE GOVERNANCE

To  
The Members of  
Future Enterprises Limited  
(formerly Known as Future Retail Limited)

We have examined the compliance of conditions of Corporate Governance by Future Enterprises Limited ('the Company') for the financial year ended on March 31, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period April 01, 2015 to November 30, 2015 and as per relevant provisions of the of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period December 01, 2015 to March 31, 2016

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations as applicable.

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

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**

Partner  
Membership No. 042472

Place: Mumbai  
Date : May 28, 2016

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## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To  
The Members of  
Future Enterprises Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2016.

**For Future Enterprises Limited**

**Vijay Biyani**  
Managing Director

Place: Mumbai  
Date : May 28, 2016

## Future Enterprises Ltd.

### 10 YEAR FINANCIAL SUMMARY

#### Key Highlights of Financial Position

₹ In Crore

Particulars	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15	Mar-16
Share Capital	26.88	29.35	31.86	38.06	41.23	106.90	46.32	46.32	82.84	85.57
Reserves & Surplus	500.02	1,062.82	1,751.50	2,211.48	2,527.48	2,671.23	3,276.23	3,205.33	5,091.90	3,223.52
Net Worth	526.90	1,092.18	1,846.62	2,272.42	2,756.25	2,878.13	3,322.54	3,251.65	5,197.92	3,317.79
Total Borrowings	601.39	1,299.58	2,191.78	2,850.39	1,386.22	2,028.12	3,507.13	6,267.94	4,822.75	4,849.58
Capital Employed	1,128.29	2,391.76	4,038.40	5,122.81	4,142.47	4,906.25	6,829.67	9,519.59	10,020.66	8,167.37
Net Block	309.43	674.60	1,198.17	1,568.76	1,122.15	1,467.03	2,283.32	4,340.25	4,831.66	5,279.41
Investments	161.67	252.01	586.52	954.03	2,002.91	2,250.52	2,280.23	1,349.52	1,295.16	1,294.68
Inventory	507.02	885.96	1,429.84	1,787.84	1,270.67	1,762.20	2,140.24	3,113.29	3,522.68	859.91

#### Key Highlights of Financial Results

₹ In Crore

Particulars	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15	Mar-16
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	18 Months	15 Months	12 Months	12 Months
Sales & Operating Income	1,868.97	3,236.74	5,048.91	6,341.70	5,934.37	4,101.48	6,987.73	11,577.44	10,341.66	8,339.56
Total Income	1,871.97	3,328.77	5,052.67	6,347.77	6,019.00	4,117.82	7,015.43	11,605.18	10,368.39	8,376.47
COGS	1,243.43	2,245.05	3,512.19	4,429.95	4,062.53	2,649.62	4,444.39	8,497.65	7,408.18	6,007.94
EBIDTA	149.64	307.63	464.28	674.50	676.70	435.33	1,060.60	1098.16	1,243.28	1,048.75
Interest	36.92	89.76	185.27	318.22	288.24	173.66	460.41	692.54	669.04	488.86
Depreciation	20.82	36.86	83.39	140.05	161.88	146.37	311.87	404.34	512.88	546.74
Profit Before Tax	91.82	180.96	195.64	216.23	213.64	115.29	288.32	1.27	61.37	13.15
Profit After Tax	64.16	119.99	125.97	140.58	179.56	76.66	273.26	2.81	74.07	11.83

#### Key Financial Ratios

Particulars	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15	Mar-16
COGS/Sales & Operating Income(%)	66.53%	69.36%	69.56%	69.85%	68.46%	64.60%	63.60%	73.40%	71.63%	72.04%
Interest/Total Income (%)	1.97%	2.70%	3.67%	5.01%	4.79%	4.22%	6.56%	5.97%	6.45%	5.84%
EBIDTA/ Interest (Debt-Service Ratio)	4.05	3.43	2.51	2.12	2.35	2.51	2.30	1.59	1.86	2.15
EBIDTA/Total Income (%)	7.99%	9.24%	9.19%	10.63%	11.24%	10.57%	15.12%	9.46%	11.99%	12.52%
PBT/Total Income (%)	4.91%	5.44%	3.87%	3.41%	3.55%	2.80%	4.11%	0.01%	0.59%	0.16%
PAT/Total Income (%)	3.43%	3.60%	2.49%	2.21%	2.98%	1.86%	3.90%	0.02%	0.71%	0.14%
Basic EPS (₹)	5.06	8.71	7.54	7.94	8.46	3.54	12.08	0.12	2.75	0.26
Debt Equity Ratio	1.14	1.19	1.19	1.25	0.50	0.70	1.06	1.93	0.93	1.46

Note:

- EBIDTA, PBT and PAT numbers for financial period ending December 2012 is on total income (inclusive of all incomes earned during the year).
- Financial numbers for the period ended December 31, 2012 & March 31, 2014 are for the period of 18 Months & 15 Months hence not comparable with previous years.
- Financial numbers of the year ended March 31, 2016 includes 12 Months Retail Infrastructure, other operations and 7 Months of Retail business of the Company and 5 Months of Retail Infrastructure operation of FRL.

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**Future Enterprises Limited**  
(formerly known as Future Retail Limited)

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **FUTURE ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of company as at March 31, 2016, its profit and its cash flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the Directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B" and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term

contracts including derivative contracts for which there were any material foreseeable losses.

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

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**

Partner

Membership No. 042472

Mumbai

May 28, 2016

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **FUTURE ENTERPRISES LIMITED** (formerly known as Future Retail Limited) on the standalone financial statements for the year ended March 31, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Custom Duty, Income-Tax, Sales-Tax, Service-Tax, VAT, Cess and Other Material Statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Service-Tax, Cess and Other Material Statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following dues of income tax have not been deposited with the appropriate authorities on account of dispute.

Name of the Statute	Nature of the dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	4.11	AY : 2004-05 ; 2008-09; 2010-11; 2011-12	Commissioner of Income Tax (Appeal); Income Tax Appellate Tribunal

- (viii) Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government and debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid managerial remuneration pursuant to special resolution passed by shareholders on general meeting held on August 2, 2014 and August 26, 2015. However in terms of the provisions of section 197 read with schedule V to the Companies Act 2013, excess remuneration of ₹ 2.38 Crore has been paid. Application for seeking approval of excess remuneration paid for one

director has been filed with the Central Government and for two directors, company is in process of filing applications for seeking approval for reappointment and payment of remuneration / excess remuneration paid. In case any of these applications are adjudicated unfavourably, the company will proceed for recovery from concerned managerial personnel in accordance with applicable provisions of the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any private placement of optionally convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**

Partner  
Membership No. 042472

Mumbai  
May 28, 2016



## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **FUTURE ENTERPRISES LIMITED** (formerly known as **FUTURE RETAIL LIMITED**) ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner

Mumbai  
May 28, 2016

Membership No. 042472



## BALANCE SHEET AS AT MARCH 31, 2016

(₹ in Crore)

	Note	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	85.57	82.84
Equity Warrants	2	-	23.18
Share Capital Suspense	2A	8.70	-
Reserves and Surplus	3	3,223.52	5,091.90
		<b>3,317.79</b>	<b>5,197.92</b>
<b>Optionally Convertible Debentures</b>	4	<b>95.80</b>	<b>150.00</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	4,441.34	2,918.56
Deferred Tax Liabilities (Net)	52	59.21	167.48
Other Long-Term Liabilities	6	505.86	-
Long-Term Provisions	7	2.34	19.12
		<b>5,008.75</b>	<b>3,105.16</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	17.30	1,132.37
Trade Payables	9	531.04	2,042.03
Other Current Liabilities	10	538.15	954.76
Short-Term Provisions	11	5.77	34.25
		<b>1,092.26</b>	<b>4,163.41</b>
<b>TOTAL</b>		<b>9,514.60</b>	<b>12,616.49</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
Tangible Assets		5,279.41	4,597.58
Intangible Assets		-	234.08
Capital Work-in-Progress		420.11	274.92
Non-Current Investments	13	1,294.68	1,295.16
Long-Term Loans and Advances	14	430.60	478.19
		<b>7,424.80</b>	<b>6,879.93</b>
<b>Current Assets</b>			
Inventories	15	859.91	3,522.68
Trade Receivables	16	256.00	397.97
Cash and Bank Balances	17	77.83	104.49
Short-Term Loans and Advances	18	895.74	1,702.38
Other Current Assets	19	0.32	9.04
		<b>2,089.80</b>	<b>5,736.56</b>
<b>TOTAL</b>		<b>9,514.60</b>	<b>12,616.49</b>
The accompanying notes are an integral part of these financial statements.	1-55		

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants

**V. K. Chopra**

Chairman & Director

**Kishore Biyani**

Vice-Chairman & Director

**Vijay Biyani**

Managing Director

**Ashok A. Trivedi**

Partner

Membership No.: 042472

**S. Doreswamy**

Director

**Anil Harish**

Director

**Bala Deshpande**

Director

**Mumbai**

May 28, 2016

**Dinesh Maheshwari**

Executive Director & Chief Financial Officer

**Deepak Tanna**

Company Secretary

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Crore)

	Note	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>INCOME</b>			
Revenue from Operations	20	8,339.56	10,341.66
Other Income	21	36.91	26.73
<b>Total Revenue</b>		<b>8,376.47</b>	<b>10,368.39</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		20.30	16.67
Purchases of Stock-in-Trade		6,215.85	7,803.49
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(228.21)	(411.98)
Employee Benefits Expense	23	279.44	381.87
Finance Costs	24	488.86	669.04
Depreciation and Amortization Expense	12	546.74	512.88
Other Expenses	25	1,040.34	1,435.57
<b>Total Expenses</b>		<b>8,363.32</b>	<b>10,407.54</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>13.15</b>	<b>(39.15)</b>
Exceptional Items	26	-	100.51
<b>Profit Before Tax For The Year</b>		<b>13.15</b>	<b>61.36</b>
<b>Tax Expense</b>	36	<b>1.32</b>	<b>(12.70)</b>
<b>Profit After Tax For The Year</b>		<b>11.83</b>	<b>74.06</b>
<b>Earnings Per Equity Share of Face Value of ₹ 2/- each</b>	32		
Basic - Equity Share		0.26	2.75
Basic - Class B (Series-1) Share		0.30	2.79
Diluted - Equity Share		0.26	2.75
Diluted - Class B (Series-1) Share		0.30	2.79
The accompanying notes are an integral part of these financial statements.	1-55		

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants

**V. K. Chopra**  
Chairman & Director

**Kishore Biyani**  
Vice-Chairman & Director

**Vijay Biyani**  
Managing Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**S. Doreswamy**  
Director

**Anil Harish**  
Director

**Bala Deshpande**  
Director

**Mumbai**  
May 28, 2016

**Dinesh Maheshwari**  
Executive Director & Chief Financial Officer

**Deepak Tanna**  
Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1 Corporate Information

Future Enterprises Limited (formerly known as Future Retail Limited) ('the Company') is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956 on October 12, 1987. The Company engaged in the business of retailing a variety of household, consumer and fashion products and also engaged in manufacturing of garments.

### 1.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

### 1.2 Summary of Significant Accounting Policies

#### A. Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognised in future period.

#### B. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided pro rata for the period of use on straight line basis as per the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 except for leasehold improvements which are depreciated over the lease term and employee perquisite related assets which are depreciated over three years.

#### C. Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful life of ten years.

#### D. Investments

Current investments are carried at lower of cost and fair value computed on individual investment basis. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

#### E. Inventories

Inventories are valued at lower of cost and net realizable value. Finished Goods and Work-in-Progress include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed on weighted average basis.

#### F. Foreign Currency Transaction

Transactions in foreign currencies are recorded at the prevailing rates of exchange on the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the balance sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss. Exchange differences on forward contracts entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability, are recognised in the statement of profit and loss in the reporting period in which the exchange rate changes. Premium/Discount on foreign exchange contracts are recognised as an expense/income over the life of the contract.

#### G. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the period they occur in the Statement of Profit and Loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### H. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognised when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts VAT and Sales Tax. Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of taxes. Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate. Dividend income is recognised when right to receive is established.

### I. Retirement and Other Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present of the amounts payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

### J. Income Taxes

Tax expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

### K. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### L. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

### M. Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Share Capital

	As at March 31, 2016		As at March 31, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crore)
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	45,00,00,000	90.00	45,00,00,000	90.00
Equity Shares of Class B (Series -1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
Preference Shares of ₹ 100/- each	30,00,000	30.00	30,00,000	30.00
	<b>50,30,00,000</b>	<b>130.00</b>	<b>50,30,00,000</b>	<b>130.00</b>
<b>Issued *</b>				
Equity Shares of ₹ 2/- each	38,85,81,495	77.72	38,84,17,201	77.68
Equity Shares of Class B (Series -1) of ₹ 2/- each	3,93,83,172	7.88	2,58,84,872	5.18
	<b>42,79,64,667</b>	<b>85.59</b>	<b>41,43,02,073</b>	<b>82.86</b>
<b>Subscribed and Paid up *</b>				
Equity Shares of ₹ 2/- each	38,84,85,617	77.70	38,83,21,323	77.66
Equity Shares of Class B (Series -1) of ₹ 2/- each	3,93,74,679	7.87	2,58,76,379	5.18
	<b>42,78,60,296</b>	<b>85.57</b>	<b>41,41,97,702</b>	<b>82.84</b>

\*Refer Note No. 2(v)

#### (i) Reconciliation of Number of shares Equity Share of ₹ 2/- each

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	38,83,21,323	21,56,53,439
Shares issued*	1,64,294	17,26,67,884
Closing Balance	<b>38,84,85,617</b>	<b>38,83,21,323</b>

\* 1,64,294 equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme (Refer Note No. 47)

#### Equity Shares of Class B (Series -1) of ₹ 2/- each

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	2,58,76,379	1,59,29,152
Shares issued #	1,34,98,300	99,47,227
Closing Balance	<b>3,93,74,679</b>	<b>2,58,76,379</b>

# The Company has allotted 1,34,98,300 Class B (Series-1) Shares of ₹ 2/- each at a premium ₹ 66.69 per Class B (Series-1) Share on July 6, 2015 pursuant to exercise of Class B Warrants conversion.

#### (ii) Terms/Rights Attached to Equity Shares

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series-1) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company.

Each holder of Class B (Series-1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series-1) shares held in case of voting by poll/ballot. Each holder of Class B (Series-1) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the company. Further, the Company may declare dividend only for Class B (Series-1) Share up to 2% without declaring any dividend for Equity Shares. All other rights would be same for both classes of Equity Shares.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

- (iii) The Company does not have any holding Company.
- (iv) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Future Corporate Resources Limited	16,27,71,294	41.90	15,75,96,398	40.58
PIL Industries Limited	3,83,98,056	9.88	3,78,98,109	9.76
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited	3,16,37,118	8.14	3,16,37,118	8.15
Brand Equity Treaties Limited	2,49,99,999	6.44	2,49,99,999	6.44
Counseled Mercantile Private Limited	-	-	2,18,28,193	5.62
Bennett, Coleman and Company Limited	2,03,91,700	5.25	2,03,91,700	5.25
<b>Equity Shares of Class B (Series -1)</b>				
Future Corporate Resources Limited	1,47,73,796	37.52	-	-
PIL Industries Limited	57,38,034	14.57	57,38,034	22.17
Gargi Business Ventures Private Limited (f/k/a - Gargi Developers Private Limited)	45,50,000	11.56	45,50,000	17.58
Manz Retail Private Limited	-	-	15,79,103	6.10

- (v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.
- a) 11,400 Equity Shares of Rights Issue of 2006.
- b) 84,478 Equity Shares of Rights Issue of 2015.
- c) 8,493 Equity Shares of Class B (Series-1) of Rights Issue of 2015.
- (vi) The Company has issued 1,34,98,300 Class B (Series-1) shares on exercise of option conversion of Class B warrant upon receipt of balance subscription amount.

### 2A. Share Capital Suspense Account

	As at March 31, 2016		As at March 31, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crore)
4,34,78,261 Equity Shares of ₹ 2/- each, fully paid-up, to be issued pursuant to the Composite Scheme of Arrangement with Future Retail Limited (f/k/a Bharti Retail Limited) (Refer Note No. 49)	4,34,78,261	8.70	-	-
	4,34,78,261	8.70	-	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>3. Reserve and Surplus</b>		
<b>Capital Reserve</b>		
Opening Balance	535.68	535.68
Less : On Composite Scheme of Arrangement (Refer Note No. 49)	535.68	-
	-	535.68
<b>Securities Premium Account</b>		
Opening Balance	4,074.12	2,226.40
Add : Issue of Equity Shares	91.76	1,854.58
Less : On Composite Scheme of Arrangement (Refer Note No. 49)	1,433.17	-
Less : Share Issue Expenses	-	6.86
	2,732.71	4,074.12
<b>Debenture Redemption Reserve</b>		
Opening Balance	268.13	268.13
	268.13	268.13
<b>Share Options Outstanding Account</b>		
Opening Balance	1.01	3.07
Charge For the Year (Refer Note No. 47)	4.95	0.96
Utilised During the Year	1.60	3.02
	4.36	1.01
<b>General Reserve</b>		
Opening Balance	110.82	103.41
Add : Transferred from Statement of Profit and Loss	-	7.41
	110.82	110.82
<b>Surplus</b>		
Opening Balance	102.14	68.64
Add : Profit for the Year	11.83	74.06
Less : Dividend and Tax on Dividend, on Equity Shares Issued After April 1 till the Record Date	1.13	-
Less : Adjustment Relating to Fixed Assets	-	3.21
Less : Appropriation		
Transferred to General Reserve	-	7.41
Proposed Dividend on Equity Shares	4.44	24.96
Tax on Dividend	0.90	4.99
	107.50	102.14
	3,223.52	5,091.90

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>4. Optionally Convertible Debentures</b>		
958 Optionally Convertible Debentures having face value of ₹ 10,00,000 each (Refer Note No. 48)	95.80	-
Series 2 - Nil (2015 : 1500) 12.50 % p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each	-	150.00
	<b>95.80</b>	<b>150.00</b>
<b>5. Long-Term Borrowings</b>		
<b>Secured (Refer Note No. 45)</b>		
Non-Convertible Debentures	3,737.50	1,405.00
Term Loans from Banks	603.84	1,413.56
Term Loan from Other	100.00	100.00
	<b>4,441.34</b>	<b>2,918.56</b>
<b>6. Other Long-Term Liabilities</b>		
Deposit Received from Others	505.86	-
	<b>505.86</b>	-
<b>7. Long-Term Provisions</b>		
Provision for Employee Benefits	2.34	19.12
	<b>2.34</b>	<b>19.12</b>
<b>8. Short-Term Borrowings</b>		
<b>Secured (Refer Note No. 45)</b>		
Term Loans from Banks	-	150.00
Working Capital Loans from Banks	3.50	968.57
	<b>3.50</b>	<b>1,118.57</b>
<b>Unsecured</b>		
Loan from Related Party	13.80	13.80
	<b>13.80</b>	<b>13.80</b>
	<b>17.30</b>	<b>1,132.37</b>
<b>9. Trade Payables</b>		
Trade Payables (Refer Note No. 37)	531.04	2,042.03
	<b>531.04</b>	<b>2,042.03</b>
<b>10. Other Current Liabilities</b>		
Current Maturities of Long-Term Borrowings	295.14	621.82
Interest Accrued but Not Due on Borrowings	126.38	67.23
Unclaimed Dividends*	0.44	0.44
Other Payables#	116.19	265.27
	<b>538.15</b>	<b>954.76</b>
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, etc.		
<b>11. Short-Term Provisions</b>		
Provision for Employee Benefits	0.43	4.31
Proposed Dividend	4.44	24.96
Tax on Dividend	0.90	4.99
	<b>5.77</b>	<b>34.25</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 12. Fixed Assets

(₹ in Crore)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at April 01, 2015	Additions#	Deductions#	As at March 31, 2016	Up to March 31, 2015	Adjustment#	For the Year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>(A) Tangible Asset</b>										
Freehold Land	4.83	-	-	4.83	-	-	-	-	4.83	4.83
Leasehold Land	1.17	-	-	1.17	0.24	-	0.02	0.26	0.91	0.93
Buildings	9.97	-	-	9.97	2.44	-	0.10	2.54	7.43	7.53
Leasehold Improvement	1,211.09	330.99	25.08	1,517.00	188.22	4.99	63.82	247.05	1,269.95	1,022.87
Plant and Equipments	757.57	205.61	2.59	960.59	77.88	-	56.76	134.64	825.95	679.69
Office Equipments	42.57	7.78	0.00	50.35	13.95	-	10.22	24.17	26.18	28.62
Computers	185.57	29.05	0.32	214.30	31.61	-	37.07	68.68	145.62	153.96
Furniture and Fittings	2,045.21	456.11	7.10	2,494.22	333.01	-	230.31	563.32	1,930.90	1,712.20
Electrical Installations	1,152.69	217.24	6.78	1,363.15	170.41	1.68	130.53	299.26	1,063.89	982.28
Vehicles	7.59	-	-	7.59	2.92	-	0.92	3.84	3.75	4.67
<b>Total</b>	5,418.26	1,246.78	41.87	6,623.17	820.68	6.67	529.75	1,343.76	5,279.41	4,597.58
<b>(B) Intangible Asset</b>										
Computer Software #	291.26	18.32	309.58	-	57.18	74.17	16.99	-	-	234.08
<b>Total</b>	291.26	18.32	309.58	-	57.18	74.17	16.99	-	-	234.08
<b>Grand Total</b>	<b>5,709.52</b>	<b>1,265.10</b>	<b>351.45</b>	<b>6,623.17</b>	<b>877.86</b>	<b>80.84</b>	<b>546.74</b>	<b>1,343.76</b>	<b>5,279.41</b>	<b>4,831.66</b>
Previous Year	5,022.23	1,159.39	472.10	5,709.52	681.98	317.00	512.88	877.86	4,831.66	4,340.25

# includes impact of Composite Scheme of Arrangement (Refer Note No.49)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016		As at March 31, 2015	
<b>13. Non-Current Investments</b>				
Trade Investments Fully paid up of ₹ 10/- each unless otherwise stated				
Investments in				
Equity Instruments				
Quoted				
Associates				
49,37,935 Equity Shares of Galaxy Entertainment Corporation Limited	<b>19.03</b>		19.03	
Less : Provision	<b>15.79</b>	<b>3.24</b>	15.79	3.24
Others				
15,00,00,000 Equity Shares of Future Consumer Enterprise Limited of ₹ 6/- each		<b>90.38</b>		90.38
60,82,359 (63,46,980) Equity Shares of Centrum Capital Limited of ₹ 1/- each		<b>11.02</b>		11.50
3,05,70,108 Equity Shares of Future Lifestyle Fashions Limited of ₹ 2/- each		<b>333.65</b>		333.65
Unquoted				
Subsidiary Companies				
1,91,60,000 Equity Shares of Futurebazaar India Limited		<b>19.16</b>		19.16
2,74,62,962 Equity Shares of Future Supply Chain Solutions Limited		<b>64.50</b>		64.50
2,73,78,746 Equity Shares of Future Media (India) Limited		<b>36.65</b>		36.65
1,69,98,000 Equity Shares of Future E-Commerce Infrastructure Limited		<b>17.00</b>		17.00
32,20,133 Equity Shares of Staples Future Office Products Limited		<b>27.92</b>		27.92
Joint Ventures				
22,03,500 Equity Shares of Apollo Design Apparel Parks Limited		<b>73.64</b>		73.64
18,10,50,000 Equity Shares of Future Generali India Insurance Company Limited		<b>181.05</b>		181.05
4,35,60,000 Equity Shares of Future Generali India Life Insurance Company Limited		<b>43.56</b>		43.56
22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited		<b>70.30</b>		70.30
17,86,99,931 Equity Shares of Sprint Advisory Services Private Limited		<b>178.70</b>		178.70

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
8,74,95,000 Equity Shares of Shendra Advisory Services Private Limited	87.50	87.50
<b>In Preference Shares</b>		
Unquoted		
Subsidiary		
35,64,096 0.01% Non-Cumulative Compulsory Convertible Preference Shares (Series -2) of Future E-Commerce Infrastructure Limited	48.47	48.47
<b>Others</b>		
11,92,759 0.01% Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited	1.19	1.19
<b>Non-Trade Investments paid up of ₹ 10/- each unless otherwise stated</b>		
<b>Equity Instruments</b>		
Unquoted		
Others		
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
Less : Provision	0.08	- 0.08
35,78,278 Equity Shares of Pan India Food Solutions Private Limited	3.58	3.58
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	2.90	2.90
5 Shares of Y. A. Chunawala Industrial Co-op Society Limited	0.00	0.00
<b>In Government and Other Securities</b>		
Unquoted		
National Saving Certificates (Deposited with Sales Tax Authorities)	0.05	0.05
LIC Mutual Fund Liquid Plan	0.22	0.22
	<b>1,294.68</b>	<b>1,295.16</b>
Note:		
1 Aggregate Amount of Quoted Investments	454.08	454.56
2 Market Value of Quoted Investments	566.01	411.88
3 Aggregate Amount of Unquoted Investments	856.47	856.47
4 Aggregate Amount of Diminution in Value of Investments	15.87	15.87

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>14. Long-Term Loans and Advances</b>		
(Unsecured, Considered Good)		
Capital Advances	29.41	27.54
Loans and Advances to		
Others *	249.56	207.79
Deposits to		
Related Parties	8.60	10.10
Others	143.03	232.76
	151.63	242.86
	430.60	478.19
* Includes balances with government authorities, Deduction/Payment of Income Tax, advance to suppliers (Net of Provisions etc.).		
<b>15. Inventories</b>		
Raw Materials	2.64	1.23
Work-in-Progress	3.12	3.41
Stock-in-Trade [Goods-in-Transit of ₹ 5.47 Crore (2015: ₹ 94.23 Crore)]	854.15	3,515.11
Packing Materials	-	2.93
	859.91	3,522.68
<b>16. Trade Receivables</b>		
(Unsecured, Considered Good)		
Outstanding for a period more than six months from the date they are due for payment	39.24	47.81
Other Receivables	216.76	350.16
	256.00	397.97
<b>17. Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	56.58	26.57
Cheques on Hand	-	0.77
Cash on Hand	0.05	16.07
Other Bank Balances		
Dividend Accounts	0.44	0.44
Earmarked Balances with Bank*	20.76	60.64
	77.83	104.49
*Include deposits of ₹ 0.04 Crore (2015: ₹ 4.92 Crore) with maturity of more than 12 months.		



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>18. Short-Term Loans and Advances</b>		
(Secured, Considered Good)		
Loans and Advances	90.80	130.05
	90.80	130.05
(Unsecured, Considered Good)		
Loans and Advances to		
Related Parties	200.75	366.58
Others *	582.13	734.39
Deposits to		
Related Parties	-	125.14
Others	22.06	346.22
	804.94	1,572.33
	895.74	1,702.38
*Includes balances with government authorities, advance to suppliers, Share Application Money, prepaid expenses etc.		
<b>19. Other Current Assets</b>		
Other Receivables *	0.32	9.04
*Includes Insurance Claim Receivables	0.32	9.04

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>20. Revenue from Operations</b>		
Sale of Products	8,414.12	10,810.42
Less: Vat, Sales Tax	432.92	652.37
Less: Excise Duty	0.12	0.26
Other Operating Revenue	358.48	183.87
	<b>8,339.56</b>	<b>10,341.66</b>
<b>21. Other Income</b>		
Interest Income	26.98	9.89
Dividend on Non-Current Investments	3.47	3.16
Provision Written Back	0.05	3.36
Miscellaneous Income	6.41	10.32
	<b>36.91</b>	<b>26.73</b>
<b>22. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Opening Inventories</b>		
Stock-in-Trade	3,515.11	3,104.65
Work-in-Progress	3.41	1.89
Less- On Composite Scheme of Arrangement (Refer Note No. 49)	2,889.46	-
<b>Closing Inventories</b>		
Stock-in-Trade	854.15	3,515.11
Work-in-Progress	3.12	3.41
	<b>(228.21)</b>	<b>(411.98)</b>
<b>23. Employee Benefits Expense</b>		
Salaries, Wages and Bonus	250.26	340.71
Contribution to Provident and Other Funds	15.45	20.95
Expense on Employee Stock Option Scheme (Refer Note No. 47)	4.95	0.96
Staff Welfare Expenses	8.78	14.72
	<b>279.44</b>	<b>377.34</b>
<b>24. Finance Costs</b>		
Interest Expense	480.32	660.85
Other Borrowing Costs	8.54	8.19
	<b>488.86</b>	<b>669.04</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>25. Other Expenses</b>		
Consumption of Stores and Spare Parts	0.62	0.45
Power and Fuel	113.28	176.69
Repairs and Maintenance		
Machinery	0.59	0.67
Others	17.20	30.61
Insurance	7.30	8.97
Rates and Taxes	4.39	11.91
Rent Including Lease Rentals	351.59	571.14
Advertisement and Marketing	171.90	204.39
Loss on Disposal/Discard of Fixed Assets (Net)	22.24	42.78
Bad Debts Written Off	9.71	17.64
Exchange Fluctuation Loss (Net)	3.68	3.94
Net Loss on Sale of Non-Current Investments	0.25	-
Miscellaneous Expenses	337.59	370.90
	<b>1,040.34</b>	<b>1,440.09</b>
<b>26. Exceptional Items</b>		
Net Gain on Sale of Non-Current Investments	-	100.51
	-	100.51

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27. As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

### A. Change in Present Value of Obligation

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present Value of the Obligation at the Beginning of Year	4.26	3.84	13.17	11.20	10.26	8.33
Less: Pursuant to Composite Scheme of Arrangement	(4.26)	-	(9.54)	-	(8.15)	-
Interest Cost	-	-	0.29	1.20	0.17	0.66
Current Service Cost	-	-	0.42	4.30	0.29	3.91
Benefits Paid	-	-	(1.87)	(2.76)	(1.88)	(2.90)
Actuarial (Gain)/Loss on Obligations	-	0.42	(0.72)	(0.77)	0.33	0.26
Present Value of the Obligation at the Year end	-	4.26	1.75	13.17	1.02	10.26
Fair Value of Plan Assets	-	4.26	-	-	-	-
Un-Funded Liability	-	-	1.75	13.17	1.02	10.26

### B. Amount Recognised in the Balance Sheet

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present Value of the Obligation	-	4.26	1.75	13.17	1.02	10.26
Fair Value of Plan Assets	-	4.26	-	-	-	-
Un-Funded Liability	-	-	1.75	13.17	1.02	10.26
Un-Funded Liability Recognised in Balance Sheet	-	-	1.75	13.17	1.02	10.26

### C. Amount Recognised in the Profit and Loss Account

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Interest Cost	-	-	0.29	1.20	0.17	0.66
Current Service Cost	-	-	0.42	4.30	0.29	3.91
Actuarial (Gain)/Loss on Obligations	-	-	(0.72)	(0.77)	0.33	0.26
Actual Return on Plan Assets	-	0.42	-	-	-	-
Total Expense Recognised in the Profit and Loss Account	-	-	(0.01)	4.73	0.79	4.83

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### D. Reconciliation of Balance Sheet

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present Value of the Obligation at the Beginning of Year	-	3.84	13.17	11.20	10.26	8.33
Pursuant to the Composite Scheme of Arrangement	-	-	(9.54)	-	(8.15)	-
Total Expense Recognised in the Profit and Loss Account	-	0.42	(0.01)	4.73	0.79	4.83
Benefit Paid During the Year	-	-	(1.87)	2.76	(1.88)	2.90
Fair Value of Plan Assets	-	4.26	-	-	-	-
Present Value of the Obligation at the Year end	-	4.26	1.75	13.17	1.02	10.26

### E. Experience Adjustments

(₹ in Crore)

Gratuity	June 30, 2011	December 31, 2012	March 31, 2014	March 31, 2015	March 31, 2016
Defined Benefit Obligation	5.18	6.98	15.04	17.43	1.75
Plan Assets	2.43	2.68	3.84	4.26	-
Deficit	(2.75)	(4.30)	(11.20)	(13.17)	(1.75)
Experience Adjustments on Plan Liabilities	(0.47)	(0.22)	(0.34)	(0.35)	(0.72)
Experience on Plan Assets	0.03	0.02	0.32	0.11	-

### F. The Assumptions Used to Determine the Benefit Obligations are as follows:

Particulars	Gratuity	Leave Encashment
Discount Rate	8.00% p.a.	8.00% p.a.
Expected Rate of Increase in Compensation Levels	5.00% p.a.	5.00% p.a.

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the market. The above information is certified by the actuary.

## 28. Leases

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹ 22.90 Crore (2015: ₹ 290.13 Crore), payable later than one year but not later than five year is ₹ 18.69 (2015: ₹ 773.63 Crore) and payable later than five years is ₹ Nil (2015: ₹ 33.79 Crore).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 29. Related Party Disclosures

Disclosure as required by Accounting Standard 18 "Related Party Disclosures" are given below:

#### A. List of Related Parties

##### 1. Subsidiary Companies

- i. Futurebazaar India Limited
- ii. Future Media (India) Limited
- iii. Future Supply Chain Solutions Limited
- iv. Future E-Commerce Infrastructure Limited
- v. Office Shop Private Limited
- vi. Staples Future Office Products Limited

##### 2. Associate Company

- i. Galaxy Entertainment Corporation Limited

##### 3. Joint Venture Companies

- i. Apollo Design Apparel Parks Limited
- ii. Future Generali India Insurance Company Limited
- iii. Future Generali India Life Insurance Company Limited
- iv. Goldmohur Design and Apparel Park Limited
- v. Sprint Advisory Services Private Limited
- vi. Shendra Advisory Services Private Limited

##### 4. Enterprises over which Key Management Personnel are able to exercises significant influence

- i. Future Corporate Resources Limited
- ii. Future Ideas Company Limited
- iii. Future Lifestyle Fashions Limited
- iv. Vayuputra Realty Private Limited
- v. Surplus Finvest Private Limited
- vi. Utsav Mall Management Company Private Limited

##### 5. Key Management Personnel

- i. Mr. Kishore Biyani
- ii. Mr. Rakesh Biyani
- iii. Mr. Vijay Biyani

##### 6. Relatives of Key Management Personnel

- i. Ms. Ashni Biyani
- ii. Mrs. Godavaridevi Biyani
- iii. Mrs. Sangita Biyani
- iv. Mrs. Santosh Biyani



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### B. Transactions with Related Parties

(₹ in Crore)

Nature of Transactions	Subsidiaries	Associate/ Joint Ventures	Key Management Personnel Exercise Significant Influence	Key Management Personnel/ Relatives
Sale of Goods and Services	<b>6.30</b> (17.00)	<b>0.04</b> (1.80)	<b>6.57</b> (61.64)	<b>0.01</b> (-)
Sale of Fixed Assets	<b>0.07</b> (6.44)	- (-)	<b>0.69</b> (0.55)	- (-)
Purchases of Goods and Services	<b>120.34</b> (184.10)	<b>287.69</b> (414.84)	<b>160.62</b> (257.06)	- (0.16)
Purchases of Fixed Assets	- (-)	- (-)	<b>0.07</b> (1.83)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	<b>6.60</b> (6.70)
Dividend Received	- (-)	<b>2.24</b> (2.13)	<b>1.23</b> (1.03)	- (-)
Advances Given	- (-)	<b>0.79</b> (0.01)	<b>28.53</b> (5.60)	- (-)
Deposits Given	- (-)	- (0.04)	- (10.00)	- (-)
Inter Company Deposits Taken	- (3.80)	- (-)	- (-)	- (-)
Outstanding Balances as on March 31, 2016 Receivable	<b>7.60</b> (2.33)	<b>6.52</b> (5.94)	<b>207.57</b> (495.56)	- (-)
Payable	<b>22.51</b> (96.22)	<b>0.15</b> (149.39)	<b>1.06</b> (86.51)	- (-)

### C. Significant Related Party Transactions

- i. Sale of Goods and Services includes Future Media (India) Limited ₹ 6.08 Crore (2015: ₹ 13.30 Crore), Future Supply Chain Solutions Limited ₹ 0.22 Crore (2015: ₹ 0.25 Crore), Staples Future Office Products Limited ₹ Nil (2015: ₹ 2.82 Crore), Future E-Commerce Infrastructure Limited ₹ Nil (2015: ₹ 0.02 Crore), Galaxy Entertainment Corporation Limited ₹ Nil (2015: ₹ 0.93 Crore), Future Corporate Resources Limited ₹ 2.32 Crore (2015: ₹ Nil), Future Generali India Life Insurance Company Limited ₹ 0.04 Crore (2015: ₹ 0.68 Crore), Future Lifestyle Fashions Limited ₹ 4.17 Crore (2015: ₹ 57.97 Crore).
- ii. Sale of Fixed Assets includes Future Supply Chain Solutions Limited ₹ 0.07 Crore (2015: ₹ 6.44 Crore), Future Lifestyle Fashions Limited ₹ 0.69 Crore (2015: ₹ 0.55 Crore).
- iii. Purchases and Other Services includes Future Supply Chain Solutions Limited ₹ 111.05 Crore (2015: ₹ 169.80 Crore), Apollo Design Apparel Parks Limited ₹ 150.43 Crore (2015: ₹ 219.20 Crore), Goldmohur Design and Apparel Park Limited ₹ 137.11 Crore (2015: ₹ 193.72 Crore), Future Corporate Resources Limited ₹ 65.07 Crore (2015: ₹ 85.14 Crore), Future Lifestyle Fashions Limited ₹ 95.32 Crore (2015: ₹ 170.79 Crore), Ashni Biyani ₹ Nil (2015: ₹ 0.06 Crore), Godavaridevi Biyani ₹ Nil (2015: ₹ 0.03 Crore), Sangita Biyani ₹ Nil (2015: ₹ 0.03 Crore), Santosh Biyani ₹ Nil (2015: ₹ 0.03 Crore).
- iv. Purchase of Fixed Assets includes Future Lifestyle Fashions Limited ₹ 0.07 Crore (2015: ₹ 1.83 Crore).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- v. Managerial Remuneration includes Mr. Kishore Biyani ₹ 2.57 Crore (2015: ₹ 2.67 Crore), Mr. Rakesh Biyani ₹ 2.56 Crore (2015: ₹ 2.56 Crore), Mr. Vijay Biyani ₹ 1.47 Crore (2015: ₹ 1.47 Crore).
- vi. Dividend Received includes Apollo Design Apparel Parks Limited ₹ 1.10 Crore (2015: ₹ 0.99 Crore), Goldmohur Design and Apparel Park Limited ₹ 1.14 Crore (2015: ₹ 1.14 Crore), Future Lifestyle Fashions Limited ₹ 1.23 Crore (2015: ₹ 1.03 Crore).
- vii. Advance Given includes Future Generali India Insurance Company Limited ₹ 0.08 Crore (2015: ₹ 0.01 Crore), Future Corporate Resources Limited ₹ Nil (2015: ₹ 5.60 Crore), Future Ideas Company Limited ₹ 28.53 Crore (2015: ₹ Nil), Galaxy Entertainment Corporation Limited ₹ 0.70 Crore (2015: ₹ Nil).
- viii. Deposit Given includes Future Generali India Insurance Company Limited ₹ Nil (2015: ₹ 0.02 Crore), Future Generali India Life Insurance Company Limited ₹ Nil (2015: ₹ 0.02 Crore), Future Corporate Resources Limited ₹ Nil Crore (2015: ₹ 10.00 Crore).
- ix. Inter Company Deposits Taken includes Future Media (India) Limited ₹ Nil (2015: ₹ 3.80 Crore).

### Joint Venture Companies Information

Joint Venture, as required by (AS-27) "Financial Reporting of Interest in Joint Venture" is given below:

Detail of Joint Venture Interest

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2016	Percentage of Interest as on March 31, 2015
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.50%	25.50%
3	Future Generali India Life Insurance Company Limited	Equity	India	3.00%	3.00%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Sprint Advisory Services Private Limited	Equity	India	49.80%	49.80%
6	Shendra Advisory Services Private Limited	Equity	India	49.80%	49.80%

Company's Interest in the Joint Venture Companies

(₹ in Crore)

S. No.	Name of the Company	As on	Assets	Liabilities	Year ended on	Income	Expenditure
1	Apollo Design Apparel Parks Limited	March 31, 2016	44.03	4.89	March 31, 2016	122.17	117.75
2	Future Generali India Insurance Company Limited	March 31, 2016	615.67	501.54	March 31, 2016	327.90	329.24
3	Future Generali India Life Insurance Company Limited	March 31, 2016	85.06	78.69	March 31, 2016	21.99	23.06
4	Goldmohur Design and Apparel Park Limited	March 31, 2016	47.36	9.15	March 31, 2016	119.04	114.53
5	Sprint Advisory Services Private Limited	March 31, 2016	354.39	0.00	March 31, 2016	0.02	0.03
6	Shendra Advisory Services Private Limited	March 31, 2016	173.26	0.00	March 31, 2016	0.02	0.02

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 30. Payment to Auditors (Inclusive of Service Tax)

(₹ in Crore)

Particulars	2015-16	2014-15
Statutory Audit Fees	0.75	0.73
Other Expenses	0.03	0.27
<b>Total</b>	<b>0.78</b>	<b>1.00</b>

### 31. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 66.67 Crore (2015: ₹ 36.58 Crore).

### 32. Earnings Per Share

The calculation of Earnings per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earning per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of Basic and Diluted EPS is as under:

Particulars	Units	2015-16	2014-15
Profit after tax	₹ in Crore	11.83	74.06
The Weighted average number of Ordinary Shares for Basic EPS	No. in Crore	40.64	25.13
The Weighted average number of Class B (Series-1) Shares for Basic EPS	No. in Crore	3.58	1.74
The Weighted average number of Ordinary Shares for Diluted EPS	No. in Crore	40.64	25.16
The Weighted average number of Class B (Series-1) Shares for Diluted EPS	No. in Crore	3.58	1.74
The Nominal Value per Share (Ordinary and Class B Shares)	₹	2.00	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in Crore	10.73	69.20
Share of Profit for Class B (Series-1) Shares for Basic EPS	₹ in Crore	1.10	4.86
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crore	10.73	69.20
Share of Profit for Class B (Series-1) Shares for Diluted EPS	₹ in Crore	1.10	4.86
Earnings Per Ordinary Share (Basic)	₹	0.26	2.75
Earnings Per Class B (Series-1) Share (Basic)	₹	0.30	2.79
Earnings Per Ordinary Share (Diluted)	₹	0.26	2.75
Earnings Per Class B (Series-1) Share (Diluted)	₹	0.30	2.79

### 33. Contingent Liabilities

(₹ in Crore)

Particulars	2015-16	2014-15
A. Claims Against the Company Not Acknowledged as Debts		
i) Value Added Tax Act/Income Tax	123.34	193.94
ii) Others	-	300.82
B. Corporate Guarantee Given	10.95	34.54

### 34. Segment Reporting

The Company is primarily engaged in the business of Retail Trade, which in terms of Accounting Standard 17 "Segment Reporting" constitutes a single reporting segment.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. The borrowing cost capitalized during the year ended March 31, 2016 was ₹ 38.95 Crore (2015: ₹ 32.45 Crore).

### 36. Tax Expense

The tax expense for the period comprises of:

(₹ in Crore)

Particulars	2015-2016	2014-2015
Current Tax	-	11.65
MAT Credit Entitlement	-	(11.65)
Deferred Tax	1.32	(12.70)
<b>Total</b>	<b>1.32</b>	<b>(12.70)</b>

37. There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

### 38. Value of Imported and Indigenous Materials Consumed

(₹ in Crore)

Particulars	2015-2016		2014-2015	
	Value	%	Value	%
Raw Materials				
- Imported	0.93	4.58	0.33	1.98
- Indigenous	19.37	95.42	16.34	98.02
<b>Total</b>	<b>20.30</b>	<b>100.00</b>	<b>16.67</b>	<b>100.00</b>
Store and Spare Parts				
- Imported	0.22	35.25	0.13	28.89
- Indigenous	0.40	64.75	0.32	71.11
<b>Total</b>	<b>0.62</b>	<b>100.00</b>	<b>0.45</b>	<b>100.00</b>

### 39. Details of Purchases of Stock-In-Trade

(₹ in Crore)

Particulars	2015-2016	2014-2015
Apparel	1,365.30	1,462.98
Non-Apparel	4,850.55	6,340.51
<b>Total</b>	<b>6,215.85</b>	<b>7,803.49</b>

### 40. Details of Sales Value of Goods

(₹ in Crore)

Particulars	2015-2016	2014-2015
Apparel	2,207.87	2,445.68
Non-Apparel	6,206.25	8,364.74
<b>Total</b>	<b>8,414.12</b>	<b>10,810.42</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 41. Particulars of Raw Materials Consumed

(₹ in Crore)

Particulars	2015-2016	2014-2015
Fabric and Accessories	20.30	16.67
<b>Total</b>	<b>20.30</b>	<b>16.67</b>

### 42. Value of Imports on CIF Basis

(₹ in Crore)

Particulars	2015-2016	2014-2015
Raw Materials	0.15	0.25
Stock in Trade	82.65	136.70
Capital Goods	27.85	31.82
Accessories and Others	1.27	1.25

### 43. Expenditure in Foreign Currency (On Accrual Basis)

(₹ in Crore)

Particulars	2015-2016	2014-2015
Travelling Expenses	1.59	1.85
Professional Charges	0.60	1.93
Interest on Foreign Currency Loan	0.72	0.39
Commission	0.02	0.27
Royalty	0.06	0.41

### 44. Earnings in Foreign Currency (On Accrual Basis)

(₹ in Crore)

Particulars	2015-2016	2014-2015
Sales of Products (On FOB Basis)*	62.66	70.70

\*Includes ₹ 34.01 Crore (2015: ₹ 43.71 Crore) being indirect foreign exchange earnings during the period through credit cards, as certified by the bankers.

### 45. Security clause / maturity profiles in respect to Secured Long-Term Borrowings

#### a) Non-Convertible Debentures

- i) ₹ 190.00 Crore (2015: ₹ 500 Crore) are secured by First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders), carries coupon rate of 11.50% per annum and are redeemable as per terms of issuance in ₹ 190.00 Crore in FY 2016-17.
- ii) ₹ 180.00 Crore (2015: ₹ 202.50 Crore) are secured by Pledge of certain Investments held by company, carries coupon rate of 12.10% per annum and are redeemable as per terms of issuance, in one or more installments as ₹ 67.50 Crore in FY 2016-17 and ₹ 112.50 Crore in FY 2017-18.
- iii) ₹ 600.00 Crore (2015: ₹ 600.00 Crore) are secured by First Pari-Passu charge on movable and immovable Fixed Assets of the company excluding assets charged to exclusive charge lenders, carries coupon rate of 11.50% per annum and are redeemable as per terms of issuance, in two installments as ₹ 240.00 Crore in FY 2017-18 and ₹ 360.00 Crore in FY 2018-19.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- iv) ₹ 375.00 Crore (2015: ₹ 375.00 Crore) are secured by First Pari-Passu charge on movable and immovable Fixed Assets of the company excluding assets charged to exclusive charge lenders and excluding specific immovable properties, carries coupon rate of 11.50% per annum and are redeemable as per terms of issuance, in two installments as ₹ 150.00 Crore in FY 2017-18 and ₹ 225.00 Crore in FY 2018-19.
- v) ₹ 600.00 Crore (2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in FY 2020-21.
- vi) ₹ 500.00 Crore (2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.10% per annum and are redeemable fully as per terms of issuance in FY 2020-21.
- vii) ₹ 365.00 Crore (2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.10% per annum and are redeemable as per terms of issuance in two installments as ₹ 146.00 Crore in FY 2020-21 and ₹ 219.00 Crore in FY 2021-22.
- viii) ₹ 35.00 Crore (2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in two installments as ₹ 14.00 Crore in FY 2020-21 and ₹ 21.00 Crore in FY 2021-22.
- ix) ₹ 400.00 Crore (2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in two installments as ₹ 220.00 Crore in FY 2020-21 and ₹ 180.00 Crore in FY 2021-22.
- x) ₹ 750.00 Crore (2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.10% per annum and are redeemable as per terms of issuance in two installments as ₹ 300.00 Crore in FY 2020-21 and ₹ 450.00 Crore in FY 2021-22.

### b) Term Loan from Banks

- i) ₹ Nil (2015: ₹ 121.22 Crore) are secured by (a) First Pari-Passu charge on Fixed Assets (b) First Pari-Passu charge on escrowed Credit & Debit card receivables of specific Big Bazaar stores.
- ii) ₹ Nil (2015: ₹ 35.97 Crore) are secured by (a) First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders) (b) Second Pari-Passu charge on Current Assets excluding Deposits.
- iii) ₹ Nil (2015: ₹ 132.13 Crore) are secured by First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders).
- iv) ₹ Nil (2015: ₹ 75.00 Crore) are secured by (a) First Pari-Passu charge on Fixed Assets (present and future) except assets exclusively charged to other lenders (b) Second Pari-Passu charge on Current Assets of the Company (present and future).
- v) ₹ Nil (2015: ₹ 106.48 Crore) are secured by First Pari-Passu charge on Fixed Assets, present and future of the stores excluding assets charged in exclusive basis to exclusive charge lenders excluding specific immovable properties.
- vi) ₹ Nil Crore (2015: ₹ 139.96 Crore) are secured by First Pari-Passu charge on Fixed Assets, present and future, excluding specific immovable properties.
- vii) ₹ Nil (2015: ₹ 150.00 Crore) are secured by First Pari-Passu charge on the net block of the company excluding specific immovable properties and Current Assets both present & future and post dated cheques of ₹ 150.00 Crore.
- viii) ₹ 97.50 Crore (2015: ₹ 196.81 Crore) are secured by First Pari-Passu charge on tangible Fixed Assets (movable and immovable) present and future, of the company (excluding specific immovable properties).
- ix) ₹ 283.85 Crore (2015: ₹ 235.09) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) except assets exclusively charged to other lenders.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- x) ₹ Nil (2015: ₹ 135.00 Crore) are secured by Second Pari-Passu charge on the Fixed & Current Assets of the company.
- xi) ₹ Nil (2015: ₹ 88.97 Crore) are secured by (a) Residual charge on Fixed Assets & Current Assets (b) First Pari-Passu charge on escrowed Credit & Debit card receivables of specific Big Bazaar stores.
- xii) ₹ Nil (2015: ₹ 110.00 Crore) are secured by Residual charge on all movable Fixed Assets and Current Assets both present and future and post dated cheques.
- xiii) ₹ Nil (2015: ₹ 90.00 Crore) are secured by Residual charge on Fixed Assets both present & future (movable & immovable) excluding specific immovable properties and Current Assets & post dated cheques for the installments due under the loan.
- xiv) ₹ 127.48 Crore (2015: ₹ 146.25 Crore) are secured by (a) Subservient charge on Fixed Assets (including immovable properties) and Current Assets both present and future, (b) post dated cheques for ₹ 150 Crore and (c) Mortgage of immovable property, corporate guarantee and pledge of certain investments held by associate company.
- xv) ₹ 132.65 Crore (2015: ₹ Nil) are secured by First Pari-Passu charge on tangible fixed assets (movable and immovable) present and future, of the company (excluding specific immovable properties).

### c) Term Loan from Other

₹ 100.00 Crore (2015: ₹ 100.00 Crore) are secured by Pledge of certain Investments held by Company and further undertaking to create charge on other investments within a period of two years and undertaking for non-disposal of specific investments.

### d) Working Capital Loans from Banks

₹ 3.50 Crore (2015: ₹ 968.57 Crore) are secured by (a) First Pari-Passu Charge on Current Assets (excluding credit / debit card receivables) (b) Second Pari-Passu charge on Credit / Debit Card Receivables of all the Stores (c) Second Pari-Passu Charge on the Fixed Assets.

Working Capital borrowings have been transferred to Future Retail Limited (formerly known as Bharti Retail Limited- Retail Entity) pursuant to Scheme of Arrangement, however security created in respect of the same will be satisfied only after fresh securities are created in Retail Entity.

- e) Term Loans from Banks and other of ₹ 511.33 Crore are secured by personal guarantee of promoter directors.
- f) Term Loans from Banks and others are repayable as follows: ₹ 37.64 Crore in FY 2016-17, ₹ 125.62 Crore in FY 2017-18, ₹ 158.10 Crore in FY 2018-19, and ₹ 98.13 Crore in FY 2019-20, and ₹ 202.50 Crore in FY 2020-21 and ₹ 119.49 Crore in FY 2021-22.
- g) Installments falling due in respect of all the above Loans (Term Loan & NCDs) upto 31.03.2017 aggregating ₹ 295.14 Crore have been grouped under Current Maturities of Long-Term Borrowings.
- h) Weighted average rate of interest on the Term Loans is 12.05%.

## 46. Security clause in respect to Secured Short-Term Borrowings includes Term Loans from Banks

- i) ₹ Nil (2015: ₹ 150.00 Crore) are secured by (a) Subservient Charge on tangible movable Fixed Assets and Current Assets both present and future of the company. (b) Pledge of certain investments held by associate companies & personal guarantee of promoter director.
- ii) Weighted average rate of interest on the Term Loans is 13.07 %.

## 47. Employee Stock Option Scheme

The company has reserved issuance of 20,47,112 (2015: 22,11,406) Equity Shares of ₹ 2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (ESOS). During the year the Company has granted 7,57,896 (2015: 4,14,514) options at a price of ₹ 10 per option plus all applicable taxes, as may be levied in this regard on the Company. Out of the options granted Nil (2015: 4,800) cancelled due to cessation of employment. The options would vest over a maximum period of 3 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Stock Option activity during the year under the Scheme is set out below:

Particulars	2015-16		2014-2015	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	4,14,514	10.00	293,394	10.00
Granted during the year	7,57,896	10.00	414,514	10.00
Forfeited during the year	-	-	4,800	10.00
Exercised during the year	1,64,294	10.00	288,594	10.00
Expired during the year	-	-	-	-
Outstanding at the end of the year	10,08,116	10.00	414,514	10.00
Exercisable at the end of the year	42,963	10.00	-	-
Weighted Average Remaining contractual life of outstanding options (in years)	3.68		4.17	
Weighted average fair value of options granted (₹)	105.29		98.04	

The details of Exercise Price for stock options outstanding at the end of the current year ended March 31, 2016

Range of Exercise Price (₹)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)
10.00	10,08,116	3.68	10.00

The details of Exercise Price for stock options outstanding at the end of the previous period ended March 31, 2015

Range of Exercise Price (₹)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)
10.00	414,514	4.17	10.00

The effect of adopting the fair value method earnings per share is presented below:

Pro Forma Adjusted Net Income and Earnings Per Share

Particulars	Units	2015-16	2014-15
Net Income as Reported	₹ in Crore	11.83	74.06
Add: Intrinsic Value Compensation Cost	₹ in Crore	4.95	0.96
Less: Fair Value Compensation Cost	₹ in Crore	4.97	0.96
Adjusted Pro Forma Net Income	₹ in Crore	11.81	74.06
Earning Per Equity Share: Basic			
As Reported	₹	0.26	2.75
Adjusted Pro Forma	₹	0.26	2.75
Earning Per Equity Share: Diluted			
As Reported	₹	0.26	2.75
Adjusted Pro Forma	₹	0.26	2.75

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Method and Assumptions used to estimate the fair value of options granted during the year:

1. Date of Grant	August 31, 2015	August 31, 2015	November 12, 2014	November 12, 2014
2. Risk Free Interest Rate	7.68%	7.70%	8.21%	8.22%
3. Expected Life	2.75	3.00	2.75	3.00
4. Expected Volatility	58.69%	58.78%	62.02%	60.98%
5. Dividend Yield	0.52%	0.52%	0.56%	0.56%
6. Price of the underlying share in market at the time of the option grant (₹)	115.00	115.00	107.60	107.60

### 48. Optionally Convertible Debentures

- i) ₹ Nil (2015: ₹ 150.00 Crore) OCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the four weeks preceding the respective Conversion Date. OCDs shall be redeemed in terms of the OCDs Subscription Agreement as amended from time to time, if no conversion option is exercised.
- ii) ₹ 95.80 Crore (2015: ₹ Nil) As per the provisions of the Scheme, the Company has issued new Optionally Convertible Debentures convertible at the option of the Company at the coupon rate of 10% p.a. payable in case of redemption as on Effective Date of the Scheme, within a period of 18 months from the date of allotment at a price which shall be determined in accordance with Preferential issue guidelines under SEBI (ICDR) Regulations.

### 49. Composite Scheme of Arrangement

The Composite Scheme of Arrangement between the Company and Future Retail Limited (f/k/a Bharti Retail Limited) ("FRL") and their respective shareholders and creditors under the Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 ('the Scheme'), for Demerger of Retail Business Undertaking of the Company into FRL and Demerger of the Retail Infrastructure Business Undertaking of FRL into the Company with effect from Appointment Date October 31, 2015 (as defined in the Scheme) has been given effect on May 01, 2016 (Effective Date).

Pursuant to the Scheme, all the assets and liabilities pertaining to Retail Business undertaking of the Company has been transferred to and vested in FRL. Accordingly, on May 18, 2016 FRL issued 42,78,60,296 Equity Shares to the shareholders holding shares on May 12, 2016 in the Company as per the Scheme. Further, all the assets and liabilities pertaining to Retail Infrastructure Business Undertaking of FRL has been transferred to and vested in the Company and accordingly, on May 18, 2016 the Company issued 4,34,78,261 equity shares to the shareholders holding shares on May 12, 2016 in FRL as provided in the Scheme.

50. The Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies (i.e. Company & FRL) an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions.
51. a. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading and speculative purposes. Forward contracts outstanding (In USD) as at March 31, 2016 are ₹ 10.98 Crore (2015: ₹ 26.29 Crore).
- b. As of balance sheet date, the company has net foreign currency exposures (In USD & EURO) that are not hedged by derivative instruments or otherwise amounting to ₹ 29.42 Crore (2015: ₹ 94.47 Crore).

### 52. Deferred Tax

(₹ in Crore)

Particulars	2015-16	2014-15
Deferred Tax Liabilities		
On Fixed Assets	302.30	303.07
Deferred Tax Assets		
Disallowances under Income Tax Act / Carry Forward of Business Losses and Unabsorbed Depreciation	243.09	135.59
<b>Total</b>	<b>59.21</b>	<b>167.48</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 53. Particulars of Loans, Guarantee and Investment under Section 186(4) of the Companies Act, 2013

(₹ in Crore)

S No.	Name	Relation	Amount as at March 31, 2016	Maximum outstanding during the year	Amount as at March 31, 2015	Maximum outstanding during the Previous year
<b>A</b>	<b>Loans</b>					
I	Centrum Capital Limited		-	-	67.23	67.23
II	Top Class Capital Markets Private Limited		<b>121.65</b>	<b>121.65</b>	121.65	121.65
<b>B</b>	<b>Corporate Guarantee Given</b>					
I	IDBI Bank Limited - For Future Agrovet Limited		-	-	34.54	Not Applicable
II	Axis Bank Limited - For Galaxy Entertainment Corporation Limited- For		<b>10.95</b>	<b>Not Applicable</b>	-	-
<b>C</b>	<b>Investments</b>					
	Refer Note 13 to Notes forming part of the Financial Statements					

- Above Loans have been given for general business purposes and Guarantee has been given for securing their credit facilities.
- Except as indicated above, The Company has not made any Loans and Advances in the nature of Loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 186 of the Companies Act, 2013.

54. For the year ended March 31, 2016 the Board of Directors of the Company have recommended dividend of ₹ 0.10 per share (2015: ₹ 0.60) to equity shareholders and ₹ 0.14 share (2015: ₹ 0.64) to Class B (Series-I) shareholders and aggregating to ₹ 5.34 Crore (2015: ₹ 29.95 Crore) including Dividend Distribution Tax.

55. Figures for the previous financial period have been reworked, regrouped, rearranged and reclassified wherever necessary without any restatement on account of demerged business and demerger effect given in the current year, hence figures are not comparable with the previous year.

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants

**V. K. Chopra**  
Chairman & Director

**Kishore Biyani**  
Vice-Chairman & Director

**Vijay Biyani**  
Managing Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**S. Doreswamy**  
Director

**Anil Harish**  
Director

**Bala Deshpande**  
Director

**Mumbai**  
May 28, 2016

**Dinesh Maheshwari**  
Executive Director & Chief Financial Officer

**Deepak Tanna**  
Company Secretary

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Crore)

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	13.15	61.36
Adjusted for:		
Depreciation and Amortization Expense	546.74	512.88
Finance Costs	488.86	669.04
(Profit)/Loss on Sale of Investments	0.25	(100.51)
Expense on Employees Stock Options Grants	4.95	0.96
Loss on Disposal/Discard of Fixed Assets (Net)	22.24	42.78
Dividend Income	(3.47)	(3.16)
Interest Income	(26.98)	(9.89)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,045.74</b>	<b>1,173.46</b>
Adjusted for:		
Trade Receivable	141.97	(83.99)
Loans and Advances and Other Assets	937.90	(458.95)
Inventories	2,662.77	(409.39)
Trade Payables, Other Liabilities and Provisions	(1,225.31)	764.94
<b>Cash Generated From Operations</b>	<b>3,563.07</b>	<b>986.07</b>
Taxes Paid (Net)	(35.07)	(19.81)
<b>Net Cash From Operating Activities</b>	<b>3,528.00</b>	<b>966.26</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,410.30)	(1,070.49)
Sale of Fixed Assets	248.40	109.11
Sale/(Purchase) of Investments	0.23	154.87
Interest Received	26.98	9.89
Dividend Received	3.47	3.16
<b>Net Cash Used In Investing Activities</b>	<b>(1,131.22)</b>	<b>(793.46)</b>

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Crore)

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	<b>69.70</b>	1,881.23
Proceeds from Issue of Warrants	-	23.18
Repayment of Compulsory Convertible Debentures	-	(150.00)
Repayment of Optionally Convertible Debentures	<b>(150.00)</b>	(100.00)
Proceeds from Optionally Convertible Debentures	<b>95.80</b>	-
Proceeds from Borrowings	<b>81.03</b>	(1,195.20)
Dividends Paid (Including Dividend Distribution Tax)	<b>(31.08)</b>	(16.35)
Interest Paid	<b>(488.86)</b>	(669.04)
<b>Net Cash Provided By Financing Activities</b>	<b>(423.41)</b>	(226.18)
On Composite Scheme of Arrangement	<b>(1,960.16)</b>	-
<b>Net (Decrease)/Increase In Cash and Cash Equivalents</b>	<b>13.22</b>	(53.37)
<b>Net (Decrease)/Increase In Cash and Cash Equivalents</b>	<b>13.22</b>	(53.37)
Cash and Cash Equivalents (Opening Balance)	<b>43.41</b>	96.78
Cash and Cash Equivalents (Closing Balance)	<b>56.63</b>	43.41

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**Mumbai**  
May 28, 2016

For and on behalf of Board of Directors

**V. K. Chopra**  
Chairman & Director

**S. Doreswamy**  
Director

**Dinesh Maheshwari**  
Executive Director & Chief Financial Officer

**Kishore Biyani**  
Vice-Chairman & Director

**Anil Harish**  
Director

**Deepak Tanna**  
Company Secretary

**Vijay Biyani**  
Managing Director

**Bala Deshpande**  
Director

**Deepak Tanna**  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**Future Enterprises Limited**  
(formerly known as **Future Retail Limited**)

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Future Enterprises Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), joint venture companies and associate company, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing

standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint venture companies and associate company as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of one subsidiary and six joint venture companies whose financial statements reflect total assets (net) of ₹ 791.17 Crore as at March 31, 2016, total revenues of ₹ 615.58 Crore and net cash inflows amounting to ₹ 15.76 Crore for the year then ended. These financial statements and the other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated statements to the extent they have been derived from such financial statements is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of two subsidiaries whose financial statements reflect

total assets (net) of ₹ 1.78 Crore as at March 31, 2016, total revenues of ₹ 42.44 Crore and net cash outflows amounting to ₹ 0.82 Crore for the year then ended. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of subsidiaries. The consolidated financial results also includes the Group's share of loss after tax of ₹ 0.64 Crore for the year ended March 31, 2016, as considered in the consolidated financial results, in respect of an associate company, which have been subject to a limited review report. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our report is not modified in respect of other matters.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of

its subsidiary companies and joint venture companies and written representations received from the directors of two subsidiary companies which has been consolidated on the basis of management certified financial statements and one associate company which have been subject to a limited review report, none of the directors of the Group its joint venture companies and associate company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint venture companies and associate company– Refer Note 29 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in the consolidated financial statements in respect of such items as it relates to the Group, its joint venture companies and associate company.
  - iii. There were no amounts, which were required to be transferred, to the investor Education and Protection Fund by the Holding Company. There were no amounts in case of Subsidiary companies, joint venture companies and associate company which were required to be transferred to Investor Education and Protection Fund.

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 28, 2016

## Annexure - A to the Auditors' Report

### 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 the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Future Enterprises Limited ("the Holding Company"), its four subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and six joint venture companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its four subsidiary companies and six joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an

understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Holding Company, its four subsidiary companies and six joint venture companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March, 31 2016, 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 ICAI.

#### **Other matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, an associate company and 6 jointly venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not cover 2 subsidiaries which have been consolidated on the basis of management certified financial statements and one associate company.

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Mumbai**  
May 28, 2016

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(₹ in Crore)

	Note	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	157.65	131.64
Equity Warrants	2	-	23.18
Share Capital Suspense	2A	8.70	-
Reserves and Surplus	3	3,250.80	5,236.20
		<b>3,417.15</b>	<b>5,391.02</b>
Optionally Convertible Debentures	4	95.80	150.00
Zero Coupon Fully Convertible Debentures	5	55.00	-
Minority Interest		75.61	65.84
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	6	4,441.34	2,932.34
Deferred Tax Liabilities (Net)	32	70.89	176.86
Other Long-Term Liabilities	7	1,054.10	496.19
Long-Term Provisions	8	4.59	21.03
		<b>5,570.92</b>	<b>3,626.42</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	9	53.89	1,158.61
Trade Payables	10	730.18	2,029.56
Other Current Liabilities	11	566.70	985.65
Short-Term Provisions	12	13.09	42.63
		<b>1,363.86</b>	<b>4,216.45</b>
<b>TOTAL</b>		<b>10,578.34</b>	<b>13,449.72</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
Tangible Assets		5,428.27	4,755.77
Intangible Assets		3.13	241.95
Capital Work-in-Progress		422.81	276.94
Non-Current Investments	14	1,567.36	1,621.93
Long-Term Loans and Advances	15	476.56	511.22
Other Non-Current Assets		0.09	35.05
		<b>7,898.22</b>	<b>7,442.86</b>
<b>Current Assets</b>			
Inventories	16	872.03	3,533.65
Trade Receivables	17	582.39	549.77
Cash and Bank Balances	18	148.70	130.86
Short-Term Loans and Advances	19	1,056.63	1,761.85
Other Current Assets	20	20.37	30.73
		<b>2,680.12</b>	<b>6,006.86</b>
<b>TOTAL</b>		<b>10,578.34</b>	<b>13,449.72</b>
The accompanying notes are an integral part of these financial statements.	1-43		

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants

**V. K. Chopra**

Chairman & Director

**Kishore Biyani**

Vice-Chairman & Director

**Vijay Biyani**

Managing Director

**Ashok A. Trivedi**

Partner

Membership No.: 042472

**S. Doreswamy**

Director

**Anil Harish**

Director

**Bala Deshpande**

Director

**Mumbai**

May 28, 2016

**Dinesh Maheshwari**

Executive Director & Chief Financial Officer

**Deepak Tanna**

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Crore)

	Note	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>INCOME</b>			
Revenue from Operations	21	9,318.85	11,057.24
Other Income	22	105.99	92.63
<b>Total Revenue</b>		<b>9,424.84</b>	<b>11,149.87</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		53.75	27.94
Purchases of Stock-in-Trade		6,642.55	8,035.15
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(229.03)	(406.66)
Employee Benefits Expense	24	386.33	469.34
Finance Costs	25	499.65	679.18
Depreciation and Amortization Expense	13	575.59	541.69
Other Expenses	26	1,441.19	1,806.83
<b>Total Expenses</b>		<b>9,370.03</b>	<b>11,153.47</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>54.81</b>	<b>(3.60)</b>
Exceptional Items	27	-	164.00
<b>Profit Before Prior Period Items and Tax</b>		<b>54.81</b>	<b>160.40</b>
Prior Period Items		0.12	1.97
<b>Profit Before Tax For The Year</b>		<b>54.93</b>	<b>162.37</b>
Tax Expense	31	16.82	2.11
<b>Profit After Tax and Before Share of Associate and Minority Interest</b>		<b>38.11</b>	<b>160.26</b>
Share of Profit/(Loss) of Associate		(0.64)	0.10
Share of Profit to Minority Interest		(9.78)	(7.38)
<b>Profit for the Year</b>		<b>27.69</b>	<b>152.98</b>
<b>Earnings Per Equity Share of Face Value of ₹ 2/- each</b>			
Basic - Equity Share	37	0.62	5.69
Basic - Class B (Series-1) Share		0.66	5.73
Diluted - Equity Share		0.62	5.69
Diluted - Class B (Series-1) Share		0.66	5.73
The accompanying notes are an integral part of these financial statements.	1-43		

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants

**V. K. Chopra**  
Chairman & Director

**Kishore Biyani**  
Vice-Chairman & Director

**Vijay Biyani**  
Managing Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**S. Doreswamy**  
Director

**Anil Harish**  
Director

**Bala Deshpande**  
Director

**Mumbai**  
May 28, 2016

**Dinesh Maheshwari**  
Executive Director & Chief Financial Officer

**Deepak Tanna**  
Company Secretary



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. Significant Accounting Policies

### A. Principles of Consolidation

The consolidated financial statements (CFS) relate to Future Enterprises Limited (formerly Known as Future Retail Limited) the holding company, its Subsidiaries, Joint Ventures and Associate (collectively referred to as Group). The CFS have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21), Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" (AS 23) and Accounting Standard 27 on "Financial reporting of interests in Joint Ventures" (AS 27) and are prepared on the following basis:

- (a) The financial statements of the parent and its subsidiaries are combined on a line-by-line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- (b) Investment in Associate Company is accounted for using Equity Method in accordance with AS 23. The Company's share of the post acquisition profits or losses is included in the carrying cost of investments.
- (c) Investments in Joint Ventures are dealt with in accordance with AS 27. The Company's interest in jointly controlled entities are reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.

### B. Basis of Preparation

Financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules 2015. The Financial Statements have been prepared under the historical cost convention on an accrual basis.

### C. Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognised in future period.

### D. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided pro rata for the period of use on straight line basis as per the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 except for leasehold improvements which are depreciated over the remaining expected lease term and employee perquisite related assets which are depreciated over three years.

### E. Intangible Assets and Amortisation

Intangible Assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful life of ten years.

### F. Investments

Current investments are carried at lower of cost and fair value computed on individual investment basis. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

### G. Inventories

Inventories are valued at lower of cost and net realizable value. Finished Goods and Work-in-Progress include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories are computed on weighted average basis.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### H. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the prevailing rates of exchange on the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the balance sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the statement of Profit and Loss. Exchange differences on forward contracts entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability, are recognised in the statement of profit and loss in the reporting period in which the exchange rate changes. Premium / Discount on foreign exchange contracts are recognised as an expense/income over the life of the contract.

### I. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the period they occur in the Statement of Profit and Loss.

### J. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognised when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts VAT and Sales Tax. Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of taxes. Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate. Dividend income is recognised when right to receive is established.

### K. Retirement and Other Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present of the amounts payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

### L. Income Taxes

Tax expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

### M. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### N. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### O. Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

### P. Goodwill on Consolidation

Goodwill arising on consolidation/acquisition is tested for impairment on periodic basis and written-off, if found impaired.

### Q. Information on Subsidiaries, Joint Ventures and Associate Companies

a) Subsidiary Companies Considered in the Consolidated Financial Statements are :

S. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2016	Proportion of Ownership Interest as on March 31, 2015
1	Future Supply Chain Solutions Limited	India	70.17%	70.17%
2	Future Media (India) Limited	India	93.10%	93.10%
3	Futurebazaar India Limited	India	100.00%	100.00%
4	Staples Future Office Products Limited	India	60.00%	60.00%
5	Office Shop Private Limited (100% subsidiary of Staples Future Office Products Limited)	India	60.00%	60.00%
6	Future E-Commerce Infrastructure Limited	India	70.43%	-

b) Interest in Joint Venture Companies:(As required by AS-27 "Financial Reporting of interest in Joint Venture")

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2016	Proportion of Ownership Interest as on March 31, 2015
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.50%	25.50%
3	Future Generali India Life Insurance Company Limited	Equity	India	3.00%	3.00%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Sprint Advisory Services Private Limited	Equity	India	49.80%	49.80%
6	Shendra Advisory Services Private Limited	Equity	India	49.80%	49.80%

c) Interest in Associate Company:

S. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2016	Year Ends on
1	Galaxy Entertainment Corporation Limited	Equity	India	31.55%	March 31, 2016

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2016		As at March 31, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crore)
<b>2. Share Capital</b>				
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	45,00,00,000	90.00	45,00,00,000	90.00
Equity Shares of Class B (Series -1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each	2,68,44,595	26.84	-	-
Preference Shares of ₹ 100/- each	30,00,000	30.00	30,00,000	30.00
0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
Compulsory Convertible Participating Preference Shares of ₹ 10/- each	10,00,000	1.00	10,00,000	1.00
	<b>53,56,44,595</b>	<b>205.84</b>	<b>50,88,00,000</b>	<b>179.00</b>
<b>Issued *</b>				
Equity Shares of ₹ 2/- each	38,85,81,495	77.72	38,84,17,201	77.68
Equity Shares of Class B (Series -1) of ₹ 2/- each	3,93,83,172	7.88	2,58,84,872	5.18
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I	2,15,18,460	21.52	-	-
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II	17,62,039	1.76	-	-
0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
Compulsory Convertible Participating Preference Shares of ₹ 10/- each	8,05,033	0.80	8,05,033	0.80
	<b>45,68,50,199</b>	<b>157.68</b>	<b>41,99,07,106</b>	<b>131.66</b>
<b>Subscribed and Paid up</b>				
Equity Shares of ₹ 2/- each	38,84,85,617	77.70	38,83,21,323	77.66
Equity Shares of Class B (Series -1) of ₹ 2/- each	3,93,74,679	7.87	2,58,76,379	5.18
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I	2,15,18,460	21.52	-	-
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II	17,62,039	1.76	-	-
0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
Compulsory Convertible Participating Preference Shares of ₹ 10/- each	8,05,033	0.80	8,05,033	0.80
	<b>45,67,45,828</b>	<b>157.65</b>	<b>41,98,02,735</b>	<b>131.64</b>

\*Refer Note No. iv

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (i) Reconciliation of Number of Shares

#### Equity Share of ₹ 2/- each

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	38,83,21,323	21,56,53,439
Shares Issued (Refer Note No. vi)	1,64,294	17,26,67,884
Closing Balance	38,84,85,617	38,83,21,323

#### Equity Shares of Class B (Series -1) of ₹ 2/- each

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	2,58,76,379	1,59,29,152
Shares Issued (Refer Note No. vii)	1,34,98,300	99,47,227
Closing Balance	3,93,74,679	2,58,76,379

#### Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	-	2,05,18,460
On Conversion into Associate	-	2,05,18,460
On Conversion into Subsidiary	2,15,18,460	-
Closing Balance	2,15,18,460	-

#### Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	-	53,26,135
On Conversion into Associate	-	53,26,135
On Conversion into Subsidiary	17,62,039	-
Closing Balance	17,62,039	-

#### 0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	48,00,000	48,00,000
Shares Issued	-	-
Closing Balance	48,00,000	48,00,000

#### Compulsory Convertible Participating Preference Shares of ₹ 10/- each

Particulars	As at March 31, 2016	As at March 31, 2015
	Number of Shares	Number of Shares
Opening Balance	8,05,033	8,05,033
Shares Issued	-	-
Closing Balance	8,05,033	8,05,033

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (ii) Rights, Preferences and Restrictions Attached to Shares

#### a) Equity Shares of ₹ 2/- each and Equity Shares of Class B (Series-1) of ₹ 2/- each

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series-1) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company.

Each holder of Class B (Series -1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series-1) shares held in case of voting by poll/ballot. Each holder of Class B Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the company. Further, the Company may declare dividend only for Class B (Series-1) Share upto 2% without declaring any dividend for Equity Shares.

All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

#### b) Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I

Holders of Preference Shares do not carry any voting rights. In the event of liquidation of Future E-Commerce Infrastructure Limited (FECIL), the holders of preference shares have the preferential rights over the equity holders in respect of repayment of capital and also have the preferential rights over the equity holders in respect of payment of dividend, if any. Further, no dividend is required to be accrued as these shares are non-cumulative. All the preference shares are compulsorily convertible into equity shares of FECIL. Every 12 Non Cumulative convertible preference shares of ₹ 10 each are convertible into 1 equity share in the Company at the option of the holders but within a period of 20 years from the date of issue i.e. October 24, 2007.

#### c) Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II

Holders of Preference Shares do not carry any voting rights. In the event of liquidation of Future E-Commerce Infrastructure Limited (FECIL), the holders of preference shares have the preferential rights over the equity holders in respect of repayment of capital and also have the preferential rights over the equity holders in respect of payment of dividend, if any. Further, no dividend is required to be accrued as these shares are non-cumulative. All the preference shares are compulsorily convertible into equity shares of FECIL. As per the shareholders agreement, preference share holder, have a right which can be exercised after the expiry of 30 months from the date of allotment i.e. January 28, 2011 to call upon promoter to purchase any or all of the securities held by him in a manner as shall be mutually agreed ("Put option"). This option will expire after 60 months from the date of allotment. The put option price shall be the fair market value of Shares as determined by the independent valuer.

#### d) 0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each

Preference Shares were issued on June 29, 2007 and QIPO is to be brought within 60 months of closing date i.e. by June 29, 2012. Future Retail Limited (FRL) as management shareholder is required to make their best efforts to procure a third party if it fails to come out with the QIPO. If no such third party is identified, Indivision India Partners is entitled to cause FRL to convert Preference Shares into equity shares of Future Media (India) Limited (FMIL) giving maximum holding of 32.43% in FMIL. Exchange ratio between FRL and FMIL would be on fair value basis. The Valuation exercise is to be carried out by an independent investment banker / merchant banker acceptable to Indivision India Partners.

#### e) Compulsory Convertible Participating Preference Shares of ₹ 10/- each

The Company has issued 8,05,033 Compulsory Convertible Participating Preference Shares (CCPS). The CCPS has a lock-in period of 5 Years. The holders of CCPS shall be entitled to receive dividend, as and when declared on the Shares, as if each CCPS represented 1 equity share Further, no dividend is required to be accrued as these share are non accumulative. Holder of Preference shares do not carry any voting rights. In the event of liquidation of the Company, the holders of preference shares have the preference rights over the equity share holder in respect of repayment of capital. Each CCPS shall be convertible into 1 (one) fully paid up equity share anytime within a period of 20 years from the date of its issue and allotment only if SAIL exercises its Tag Along Right pursuant to Article 9.4 of the Articles of Association; and Prior to an initial public offering of the Shares. Upon conversion of CCPS, it shall stand pari passu in all respects with the then existing equity shares of the Company.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (iii) Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Future Corporate Resources Limited	16,27,71,294	41.90	15,75,96,398	40.58
PIL Industries Limited	3,83,98,056	9.88	3,78,98,109	9.76
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited	3,16,37,118	8.14	3,16,37,118	8.15
Brand Equity Treaties Limited	2,49,99,999	6.44	2,49,99,999	6.44
Counseled Mercantile Private Limited	-	-	2,18,28,193	5.62
Bennett, Coleman and Company Limited	2,03,91,700	5.25	2,03,91,700	5.25
<b>Equity Shares of Class B (Series-1)</b>				
Future Corporate Resources Limited	1,47,73,796	37.52		
PIL Industries Limited	57,38,034	14.57	57,38,034	22.17
Gargi Business Ventures Private Limited (f/k/a - Gargi Developers Private Limited)	45,50,000	11.56	45,50,000	17.58
Manz Retail Private Limited	-	-	15,79,103	6.10
<b>Non Cumulative Compulsory Convertible Preference Share Series-I &amp; II</b>				
Indivision India Partners	81,22,690	34.89	-	-
Lightbox Ventures I	1,50,91,316	64.82	-	-
<b>0.01% Non Cumulative Compulsory Convertible Preference Share</b>				
Indivision India Partners	48,00,000	100.00	48,00,000	100.00
<b>Compulsory Convertible Participating Preference Shares</b>				
Staples Asia Investment Limited	8,05,033	100.00	8,05,033	100.00

- (iv) Pursuant to the provisions of the Companies Act, 2013 following shares are kept in abeyance.
- 11,400 Equity Shares of Rights Issue of 2006.
  - 84,478 Equity Shares of Rights Issue of 2015.
  - 8,493 Equity Shares of Class B (Series-1) of Rights Issue of 2015.
- (v) Share reserved for issue under options and contracts including the terms and amounts:  
For Detail of shares reserved for issue under the Employee Stock Options Plan (ESOP) of the company. Refer Note No. 33.
- (vi) 1,64,294 equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme.
- (vii) The Company has allotted 1,34,98,300 Class B (Series-1) Shares of ₹ 2/- each at a premium ₹ 66.69 per Class B (Series-1) Share on July 6, 2015 pursuant to exercise of Class B Warrants conversion.

	As at March 31, 2016		As at March 31, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crore)
<b>2A Share Capital Suspense Account</b>				
4,34,78,261 Equity Shares of ₹ 2/- each, fully paid-up, to be issued pursuant to the Scheme of arrangement with Future Retail Limited (f/k/a Bharti Retail Limited (Refer Note No. 40)	4,34,78,261	8.70	-	-
	4,34,78,261	8.70	-	-



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>3. Reserve and Surplus</b>		
Capital Reserve	-	535.68
Capital Reserve on Consolidation (Net)	40.05	191.29
Securities Premium Reserve	2,889.34	4209.64
Debenture Redemption Reserve	268.13	268.13
Share Options Outstanding Account	4.36	1.01
General Reserve	115.22	114.18
Fair Value Change Reserve	(0.57)	0.38
Statement of Profit and Loss- (a)	(65.73)	(84.12)
	<b>3,250.80</b>	<b>5236.19</b>
<b>(a)- Statement of Profit and Loss</b>		
Opening Balance	(84.12)	(285.08)
Add : Profit for the Year	27.69	152.98
Add : Adjustment on Account of Joint Venture/Subsidiary	0.45	94.87
Less : Adjustment Relating to Fixed Assets	-	5.88
Less : Appropriations		
Transfer to General Reserve	0.58	7.97
Less : Dividend and Tax on Dividend, on Equity Shares Issued After April 1 till the Record Date	1.13	-
Proposed Dividend on Equity Shares	6.68	27.54
Tax on Dividend	1.36	5.50
	<b>(65.73)</b>	<b>(84.12)</b>
<b>4. Optionally Convertible Debentures</b>		
958 Optionally Convertible Debentures having face value of ₹ 10,00,000 each (Refer Note No. 38)	95.80	-
Series 2 - NIL (2015 : 1500) 12.50 % p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each (Refer Note No. 38)	-	150.00
	<b>95.80</b>	<b>150.00</b>
<b>5. Zero Coupon Fully Convertible Debentures</b> (Refer Note No. 36)	<b>55.00</b>	-
	<b>55.00</b>	-
<b>6. Long-Term Borrowings</b>		
<b>Secured</b>		
Non Convertible Debentures	3,737.50	1405.00
Term Loans From Banks	603.84	1427.34
Term Loan From Others	100.00	100.00
	<b>4,441.34</b>	<b>2932.34</b>
<b>7. Other Long-Term Liabilities</b>		
Deposits	507.82	1.57
Others Payable	-	0.02
Share in Jointly Controlled Entities	546.28	494.60
	<b>1,054.10</b>	<b>496.19</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>8. Long-Term Provisions</b>		
Provision for Employee Benefits	4.38	20.94
Provision for Others	0.01	-
Share in Jointly Controlled Entities	0.20	0.09
	<b>4.59</b>	<b>21.03</b>
<b>9. Short-Term Borrowings</b>		
Secured		
Term Loans From Banks	-	150.00
Working Capital Loans From Banks	53.89	1008.61
	<b>53.89</b>	<b>1158.61</b>
<b>10. Trade Payables</b>		
Trade Payables	693.16	1999.89
Share in Jointly Controlled Entities	37.01	29.67
	<b>730.17</b>	<b>2029.56</b>
<b>11. Other Current Liabilities</b>		
Current Maturities of Long-Term Borrowings	295.22	632.90
Interest Accrued but Not Due on Borrowings	126.38	67.23
Unclaimed Dividends*	0.44	0.44
Other Payables#	141.06	282.16
Share in Jointly Controlled Entities	3.60	2.92
	<b>566.70</b>	<b>985.65</b>
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, Advance from Customers, etc.		
<b>12. Short-Term Provisions</b>		
Provision for Employee Benefits	1.06	4.88
Proposed Dividend	4.44	24.96
Tax on Dividend	0.90	4.99
Other Provisions	0.14	-
Share in Jointly Controlled Entities	6.55	7.80
	<b>13.09</b>	<b>42.63</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 13. Fixed Assets

(₹ in Crore)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at April 01, 2015	Additions#	Deductions/ Adjustments#	As at March 31, 2016	Up to March 31, 2015	Adjustment for the Year #	For the Year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>(A) Tangible Assets</b>										
Freehold Land	4.83	5.60	-	10.43	-	-	-	-	10.43	4.83
Leasehold Land	3.04	0.14	0.27	2.91	0.90	0.27	0.31	0.94	1.97	2.13
Building	0.20		-	0.20	0.02	-	-	0.02	0.18	0.18
Leasehold Improvements	1,239.94	331.02	25.94	1,545.02	198.67	5.85	66.30	259.12	1,285.90	1,041.28
Plant and Equipments	894.14	222.58	21.38	1,095.34	112.58	1.50	66.06	177.14	918.20	781.57
Office Equipments	48.13	9.03	1.18	55.98	17.22	0.51	11.22	27.93	28.05	30.91
Computers	206.83	33.93	4.22	236.54	48.98	1.96	39.34	86.36	150.18	157.84
Furniture and Fittings	2,065.93	458.53	9.48	2,514.98	340.91	0.46	232.61	573.06	1,941.92	1,725.01
Electrical Installations	1,189.43	223.71	13.11	1,400.03	190.85	2.65	133.30	321.50	1,078.53	998.57
Vehicles	8.38	-	0.07	8.31	3.14	0.07	1.01	4.08	4.23	5.26
Share in jointly controlled entities	17.80	2.21	0.83	19.18	9.61	0.83	1.72	10.50	8.68	8.19
<b>Total</b>	5,678.65	1,286.75	76.48	6,888.92	922.88	14.10	551.87	1,460.65	5,428.27	4,755.77
<b>(B) Intangible Assets</b>										
Brands/Trademarks	35.99	-	-	35.99	31.27	-	4.53	35.79	0.19	-
Computer Software	306.96	19.27	309.58	16.65	70.26	74.17	18.66	14.76	1.89	241.42
Share in jointly controlled entities	6.31	1.04	-	7.35	5.77	-	0.53	6.30	1.05	0.53
<b>Total</b>	349.26	20.31	309.58	59.99	107.30	74.17	23.72	56.85	3.13	241.95
<b>Grand Total</b>	6,027.91	1,307.06	386.06	6,948.91	1,030.18	88.27	575.59	1,517.50	5,431.40	4,997.72
Previous Year	5,365.78	1,211.13	548.89	6,028.02	845.64	357.03	541.69	1,030.30	4,997.72	4,520.14

# includes impact of Composite Scheme of Arrangement (Refer Note No.49)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>14. Non-Current Investment</b>		
Investment in Equity Instruments		
Trade Investments Fully paid up of ₹ 10/- each unless otherwise stated		
Quoted		
15,00,00,000 Equity Shares of Future Consumer Enterprise Limited of ₹ 6/- each	90.38	90.38
49,37,935 Equity shares of Galaxy Entertainment Corporation Limited	0.30	0.93
63,46,980 Equity Shares of Centrum Capital Limited of ₹ 1/- each	11.02	11.50
3,05,70,108 Equity Shares of Future Lifestyle Fashions Limited of ₹ 2/- each	333.65	333.65
Unquoted		
1,69,98,000 (1,69,98,000) Equity Shares of Future E-Commerce Infrastructure Limited	-	16.17
Non-Trade Investments Fully paid up of ₹ 10/- each unless otherwise stated		
Unquoted		
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
Less : Provision for Diminution of Investment	(0.08)	(0.08)
35,78,278 Equity Shares of Pan India Food Solutions Private Limited	3.58	3.58
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	2.90	2.90
5 Shares of Y. A. Chunawala Industrial Co-op Society Limited	0.00	0.00
Investment in Preference Shares		
Unquoted		
11,92,759 0.01% Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited	1.19	1.19
35,64,096 0.01% Non-Cumulative Redeemable Preference Shares of Future E-Commerce Infrastructure Limited	-	48.47
Investment in Government or Trust Securities		
National Saving Certificates	0.07	0.07
Other Investments		
LIC Mutual Fund Liquid Plan	0.22	0.22
Share in Jointly Controlled Entities	1,124.05	1,112.87
	<b>1,567.36</b>	<b>1,621.93</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>15. Long-Term Loans and Advances</b>		
<b>Unsecured Considered Good</b>		
Capital Advances	29.56	27.99
Security Deposits	178.68	258.73
Other Loans & Advances*	267.93	224.12
Share in Jointly Controlled Entities	0.39	0.38
	<b>476.56</b>	<b>511.22</b>
* Includes balances with government authorities, Deduction/Payment of Income Tax, advance to suppliers (Net of Provisions etc.)		
<b>16. Inventories</b>		
Raw Materials	2.64	1.23
Work-in-Progress	3.12	3.41
Stock-in-Trade	863.25	3523.84
Packing Materials	0.20	3.05
Share in Jointly Controlled Entities	2.82	2.12
	<b>872.03</b>	<b>3533.65</b>
<b>17. Trade Receivables</b>		
<b>Unsecured</b>		
Outstanding for a period more than six months from the date they are due for payment		
Considered Good	55.81	66.50
Considered Doubtful	5.51	4.53
Less: Provision for Doubtful Debts	5.51	4.53
	<b>55.81</b>	<b>66.50</b>
<b>Others</b>		
Considered Good	450.66	467.76
Considered Doubtful	-	0.01
Less: Provision for Doubtful Debts	-	0.01
	<b>450.66</b>	<b>467.76</b>
Share in Jointly Controlled Entities	75.92	15.51
	<b>582.39</b>	<b>549.77</b>
<b>18. Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	67.23	29.50
Cheques on Hand	-	1.59
Cash on Hand	0.16	16.19
<b>Other Bank Balances</b>		
Dividend Account	0.44	0.53
Earmarked Balances with Banks	20.76	60.64
Short-Term Bank Deposits	38.50	8.47
Share in Jointly Controlled Entities	21.61	13.94
	<b>148.70</b>	<b>130.86</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
<b>19. Short-Term Loans and Advances</b>		
Secured, Considered Good		
Loans and Advances	90.80	130.05
	90.80	130.05
Unsecured, Considered Good		
Loans and Advances	850.20	1109.35
Deposits	106.26	493.83
Others	9.37	0.26
Share in Jointly Controlled Entities	-	28.36
	965.83	1631.80
	1,056.63	1761.85
<b>20. Other Current Assets</b>		
Interest Receivable	0.08	0.04
Other Receivable*	0.69	9.19
Share in Jointly Controlled Entities	19.60	21.50
*Includes Insurance Claim Receivables.	20.37	30.73



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	Year Ended March 31,2016	Year Ended March 31,2015
<b>21. Revenue from Operations</b>		
Sale of Products	8,536.42	10937.91
Sale of Services	439.96	270.79
Less: Vat, Sales Tax	433.04	652.38
Less: Excise Duty	-	0.26
Other Operating Revenues	353.90	172.28
Share in Jointly Controlled Entities	421.61	328.90
	<b>9,318.85</b>	<b>11,057.24</b>
<b>22. Other Income</b>		
Interest Income	32.35	15.95
Dividend Income	3.47	3.16
Miscellaneous Income	12.80	14.74
Share in Jointly Controlled Entities	57.37	58.78
	<b>105.99</b>	<b>92.63</b>
<b>23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
Opening Inventories		
Stock-in-Trade	3,524.26	3,118.45
Work-in-Progress	3.41	1.89
Less:- On Composite Scheme of Arrangement (Refer Note No. 40)	2,889.46	-
Closing Inventories		
Finished Goods	-	-
Stock-in-Trade	863.22	3,523.84
Work-in-Progress	3.12	3.41
	<b>(228.13)</b>	<b>(406.91)</b>
Share in Jointly Controlled Entities	<b>(0.90)</b>	0.25
	<b>(229.03)</b>	<b>(406.66)</b>
<b>24. Employee Benefits Expense</b>		
Salaries, Wages and Bonus	313.93	395.99
Contribution to Provident and Other Funds	17.82	22.72
Expense on Employee Stock Option Scheme	4.95	0.96
Staff Welfare Expenses	12.42	17.34
Share in Jointly Controlled Entities	37.21	32.33
	<b>386.33</b>	<b>469.34</b>
<b>25. Finance Costs</b>		
Interest Expense	490.59	670.87
Other Borrowing Costs	8.72	8.25
Share in Jointly Controlled Entities	0.34	0.06
	<b>499.65</b>	<b>679.18</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	Year Ended March 31,2016	Year Ended March 31,2015
<b>26. Other Expenses</b>		
Consumption of Stores and Spare Parts	1.46	0.45
Power and Fuel	122.20	182.64
Rent including lease rentals	361.70	583.76
Repairs and Maintenance		
Machinery	4.62	3.44
Others	24.02	34.65
Insurance	9.04	9.85
Rates & Taxes	4.97	12.99
Labour Charges	4.79	3.35
Advertisement and Marketing	169.04	192.32
Loss on Disposal/Discard of Fixed Assets (Net)	22.31	45.53
Provision for Doubtful Debts/advances	1.98	1.80
Net Loss on sale of Non-Current Investment	0.25	-
Sundry Balances Written Off	0.23	-
Bad Debts Written off	9.71	19.50
Exchange Fluctuation Loss (Net)	3.71	4.02
Miscellaneous Expenses	379.68	407.11
Share in Jointly Controlled Entities	321.48	305.42
	<b>1,441.19</b>	<b>1,806.83</b>
<b>27. Exceptional Items</b>		
Net Gain on Sale of Non-Current Investments	-	164.28
Loss by Fire	-	(0.28)
	-	<b>164.00</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 68.78 Crore (2015: ₹ 38.07 Crore).

### 29. Contingent Liabilities

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
A. Claims Against the Company not Acknowledged as debts		
i) Value Added Tax Act/Income Tax Act	151.22	205.12
ii) Others	1.86	301.50
B. Guarantees Outstanding	10.95	34.96

### 30. Leases

The Company (joint venture companies and associate companies) have entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 45.89 Crore (2015: ₹ 1224.25 Crore). The Lease Rent payable not later than one year is ₹ 67.57 Crore (2015: ₹ 317.01 Crore), payable later than one year but not later than five year is ₹ 20.57 Crore (2015: ₹ 837.29 Crore) and payable later than five years is ₹ Nil (2015: ₹ 69.95 Crore).

### 31. Tax Expense

The tax expense for the year comprises of:

(₹ in Crore)

Particulars	2015-2016	2014-2015
Current Tax	13.20	19.31
MAT Credit entitlement	-	(11.65)
Deferred Tax	3.62	(5.55)
<b>Total</b>	<b>16.82</b>	<b>2.11</b>

### 32. Deferred Tax

(₹ in Crore)

Particulars	2015-16	2014-15
Deferred Tax Liabilities		
On Fixed Assets	315.85	315.65
Deferred Tax Assets		
Disallowances under Income Tax Act / Carry Forward of Business Losses and Unabsorbed Depreciation	244.96	136.79
<b>Total</b>	<b>70.89</b>	<b>176.86</b>

### 33. Details of Share reserved for Employee Stock Option Scheme

The company has reserved issuance of 20,47,112 (2015: 22,11,406) Equity Shares of ₹ 2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (ESOS). During the period the Company has granted 7,57,896 (2015: 4,14,514) options at a price of ₹ 10 per option plus all applicable taxes, as may be levied in this regard on the Company. Out of the options granted Nil (2015: 4,800) cancelled due to cessation of employment. The options would vest over a maximum period of 3 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

### 34. Related Party Disclosures

Disclosure as required by Accounting Standard 18 "Related Party Disclosures" are given below:

#### A. List of Related Parties

##### 1. Associate Company

- i. Galaxy Entertainment Corporation Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. Enterprises over which Key Management Personnel are able to exercises significant influence

- i. Future Corporate Resources Limited
- ii. Future Ideas Company Limited
- iii. Future Lifestyle Fashions Limited
- iv. Vayuputra Realty Private Limited
- v. Surplus Finvest Private Limited
- vi. Utsav Mall Management Company Private Limited

### 3. Key Management Personnel

- i. Mr. Kishore Biyani
- ii. Mr. Rakesh Biyani
- iii. Mr. Vijay Biyani

### 4. Relatives of Key Management Personnel

- i. Ms. Ashni Biyani
- ii. Mrs. Godavaridevi Biyani
- iii. Mrs. Sangita Biyani
- iv. Mrs. Santosh Biyani

## B. Transactions With Related Parties

(₹ in Crore)

Nature of Transactions	Key Management Personnel Exercise Significant Influence	Key Management Personnel/Relatives	Associate
Sale of Goods And Services	<b>6.57</b> (61.64)	<b>0.01</b> (-)	- (0.95)
Sale of Fixed Assets	<b>0.69</b> (0.55)	- (-)	- (-)
Purchases of Goods And Services	<b>160.62</b> (257.06)	- (0.16)	- (0.60)
Purchases of Fixed Assets	<b>0.07</b> (1.83)	- (-)	- (-)
Managerial Remuneration	- (-)	<b>6.60</b> (6.70)	- (-)
Dividend Received	<b>1.23</b> (1.03)	- (-)	- (-)
Advances Given	<b>28.53</b> (5.60)	- (-)	<b>0.70</b> (-)
Deposits Given	- (10.00)	- (-)	- (-)
Outstanding balances as on March 31, 2016 Receivable	<b>207.57</b> (495.56)	- (-)	<b>5.42</b> (4.13)
Payable	<b>1.06</b> (86.51)	- (-)	- (-)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### C. Significant Related Party Transactions

- i. Sale of Goods and Services includes Future Corporate Resources Limited ₹ 2.32 (2015: ₹ Nil), Future Lifestyle Fashions Limited ₹ 4.17 Crore (2015: ₹ 57.97 Crore).
- ii. Sale of Fixed Assets includes Future Lifestyle Fashions Limited ₹ 0.69 Crore (2015: ₹ 0.55).
- iii. Purchases and Other Services includes Future Corporate Resources Limited ₹ 65.07 Crore (2015: ₹ 85.14 Crore), Future Lifestyle Fashions Limited ₹ 95.32 Crore (2015: ₹ 170.79 Crore), Ashni Biyani ₹ Nil (2015: ₹ 0.06 Crore), Godavaridevi Biyani ₹ Nil (2015: ₹ 0.03), Sangita Biyani ₹ Nil (2015: ₹ 0.03 Crore), Santosh Biyani ₹ Nil (2015: ₹ 0.03 Crore).
- iv. Purchase of Fixed Assets includes Future Lifestyle Fashions Limited ₹ 0.07 Crore (2015: ₹ 1.83 Crore).
- v. Managerial Remuneration includes Mr. Kishore Biyani ₹ 2.57 Crore (2015: ₹ 2.67 Crore), Mr. Rakesh Biyani ₹ 2.56 Crore (2015: ₹ 2.56 Crore), Mr. Vijay Biyani ₹ 1.47 Crore (2015: ₹ 1.47 Crore).
- vi. Dividend Received includes Future Lifestyle Fashions Limited ₹ 1.23 Crore (2015: ₹ 1.03 Crore).
- vii. Advance Given includes Future Corporate Resources Limited ₹ Nil (2015: ₹ 5.60 Crore), Future Ideas Company Limited ₹ 28.53 Crore (2015: ₹ Nil), Galaxy Entertainment Corporation Limited ₹ 0.70 Crore (2015: ₹ Nil).
- viii. Deposit Given includes Future Corporate Resources Limited ₹ Nil (2015: ₹ 10.00 Crore).

### D. Joint Venture Information:

Company's shares of Assets, Liabilities, Income and Expenditure with respect to jointly controlled entities are as follows:

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Assets	1319.77	1261.45
Liabilities	594.27	535.69
Income	591.14	548.79
Expenditure	584.64	525.00

### 35. Segment Report

The Group's operations predominantly relate to Retail Trade, which in terms of Accounting Standard 17 "Segment Reporting" constitute a single reporting segment.

### 36. Terms and Conditions of CCDs issued to GTI:

All the CCD shall be compulsory convertible into equity shares.

The equity shares arising out of the conversion of CCDs shall rank pari passu in all respect with the existing equity shares in the Company and subject to the provisions of Memorandum of Association and Articles of Association.

No interest shall be payable on the CCDs.

CCDs shall be subject to the terms and conditions and would be convertible into equity shares in a manner as prescribed under the Securities Subscription and Shareholders Agreement entered by the Company with the above allottee.

Conversion of the CCDs into equity shares at a fair value of shares as on the date of allotment i.e. ₹ 350 per share would amount to dilution in the following manner

Case I – 11,42,857 equity shares (2.84% of the fully diluted shareholding)

Case II – 12,85,714 equity shares (3.18% of the fully diluted shareholding)

Case III & IV – 15,71,428 equity shares (3.86% of the fully diluted shareholding)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 37. Earnings Per Share

The calculation of Earnings per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earning per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of diluted EPS is as under:

Particulars	UNITS	2015-16	2014-15
Profit after tax	₹ in Crore	27.69	152.98
The Weighted average number of Ordinary Shares for Basic EPS	No. in Crore	40.64	25.13
The Weighted average number of Class B (Series-1) Shares for Basic EPS	No. in Crore	3.58	1.74
The Weighted average number of Ordinary Shares for Diluted EPS	No. in Crore	40.64	25.16
The Weighted average number of Class B (Series-1) Shares for Diluted EPS	No. in Crore	3.58	1.74
The Nominal Value per Share (Ordinary and Class 'B'(Series-1) Shares)	₹	2.00	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in Crore	25.01	143.01
Share of Profit for Class B (Series-1) Shares for Basic EPS	₹ in Crore	2.36	9.97
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crore	25.01	143.01
Share of Profit for Class B (Series-1) Shares for Diluted EPS	₹ in Crore	2.36	9.97
Earnings Per Ordinary share (Basic)	₹	0.62	5.69
Earnings Per Class B (Series-1) Share (Basic)	₹	0.66	5.73
Earnings Per Ordinary share (Diluted)	₹	0.62	5.69
Earnings Per Class B (Series-1) Share (Diluted)	₹	0.66	5.73

### 38. Optionally Convertible Debentures

- i) ₹ Nil (2015: ₹ 150.00 Crore) OCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the four weeks preceding the respective Conversion Date. OCDs shall be redeemed in terms of the OCDs Subscription Agreement as amended from time to time, if no conversion option is exercised.
- ii) ₹ 95.80 Crore (2015: ₹ Nil) As per the provisions of the Scheme, the Company has issued new Optionally Convertible Debentures convertible at the option of the Company at the coupon rate of 10% p.a. payable incase of redemption as on Effective Date of the Scheme, within a period of 18 months from the date of allotment at a price which shall be determined in accordance with Preferential issue guidelines under SEBI (ICDR) Regulations.

39. Capital Reserve shown in the balance sheet is net of goodwill of ₹ 251.11 Crore (2015: ₹147.44 Crore).

### 40. Composite Scheme of Arrangement

The Composite Scheme of Arrangement between the Company and Future Retail Limited (f/k/a Bharti Retail Limited) ("FRL") and their respective shareholders and creditors under the Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 ('the Scheme'), for Demerger of Retail Business Undertaking of the Company into FRL and Demerger of the Retail Infrastructure Business Undertaking of FRL into the Company with effect from Appointment Date October 31, 2015 (as defined in the Scheme) has been given effect on May 01, 2016 (Effective Date).

Pursuant to the Scheme, all the assets and liabilities pertaining to Retail Business undertaking of the Company has been transferred to and vested in FRL. Accordingly, on May 18, 2016 FRL issued 42,78,60,296 Equity Shares to the shareholders holding shares on May 12, 2016 in the Company as per the Scheme. Further, all the assets and liabilities pertaining to Retail Infrastructure Business Undertaking of FRL has been transferred to and vested in the Company and accordingly, on May 18, 2016 the Company issued 4,34,78,261 equity shares to the shareholders holding shares on May 12, 2016 in FRL as provided in the Scheme.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

41. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of the Enterprises	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (₹ Crore)	As % of consolidated profit or loss	Amount (₹Crore)
<b>Parent</b>				
Future Enterprises Limited (formerly Known as Future Retail Limited)	97.09	3317.76	42.62	11.80
<b>Subsidiaries</b>				
Future Supply Chain Solutions Limited	7.24	247.33	106.75	29.56
Future Media (India) Limited	1.25	42.81	3.94	1.09
Futurebazaar India Limited	(0.06)	(2.15)	(0.75)	(0.21)
Staples Future Office Products Limited	2.17	66.18	(31.18)	(8.63)
Office Shop Private Limited*	(0.48)	(16.47)	(6.37)	(1.76)
Future E-Commerce Infrastructure Limited	(1.20)	(41.03)	(0.46)	(0.13)
<b>Minority Interest in all Subsidiaries</b>	(2.21)	(75.61)	(35.30)	(9.78)
<b>Associates (Investment as per the equity method)</b>				
Galaxy Entertainment Corporation Limited	0.01	0.30	(2.30)	(0.64)
<b>Joint Ventures (as per proportionate consolidation/ investment as per equity method)</b>				
Apollo Design Apparel Parks Limited	1.15	39.13	10.30	2.85
Goldmohur Design and Apparel Park Limited	1.12	38.22	10.76	2.98
Future Generali India Insurance Company Limited	3.34	114.13	(4.84)	(1.34)
Future Generali India Life Insurance Company Limited	0.19	6.37	(3.87)	(1.07)
Sprint Advisory Services Private Limited	10.36	354.39	(0.04)	(0.01)
Shendra Advisory Services Private Limited	5.07	173.26	(0.02)	(0.01)

42. For certain items, the Company and its Subsidiary companies, Joint Venture companies and associate companies have followed different accounting policies. However, impact of the same is not material.
43. Figures pertaining to the Subsidiary companies and Joint Venture companies have been reclassified wherever necessary to bring them in line with the consolidated financial statements.

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants

**V. K. Chopra**  
Chairman & Director

**Kishore Biyani**  
Vice-Chairman & Director

**Vijay Biyani**  
Managing Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**S. Doreswamy**  
Director

**Anil Harish**  
Director

**Bala Deshpande**  
Director

**Mumbai**  
May 28, 2016

**Dinesh Maheshwari**  
Executive Director & Chief Financial Officer

**Deepak Tanna**  
Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Crore)

	Year ended March 31,2015	Year ended March 31,2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	54.92	162.37
Net Profit Before Tax		
Adjusted for :		
Depreciation and Amortization Expense	575.59	541.69
Expense on Employee Stock Option Scheme	4.95	0.96
Finance Costs	499.65	679.18
Dividend Income	(3.47)	(3.16)
(Profit)/Loss on Sale of Investments	0.25	(164.28)
Loss on Disposal/Discard of Fixed Assets (Net)	22.16	45.53
Interest Income	(32.35)	(15.95)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,121.70</b>	<b>1,246.34</b>
Adjusted for :		
Trade Receivable	(32.62)	(107.80)
Loans and Advances and Other Assets	847.96	(281.00)
Inventories	2,661.62	(402.80)
Trade Payables, Other Liabilities and Provisions	(966.38)	786.60
<b>Cash Generated From Operations</b>	<b>3,632.28</b>	<b>1,241.34</b>
Share in Profit/(Loss) of Associate Company	(0.64)	0.10
Adjustment on Account of Joint Venture/Subsidiary include in consolidation	0.45	94.87
Share of Minority Interest	(0.00)	(31.92)
Taxes Paid (Net)	(62.77)	(32.30)
<b>Net Cash From Operating Activities</b>	<b>3,569.32</b>	<b>1,272.09</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Sale/(Purchase) of Fixed Assets (Net)	(1,031.43)	(1,070.68)
(Increase)/Decrease in Capital Work-in-Progress	(145.87)	116.68
Sale/(Purchase) of Investments	(97.50)	(104.57)
Dividend Received	3.47	3.16
Interest Received	32.35	15.95
<b>Net Cash Used In Investing Activities</b>	<b>(1,238.98)</b>	<b>(1,039.46)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Crore)

	Year ended March 31,2015	Year ended March 31,2015
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (Including Dividend Distribution Tax)	(34.17)	(16.93)
Proceeds from Issue of Share Capital	114.09	1,931.53
Proceeds from Issue of Warrants	-	23.18
Proceeds from Borrowings	66.59	(1,278.60)
Proceeds from Optionally Convertible Debentures	(54.20)	(100.00)
Proceeds from Zero Coupon Fully Convertible Debentures	55.00	-
Proceeds from Compulsorily Convertible Debentures	-	(150.00)
Interest Paid	(499.65)	(679.18)
<b>Net Cash Provided by Financing Activities</b>	<b>(352.34)</b>	<b>(270.00)</b>
On Composite Schemes of Arrangements	(1,960.16)	-
<b>Net (Decrease)/Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>17.84</b>	<b>(37.37)</b>
<b>Net (Decrease)/Increase In Cash And Cash Equivalents</b>	<b>17.84</b>	<b>(37.37)</b>
<b>Cash And Cash Equivalents (Opening balance)</b>	<b>130.86</b>	<b>168.23</b>
<b>Cash And Cash Equivalents (Closing balance)</b>	<b>148.70</b>	<b>130.86</b>

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants

**V. K. Chopra**  
Chairman & Director

**Kishore Biyani**  
Vice-Chairman & Director

**Vijay Biyani**  
Managing Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**S. Doreswamy**  
Director

**Anil Harish**  
Director

**Bala Deshpande**  
Director

**Mumbai**  
May 28, 2016

**Dinesh Maheshwari**  
Executive Director & Chief Financial Officer

**Deepak Tanna**  
Company Secretary

## FUTURE ENTERPRISES LIMITED

### INFORMATION AS REQUIRED PURSUANT TO RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED March 31, 2016

#### Sl. No., Employee Name, Designation, Age, Date of Joining, Experience (in Yrs), Qualification, Remuneration received (in ₹), Last Employment;

1. \*Ajay Chablani, Head, 43, August 01, 2015, 18, BTech, 31,12,099, Ambattur Clothing Limited; 2. \*Akshay Mehrotra, Chief Marketing Officer - Big Bazaar, 35, April 01, 2014, 11, PGDMB, 34,13,586, ETech Aces Marketing and Consulting Pvt. Ltd.; 3. Amit Gupta, Head - Supply Chain Sufficiency, 48, March 10, 1999, 23, MBA Marketing, 43,84,015, M/S Parasrampur Industries Ltd; 4. Anand Banvarilal Adukia, Vice President, 45, April 01, 2014, 19, BCA, 46,67,823, Future Enterprises Limited; 5. Anil Nanu, Head - People Office, 48, April 01, 2014, 25, Master of Labour Studies, 67,25,400, Future Group; 6. Anuraag Agarwal, Head-Strategy, Mergers & Acquisitions, 42, April 01, 2014, 16, Master of Engineering Management, 1,13,86,848, Berenson & Co; 7. \*Basil Arun Keelor, Group Security & Facility Head, 57, September 01, 2015, 36, Diploma, 55,76,690, BCL Secure Premises Pvt.Ltd; 8. \*Behram Adi Kabrajee, Head, 56, September 05, 2015, 29, Bcom, 13,52,796, Ambattur Clothing Limited; 9. \*Craig Wadsworth Wimsatt, Group President- Format Development, 55, October 01, 2015, 20, Alumnus, 1,73,39,580, Bharti Retail Ltd; 10. Devendra Chawla, Group President - Food FMCG, 44, April 01, 2014, 18, BE Production, 1,30,86,057, Reliance Retail; 11. Dinesh Maheshwari, Chief Financial Officer - FRL, 48, December 03, 2004, 19, CA, 96,19,631, Mukwand Group Companies; 12. \*Dupindera Sandhu, Head - Retail Media, 44, April 01, 2014, 20, MBA, 45,69,229, Starcom; 13. Hasamukh Patel, Head - Loss Prevention & Control, 52, April 01, 2014, 30, BCom Accounts & Economics, 36,69,643, Essar Group; 14. \*Kailash Bhatia, CEO - Future Retail Limited, 61, April 01, 2014, 35, MBA Marketing, 4,37,69,282, Color Plus; 15. Kaustubh Sonalkar, Group Chief People Officer, 45, July 09, 2014, 21, Bsc, 2,54,25,238, PWC; 16. Ketan Suresh Gandhalikar, Chief, 39, June 19, 2013, 16, BE Mechanical, 36,04,381, Nilkamal Limited; 17. Kishore Biyani, Managing Director, 56, June 01, 1991, 25, MBA Marketing, 2,57,19,600, Business; 18. Mahesh Jhaverchand Shah, CEO - Home Town, 48, June 14, 2013, 17, MMS, 1,09,05,001, Lifestyle International Pvt. Ltd.; 19. Manish Agarwal, Vice President, 46, April 01, 2014, 24, CA, 49,38,588, Agarwal Khaitan & Associates, Palace Gate Marketing & Pantaloon Retail India Limited ; 20. Manoj Agarwal, Chief Transformation Officer, 44, April 01, 2014, 23, P & G, 1,80,67,261, P & G; 21. Nivedita Nanda, Head - People Office, 44, February 16, 2015, 17, MBA, 38,40,421, Prime Focus Ltd; 22. Pankaj Ramesh Patel, Head - Legal, 43, April 02, 2003, 17, L.L.B, 42,07,692, Panormaic Group ; 23. Rajan Malhotra, President - Strategy & Convergence, 47, December 01, 2011, 23, MBA, 1,18,96,658, Niryat Sam Apparel India Ltd ; 24. Rajesh Ramjilal Kalyani, CFO - Property Division, 47, June 09, 1997, 23, CA, 93,99,063, Paschim Petrochemicals; 25. Rakesh Gopikishan Biyani, Director, 44, April 01, 1997, 23, Others, 2,56,85,004, Business; 26. \*Ramesh Shah, Head - Projects, 57, April 01, 2014, 16, BE, 38,26,767, Future Group; 27. Sadashiv Nayak, CEO - Big Bazaar, 46, April 01, 2014, 20, BE Electronics & Communications, 1,15,99,036, Hindustan Lever Ltd ; 28. Salil Chaudhry, CFO - Future Value Retail Limited, 45, April 01, 2014, 18, ICWAI, 38,64,782, United Breweries; 29. Sandeep Sharma, Head, 47, February 09, 2015, 26, BE Electronics, 38,10,792, Bajaj Electrics Ltd; 30. \*Sanjay Rathi, Head - Legal & Corp Governance, 51, February 01, 2007, 25, ACS, 1,30,39,801, Sanjay Rathi & Associates; 31. Sunil Mantri, General Manager - Commercial, 51, April 01, 2014, 29, C.A, 36,83,994, Bharti Airtel Limited; 32. Suresh Punjabi, Chief - Internal Audit, 44, May 03, 2010, 20, CA, 44,42,542, Koncept International India; 33. Suyash Saraogi, COO - Projects, 50, April 02, 2015, 26, BSC Economics, 1,89,05,390, Reliance Industries Ltd; 34. Swetank Muneshwar Jain, Chief - Corporate Communications, 36, April 01, 2014, 11, MS, 74,64,586, ICICI Bank; 35. Venkateshwar Kumar M, Vice President - South, 48, April 01, 2014, 25, PG Diploma, 62,23,045, HUL, Smithkline, Marico Industries Ltd, Coca Cola, Bharti Airtel Limited.; 36. Vijay Biyani, Director, 57, September 26, 2009, 32, BCom Accounts & Economics, 1,46,98,200, Business; 37. \*Vinay Bhatia, CEO - Loyalty and Analytics, 47, October 01, 2015, 16, Master of Management Studies, 64,36,704, Shoppers Stop Ltd; 38. \*Vinod Bidarkoppa, Group CIO, 48, August 10, 2015, 22, MBA, 2,20,08,382, TESCO; 39. Vishal Kapoor, Chief Design Officer, 43, June 15, 2002, 22, BA Fashion Design, 95,84,279, Shoppers Stop;

“\*\*” denotes employed part of the year and also include employees transferred to Future Retail Limited pursuant to the Scheme.

#### Notes:

1. Nature of employment is permanent and terminable by Notice on either side except in case of Directors, which is contractual.
2. The above employees are not related to any other Director of the Company except Mr. Kishore Biyani and Mr. Vijay Biyani who are related to each other.
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the equity shares of the Company.
4. Terms and conditions of employment are as per Company's Rules.

Sd/-

Place: Mumbai  
Date : May 28, 2016

**V. K. Chopra**  
Chairman

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

