

31st August, 2017

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

Scrip Code: 523574 / 570002

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

Scrip Symbol: FEL / FEL DVR

Re: BSE Debt Scrip Codes: 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 / 955100-101-140-141-371-373-454-456-749-750-957-958 / 956012-13 / 956243-268-69 / 956310-11

Dear Sir / Madam,

Sub.: Annual Report

This is with reference to Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed the 29th 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.



FEL Future Enterprises Ltd.

NEW

INDIA

ANNUAL REPORT 2016 - 17



FUELING INDIA'S CONSUMPTION BOOM

Future Enterprises Limited invests in creating the next generation backend infrastructure that fuels India's consumption space. With specialized knowledge and expertise in retail infrastructure management and apparel sourcing and manufacturing, coupled with a specialized subsidiary engaged in providing state-of-the-art logistics and supply chain solutions, FEL supports the growth and development of some of India's most popular brand and retail networks.

While the supply chain subsidiary earns significant revenues from outside the Future Group as well, our retail infrastructure services and manufacturing businesses are poised to follow a similar roadmap. The insurance subsidiary provides a critical support in risk mitigation to companies across multiple verticals and consumer segments.

CORPORATE

INFORMATION

BOARD OF DIRECTORS

V. K. Chopra

DIN: 02103940
Chairman & Director

Kishore Biyani

DIN: 00005740
Vice-Chairman & Director

Vijay Biyani

DIN: 00005827
Managing Director

S. Doreswamy

DIN: 00042897
Director

Anil Harish

DIN: 00001685
Director

Bala Deshpande

DIN: 00020130
Director

Dinesh Maheshwari

DIN: 00088451
Executive Director
& Chief Financial Officer

STATUTORY AUDITORS

NGS & CO. LLP

COMPANY SECRETARY

Deepak Tanna

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083.
Tel : + 91 22 4918 6000
Fax : + 91 22 4918 6060
Website : www.linkintime.co.in

BANKERS

Axis Bank Ltd.
Canara Bank
Central Bank of India
Corporation Bank
ECL Finance Ltd.
IDBI Bank Ltd.
South Indian Bank
State Bank of India
Syndicate Bank
United Bank of India

REGISTERED OFFICE

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

CORPORATE OFFICE

247 Park, 'C' Tower, LBS Marg,
Vikhroli (West), Mumbai - 400 083.
Tel : + 91 22 6119 0000
Fax : + 91 22 6199 5019

WEBSITE

www.felindia.in

INVESTOR EMAIL ID

Investorrelations@futuregroup.in

CORPORATE IDENTITY NUMBER

L52399MH1987PLC044954

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Financial Snapshot FY 2016-17

Revenue from Operations	₹ 3,782 Crore
Other Income	₹ 231 Crore
Total Income	₹ 4,013 Crore
Gross Margin	₹ 1,107 Crore
EBITDA	₹ 1,184 Crore
PAT	₹ 44 Crore

KEY INVESTMENTS

COMPANY NAME	TOTAL INCOME (₹ Cr.)	PROFIT (₹ Cr.)	STAKE (%)
Future Consumer Limited	1,679	8	9.02
Future Generali India Insurance	1,318	43	49.91*
Future Generali Life Insurance	999	(87)	28.23*
Future Supply Chain Solutions	577	46	57.42
Goldmohur Design & Apparel Park	295	7	39.00
Apollo Design & Apparel Park	311	7	39.00

* Direct and Indirect Holdings

MESSAGE FROM VICE CHAIRMAN



Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2016-17. Future Enterprises Limited owns and operates some of the key businesses that form the fundamental blocks on which other businesses of Future Group are built upon. These businesses have been built with years of experience and expertise and today form some of the most valuable assets of the group.

I am happy to share with you that through the year, most of these businesses showed remarkable resilience and improvement in terms of growth, efficiency and capacity creation. These factors has helped the Company post a consolidated total income of ₹ 4,723 Crore a profit after tax of ₹ 55 Crore.

The core business of Future Enterprises Limited is to provide retail infrastructure support to some of the most popular retail chains operated by Future Group. The Company's specialized subsidiary, Future Supply Chain Solutions Limited provides state-of-the-

art logistics services for the group's businesses in fashion, fast moving consumer goods, food, electronics and homewares. However, more than 40% of the company's revenues now come from outside the group. Its strong client base comprising of leading domestic and multinational companies is testament to the quality of services and expertise that the company has built in the consumer logistics space. Apart from contract and express logistics, the company has also created one of the leading cold chain logistics network in the country. FSC posted a net profit of ₹ 46 Crore this year. Your Company holds 57.42% stake in the company with Hong Kong based SSG Capital owning a substantial portion of the residual stake.

The stakes in the insurance business held by your Company also holds immense potential. The general insurance joint venture has in this financial year posted a profit of ₹ 43 Crore and joined the list of the few profitable private insurance companies in the country.

The life insurance joint venture was able to grow

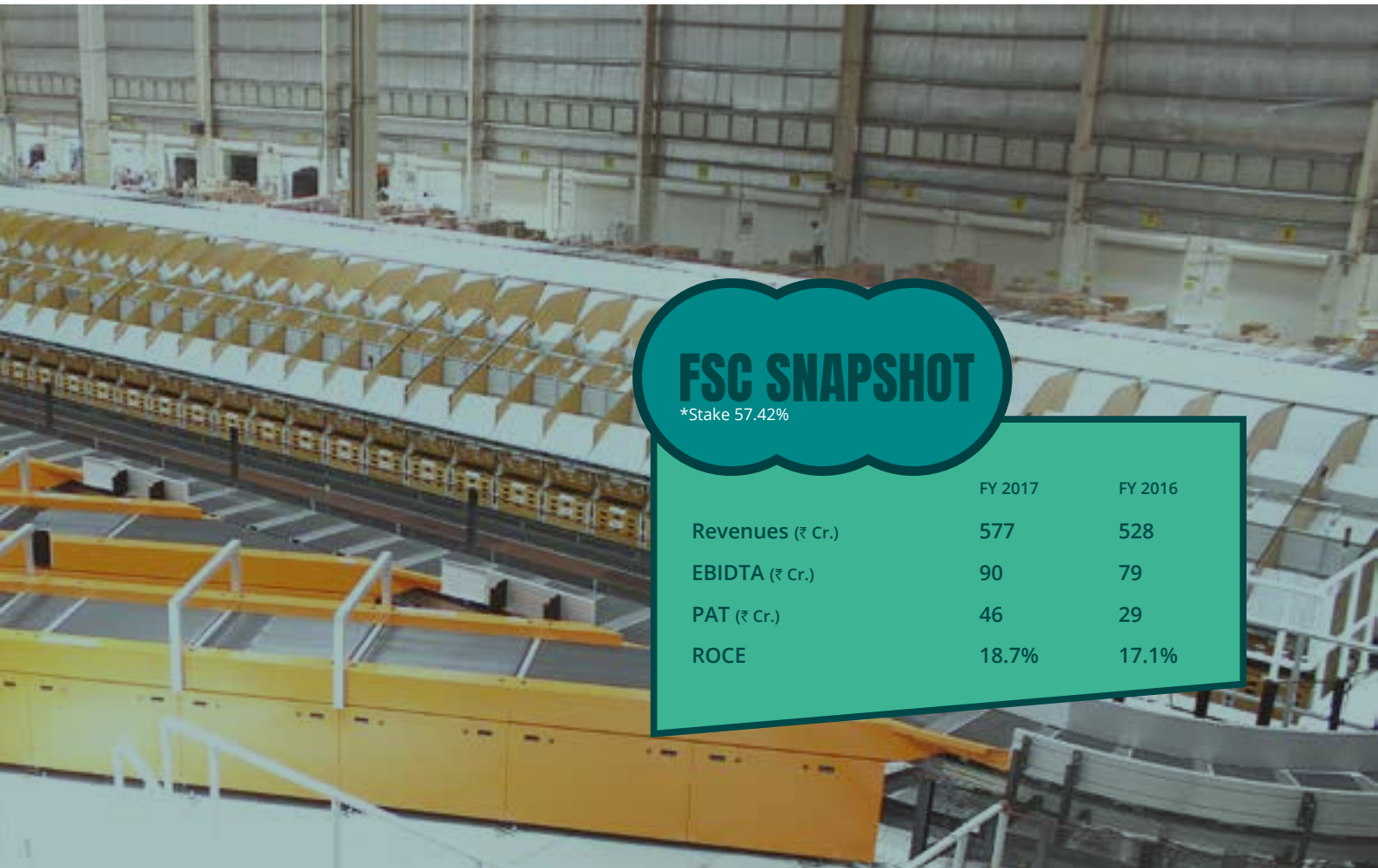
its premium by 25% during the year. Your Company also holds a 9.02% stake in the group's fast growing FMCG company, Future Consumer Limited which during this financial year posted its first net profit of ₹ 8 Crore.

Apart from these investments, the Company's business in sourcing and manufacturing apparel too has undergone significant improvement in its capabilities, size and scale.

With the tailwinds once again supporting a strong growth in the Indian economy, your Company is well poised to benefit from and contribute to the growth of the Indian consumption sector. We thank you and every stakeholder for your continued trust, good wishes and faith in the organization.

Rewrite Rules, Retain Values

Kishore Biyani



FSC SNAPSHOT

*Stake 57.42%

	FY 2017	FY 2016
Revenues (₹ Cr.)	577	528
EBIDTA (₹ Cr.)	90	79
PAT (₹ Cr.)	46	29
ROCE	18.7%	17.1%

RETAIL

INFRASTRUCTURE

& SUPPLY CHAIN

The Company is engaged in owning, investing, operating and maintenance of the retail infrastructure that runs some of India's most popular retail brands such as Big Bazaar, easyday, fbb, Foodhall, eZone and Home Town. 765 retail stores are managed by the Company and these stores cover more than 13 million square feet of retail space in over 240 cities and towns spread in 26 states and union territories across the country.

The Company's specialized team of professionals focus project management and infrastructure maintenance services that ensure each of these retail chains operate with the optimum investments and efficiency and serve their customers in the best possible manner. The Company's lease income from these operations grew from ₹ 570 Crore (on annualised basis) to ₹ 680 Crore during the financial year.

In addition to the store infrastructure, the Company, through its specialized subsidiary, Future Supply Chain Solutions Limited provides end-to-end warehousing

and supply chain solutions to most Future Group companies including its hypermarkets and neighbourhood stores of Future Retail Limited, fashion brands and retail chains of Future Lifestyle Fashions Limited and FMCG company, Future Consumer Limited.

However, more than 40% of the company's revenues now come from companies outside the Future Group network. The company provides logistics solutions to over 400 small and large clients including Mondelez, McCain Foods, Jubilant Foods, Kellogg's in the food space, Asian Paints, Kohler, Berger in the home goods space, Hitachi and Reliance Communications in the electronics space, Shopclues, PayTM in the ecommerce space, Tata Motors and Ford in the Automotive space and NCR and CMS among the ATM manufacturers.

The company operates 3.6 million square feet of warehousing space across the country, along a fleet of over 400 vehicles.

Its express logistics solutions cover 28 line haul routes and 56 feeder routes, while its temperature controlled logistics solutions is one of the leading cold chain operator in the country with 144 vehicles fitted with more than 7,400 pellets.

The company was designed keeping in mind an optimized network that will emerge in the post GST era. With GST finally becoming a reality, the company is now geared to provide the most efficient logistics solutions in the consumption space in India.

The company has recently launched the country's

most automated, high speed cross-belt sortation technology, at the national distribution centre in Mihan, Nagpur that serves Future Group business. This first of its kind in India sortation system has a conveyor system that runs up to 2.5 km approximately, and sports a 42-metre high-speed line sorter that works at a phenomenal pace of 2.1 metres per second. The company also helped launched as advanced logistics hub for Future Group in Burdwan, West Bengal to cater to the group's growing presence in the North Eastern and Eastern region of the country.

As the consumption economy gets a fresh boost from economic growth and implementation of the GST regime, FSC is well poised to grow at a significant pace and provide the most efficient logistics solutions to cater to India's consumption demand.

The Company has two joint ventures in the life and general insurance space, operated in partnership with Italy's Generali Group, which is one of the largest insurer in Europe. While Generali Group brings on board strong product and industry expertise and global networks, Future Enterprises Limited supports the venture with local understanding and a strong connect with and relationships with small and medium businesses and consumers.

The general insurance business led by Future Generali India Insurance Company Limited has been growing at a steady pace with a network of 120 branches, over 6000 agents and 1702 employees

The company also enjoys strategic alliances with major corporate customers such as Bharat Petroleum, Bajaj Energy, Schlumberger, JSW Steel, Larsen & Tourbo, Fabindia, Ricoh, Dupont and manufacturing tie ups with Toyota, Hyundai, Renault, Fiat and Nissan.

The company also operates an in-house health insurance vertical out of a dedicated center in Pune and recently launched a Health Total - a comprehensive cradle to grave health insurance policy. The health insurance division has over one million customers, more than 4700 hospitals in its network and has processed over 1.8 lakh claims. The dedicated centre provides a strong customer support platform that helps drive this business and has an ISO certification for quality management and information security management.

The company is among the insurance partners for some of the largest industrial projects in the country including those of Reliance Industries offshore and refinery set up, steel plants of JSW Steel and Jindal Steel, thermal plants of Hinduja National Power and Jhajjar Power Limited, and factories of Mondelez, Mylan, Dow Chemicals and Apollo Tyres.

Around ₹ 100 Crore of capital was infused in the company during the year of which around ₹ 50 Crore was contributed by FEL and its SPVs. Interestingly enough, the company insured Baahubali 2: The Conclusion for an amount of over ₹ 200 Crore under its film package insurance product, Future Cine Suraksha. In 2016-2017, Company has issued 160 film insurance policies.

Till date, FGII has issued 372 film insurance policies.

The company won The Great Indian Workplace Award (GIWA) 2017 at the Workplace Summit Culture for fostering a congenial, caring, safe, enjoyable and trust based culture for employees.

The life insurance business through Future Generali Life Insurance Company Limited, registered a premium growth of 25% taking its total premium collected to ₹ 740 Crore. It currently has a presence in 75 locations and has issued more than 12 lakh policies since inception.

During the year the company entered in to agreement with Vastu Housing Finance Corporation to introduced new policy to offer Group Credit Life Insurance, Loan Suraksha Plan. It also now has an FG Life App for Policy Holders to view or download their policy details, statement and make payments. During current financial year, capital infused in the company was around ₹ 55 Crore of which FEL has invested directly & through its SPV contributed around ₹ 28 Crore.

located across the country. It has over 2000 corporate clients and 12 lakh active customers and has sold over 13 lakh policies in the current financial year.

The company is among the market leaders in the motor insurance business, accounting for 55% of its premium income. Its bancassurance partners include Lakshmi Vilas Bank, PMC Bank, among others and during the year it entered into a corporate agency tie-up for its products with UCO Bank & Bank of Maharashtra, all insurance products will be available across 3050 branches of UCO Bank & 1896 branches of Bank of Maharashtra.

INSURANCE

We protect
everything
you love
in life.



Future Group's, Generali Group's and IITL's liability is restricted to the extent of their shareholding in Future Generali India Life Insurance Company Limited, Future Generali India Life Insurance Company Limited (IRDAI Regn. No.: 133) (CIN: U66010MH2006PLC165288). Regd. Office & Corporate Office address: Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013 Fax: 022-4097 6600 | Email: care@futuregeneralilife.in | Call us at 1800 102 2355 | Website: life.futuregeneralilife.in

LIFE INSURANCE JV

*Stake 28.23%

	FY 2017	FY 2016
Premium Collected (₹ Cr.)	740	592
Investment Income (₹ Cr.)	269	137
PAT (₹ Cr.)	(87)	(36)
Net Retention Ratio	96	96

FUTURE GENERAL JV

*Stake 49.91%

	FY 2017	FY 2016
Premium Collected (₹ Cr.)	1,088	1,081
Investment Income (₹ Cr.)	228	203
PAT (₹ Cr.)	43	(5)
Net Retention Ratio	61	66

APPAREL SOURCING & MANUFACTURING

The Company has a specialized apparel design and sourcing team, coupled with an in-house manufacturing facility at Tarapur in Maharashtra and at the Apollo and Goldmohur mills located in the heart of Mumbai. These businesses support the fast growing fashion businesses of Future Group and a few third party companies.

The core competency of the business is its strong understanding of the apparel value chain and vendor networks coupled with the consumer understanding of buying preferences and behaviour. The Company has a senior design team of 6 professionals along with a large pool of 60 talented designers. They are backed by a team of over 260 professionals engaged in fabric procurement, vendor capacity planning, costing and negotiations.

The technical and quality assurance team of over 50 people is involved in ensuring millions of garments meet the high standards set by the group's brands and retail chains and their customers. The Tarapur manufacturing facility has an installed capacity of 15 lakh pieces a year, whereas the Apollo Mill has an installed capacity of 6.8 lakh pieces and Goldmohur Mill has an installed capacity of 8.4 lakh pieces. The Apollo and Goldmohur Mills are operated as joint ventures with National Textile Corporation, with FEL owning a 39% stake. The Apollo Mill holds 1,94,476 sq. ft. of land in the Lower Parel, Mumbai whereas Goldmohur Mill holds 3,24,510 sq. ft. of land in the Dadar, Mumbai.

Denim Hub



DENIMS
D'YO
fit



Price tag with text: Price, Brand, Size, Color, Material.

Price tag with text: Price, Brand, Size, Color, Material.

11.11



MANAGEMENT DISCUSSION AND ANALYSIS

After a major realignment, fiscal year 2017 was first full year of operation, with new business line of Retail Infrastructure Provider apart from its other business activities, viz. manufacturing and trading as well as holding investments in various Future Group initiatives. The business of Retail Infrastructure Provider, looks positive in view of starting on such a large scale, and a very positive outlook due to organised retail business being on growth path. Further, the Company also enjoys the experience of the Group in modern retail, which is beneficial to estimate future growth pattern and accordingly plan for the capex requirements. Further this is also helpful to design the assets required by retail stores in such manner, which would ensure optimum efficiency for stores while giving maximum ease of shopping to customers of the retail stores.

Further, the Company is also concentrating on its other businesses, viz. manufacturing and trading. In trading, the Company is in process of creating a fashion hub, catering to the requirements of various retailers in the fashion segment. Further the Company is continuing its divestment activities for various investments held by it. All these will mean that the Company would continue to have sustained revenue and income streams. Being in retail industry, the objective of the Group as well as that of the Company continues 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 Company had advantage to be part of retail business for past two decades, which gives it an added advantage to deal with the retail infrastructure requirements, in more efficient manner. The Retail Infrastructure Provider is a niche business. Retail stores are required to take care of all the capex requirements as well along with its core business activity of retail. The Company is posing a business proposition for such retail operators by providing all the required retail infrastructure on turnkey basis. Further, it also reduces burden of the retail operators to put its scarce funds in the capex for stores. The two decade retail experience enables it to provide the retail infrastructure in minimum time and at very reasonable cost and at the same time ensuring the optimum utilisation of all the available technological upgradations, which results in lower running and maintenance costs for the retailers. The Company continues to use various green initiatives in design and creation of the retail infrastructure.

The manufacturing and trading operations of the Company may see a leap in coming years, with more emphasis on the trading, as it has ready market available from various fashion formats as well as it proposes to also reach out to the other retailers and distributors of the fashion garments. The Company proposes to pose itself as a fashion hub catering to fashion need of various fashion formats. The increased trading activities and also

increased manufactured activities by addition of the job contractors, the Company proposes to strengthen this revenue stream.

The Company continues to look for willing investors for its matured businesses, and other businesses where it does not want to continue due to strategic decision for closure / sale of investments. During the year under review, the Company, divested its holding in Future Lifestyle Fashions Limited and some smaller investments. The Company is also considering other divestment proposals, which may fructify in the current financial year. The Company utilised the proceeds of sale of investments, for reduction of overall debt. The Company proposes to continue its divestment activities, to reduce its overall debt and improve its profitability in the coming years and enhance value of Shareholders' investments in the Company.

Customer and Marketing Overview

The Company now needs to concentrate on a very small B2B customer base directly being various retail formats, both for its rental of assets business as well as manufacturing and trading business. However, the Company needs to continue its research for the choice and tastes of the ultimate customers, so that it can provide best retail infrastructure to give the delightful shopping experience at various formats and it can provide fashion garments as per taste and choice of the customers to be sold to ultimate customers at such retail formats.

The Company is proposing to widen its customer base for the retail infrastructure provider business, by reaching out to other group companies as well as external retailers. The Company has a first mover advantage in the field of providing comprehensive solution for retail entities and providing retail space ready to start operation. Further the Company is also considering increasing its manufacturing and trading operations in fashion garments, by adding direct capacity as well as having tieup with other manufacturing units for working on job contract basis for the Company. Further, the Company is also considering to widen its trading operations directly / indirectly by sourcing other products as well. As a large scale procurement hub, the Company would have added negotiation advantage with manufacturers/ distributors.

The organised retail operations are poised for exponential growth. This growth would surely mean additional business for the Company for its retail infrastructure provider business as well as manufacturing and trading operations. Further, with all investee Companies, having better performances, the overall valuation of investments held by the Company, is improving and would provide better yield as and when divested.

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

As the Company's new initiatives viz. Retail Infrastructure Provider and Fashion hub are niche area of operations, at present the Company has either no competition or very minimal competition. The Company will continue to have first mover advantage, as it was enjoying in past for its other business initiatives.

In case of Retail Infrastructure Providers, the nearest competition can be identified in terms of NBFCs providing finance for lease of assets or leasing NBFCs. However, they play a very minimal role of providing only finance and procurement and installation would be responsibility of the borrower / entity availing the finance services. The Company is a one stop solution for entire infrastructure requirements of the retail stores and hence would have a niche area of operation and preferred service providers for retailers in the years to come. The business model can be replicated by other companies, but still they cannot take away first mover advantage from the Company. Further, due to various retail formats operated by the Group Companies, the Company would have ready market available, for its services. This will also be applicable for the manufacturing and trading operations of the fashion garments by the Company. Further, the experience and awareness of fashion trends, will enable the Company to provide the similar services to other retailers outside the Group as well.

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. FEL employs 1,025 employees located at offices and manufacturing units across the Country. 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 more than two decades leading the Company's core retail business and now would be contributing to successfully lead the new business initiative of the Company.

Business Outlook

Various retail research reports are contemplating increase in various economic activities in the Company as the Country is nearing per capita GDP of \$2000. Many other countries, have witnessed in past a surge in economic activities and growth, when their per capita GDP have crossed mark of \$2000. One of the biggest beneficiary of this surge of economic growth would be consumption sector and hence organised retail. The Company being

heavily dependent on the retail sector for its operation, would also be witnessing the increased demand for its services and products. This would mean that the management would need to be ready for the increased operations and consider expansion plan if need to take maximum benefit of this growth era.

Launch of GST, one nation one tax, would give added advantage since locational preference would now fade away and expertise would have preference in case of services as well as product procurements by retailers.

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

The commitment of the Company to reduce its financing cost and operating cost by optimum utilisation of the available resources, the Company would be able to provide its services and products at reasonable and competitive price. This would also ensure better realisation and increased profitability and increase in valuation of investment of 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, 2017.

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. We shall also note that at this time, we do not anticipate any major adverse change in macro economic 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 are involved in regular review of financial, 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 16-17 is not comparable with the previous fiscal year FY 15-16. Fiscal year under review for your Company consists of,

- 12 months of retail infrastructure operations from April 01, 2016 till March 31, 2017 and previous Fiscal year would consist of –
- 12 months of retail infrastructure operations from April 01, 2015 till March 31, 2016;
- 7 months of demerged retail operations from April 01, 2015 till October 30, 2015.

The financial performance of the Company for the year under review was not comparable to the previous financial year as the previous period of accounts includes seven month of demerged retail operations.

Sales: The Company's Sales and Other Operating Income has decreased from ₹ 8,357.70 Crore in previous financial year to ₹ 3,782.09 Crore with YOY degrowth of 54.75% for the financial year ended March 31, 2017.

Profit Before Tax: Profit Before Tax of the Company for the financial year ended March 31, 2017 stood at ₹ 43.56 Crore as compared to ₹ 26.79 Crore during the previous financial year.

Interest: Interest & Financial charges outflow has increased from ₹ 496.52 Crore incurred in previous financial year to ₹ 507.61 Crore for the financial year ended March 31, 2017. The increase in interest and financial charges is due to increase of borrowings. The interest & financial charges cover for the financial year ended March 31, 2017 under review is 2.33 times as compared to 2.16 times in the previous financial year.

Net Profit: Net Profit of the Company for the financial year ended March 31, 2017 stood at ₹ 43.56 Crore as compared to ₹ 21.27 Crore in the previous financial year with increase of ₹ 22.29 Crore and with YOY increase of 1.05 times over the previous financial year.

Dividend: The Board of Directors has recommended a dividend of ₹ 0.20 (10%) per equity share. The dividend would be payable on all equity shares of the Company including Class B (Series 1) Shares. Class B (Series 1) Shares would be entitled to a dividend (if declared) ₹ 0.24 (12%) being 2% additional dividend as per the terms of issue of Class B (Series 1) Shares.

Capital Employed: The capital employed (net of cash) in the business is ₹ 8,962.24 Crore as at March 31, 2017. Return on capital employed (EBIDTA / average capital employed) during 2016-17 is 13.79% as compared to 11.83 % during 2015-16.

Surplus management: The Company generated a cash profit of ₹ 676.75 Crore for the financial year ended March 31, 2017 as compared to ₹ 573.53 Crore in the previous financial year, registering the growth of 18.00%. 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 year.

Equity Share Capital: The equity share capital of the Company has been increased from ₹ 85.57 Crore to ₹ 94.57 Crore due to issue of shares pursuant to the Scheme and ESOP shares during the financial year under review.

Optionally Convertible Debentures: The Company has issued 958 Optionally Convertible Debentures of ₹ 10 lakh each aggregating to ₹ 95.80 Crore pursuant to the Scheme to debenture holders of the Bharti Retail Limited (now known as Future Retail Limited) for the value of net assets acquired as part of the demerged Retail Infrastructure Business of that company. This debentures are convertible / redeemable at option of the Company on or before October 31, 2017.

Debt-Equity: Debt-Equity ratio (for the purpose of this ratio OCDs have been considered as part of equity) of the Company has improved due to increased equity issuance and better profitability. Debt-Equity ratio has improved from 1.33 in the previous financial year to 1.30 as at March 31, 2017.

Earnings Per Share (EPS): The Company's Basic EPS has improved from ₹ 0.26 in the previous financial year to ₹ 0.92 per share for the current financial year ended March 31, 2017.

Cash Earnings Per Share (CEPS): The Company's Cash Earnings per Share (CEPS) has increased to ₹ 14.34 in the current financial year in comparison to ₹ 12.66 in the previous financial period.

Investment: The Company's investment portfolio has reduced from ₹ 1,417.34 Crore to ₹ 1,404.45 Crore during the current financial year ended March 31, 2017. The reduction in investment during the financial year is mainly due to divestment of holding in Future Lifestyle Fashions Limited and other smaller investments.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Twenty Ninth Annual Report of the Company together with the Audited financial statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS:

The financial performance of the Company is as follows:

(₹ in Crore)

Particulars	Financial Year 2016-17	Financial Year 2015-16
Sales (Net of Taxes)	3105.03	7,981.20
Other Operating Income	677.06	376.50
Other Income	231.05	47.49
Total Income	4013.14	8,405.19
Profit before Depreciation, exceptional Items & Tax	676.75	573.53
Less: Depreciation	633.19	546.74
Tax expense	-	5.52
Profit after Tax	43.56	21.27
Total Comprehensive Income For the year	339.87	180.44

REVIEW OF PERFORMANCE

The year under review, was first full year of operation, post completion of the Composite Scheme of Arrangement, wherein the Retail Business Undertaking of the Company was demerged and the demerged Retail Infrastructure Business Undertaking of Future Retail Limited (FRL) (formerly known as – Bharti Retail Limited) was vested with the Company. The previous year results contains for part of year, the income from demerged Retail Business Undertaking and accordingly the results of the current financial year are not comparable to the results of the previous financial year.

Income from operations for the current financial year under review was at ₹ 3,782.09 Crore which was at ₹ 8,357.70 Crore during the previous financial year. Profit before Depreciation, exceptional items and tax stood at ₹ 676.75 Crore for the financial year 2016-17 which was at ₹ 573.53 Crore for the previous financial year. Profit after Tax for the year under review was ₹ 43.56 Crore which was at ₹ 21.27 Crore for the previous financial year.

SHARE CAPITAL

During the year under review, the Company has issued and allotted 4,49,74,219 Equity Shares as under:

- 4,34,78,261 Equity Shares issued and allotted to the Shareholders of as per the Composite Scheme of Arrangement between the Company and FRL;
- 14,95,958 Equity Shares were issues and allotted under Employees' Stock Option Scheme – 2012 to eligible Employees of the Company.

COMPOSITE SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement between the Company and Future Retail Limited (formerly known as “Bharti Retail Limited”) and their respective Shareholders and Creditors (“the FEL-FRL the Scheme”) has been approved under the provisions of Sections 391-394 of the Companies Act, 1956 read with Sections 100-104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013. 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 and has been given effect on May 1, 2016 (“Effective Date”), after filing of order issued by Hon’ble High Court of Original Judicature 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.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹ 0.20 (10%) per Equity Share (previous financial year ₹ 0.10 (5%) per Equity Share) and dividend of ₹ 0.24 (12%) per Class B (Series 1) Share {previous

financial year ₹ 0.14 (7%) per Class B (Series 1) Share} for the financial year ended March 31, 2017. The said dividend shall be 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 based on the paid up share capital as at the date of this report, entail a payout of ₹ 11.57 Crore including dividend distribution tax of ₹ 1.96 Crore. The dividend is free of tax in the hands of the Shareholders.

INVESTMENTS

During the year under review the Company has made investment in Joint Venture and Subsidiaries Companies as under.

₹ 25.50 Crore in Future Generali India Insurance Company Limited; ₹ 14.16 Crore in Future Generali India Life Insurance Company Limited. Further ₹ 24.35 Crore in Shendra Advisory Services Private Limited; and ₹ 13.55 Crore in Sprint Advisory Services Private Limited and ₹ 8.70 Crore in Work Store Ltd. (f/k/a Staples Future Office Limited).

DIVESTMENTS

On June 28, 2016, the Company divested part its stake being 12.75% shares from its total holding, in one of its subsidiary company, Future Supply Chain Solutions Limited ("FSCSL"). At the end of the financial year ended March 31, 2017, your Company continue to hold majority stake of 57.42% in FSCSL after the above referred divestment.

On December 26, 2016, the Company divested its entire holding of Future Lifestyle Fashions Limited ("FLFL") being 16.09% of paid up capital of FLFL. Further, Company also divested its small holding of equity shares in Centrum Capital Limited ("CCL").

DEBENTURES

During the year under review, the Company has raised long term funds through Non-convertible Debentures aggregating ₹ 1326.50 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 repaid the principal amount of Secured Redeemable Non - Convertible Debentures Series- V of ₹ 418.03 together with accrued interest thereon on March 20, 2017 and Secured Redeemable Non-Convertible Debentures Series- VIII of ₹ 668.85 together with accrued interest thereon on March 21, 2017.

Debentures (OCDs)

The Optionally Convertible Debentures (OCDs) issued to erstwhile Shareholders of FRL, were split between the Company and FRL, as provided in the Composite Scheme of Arrangement and accordingly the Company had issued new OCDs on May 1, 2016 of ₹ 98.50 Crore. These OCDs

would be convertible into equity shares / redeemable on or before October 31, 2017.

FIXED DEPOSITS FOR PUBLIC

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, 2017.

CORPORATE GOVERNANCE REPORT

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 ("Listing Regulations"), forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORTING

Pursuant to Listing Regulations, a Business Responsibility Report is included in 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 this Annual Report.

NUMBER OF BOARD MEETINGS

The Board of Directors met 7 (Seven) times during the financial year 2016-17. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

COMMITTEES OF THE BOARD OF DIRECTORS

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 this Annual Report.

SUBSIDIARY COMPANIES, 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, 2017.

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. Your Company holds 100% in FBIL. FBIL is successfully operating its e-retailing business and during the financial year ended March 31, 2017, it has registered income from operations amounting to ₹ 12 Crore and its net loss stood at ₹ 0.1 Crore.

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 consume. 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%. FMIL also has Convertible Preference Shares, which has not yet been converted into equity shares. During the financial year ended March 31, 2017, FMIL registered income from operations amounting to ₹ 24 Crore and the net profit stood at ₹ 1 Crore.

Future Supply Chain Solutions Limited

Future Supply Chain Solutions Limited (FSCSL) is designed to operate in the logistics, transportation, distribution and warehousing space. FSCSL provides solutions in the areas of integrated Supply Chain Management, warehousing, distribution and Multi Modal transportation. Your Company has 57.42% stake in FSCSL. FSCSL has warehousing space of 3.6 million square feet spread over all across India. FSCSL is currently building large scale warehousing facilities and also increasing its presence in 3PL logistics solutions. During the year ended March 31, 2017, FSCSL has registered income from operations amounting to ₹ 561 Crore and the earned net profit of ₹ 46 Crore.

Bluerock eServices Private Limited

Bluerock eServices Private Limited (BEPL) was incorporated to deal in the business of furniture and home furnishing under the brand "Fabfurnish". BEPL is 100% subsidiary of the Company. BEPL has earned revenue of ₹ 7 Crore and incurred net loss of ₹ 43 Crore during the year ended March 31, 2017.

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 services 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. During the financial year ended March 31, 2017, FECIL registered income from operations amounting to ₹ 12 Crore and the net profit stood at ₹ 1 Crore.

Work Stores Limited (f/k/a Staples Future Office Products Limited)

Work Stores Limited (WSL) f/k/a Staples Future Office Products Limited is designed to capture the consumption space of office supplies, office equipment and products. WSL 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 61.67% in WSL however, considering the total capital comprising of convertible preference capital the Company's holding in the total capital of WSL works out to 62.63%. During the financial year ended March 31, 2017,

WSL has registered income from operations amounting to ₹ 89 Crore and the net loss stood at ₹ 3 Crore.

Office Shop Private Limited

Office Shop Private Limited (OSPL) was incorporated to deal in the business of distribution services. OSPL is 100% subsidiary of WSL and accordingly, is step down subsidiary of the Company. OSPL has earned revenue of ₹ 12 Crore and incurred net loss of ₹ 2 Crore during the year ended March 31, 2017.

ASSOCIATE COMPANY

Galaxy Entertainment Corporation Limited

Galaxy Entertainment Corporation Limited (GECL) is a leisure and entertainment organization. The Company is into 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. During the financial year ended March 31, 2017, GECL has registered income from operations amounting to ₹ 42 Crore and the net loss stood at ₹ 14 Crore.

JOINT VENTURES

Apollo Design Apparel Parks Limited and Goldmohur Design and 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) and Goldmohur Design and 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. During the financial year ended March 31, 2017 ADAPL registered income from operations amounting to ₹ 310 Crore and earned net profit of ₹ 7 Crore. Further during the year GDAPL registered income from operations amounting to ₹ 293 Crore and earned net profit of ₹ 7 Crore.

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. During the financial year ended March 31, 2017, FGI-Life has registered income from operations of ₹ 708 Crore and net loss of ₹ 87 Crore.

Future Generali India Insurance Company Limited

Future Generali India Insurance Company Limited (FGI-Nonlife) is Company's joint venture in the general insurance sector. FGI-Nonlife has introduced insurance products for various general insurance needs of the different categories of customers. During the financial year ended March 31, 2017, FGI-Nonlife has registered income from operations of ₹ 1,088 Crore and net profit of ₹ 43 Crore.

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. During the financial year ended March 31, 2017, Shendra has registered income from operations of ₹ 0.1 Crore and net profit of ₹ 0.04 Crore.

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. During the financial year ended March 31, 2017, Sprint has registered income from operations of ₹ 0.002 Crore and net loss of ₹ 0.06 Crore.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

In accordance to the provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein standalone and the consolidated financial statements of the Company and the audited financial statements of each of the subsidiary companies have been placed on the website of the Company – www.felindia.in. The audited financial statements in respect of each subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of ensuing Annual General Meeting. The aforesaid documents relating to subsidiary companies can be made available to any Member interested in obtaining the same upon a request in that regards made to the Company.

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

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

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

Archival policy of the Company is available on the website of the Company at the link 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_for_Key_Manual_Persons.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

The Dividend distribution policy is given as Annexure-II to this Report. The same is also available on the website of the Company at the link http://felindia.in/pdf/Dividend_Distribution_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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 152 of the Act, Mr. Vijay 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. Vijay Biyani, Managing Director of the Company has been re-appointed as a Managing Director with effect from September 26, 2017 for a period of three years.

Additional information on appointment / reappointment of directors and revision of remuneration payable to them, 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 this Annual Report.

PARTICULARS OF EMPLOYEE STOCK OPTION PLAN 2012 (ESOP-2012) AND 2015 (ESOP-2015)

Future Enterprises Limited (FEL) has granted Options to eligible employees in 2014 and 2015 under Employee Stock Option Scheme 2012 ("ESOP 2012") and 2015 ("ESOP 2015"). In a Composite Scheme of Arrangement, FEL has transferred its Retail business carried on under the format brands of Big Bazaar, Food Bazaar, e-zone, Home town to Future Retail Limited (f/k/a Bharti Retail Limited), the Composite Scheme of Arrangement has been sanctioned by the Bombay High Court in its order dated March 04, 2016.

The Employee Stock Options of the Company has adjusted for the corporate actions on Value for exchange to protect the fair value of Options per option grantee and aggregate fair value of the Options.

During the under review, the Nomination and Remuneration Committee has granted 23,22,102 Stock Options to the eligible employees under FEL Employees Stock Option Plan 2012 ("ESOP 2012") and 26,03,196 Stock Options to the eligible employees under FEL Employees Stock Option Plan 2015 ("ESOP 2015").

The applicable disclosures as stipulated under SEBI (Share Based Employee Benefits) Regulation 2014 as on March 31, 2017 with regard to ESOP 2012 and ESOP 2015 are provided in Annexure-III to this Annual Report.

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-IV.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

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. 51 of Notes forming part of Standalone Financial Statements.

INDIAN ACCOUNTING STANDARDS (IND AS)

As mandated by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards ("Ind AS") from April 01, 2016 with a transition date of April 01, 2015. The Financial Results for the year 2016-2017 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules issued thereunder and the other recognised accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2016-2017 presented have been prepared in accordance with Ind AS.

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.

Particulars of contracts or arrangements with related parties as required under Section 134(3)(h) of the Act, in the prescribed form AOC-2 is given in Annexure-V of this Annual Report.

Disclosure of transactions with related parties as required under the applicable Accounting Standards has been made in the notes forming part of the financial statements.

DETAIL UNDER REGULATION 39(4) OF THE LISTING REGULATIONS – UNCLAIMED 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 and Class B (Series 1) Share were 184 holding 92,010 Equity shares and 9,250 Class B (Series 1) shares respectively. The total Shareholders continue to remain 183 for Equity Shares and for Class B (Series 1) shares holds 91,510 Equity shares and 9,200 Class B (Series 1) outstanding shares respectively lying in the Unclaimed Suspense Account as on March 31, 2017. 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

Your Directors further state that 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

The national economy is nearing per capita GDP of \$2000 which has been a mile stone in other developing economies as well, which have witnessed spurt in economic activities. Biggest beneficiary of this surge will be consumption sector and organised retail. The Company's activities and operations are linked to retail growth and hence management believes that there will be increased demand for its services and products. The Company may in future consider expansion of its services and operations to cope up with increased demand and also in turn increase/its profitability.

Other factors fuelling economic growth such as GST, infrastructure development, will also be favourable to Company being part of organised sector.

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.

AUDITORS AND AUDITOR'S 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 26th Annual General Meeting of the Company held on August 02, 2014 till the conclusion of the 29th Annual General Meeting of the Company. Accordingly, the term of Statutory Auditors is expiring at the ensuing Annual General Meeting of the Company.

In view of above, the Board at its meeting held on May 19, 2017 appointed M/s. DMKH & Co. Chartered Accountants, (Firm Registration No. 116886W) as Statutory Auditors of the Company, subject to approval of the Members of the Company at ensuing Annual General Meeting.

Accordingly, it has been recommended to appoint M/s. DMKH & Co., Chartered Accountants, (Firm Registration No. 116886W) as the Statutory Auditors of the Company for a term of 5 years, from the conclusion of the Twenty Ninth Annual General Meeting of the Company. Their appointment shall be subject to further ratification by the members at every Annual General Meeting of the Company during the said term.

The Company has received a written confirmation from the M/s. DMKH & Co., Chartered Accountants, for their appointment as Auditors, if made, shall be in accordance with the criteria and provisions as provided under Section 139 and 141 of the Act.

The Auditors' Report on the financial statements for the financial year ended March 31, 2017 does not contain any qualification, observation, emphasis of matter or adverse remark.

SECRETARIAL AUDITOR

M/s. Virendra Bhatt, Practising 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 2016-17, as required under Section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2016-17 is appended as Annexure-VI 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 Act, with respect to Directors' Responsibility Statement it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for that year;

- (iii) 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;
- (iv) the Directors have prepared the annual accounts for the financial year ended March 31, 2017, on a going concern basis.
- (v) 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.
- (vi) 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-VII which forms part of this Annual Report.

The Company being concentrating on the domestic consumption space does not have any specific exports initiatives to report to members.

AUDIT COMMITTEE

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

The Company has set up "Sone Ki Chidiya" Foundation Trust 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-VIII.

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.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC Conducts training workshop mainly focusing on investigation skills, basic counselling skills like listening, paraphrasing and dealing with biases through various kind of case studies, role plays activities based on real life examples, role of ICC, critical attitudes of an ICC member and Investigation process & Report writing, etc. ICC has its presence at corporate office as well as at stores / other locations.

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, 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 including the Chairman of the Board, 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-IX, which is annexed to this Report.

In terms of the provisions of first proviso to 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 Members of the Company. The said information is available for inspection at the registered office of the Company during working hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining such information, such member may write to the Company Secretary and the same will be furnished on request. The full Annual Report including aforesaid information is being sent electronically to all those Members who have registered their e-mail 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 19, 2017

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 Share-holdings
1	Future Supply Chain Solutions Limited	March 31, 2017	39	254	510	217	0.01	561	58	12	46	-	57.42
2	Future Media (India) Limited	March 31, 2017	29	(28)	2	0.36	0	24	1	0	1	-	93.10
3	Futurebazaar India Limited	March 31, 2017	19	(21)	0.24	2	0	12	(0.1)	0	(0.1)	-	100.00
4	Future E-Commerce Infrastructure Limited	March 31, 2017	51	(91)	4	44	0	12	1	0	1	-	70.42
5	Bluerock eServices Private Limited	March 31, 2017	23	(37)	6	20	0	7	(43)	0	(43)	-	100.00
6	Work Store Limited (f/k/a Staples Future Office Products Limited)	March 31, 2017	6	65	96	25	1.13	89	(3)	0	(3)	-	61.67
7	Office Shop Private Limited*	March 31, 2017	0.01	(19)	1	19	0	12	(2)	0	(2)	-	61.67

Note: Revenue from Operations excludes Other Income

* 100% subsidiary of Work Store 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	Net worth attributable to Share holding 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)	Not Considered in Consolidation
1	Apollo Design Apparel Parks Limited	March 31, 2017	2,203,500	73.73	39.00%	Due to Joint Venture Agreement	-	42	3	-
2	Goldmohur Design and Apparel Park Limited	March 31, 2017	22,81,500	70.38	39.00%	Due to Joint Venture Agreement	-	41	3	-
3	Future Generali India Insurance Company Limited	March 31, 2017	20,65,50,000	206.55	25.51%	Due to Joint Venture Agreement	-	179	9	-
4	Future Generali India Life Insurance Company Limited	March 31, 2017	5,77,15,020	57.72	3.83%	Due to Joint Venture Agreement	-	10	(2)	-
5	Sprint Advisory Services Private Limited	March 31, 2017	19,22,47,809	192.25	49.81%	Due to Joint Venture Agreement	-	368	(0.03)	-
6	Shendra Advisory Services Private Limited	March 31, 2017	11,18,44,321	111.84	49.82%	Due to Joint Venture Agreement	-	198	(0.02)	-
7	Galaxy Entertainment Corporation Limited	March 31, 2017	49,37,935	19.25	31.55%	Due to Shareholding	-	(5)	(0.01)	-

* 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

Vijay Biyani
Managing Director

Kishore Biyani
Vice-Chairman & Director
London

S. Doreswamy
Director

Bala Deshpande
Director

Dinesh Maheshwari
Executive Director & Chief Financial Officer

Deepak Tanna
Company Secretary

Mumbai

May 19, 2017

ANNEXURE II

DIVIDEND DISTRIBUTION POLICY

Company's philosophy:

Future Enterprises strives to ensure and preserve stakeholders' value and work towards enhancing net worth of the Company as well as overall stakeholders' value. While achieving the above objective, the Company also ensures protecting the interest of all stakeholders, including the society at large.

Future Enterprises looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our Dividend philosophy is in line with the above principles. Our Dividend payout ratio would be ranging from 25% to 60% of the earned profits for the year, after adjusting any carried forward losses. Dividend Payout ratio would be reviewed every three year and would be based upon profitability and retained earnings and would be further subject to business requirements and general economic conditions. The Company will attempt to maintain a consistent dividend record to reward Shareholders.

Declaration of Dividend:

In line with the philosophy described above, the Board reviews the operating performance every quarter and shall strive to distribute optimum and appropriate level of profits in the form of interim / final dividends, from time to time. All dividends are subject to statutory regulations and approvals, as applicable. Overall, the dividend payout in each year will depend upon business performance, investment requirements of the annual operating plan for the year and any other strategic priorities identified by the Company.

Per share basis:

The dividend will be declared on per share basis only.

Circumstances under which the Shareholders of the listed entities may not expect dividend:

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

Financial parameters considered while declaring dividend:

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

Internal and external factors considered while declaring dividend:

The Board leads the strategic management of the Company on behalf of the Shareholders, exercise supervision through direction and control and appoints various committees to handle specific areas of responsibilities. In this endeavor, the Board reviews various types of information provided to it which has a bearing on declaring dividend. Key internal and external factors are listed below (not exhaustive):

Internal:

- Annual operating plans, budgets, updates;
- Capital budgets;
- Quarterly and Annual results;
- Investments including Mergers and Acquisitions (M&A).
- Strategic updates/ financial decisions;
- Funding arrangements;
- Any other matter / risks;

External:

- Macro-economic environment;
- Competition;
- Legislations impacting business;
- Statutory restrictions.
- Changes in accounting policies and applicable standards;
- Client related risks;
- Any other matter / risks apprehended by the Board;

Usage of retained earnings:

Retained earnings would be used to further the Company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to Shareholders via Dividends or other means as permitted by applicable Regulations.

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

The Company would ensure compliance with statutory guidelines, terms and conditions of issue of shares of specific class and provisions contained in Article of Association. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors to all Shareholders.

ANNEXURE III

Future Enterprises Limited Employees Stock Option Plan – 2012 and 2015 (FEL ESOP – 2012 and 2015) of the Company as at March 31, 2017.

Future Enterprises Limited (FEL) (f/k/a Future Retail Limited) has granted Options to eligible employees in 2014 and 2015 under FRL-Employee Stock Option Plan 2012("FEL ESOP 2012") and in 2016 under Employee Stock Option Plan 2015 ("FEL ESOP 2015")

The Composite Scheme of Arrangement between the Company and Future Retail Limited and their respective Shareholders and Creditors ("the FEL – FRL Scheme") has been approved under the provisions of Sections 391-394 of the Companies Act, 1956 read with Sections 100-104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 for demerger of Retail Business Undertaking of the Company into FRL and demerger of Infrastructure Business Undertaking of the 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 ("Effective Date"), after receipt of High Court approval.

As provided in the FRL- FEL Scheme and Employees Stock Option Plan of Company, the Employee Stock Options of the Company has adjusted for the corporate action on value for value exchange and hence there is no incremental benefit to the option grantee and also it does not result in change in aggregate Fair Value of the Options.

Sl. No.	Particulars	FEL ESOP 2012 and FEL ESOP 2015
A.	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 37 and 38 in Notes to Financial Statements
B.	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 37 and 38 in Notes to Financial Statements

A. Disclosure with respect to Future Enterprises Limited Employees Stock Option Plan – 2012 and 2015 (FEL ESOP 2012 and FEL ESOP 2015) of the Company as at March 31, 2017

		FEL ESOP 2012	FEL ESOP 2015
I	Date of Shareholders' approval	Approved by the Shareholders dated 4 February, 2013	Approved by the Shareholders dated 30 March, 2015
II	Total number of options approved	25,00,000 (Twenty Five Lac only) Equity Shares of face value of ₹ 2/- each + 2,74,989 (Two Lac Seventy Four Thousand Nine Hundred Eighty Nine) Equity Shares of face value of ₹ 2/- each	75,00,000 (Seventy Five Lac only) Equity Shares of face value of ₹ 2/- each
III	Vesting requirements	Exercise period for the options under the Employees Stock Option Scheme 2012 (ESOS-2012) is immediate on Grant (since minimum vesting period has already lapsed since original grant)	Options granted under FEL ESOP 2015 would vest not less than 1 year and not more than 18 months from the date of such grant
IV	Exercise price or pricing formula	₹ 10 revised to ₹ 2	₹ 2
V	Maximum term of options granted	3 Years from the respective date of vesting of options granted	3 Years from the respective date of vesting of options granted
VI	Source of shares (primary, secondary or combination)	Primary	Primary
VII	Variation in terms of options	None	None
VIII	Method used to account for ESOP	Black Scholes Method	Black Scholes Method

B. 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 2016-17 would be ₹ 0.72 Crore.

C. Option movement during the year ended on March 31, 2017

Particulars	Details	
	FEL ESOP 2012	FEL ESOP 2015
Details Number of options outstanding at the beginning of the year	10,08,116	Nil
Number of options revised during the Year	(2,80,951)	
Number of options granted during the year	23,22,102	26,03,196
Number of options forfeited / Cancelled /lapsed during the year	746,748	Nil
Number of options vested during the year	23,22,102	Nil
Number of options exercised during the year	14,95,958	Nil
Number of shares arising as a result of exercise of options	14,95,958	Nil
Exercise Price	2	2
Money realized by exercise of options, if scheme is implemented directly by the Company	29,91,916	Nil
Loan repaid by the Trust during the year from exercise price received	NA	N.A
Total number of options outstanding (in force) at the end of the year	8,06,561	26,03,196
Number of options exercisable at the end of the year	8,06,561	26,03,196

D. Weighted average Share Price of options granted during the year:

	FEL ESOP 2012	FEL ESOP 2015
I Exercise price equals market price	-	-
II Exercise price is greater than market price	-	-
III Exercise price is less than market price	17.3	16.64

Weighted average Exercise Price of options granted during the year:

	FEL ESOP 2012	FEL ESOP 2015
I Exercise price equals market price	-	-
II Exercise price is greater than market price	-	-
III Exercise price is less than market price	2	2

Weighted average Fair Value of options (Black Scholes) granted during the year:

	FEL ESOP 2012	FEL ESOP 2015
I Exercise price equals market price	-	-
II Exercise price is greater than market price	-	-
III Exercise price is less than market price	15.3	14.98

E. Employee-wise details of options granted during the year on March 31, 2017

I. Senior Managerial Personnel

Name of the Employee	No. of options	
	FEL ESOP 2012	FEL ESOP 2015
Mr. Dinesh Maheshwari (KMP)	7,13,133	3,80,000
Mr. Rajesh Kalyani	1,95,782	5,31,941
Mr. Abhishek Jalan	1,99,565	2,40,903
Mr. Anurag Agarwal	4,33,934	81,671
Mr. Manoj Agarwal	80,335	3,01,860
Mr. Vinay Bhatia	-	2,11,269
Mr. Suyash Saraogi	-	1,76,056

- II. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name of the Employee	No. of options	
	FEL ESOP 2012	FEL ESOP 2015
Mr. Dinesh Maheshwari (KMP)	7,13,133	3,80,000
Mr. Rajesh Kalyani	1,95,782	5,31,941
Mr. Abhishek Jalan	1,99,565	2,40,903
Mr. Anurag Agarwal	4,33,934	
Mr. Manoj Agarwal	-	3,01,860
Mr. Vinay Bhatia	-	2,11,269
Mr. Suyash Saraogi	-	1,76,056

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

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows

	FEL ESOP 2012	FEL ESOP 2015
Risk Free Interest Rate	6.41%	6.57%
Expected Life	Immediate Vesting	2.75
Expected Volatility	47.00%	43.12%
Dividend	0	0
Stock Price	Average price on NSE Limited on the date of grant has been considered.	
Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period taken into account match the expected life of the option.	
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 Dividend Yield	Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.	

G. Details of the Company's Employees' Welfare Trust:

The details *inter-alia*, in connection with transactions made by the Trust meant for the purpose of administering the Future Enterprises Limited Employee Stock Option Plan - 2012 and 2015 are as under:

- i. General Information of the Trust

Name of the Trust	Future Enterprises Limited Employees' Welfare Trust
Details of the Trustee(s)	Milestone Trusteeship Services Private Limited
Amount of loan disbursed by Company / any Company in the group, during the year	Nil
Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	Nil
Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee.	Nil
Any other contribution made to the Trust during the year	Nil

- ii. Brief details of transactions in shares by the Trust : None
 iii. In case of secondary acquisition of shares by the Trust : None

ANNEXURE IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[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-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Tel: 022-49186000, Fax: 022-49186060

III. 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	Manufacturing and Trading	14 and 46	82
2	Renting and Leasing Activities	77	18

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 - 400 060.	U63030MH2006PLC160376	Subsidiary	57.42	Section 2(87)(ii)
2	Future Media (India) Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U74300MH2006PLC160375	Subsidiary	93.10	Section 2(87)(ii)
3	Futurebazaar India Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	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 - 400 060.	U52399MH2007PLC171178	Subsidiary	70.42	Section 2(87)(ii)
5	Bluerock eServices Private Limited 521, 3 rd Floor, Udyog Vihar, Phase-III, Gurgaon - 122 016 (Haryana).	U72900HR2012PTC044827	Subsidiary	100.00	Section 2(87) (ii)

SI. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE Section
6	Work Store Limited (f/k/a Staples Future Office Products Limited) Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U74999MH2007PLC166866	Subsidiary	61.67	Section 2(87) (ii)
7	Office Shop Private Limited* 509, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai - 400 018.	U30006MH2007PTC173922	Step Down Subsidiary	61.67	Section 2(87) (ii)
8	Galaxy Entertainment Corporation Limited 3 rd Floor, Block A, Orchid City Centre Mall, 225, Belasis Road, Mumbai Central, Mumbai - 400 008.	L51900MH1981PLC024988	Associate	31.55	Section 2(6)
9	Apollo Design Apparel Parks Limited 382, N. M. Joshi Marg, Chinchpokli, Mumbai - 400 011.	U17291MH2007GOI195397	Joint Venture	39.00	Section 2(6)
10	Goldmohur Design and Apparel Park Limited Dada Saheb Phalke Road, Dadar (East), Mumbai - 400 014.	U17291MH2007GOI195402	Joint Venture	39.00	Section 2(6)
11	Future Generali India Insurance Company Limited 6 th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013.	U66030MH2006PLC165287	Joint Venture	25.51	Section 2(6)
12	Future Generali India Life Insurance Company Limited 6 th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013.	U66010MH2006PLC165288	Joint Venture	03.83	Section 2(6)
13	Sprint Advisory Services Private Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U51909MH2005PTC151869	Joint Venture	49.81	Section 2(6)
14	Shendra Advisory Services Private Limited. Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U45200MH2005PTC157267	Joint Venture	49.82	Section 2(6)

*100% subsidiary of Work Store Limited

IV. SHARE HOLDING PATTERN

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	
(A)	Shareholding of Promoters and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	20,17,05,865	-	20,17,05,865	51.92	20,17,83,399	-	20,17,83,399	46.55	(5.37)
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	20,17,05,865	-	20,17,05,865	51.92	20,17,83,399	-	20,17,83,399	46.55	(5.37)
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Promoter Companies	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	20,17,05,865	-	20,17,05,865	51.92	20,17,83,399	-	20,17,83,399	46.55	(5.37)
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	1,09,89,914	-	1,09,89,914	2.83	46,01,443	-	46,01,443	1.06	(1.77)
(b)	Financial Institutions/ Banks	50,34,717	-	50,34,717	1.3	57,37,691	-	57,37,691	1.32	0.03
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	28,41,004	-	28,41,004	0.73	26,16,004	-	26,16,004	0.60	(0.13)
(f)	Foreign Institutional Investors	8,63,07,013	-	8,63,07,013	22.22	1,15,97,946	-	1,15,97,946	2.68	(19.54)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	10,51,72,648	-	10,51,72,648	27.07	2,45,53,084	-	2,45,53,084	5.66	(21.41)

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	
(2)	Non-Institutions									
(a)	Bodies Corporate	6,55,86,686	3,005	6,55,89,691	16.88	13,80,29,485	3,005	13,80,32,490	31.84	14.96
(b)	Individuals									
	i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh.	79,95,785	10,01,229	89,97,014	2.32	2,91,55,352	9,82,080	3,01,37,432	6.95	4.64
	ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh.	58,34,643	0	58,34,643	1.50	3,12,68,136	0	3,12,68,136	7.21	5.71
(c)	Any Other									
	1. N R I	2,96,200	2,000	2,98,200	0.08	21,07,868	2,000	21,09,868	0.49	0.41
	2. Directors & Relatives	-	-	-	-	-	-	-	-	-
	3. Clearing Member	5,90,343	0	5,90,343	0.15	41,42,420	0	41,42,420	0.96	0.80
	4. Trust	200	0	200	0.00	3,200	0	3,200	0.00	0.00
	5. Hindu Undivided Family	2,97,013	0	2,97,013	0.08	14,29,807	0	14,29,807	0.33	0.25
	Sub-Total (B)(2)	8,06,00,870	10,06,234	8,16,07,104	21.01	20,61,36,268	9,87,085	20,71,23,353	47.78	26.52
	Total Public Shareholding (B)= (B) (1)+(B)(2)	18,57,73,518	10,06,234	18,67,79,752	48.08	23,06,89,352	9,87,085	23,16,76,437	53.45	5.12
	TOTAL (A)+(B)	38,74,79,383	10,06,234	38,84,85,617	100.00	43,24,72,751	9,87,085	43,34,59,836	100.00	0.00
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	38,74,79,383	10,06,234	38,84,85,617	100.00	43,24,72,751	9,87,085	43,34,59,836	100.00	0.00

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	
(A)	Shareholding of Promoters and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	88,115	-	88,115	0.22	88,115	-	88,115	0.22	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	2,83,21,456	0	2,83,21,456	71.93	2,83,48,465	0	2,83,48,465	72.00	0.07
(d)	Financial Institutions/ Banks									
(e)	Any Other (specify)									
	Sub-Total (A)(1)	2,84,09,571	-	2,84,09,571	72.15	2,84,36,580	-	2,84,36,580	72.22	0.07
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Promoter Companies	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2,84,09,571	-	2,84,09,571	72.15	2,84,36,580	-	2,84,36,580	72.22	0.00
(B)	Public Shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	3,90,384	0	3,90,384	0.99	50	-	50	0.00	(0.99)
(b)	Financial Institutions/ Banks	96,991	-	96,991	0.25	96,991	-	96,991	0.25	0.00
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	23,579	-	23,579	0.06	9,451	0	9,451	0.02	(0.04)
(f)	Foreign Institutional Investors	1,51,350	-	1,51,350	0.38	-	-	-	-	(0.38)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	6,62,304	-	6,62,304	1.68	1,06,492	-	1,06,492	0.27	(1.41)

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	
(2)	Non-Institutions									
(a)	Bodies Corporate	24,13,694	410	24,14,104	6.13	22,16,820	410	22,17,230	5.63	(0.50)
(b)	Individuals									
	i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh.	11,11,582	1,08,121	12,19,703	3.10	24,74,573	1,06,787	25,81,360	6.56	3.46
	ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh.	53,69,060	-	53,69,060	13.64	53,29,318	0	53,29,318	13.53	(0.10)
(c)	Any Other	-	-	-	-	-	-	-	-	-
	1. N R I	9,083	200	9,283	0.02	49,492	200	49,692	0.13	0.10
	2. Directors & Relatives	-	-	-	-	-	-	-	-	-
	3. Clearing Member	4,52,742	-	4,52,742	1.15	5,30,477	-	5,30,477	1.35	0.20
	4. Trust	15	-	15	0.00	-	-	-	-	0.00
	6. Hindu Undivided Family	8,37,897	-	8,37,897	2.13	1,23,530	-	1,23,530	0.31	(1.81)
	Sub-Total (B)(2)	1,01,94,073	1,08,731	1,03,02,804	26.17	1,07,24,210	1,07,397	1,08,31,607	27.51	1.34
	Total Public	1,08,56,377	1,08,731	1,09,65,108	27.85	1,08,30,702	1,07,397	1,09,38,099	27.78	(0.07)
	Shareholding (B)= (B) (1)+(B)(2)									
	TOTAL (A)+(B)	3,92,65,948	1,08,731	3,93,74,679	100.00	3,92,67,282	1,07,397	3,93,74,679	100.00	0.00
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	3,92,65,948	1,08,731	3,93,74,679	100.00	3,92,67,282	1,07,397	3,93,74,679	100.00	0.00

(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 share-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 holding Pledged / encumbered to total shares	
1	Infra Trust	-	-	-	-	0.00	0.00	0.00
2	Future Corporate Resources Limited	16,27,71,294	41.90	37.94	2,10,13,249	4.85	4.85	(37.05)
3	PIL Industries Limited	3,83,98,056	9.88	6.02	68,06,859	1.57	1.57	(8.31)
4	Ryka Commercial Ventures Private Limited	5,35,515	0.14	0.00	100	0.00	0.00	(0.14)
5	Akar Estate and Finance Private Limited	1000	0.00	0.00	1000	-	0.00	0.00
6	Central Departmental Stores Pvt Ltd	-	-	0.00	17,38,84,257	40.12	31.02	40.12
7	ESES Commercial Private Limited	-	-	0.00	100	0.00	0.00	0.00
8	Future Capital Investment Private Limited	-	-	0.00	100	0.00	0.00	0.00
9	Gargi Business Ventures Private Limited (f/k/a - Gargi Developers Pvt Ltd)	-	-	0.00	100	0.00	0.00	0.00
10	Manz Retail Private Limited	-	-	0.00	100	0.00	0.00	0.00
11	Aaradhak Commercial Ventures Private Limited	-	-	0.00	77,534	0.02	0.00	0.02
	Total	20,17,05,865	51.92	46.00	20,17,83,399	46.55	37.43	(5.37)

Class B (Series-1) Shares - Shareholding 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 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 the to total shares	
1	Infra Trust	-	-	-	-	0.00	0.00	0.00
2	Future Corporate Resources Limited	1,47,73,796	37.52	0.00	100	0.00	0.00	(37.52)
3	PIL Industries Limited	57,38,034	14.57	2.51	-	0.00	0.00	(14.57)
4	Manz Retail Private Limited	15,79,103	4.01	0.51	15,79,203	4.01	0.51	0.00
5	Gargi Business Ventures Private Limited (f/k/a - Gargi Developers Private Limited)	45,50,000	11.56	3.30	13,00,100	3.30	3.30	(8.25)
6	Ryka Commercial Ventures Private Limited	11,49,148	2.92	0.00	100	0.00	0.00	(2.92)
7	Future Capital Investment Private Limited	5,31,375	1.35	0.00	100	0.00	0.00	(1.35)
8	Central Departmental Stores Private Limited	-	0.00	0.00	2,54,41,753	64.61	0.00	64.61
9	ESES Commercial Private Limited	-	0.00	0.00	100	0.00	0.00	0.00
10	Aaradhak Commercial Ventures Private Limited	-	0.00	0.00	27,009	0.07	0.00	0.07
11	Kishore Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
12	Gopikishan Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
13	Laxminarayan Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
14	Vijay Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
15	Sunil Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
16	Anil Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
17	Rakesh Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
18	Ashni Biyani	71,147	0.18	0.00	71,147	0.18	0.00	0.00
19	Vivek Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
	TOTAL	2,84,09,571	72.15	6.32	2,84,36,580	72.22	3.81	0.07

(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	20,17,05,865	51.92	20,17,05,865	51.92
1	March 31, 2017 Aaradhak Commercial Ventures Private Limited become promoter Group	77,534	0.02	20,17,83,399	46.55
	At the end of the year			20,17,83,399	46.55

Class B (Series 1) 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	2,84,09,571	72.15	2,84,09,571	72.15
1	March 31, 2017 Aaradhak Commercial Ventures Private Limited become promoter Group	27,009	0.07	2,84,36,580	72.22
	At the end of the year			2,84,36,580	72.22

Note : Further, the Promoter entities holding Shares in the Company, entered into various *inter-se* transfer transaction on March 31, 2017 in order to consolidate its holding in the Company under Central Departmental Stores Private Limited (CDSPL) of Promotor entities now control through Infra Trust.

(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	Cedar Support Services Limited				
	At the beginning of the year	0	0	0	0
	May 18, 2016 - Allotment	4,34,78,255	10.03	4,34,78,255	10.03
	At the end of the year			4,34,78,255	10.03
2	Brand Equity Treaties Limited				
	At the beginning of the year	2,49,99,999	5.77	2,49,99,999	5.77
	At the end of the year			2,49,99,999	5.77
3	Bennett, Coleman And Company Limited				
	At the beginning of the year	2,03,91,700	4.70	2,03,91,700	4.70
	At the end of the year			2,03,91,700	4.70
4	Counseled Mercantile Private Limited				
	At the beginning of the year	93,69,937	2.16	93,69,937	2.16
	Market Purchase – December 16, 2016	64,139	0.02	94,34,076	2.18
	At the end of the year			94,34,076	2.18
5	UAL Industries Limited				
	At the beginning of the year	0	0.00	0	0.00
	Market Purchase - November 25, 2016	1,10,000	0.03	1,10,000	0.03
	Market Purchase - December 16, 2016	1,25,000	0.03	2,35,000	0.05
	Market Purchase - December 23, 2016	2,96,000	0.07	5,31,000	0.12
	Market Purchase - December 30, 2016	4,36,043	0.10	9,67,043	0.22
	Market Purchase - 6 January, 2017	2,12,957	0.05	11,80,000	0.27
	Market Purchase - January 20, 2017	9,27,183	0.21	21,07,183	0.49
	Market Purchase - January 27, 2017	15,000	0.00	21,22,183	0.49
	Market Purchase - February 3, 2017	9,35,386	0.22	30,57,569	0.71
	Market Purchase - February 10, 2017	7,80,000	0.18	38,37,569	0.89
	Market Purchase - February 17, 2017	7,00,000	0.16	45,37,569	1.05
	Market Purchase - March 24, 2017	24,13,353	0.56	69,50,922	1.60
	Market Purchase - March 31, 2017	50,000	0.01	70,00,922	1.62
	At the end of the year			70,00,922	1.62
6	Life Insurance Corporation of India				
	At the beginning of the year	49,70,150	1.15	49,70,150	1.15
	At the end of the year			49,70,150	1.15

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	Mauryan First				
	At the beginning of the year	0	0.00	0	0.00
	Market Purchase - September 16, 2016	8,90,000	0.21	8,90,000	0.21
	Market Purchase - September 23, 2016	4,00,000	0.09	12,90,000	0.30
	Market Purchase - September 30, 2016	10,44,409	0.24	23,34,409	0.54
	Market Purchase - October 7, 2016	9,30,882	0.21	32,65,291	0.75
	Market Purchase - October 14, 2016	1,93,611	0.04	34,58,902	0.80
	Market Purchase - October 21, 2016	2,94,541	0.07	37,53,443	0.87
	Market Purchase - October 28, 2016	5,17,500	0.12	42,70,943	0.99
	Market Purchase - November 4, 2016	3,30,000	0.08	46,00,943	1.06
	At the end of the year			46,00,943	1.06
8	Gunjan Marketing Private Limited				
	At the beginning of the year	0	0	0	0
	Market Purchase - November 18, 2016	1,85,000	0.04	1,85,000	0.04
	Market Purchase - December 16, 2016	6,51,553	0.15	8,36,553	0.19
	Market Purchase - December 23, 2016	6,63,447	0.15	15,00,000	0.35
	Market Purchase - January 20, 2017	5,99,782	0.14	20,99,782	0.48
	Market Purchase - January 27, 2017	2,49,714	0.06	23,49,496	0.54
	Market Purchase - February 3, 2017	15,94,215	0.37	39,43,711	0.91
	Market Purchase - February 10, 2017	1,70,627	0.04	41,14,338	0.95
	Market Purchase - February 17, 2017	2,50,000	0.06	43,64,338	1.01
	Market Purchase - March 31, 2017	50,000	0.01	44,14,338	1.02
	At the end of the year			44,14,338	1.02
9	Madan Doulatram Bahal				
	At the beginning of the year				
	Market Purchase - November 4, 2016	26,00,000	0.60	26,00,000	0.60
	Market Purchase - December 9, 2016	16,40,466	0.38	42,40,466	0.98
	Market Sale - December 23, 2016	(14580)	(0.0034)	42,25,886	0.97
	Market Purchase - March 3, 2017	14580	0.0034	42,40,466	0.98
	Market Sale - March 31, 2017	(9498)	(0.0022)	42,30,968	0.98
	At the end of the year			42,30,968	0.98
10	Vardhaman Publishers Limited				
	At the beginning of the year	37,37,500	0.86	37,37,500	0.86
	At the end of the year			37,37,500	0.86

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 (Series 1) 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	Vivek Saraogi				
	At the beginning of the year	0	0.00	0	0.00
	Market Purchase - March 10, 2017	7,32,568	1.86	7,32,568	1.86
	Market Purchase - March 24, 2017	1,90,000	0.48	9,22,568	2.34
	At the end of year			9,22,568	2.34
2	UAL Industries Limited				
	At the beginning of the year	0	0.00	0	0.00
	Market Purchase - January 20, 2017	43,541	0.11	43,541	0.11
	Market Purchase - January 27, 2017	1,03,732	0.26	1,47,273	0.37
	Market Purchase - February 03, 2017	3,20,301	0.93	4,67,574	1.19
	Market Purchase - February 10, 2017	2,68,142	0.94	7,35,716	1.87
	Market Purchase - March 24, 2017	36,739	1.02	7,72,455	1.96
	Market Purchase - March 31, 2017	1,110	0.94	7,73,565	1.96
	At the end of year		1.02	7,73,565	1.96
3	Allied Stock Investors Ltd				
	Market Purchase - March 31, 2017	5,34,517	1.36	5,34,517	1.36
	At the end of year			5,34,517	1.36
4	Sumedha Saraogi				
	Market Purchase - March 10, 2017	4,72,000	1.20	4,72,000	1.20
	At the end of year			4,72,000	1.20
5	Purvi Pankaj Patel				
	At the Beginning of year	7,48,246	1.90	7,48,246	1.90
	Market Sale - April 29, 2016	(3,57,907)	(0.91)	3,90,339	0.99
	At the end of year			3,90,339	0.99
6	Pankaj jayantilal Patel				
	At the beginning of the year	0	0.00	0	0.00
	Market Purchase - April 29, 2016	3,57,907	0.91	3,57,907	0.91
	At the end of year			3,57,907	0.91
7	Vishal Ashwin Patel				
	At the beginning of the year	3,26,253	0.83	3,26,253	0.83
	At the end of year			3,26,253	0.83
8	Prashant Jayantilal Patel				
	At the beginning of the year	0	0.00	0	0.00
	Market Purchase - May 06, 2016	2,84,406	0.72	2,84,406	0.72
	At the end of year			2,84,406	0.72
9	Rajkumar Shyamnarayan Singh				
	At the beginning of the year	0	0.00	0	0.00
	Market Purchase - March 31, 2017	2,75,000	0.70	2,75,000	0.70
	At the end of year			2,75,000	0.70
10	Damyanti Ashwin Patel				
	At the beginning of the year	2,61,908	0.67	2,61,908	0.67
	At the end of year			2,61,908	0.67

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		Change in Shareholding (No. of Shares)		Shareholding at the end of the year		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	10,000	0.01	-	-	10,000	0.01	10,000	0.01

Class B (Series 1) Shares

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year		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	2,121	0.01	-	-	2,121	0.01	2,121	0.01
3	Mr. Vijay Biyani	2,121	0.01	-	-	2,121	0.01	2,121	0.01
4	Mr. Anil Harish	1,000	0.01	-	-	1,000	0.00	1,000	0.01

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 2017.

V. INDEBTEDNESS

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

(₹ in Crore)

PARTICULARS SECURED LOANS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year April 01, 2016				
1) Principal Amount	4,715.87	109.60	-	4,825.47
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	126.38	-	-	126.38
Total of (1+2+3)	4,842.25	109.60	-	4,951.85
Change in Indebtedness during the financial year				
Addition	1,864.69	8.00	-	1,872.69
Reduction	(1,506.22)	(13.80)	-	(1,520.02)
Net Change	358.47	(5.80)	-	352.67
Indebtedness at the end of the financial year March 31, 2017				
1) Principal Amount	5,095.61	103.80	-	5,199.41
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	105.11	-	-	105.11
Total of (1+2+3)	5,200.72	103.80	-	5,304.52

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. No	Gross Salary	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (₹)
			Mr. Kishore Biyani	Mr. Rakesh Biyani	Mr. Vijay Biyani	Mr. Dinesh Maheshwari	
1	(a) Salary* as per provisions contained in Section 17(1) of the Income Tax Act		0.20	0.20	1.79	1.23	3.42
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		0.00#	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	Nil
2	Stock Option		Nil	Nil	Nil	Nil	Nil
3	Sweat Equity		Nil	Nil	Nil	Nil	Nil
4	Commission		Nil	Nil	Nil	Nil	Nil
	- As % of Profit						
	- Others, specify						
5	Retiral Benefits		0.01	0.01	0.12	0.14	0.28
	Total (A)		0.21	0.21	1.91	1.37	3.70
	Ceiling as per the Act		₹ 3.84 Crore being 10% of profit under Section 198 read with Schedule V of the Act.				

* 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 ₹ 3,300

Represent ₹ 39,600

B. Remuneration of other Directors:

I. Independent Directors:-

(₹ in Crore)

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. V.K. Chopra	Ms. Bala Deshpande	Mr. S. Doreswamy	Mr. Anil Harish	
Fee for attending board committee meetings	0.10	0.07	0.11	0.07	0.35
Commission	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total (I)	0.10	0.07	0.11	0.07	0.35

* Mr. Kishore Biyani resigned as Managing Director w.e.f. closing hours of May 01, 2017

II. Other Non-Executive Directors:-

Other Non-Executive Directors	Name of Non-Executive Directors			Total Amount (₹)
	Mr. Kishore Biyani			
Fee for attending board committee meetings	0.04*	Nil	Nil	0.04
Commission	Nil	Nil	Nil	Nil
Others (Gross Remuneration)	Nil	Nil	Nil	Nil
Total (II)	0.04	Nil	Nil	0.04
Total (B)=(I+II)				0.39
Total (A)+(B)				4.09
Overall Ceiling as per the Act	₹ 3.84 Crore being 10% of profit under Section 198 read with Schedule V of the Act.			

* Mr. Kishore Biyani resigned as Managing Director w.e.f. closing hours of May 01, 2017

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

(₹ in Crore)

Sr. No	Particulars of Remuneration	Name of KMP	Total Amount (₹)
1	Gross Salary	Mr. Deepak Tanna	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.47	0.47
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00*	0.00*
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	- As % of Profit	Nil	Nil
	- Others, specify		
5	Retiral Benefits	0.03	0.03
	Total (C)	0.50	0.50

* Represents ₹ 32,400

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were compounding of offences for the breach of any sections of Companies Act, 1956 against the Company or its Directors or other officers in default, if any, during the year.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give Details)
A COMPANY					
Penalty					
Punishment					
Compounding					
B DIRECTORS					
Penalty					
Punishment					
Compounding	Under Section 211 of the Companies Act, 1956	Inadequate disclosures about MSME Vendors, bonus issue and dividends received for FY 2008 to 2011.	₹ 80,000/-	CLB / NCLT	
	Under Section 224(8) of the Companies Act, 1956	Approval of Board for Auditors Remuneration for FY 2008 to 2011.	₹ 8,00,000/-		
	Under Section 292(1)(e) of the Companies Act, 1956	Board approval for grant of ICD / loan for FY 2008-09.	₹ 4,00,000/-		
C OTHER OFFICER IN DEFAULT					
Penalty					
Punishment					
Compounding	Under Section 211 of the Companies Act, 1956	Inadequate disclosures about MSME Vendors, bonus issue and dividends received for FY 2008 to 2011.	₹ 20,000/-	CLB / NCLT	
	Under Section 224(8) of the Companies Act, 1956	Approval of Board for Auditors Remuneration for FY 2008 to 2011.	₹ 2,00,000/-		
	Under Section 292(1)(e) of the Companies Act, 1956	Board approval for grant of ICD / loan for FY 2008-09.	₹ 1,00,000/-		

ANNEXURE – V

Form No. AOC – 2

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Account) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

2. Details of material contract or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2017 are as follows:

Name of the Related Parties	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in Crore) #	Approvals
Future Retail Limited ("FRL")	Related Party	Receipt of Leasing Retail Infrastructure Assets	N.A.	650	Necessary approval of Audit Committee, Board of Directors and Shareholders have been obtained by the Company
		Sale of various products including apparels, merchandise and other products etc.	N.A.	1,250	
		Providing of Corporate Guarantee in favour of lenders / bankers of FRL	N.A.	4,152.50	

limit as sanctioned / approved by the Shareholders of the Company.

Advances in respect of related transactions being adjusted against billings/invoices.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 19, 2017

V. K. Chopra
Chairman

ANNEXURE VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Future 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, 2017, 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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 there under 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) Regulation 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;

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 March 31, 2017:-

- (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) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- (b) The Secretarial Standards 1 & 2 Issued by The Institute of Company Secretaries of India

During the period under review, the Company has prima facie 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. Debentures/allotment of shares under Employee Stock Option scheme
2. Major decisions taken by the Members in pursuance to Section 186 of the Companies Act, 2013 which would have major bearing on the Company's affairs
3. Reclassification of shares capital
4. Change of name pursuant to the Scheme of De-merger
5. Redemption of Debentures

(b) There were no instances of:

1. Buy- back of securities / Preferential issue of shares
2. Foreign Technical Collaborations
3. Public / Rights issue of shares
4. Merger / reconstruction etc

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 19, 2017

Virendra Bhatt
ACS No – 1157
COP No – 124

ANNEXURE VII

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:

(A) Conservation of Energy :			
(i) the steps taken or impact on : conservation of energy	The operations of your Company are not energy intensive, however adequate measures have been taken to reduce energy Consumption.		
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/ store premises to optimize the Consumption of energy.		
(iii) the capital investment on energy conservation equipments;	NIL		
(B) Technology absorption :			
(i) the efforts made towards technology absorption	N.A.		
(ii) the benefits derived like product improvement, cost N.A. reduction, product development or import substitution	N.A.		
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.		
(a) the details of technology imported;			
(b) the year of import;			
(c) whether the technology been fully absorbed;			
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.			
(iv) the expenditure incurred on Research and Development.	NIL		
(C) Foreign exchange earnings and Outgo :	(₹ in Crore)		
	Particulars	2016-17	2015-16
	Total foreign exchange used	35.04	114.91
	Total foreign exchange earned	24.88	62.66

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 19, 2017

V. K. Chopra
Chairman

ANNEXURE VIII

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 <i>inter-alia</i> 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 http://felindia.in/pdf/CSR_Policy.pdf
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 of the company for last three financial years.	Average Net Profits ₹ 21.98 Crore
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 0.44 Crore
5.	Details of CSR spent during the financial year 2016 -17:	
	a. Total amount to be spent for the financial year 2016 -17;	a. ₹ 0.44 Crore
	b. Amount un spent, if any	b. ₹ 0.44 Crore

c. Manner in which amount spent during the financial year is details below:

SI. 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. (₹ Crore)	Amount spent on the projects or programs Sub-heads: (₹ Crore) 1) Direct on projects or programs 2) Overheads:	Cumulative Expenditure upto the reporting period. (₹ Crore)	Amount spent direct or through implementing agency. (₹ Crore)
1	2	3	4	5	6	7	8
	Contribution to Sone Ki Chidiya Foundation	Various sectors covered by Schedule VII of the Companies Act, 2013	PAN India	0.61	0.61	0.61	0.61

*No direct project undertaken. FEL engages with "Sone Ki Chidiya" Foundation, a Group Trust for undertaking various initiatives as provided under CSR Policy. Gross amount required to be spent by the Company during the year is ₹ 1.99 Crore. The Company has spent during the year ₹ 0.61 Crore and for balance amount identifying projects / programmes.

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 propose 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 CSR initiatives. The Trust commenced its activities in FY 2016-17 to complete all consolidated CSR spent of various Group companies together. In the first year of its operations it has undertaken certain CSR activities. It is in the process of identifying projects / programmes, to initiate balance CSR amount of the Company.
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.
We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Place : Mumbai
Date : May 19, 2017

sd/-
Bala Deshpande
Chairperson

sd/-
Vijay Biyani
Managing Director

ANNEXURE IX

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 2016-17, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2016-17 are as under:

(₹ in Crore)

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (1)	% increase in Remuneration in the Financial Year 2016-17 (2)	Ratio of remuneration of each Director to MRE for Financial Year 2016-17 (3=(1)/MRE)
#Mr. Kishore Biyani - Managing Director	0.21	Nil	14.18
##Mr. Rakesh Biyani - Joint Managing Director	0.21	Nil	14.16
\$Mr. Vijay Biyani - Wholetime Director	1.91	30	126.07
@Mr. Dinesh Maheshwari – CFO	1.37	43	90.36
Mr. Deepak Tanna - Company Secretary	0.50	23	33.05

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

Notes:

- # Resigned as Managing Director w.e.f. closing hours of May 01, 2016 and designated as Vice Chairman of the Company w.e.f. May 04, 2016
- ## Mr. Rakesh Biyani resigned as Joint Managing Director and Director of the Company w.e.f. closing hours of 01 May, 2017.
- \$ Redesignated as Managing Director of the Company w.e.f. May 04, 2016.
- @ Appointed as Executive Director of the Company w.e.f. May 04, 2016.

- II. The MRE of the Company during the financial year 2016-17 under review ₹ 1,51,200/- as compared to ₹ 1,29,764/- previous Financial Year 2015-16.
- III. The increase in MRE in the financial year 2017, as compare to the financial year 2016 is 17%
- IV. There were 1,025 permanent employees on the rolls of Company as on March 31, 2017;
- V. 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 increase of 35% in the managerial remuneration for the same financial year, for existing Managerial Personnel.
- VI. 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 19, 2017

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'**).

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 Chairman and 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

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 Chairman of the Board is Non-Executive Independent Director and the number of Independent Directors is more than one-third of the total number of Directors. 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, 2017 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. V. K Chopra#	Chairman and Independent Director	10	2	10	4
Mr. Kishore Biyani##	Vice Chairman and Director (Promoter Group)	9	1	3	1
Mr. Vijay Biyani@	Managing Director (Promoter Group)	4	7	1	NIL
Mr. Dinesh Maheshwari\$	Executive Director & CFO	5	2	3	NIL
Mr. Anil Harish	Independent Director	5	3	3	2
Mr. S. Doreswamy	Independent Director	2	1	4	3
Ms. Bala Deshpande	Independent Director	2	9	2	NIL

* No. 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.

Appointed as Chairman of the Company w.e.f. May 04, 2016.

Resigned as Managing Director w.e.f. closing hours of May 01, 2016 and designated as Vice Chairman of the Company w.e.f. May 04, 2016.

@ Redesignated as Managing Director of the Company w.e.f. May 04, 2016.

\$ Appointed as Executive Director of the Company w.e.f. May 04, 2016.

Mr. Rakesh Biyani resigned as Joint Managing Director and Director of the Company w.e.f. closing hours of May 01, 2016

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, 2017 are as follows:

Sl. No.	Name of the Director	No. of Shares held	
		Equity Shares	Class B (Series1) Shares
1.	Mr. V.K.Chopra	0	0
2.	Mr. Kishore Biyani	0	2,121
3.	Mr. Vijay Biyani	0	2,121
4.	Mr. Dinesh Maheshwari	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 DETAILS

During the year under review, Seven Board Meetings were held on May 04, 2016, May 28, 2016, August 02, 2016, September 13, 2016, December 03, 2016, February 02, 2017 and March 21, 2017.

The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations. Twenty Eighth Annual General Meeting (AGM) of the Company was held on August 29, 2016.

The attendance of the Directors to the above Board Meetings and AGM which was held during their tenure is as follows:

Name of the Directors	No. of Meetings held during tenure of respective Directors		28th AGM (August 29, 2016)	Remarks
	Held	Attended		
Mr. V.K.Chopra	7	7	No	
Mr. Kishore Biyani	7	5	Yes	
Mr. Vijay Biyani	7	6	Yes	
Mr. Rakesh Biyani	1	1	No	Resigned w.e.f. closing hours of May 1, 2016
Mr. Dinesh Maheshwari	7	7	Yes	Appointed w.e.f. May 4, 2016
Mr. Anil Harish	7	7	Yes	
Mr. S. Doreswamy	7	7	Yes	
Ms. Bala Deshpande	7	5	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 Chairman of the Committee was present at the Twenty Eighth Annual General Meeting of the Company held on August 29, 2016

The Company Secretary functions as Secretary to the Committee.

During the year under review, Five meetings of the Audit Committee were held on May 28, 2016, September 13, 2016, December 03, 2016, February 02, 2017 and March 21, 2017. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

The Composition of the Audit Committee and the attendance of the Members at the above meetings which was held during their tenure is as follows:

Name of the Directors / Members	Category	Designation	No. of Meetings held during tenure of respective Directors	
			Held	Attended
Mr. S. Doreswamy	Independent Director	Chairman	5	5
Mr. V.K.Chopra	Independent Director	Member	5	5
Ms. Bala Deshpande	Independent Director	Member	5	3

The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

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).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of four Non-Executive Independent Directors. During the year under review, four meetings of the Nomination and Remuneration Committee were held on May 04, 2016, December 03, 2016, February 02, 2017 and March 21, 2017.

The Composition of the Nomination and Remuneration Committee and the attendance of the Members at the above meetings which was held during their tenure is as follows:

Name of the Directors / Members	Category	Designation	No. of Meetings held during tenure of respective Directors	
			Held	Attended
Mr. Anil Harish	Independent Director	Chairman	4	4
Mr. V.K.Chopra	Independent Director	Member	4	4
Mr. S. Doreswamy	Independent Director	Member	4	4
Ms. Bala Deshpande	Independent Director	Member	4	3

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 extend or continue the term of appointment of the independent director, 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 retiral 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 its Managing Director or Joint Managing Director or Wholetime Director or 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 or Joint Managing Director or Wholetime Director or 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 or Joint Managing Director or Wholetime 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 Committee 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 / Executive Director for the year ended March 31, 2017:

(₹ 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 ¹	0.20	-	0.01	0.00*	0.21	April 01, 2015 to March 31, 2018	6	Nil
Mr. Rakesh Biyani ²	0.20	-	0.01	0.00*	0.21	April 01, 2012 to March 31, 2017	6	Nil
Mr. Vijay Biyani	1.79	-	0.12	0.00**	1.91	September 26, 2014 to September 25, 2017	6	Nil
Mr. Dinesh Maheshwari ³	1.23	-	0.14	0.00**	1.37	May 04, 2016 to May 03, 2019	6	Yes

*Represent ₹ 3,300

** Represent ₹ 39,600

Notes:

- (1) Mr. Kishore Biyani resigned as Managing Director w.e.f. closing hours of May 01, 2016.
- (2) Mr. Rakesh Biyani resigned as Joint Managing Director and Director w.e.f. closing hours of May 01, 2016.
- (3) Mr. Dinesh Maheshwari appointed as Executive Director w.e.f. May 04, 2016
- (4) All the above components of Remuneration, except Performance Bonus / Commission, are fixed in nature.

Remuneration to Non-Executive Directors

The sitting fees and commission paid to Non-Executive Directors (including Independent 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. Kishore Biyani#	0.04	NIL
Mr. Anil Harish	0.07	NIL
Mr. S. Doreswamy	0.11	NIL
Ms. Bala Deshpande	0.07	NIL

* No Commission was paid to any Non -Executive Directors for the financial year 2016-17 in view of inadequacy of profits.

Mr. Kishore Biyani resigned as Managing Director w.e.f. closing hours of May 01, 2016

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee presently comprises of Mr. S. Doreswamy, Independent Director as a Chairman of the Committee, Mr. Vijay Biyani, Managing Director and Mr. Dinesh Maheshwari, Executive 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 28, 2016, August 02, 2016, December 03, 2016 and February 02, 2017.

The Composition of the Stakeholder Relationship Committee and the attendance of the Members at the above meetings which was held during their tenure is as follows:

Name of the Directors/ Members	Category	Designation	No. of Meetings held during tenure of respective Directors		Remarks
			Held	Attended	
Mr. S. Doreswamy	Independent Director	Chairman	4	4	
Mr. Vijay Biyani	Managing Director	Member	4	4	
Mr. Rakesh Biyani	Jt. Managing Director	Member	N.A.	N.A.	Resigned w.e.f. closing hours of May 1, 2016
Mr. Dinesh Maheshwari	Executive Director	Member	4	4	Appointed w.e.f. May 4, 2016

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. Vijay Biyani and Mr. Dinesh Maheshwari. 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, 21 complaints were received from the Investors and all of them were attended to and resolved promptly. As on March 31, 2017 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 21, 2017 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, one 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:

- (a) 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;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) 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 (resigned w.e.f. closing hours of May 01, 2016), Mr. Vijay Biyani and Mr. Dinesh Maheshwari (appointed w.e.f. May 04, 2016). The Board has delegated powers to the Committee of Directors to carry out various activities for day to day operations of the Company. Twenty One meetings of the Committee were held during the financial year 2016-17.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Kishore Biyani, Mr. Dinesh Maheshwari 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 this 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 between the Company and related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are presented in Note No. 35 in Notes forming part of the financial statements for the year ended March 31, 2017. Policy on dealing with related party transactions is available on the website of the Company at the link http://felindia.in/pdf/Related_Party_Transaction_Policy.pdf

Disclosure of Accounting Treatment

During the year under review, the Company followed the Indian 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 this 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 Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2017.

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/Policy_For_Material_Subsiary.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

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
2015-16	28	August 29, 2016 at 11:30 am	Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021
2014-15	27	August 26, 2015 at 10:00 am	
2013-14	26	August 02, 2014 at 10:30 am	

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

AGM No.	AGM date	Special Resolutions passed
28	August 29, 2016	<ul style="list-style-type: none">• Re-designation of and payment of remuneration to Mr. Vijay Biyani as Managing Director of the Company• Appointment of and payment of remuneration to Mr. Dinesh Maheshwari as Executive Director and Chief Financial Officer of the Company• Re-classification of Authorised Capital• Approval for entering into Related Party Transaction• Issue of Securities on Private Placement Basis
27	August 26, 2015	<ul style="list-style-type: none">• To re-appoint Mr. Kishore Biyani as Managing Director
26	August 02, 2014	<ul style="list-style-type: none">• To approve payment of remuneration to Mr. Kishore Biyani as Managing Director• To approve payment of remuneration to Mr. Rakesh Biyani as Joint Managing Director• To approve payment of remuneration to Mr. Vijay Biyani as Wholetime Director• To re-appoint Mr. Vijay Biyani as Wholetime Director• To approve payment of commission to Directors other than MD, JMD and WTD

Extraordinary General Meeting

During the year under review, No Extraordinary General Meeting was held.

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:

1. Issue of Corporate Guarantee.

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

Issue of Corporate Guarantee in favour of Lenders / Bankers of FRL to secure obligations of FRL in respect of borrowings having aggregate principle / nominal value of ₹ 4,152.50 Crore (Rupees Four Thousand One Hundred Fifty Two Crore Fifty Lakh only).

Voting Pattern and Procedure for Postal Ballot:

- The Committee of Directors of the Company at its meeting held on September 29, 2016 has appointed Mr. Virendra Bhatt, Practising Company Secretary, as the Scrutiniser for conducting the postal ballot voting process for the Postal Ballot;
- 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;
- All postal forms received / receivable up to the close of working hours on November 06, 2016 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 on / after November 06, 2016 for the respective postal ballot had not been considered for his scrutiny and
- (v) The result of the Postal Ballot was announced on November 07, 2016 at the Registered Office of the Company as per scrutinizer's Report are as under:

Resolution 1 – Issue of Corporate Guarantee

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							
Promoter and Promoter Group	Shares	23,01,15,436	Nil	Nil	Nil	Nil	Nil	Nil
	Voting Rights	22,30,13,043						
Public - Institutional holders	Shares	7,86,47,709	5,12,52,271	65.22	4,97,07,143	15,45,128	96.99	3.01
	Voting Rights	7,85,88,970						
Public - Others	Shares	16,25,75,412	9,60,58,496	60.08	9,60,46,190	12,306	99.99	0.01
	Voting Rights	15,98,92,874						
Total	Shares	47,13,38,557	14,73,10,767	31.92	14,57,53,333	15,57,434	98.94	1.06
	Voting Rights	46,14,94,887						

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

2. Issue of securities on private placement basis.

Approval of members (both Equity and Class B (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 February 02, 2017 has appointed Mr. Virendra Bhatt, Practising Company Secretary, as the Scrutiniser for conducting the postal ballot voting process for the Postal Ballot;
- (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 March 12, 2017 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 on / after March 12, 2017 for the respective postal ballot had not been considered for his scrutiny and

(v) The result of the Postal Ballot was announced on March 14, 2017 at the Registered Office of the Company as per scrutinizer'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	#(3) = [(2)/(1)]* 100	4	5	(6) =[(4)/(2)] *100	(7) = [(5) / (2)] * 100
Promoter and Promoter Group	Shares	23,01,15,436	22,30,13,043	100.00	22,30,13,043	0	100.00	0.00
	Voting Rights	22,30,13,043						
Public - Institutional holders	Shares	3,79,12,237	99,35,447	26.22	99,35,447	0	100.00	0.00
	Voting Rights	3,78,82,082						
Public - Others	Shares	20,45,30,725	1,39,46,049	6.91	1,38,92,353	53,696	99.61	0.39
	Voting Rights	20,18,19,603						
Total	Shares	47,25,58,398	24,68,94,539	53.36	24,68,40,843	53,696	99.98	0.02
	Voting Rights	46,27,14,728						

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 Newspaper) and "Nav Sakthi" (Marathi Newspaper). The Company's Annual Report, 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, if made, are put up 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 Twenty Ninth Annual General Meeting

Tuesday, August 29, 2017 at 2.30 p.m. Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.

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 st Quarter ending 30 th June	Second week of August 2017
2 nd Quarter / Half year ending 30 th September	Second week of November 2017
3 rd Quarter ending 31 st December	Second week of February 2018
4 th Quarter / Year ending 31 st March	Fourth week of May 2018

Note: The above dates are indicative.

Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of 10 % per Equity Share and dividend of 12% per Class B (Series 1) Share. 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 August 22, 2017 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 IXA) to (Series IXK), (Series XA), (Series XB), (Series XIA) to (Series XIG), (Series XIII A), (Series XIII B), (XIVA) to (XIVG), (XVA) to (XVH), and (XVIA) to (XVIF) 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 (IXA to IXE), (XIII A and XIII B), (XVA to XVH)

Axis Trustee Services Limited
Axis House, 2nd Floor, Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 025
Tel No.: +91 22 2425 5215, Fax No.: +91 22 2425 5216
Website: www.axistrustee.com

For Non-convertible Debentures Series (IV), (IXF to IXK), (XA and XB), (XIA to XIG), (XIVA to XIVG), (XVIA to XVIF)

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

Stock Code and ISIN Number

Shares	ISIN No.	Stock Code	
		BSE	NSE
Equity	INE623B01027	523574	FEL
Class B (Series 1) Shares	IN9623B01058	570002	FELDVR
12.10% Secured Non-Convertible Debentures (Series IV)	INE623B07065	947649	-
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	-

Shares	ISIN No.	Stock Code	
		BSE	NSE
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)	INE623B0263	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 XIIIA)	INE623B07297	952882	-
10.10% Secured Non-Convertible Debentures (Series XIIIB)	INE623B07305	952883	-
10.25% Secured Non-Convertible Debentures (Series XIVA)	INE623B07339	954328	-
10.25% Secured Non-Convertible Debentures (Series XIVB)	INE623B07347	954330	-
10.25% Secured Non-Convertible Debentures (Series XIVC)	INE623B07354	954326	-
10.25% Secured Non-Convertible Debentures (Series XIVD)	INE623B07362	954340	-
10.25% Secured Non-Convertible Debentures (Series XIVE)	INE623B07370	954343	-
10.25% Secured Non-Convertible Debentures (Series XIVF)	INE623B07388	954334	-
10.25% Secured Non-Convertible Debentures (Series XIVG)	INE623B07396	954335	-
9.75% Secured Non-Convertible Debentures (Series XVA)	INE623B07404	955100	-
9.80% Secured Non-Convertible Debentures (Series XVB)	INE623B07412	955101	-
9.75% Secured Non-Convertible Debentures (Series XVC)	INE623B07420	955140	-
9.80% Secured Non-Convertible Debentures (Series XVD)	INE623B07438	955141	-
9.75% Secured Non-Convertible Debentures (Series XVE)	INE623B07446	955371	-
9.80% Secured Non-Convertible Debentures (Series XVF)	INE623B07453	955373	-
9.50% Secured Non-Convertible Debentures (Series XVG)	INE623B07461	955454	-
9.55% Secured Non-Convertible Debentures (Series XVH)	INE623B07479	955456	-
9.60% Secured Non-Convertible Debentures (Series XVIA)	INE623B07487	955749	-
9.60% Secured Non-Convertible Debentures (Series XVIB)	INE623B07495	955750	-
9.60% Secured Non-Convertible Debentures (Series XVIC)	INE623B07503	955957	-
9.60% Secured Non-Convertible Debentures (Series XVID)	INE623B07511	955958	-
9.60% Secured Non-Convertible Debentures (Series XVIE)	INE623B07529	956012	-
9.60% Secured Non-Convertible Debentures (Series XVIF)	INE623B07537	956013	-
Optionally Convertible Debenture*	INE623B08014	-	-

*Cedar Support Services Limited holds 958 Optionally Convertible Debentures (“OCDs”) of ₹ 10 lakh each aggregating to ₹ 95.80 Crores in our Company consequent to the effect of the FRL-FEL Scheme. These OCDs are convertible into Equity Shares of our Company at the option of our Company, at the price prescribed under SEBI Regulations for Preferential Issue of securities on the date of conversion.

Corporate Identification Number (CIN)

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

Stock Performance

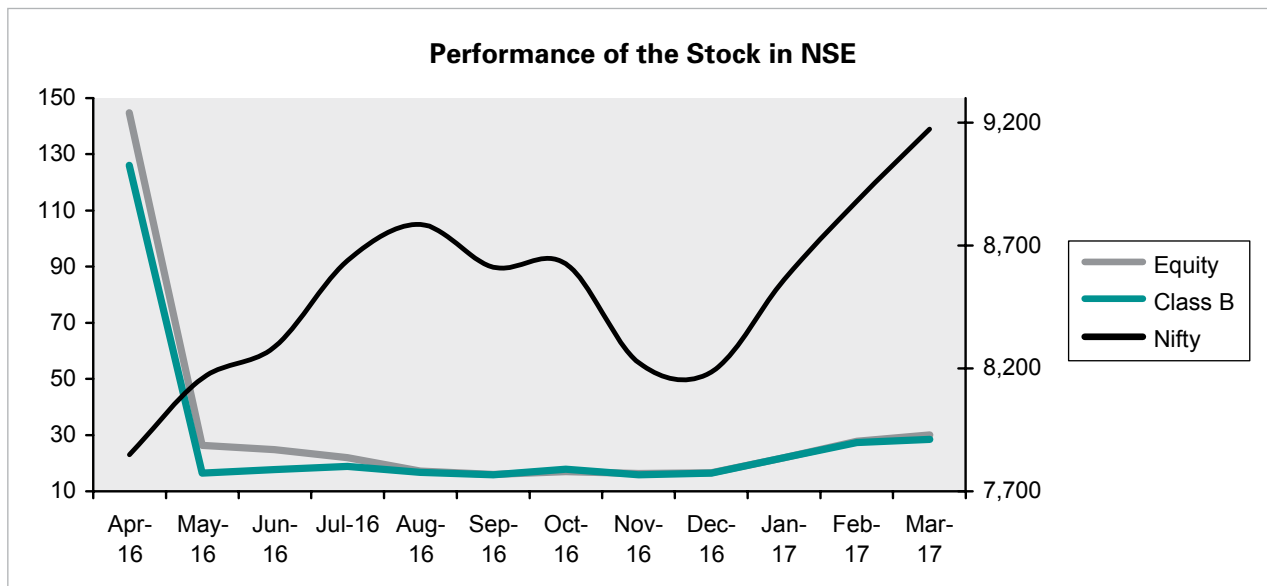
The performance of the Equity Shares of the company at the Stock Exchanges during the year under review is as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April - 2016	153.90	125.75	1707882	154.00	125.25	10395976
May - 2016	156.40	17.20	8139014	156.45	17.15	21230456
June - 2016	27.05	20.05	1987078	27.10	19.80	10239011
July - 2016	25.55	22.10	1217746	25.40	22.00	7034314
August - 2016	22.50	17.30	1296768	22.50	17.20	9656770
September - 2016	18.50	15.70	7143868	18.00	15.70	25977395
October - 2016	18.95	15.50	9758281	17.90	15.45	37394984
November - 2016	17.70	14.20	7536891	17.60	14.00	30881917
December - 2016	18.25	15.55	2081225	18.25	15.60	13264696
January - 2017	23.80	16.60	4171033	23.80	16.55	24732911
February - 2017	30.85	18.00	12046518	30.85	21.90	67599593
March - 2017	30.50	26.05	6416681	30.50	26.00	44946818

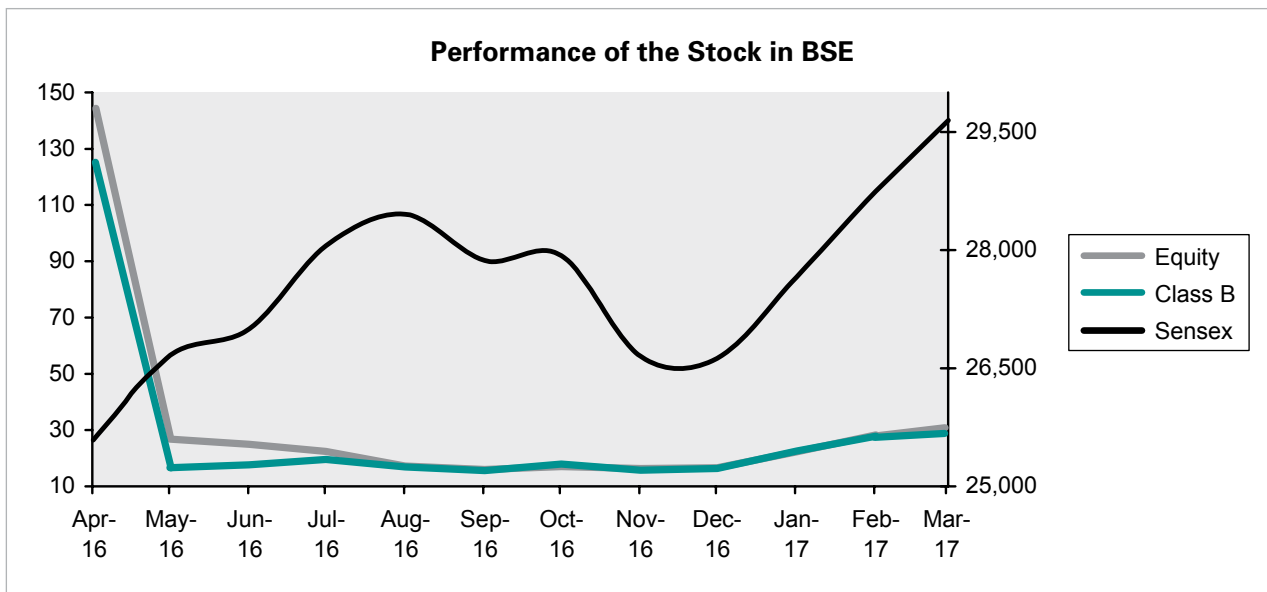
The performance of the Class B (Series 1) Shares of the company at the Stock Exchanges during the year under review is as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April - 2016	132.90	105.10	18587	136.90	107.10	161632
May - 2016	138.00	12.80	2037252	139.80	12.45	2740350
June - 2016	18.95	16.20	155975	19.20	16.00	443540
July - 2016	23.00	17.10	370726	21.00	17.35	1131878
August - 2016	20.00	16.30	61520	20.00	15.80	273250
September - 2016	17.70	14.05	88415	17.40	14.65	566091
October - 2016	18.80	15.00	377145	18.95	14.50	951326
November - 2016	18.70	14.65	484238	20.00	15.00	726071
December - 2016	18.80	15.25	145790	18.90	15.30	1011386
January - 2017	25.05	16.10	364188	25.05	16.15	1690315
February - 2017	31.00	21.00	1029013	30.95	21.20	5392278
March - 2017	30.00	25.30	785930	29.00	25.30	1929618

[Source: This information is compiled from the data available from the websites of BSE and NSE]



The performance comparison is based on the closing price / Sensex on the last trading day of the month.



The performance comparison is based on the closing price / CNX Nifty on the last trading day of the month.

Share Transfer System

Trading in Equity Shares and Class B (Series 1) Shares 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

99.77% of the Equity Shares and 99.73% of Class B (Series 1) Shares of the Company have been dematerialised as on March 31, 2017. 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 (Series 1) Shares as on March 31, 2017 is as under:

Particulars	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
National Securities Depository Limited	34,54,72,986	79.70%	3,43,92,078	87.35%
Central Depository Services (India) Limited	8,69,99,765	20.07%	48,75,204	12.38%
Total Dematerialised	43,24,72,751	99.77%	3,92,67,282	99.73%
Physical	9,87,085	0.23%	1,07,397	0.27%
Total	43,34,59,836	100.00%	3,93,74,679	100.00%

Distribution of Shareholding of Equity and Class B (Series 1) Shares as on March 31, 2017

Equity Shares

No. of Shares	No. of Shareholders	%	Total Shares	%
1-500	39,425	80.21	52,52,342	1.2117
501-1000	4,526	9.21	36,84,095	0.8499
1001-5000	3,622	7.37	86,82,130	2.0030
5001-10000	662	1.35	51,46,316	1.1873
10001-50000	640	1.30	1,45,31,250	3.3524
50001-100000	113	0.23	85,09,626	1.9632
100001-999999	137	0.28	3,90,13,604	9.0005
Above 1000000	30	0.06	34,86,40,473	80.4320
Total	49,155	100.00	43,34,59,836	100.0000

Class B (Series 1) Shares

No. of Shares	No. of Shareholders	%	No. of Shares (₹)	%
1-500	1,4186	94.04	7,18,088	1.8237
501-1000	410	2.72	3,36,104	0.8536
1001-5000	344	2.28	7,76,180	1.9713
5001-10000	54	0.36	3,94,943	1.0030
10001-50000	55	0.36	12,47,261	3.1677
50001-100000	7	0.05	5,78,927	1.4703
100001-999999	26	0.17	71,65,187	18.1974
Above 1000000	3	0.02	2,81,57,989	71.5129
Total	15,085	100.00	3,93,74,679	100.0000

Categories of Shareholders as on March 31, 2017

Category	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% holding	No. of Shares	% holding
Promoters and Promoter Group	20,17,83,399	46.55	2,84,36,580	72.22
Mutual Funds	46,01,443	1.06	50	0.00
Banks, Financial Institutions	57,37,691	1.32	96,991	0.25
Venture Capital Funds	0	0.00	0	0.00
Insurance Companies	26,16,004	0.60	9,451	0.02
Foreign Portfolio Investor	1,15,97,946	2.68	0	0.00
Non Resident Indians	21,09,868	0.49	49,692	0.13
Bodies Companies	13,80,32,490	31.84	22,17,230	5.63
Indian Public (Individual)	6,14,05,568	14.17	79,10,678	20.09
Directors & their Relatives	0	0.00	0	0.00
Clearing Members	41,42,420	0.96	5,30,477	1.35

Category	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% holding	No. of Shares	% holding
Trust	3,200	0.00	0	0.00
Hindu Undivided Family	14,29,807	0.33	1,23,530	0.31
Foreign Nationals	0	0.00	0	0.00
Total	43,34,59,836	100.00	3,93,74,679	100.00

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

During the year under review, 958 Optionally Convertible Debentures (“OCDs”) of ₹ 95.80 Crore issued by the Company consequent to the effect of the Scheme. These OCDs are convertible into Equity Shares of our Company at the option of our Company, at the price prescribed under SEBI Regulations for Preferential Issue of securities on the date of conversion.

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-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083

Telephone No. : +91 22 4918 6000 Fax No. : +91 22 4918 6060

email : rnt.helpdesk@linkintime.co.in Website: 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 Entreprises Limited

Knowledge House, Shyam Nagar,

Off Jogeshwari Vikhroli Link Road,

Jogeshwari (East), Mumbai 400 060

Tel No: +91 22 6644 2200

Fax No: +91 22 6644 2201

Email : investorrelations@futuregroup.in Website: www.felindia.in

Discretionary requirements (Part E of Schedule II of Listing Regulations):

- Chairman of the Board:** At present, Chairman of the Board is an Independent Director. 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.
- Shareholders’ Rights:** Quarterly and half yearly 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. 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.
- 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 continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion.
- 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.
- Separate posts of Chairman and CEO:** The Company is having separate persons on the post of Chairman of the Board and Managing Directors of the Company.

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
30/06/2010	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
31/03/2016	29/08/2016	02/09/2016	03/10/2023

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 dividends of ₹ 5,32,366/- relating to financial year 2008-09 to Investor Education and Protection Fund.

7. Equity Shares and Class B (Series 1) Shares in the Suspense Account

In terms of Regulation 39 of the Listing Regulations, the Company reports the following details in respect of Equity Shares and Class B (Series 1) Shares lying in the suspense accounts which were issued in demat form:

Particulars	Equity Shares		Class B (Series 1) Shares	
	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on April 01, 2016	184	92,010	184	9,250
Number of Shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	1	500	1	50
Number of Shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	0	0	0	0
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	183	91,510	183	9,200

The voting rights on the shares in the suspense account shall remain frozen till the rightful owners claim the shares.

8. ESOP

Future Enterprises Limited (FEL) (f/k/a Future Retail Limited) has granted Options to eligible employees in 2014 and 2015 under FRL-Employee Stock Option Plan 2012 ("ESOP 2012") and FRL-Employee Stock Option Plan 2015 ("ESOP 2015")

In a Composite Scheme of Arrangement, FEL has transferred its Retail business carried on under the format brands of Big Bazaar, Food Bazaar, e-zone, Home town to Future Retail Limited (f/k/a Bharti Retail Limited), the Composite Scheme of Arrangement has been sanctioned by the Bombay High Court in its order dated March 04, 2016

The Employee Stock Options of the Company has adjusted for the corporate action on value for value exchange and hence there is no incremental benefit to the option grantee and also it does not result in change in aggregate Fair Value of the Options.

During the year, Company has granted 23,22,102 (2016: 7,57,896) under Employee Stock Option Plan 2012 ("ESOP 2012") to the eligible employees at revised price of ₹ 2/- per option plus all applicable taxes, as may be levied in this regard on the Company. These options have already been vested to the eligible employees as on March 31, 2017, details in respect of the same has been given in the relevant notes to the account of the Company. And 26,03,196 under FEL Employees Stock Options Plan – 2015 (FEL ESOP – 2015) 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

We have examined the compliance of conditions of Corporate Governance by Future Enterprises Limited (“the Company”) for the financial year ended on March 31, 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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 to 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 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 Trivedi
Partner
Membership No. 042472

Place : Mumbai
Date : May 19, 2017

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, 2017.

For Future Enterprises Limited

Vijay Biyani
Managing Director

Place : Mumbai
Date : May 19, 2017

BUSINESS RESPONSIBILITY REPORT

OVERVIEW

Future Enterprises Limited (referred to as "FEL" / "the Company" hereon) develops, owns and leases the retail infrastructure for certain retail chains of Future Group. FEL links the retail arm with its infrastructure forming the backbone for multiple retail formats. The Company also holds the Future Group's investments in subsidiaries and joint ventures including insurance, textile manufacturing, supply chain and logistics. One of the subsidiary, Future SupplyChain Solutions Limited manages the logistics from warehousing, storage to distribution of raw materials and products. The Company's Joint Ventures Future Generali India Insurance Company Limited and Future Generali India Life Insurance Company Limited, with the globally known Generali Group, offers financial security solutions like savings, insurance and policies to its customers.

The Directors of FEL present the Business Responsibility Report (BRR) of the Company for the financial year ended on March 31, 2017, pursuant to Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This BRR delineates Future Enterprises Limited endeavours to conduct business with responsibility and accountability towards all its stakeholders in keeping with the Nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. This BRR is in line with the format proposed by Securities Exchange Board of India.

Part A: General Information about the Company

SI. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52399MH1987PLC044954
2	Name of the Company	Future Enterprises Limited
3	Registered address	Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060
4	Website	www.felindia.in
5	E-mail id	investorrelations@futuregroup.in
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing and Trading (NIC Code 14 and 46) Renting and Leasing (NIC Code 77)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Manufacturing & Trading in Readymade Garments ii. Renting of Retail Infrastructure Assets iii. Investment
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	There are no International Locations where we operate
	(b) Number of National Locations	Pan India across 765 stores
10	Markets served by the Company- Local/State/National/International	National

Part B: Financial Details of the Company

SI. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 94.57 Crore
2	Total Turnover (INR)	₹ 3782.09 Crore (standalone)
3	Total profit after taxes (INR)	₹ 43.56 Crore (standalone)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	FEL's total spending on CSR for the year ending March 31, 2017 is ₹ 0.61 Crore which is 1.40% of the profit after tax.
5	List of activities in which expenditure in 4 above has been incurred:-	FEL engages with "Sone Ki Chidiya" Foundation, a Group Trust for various CSR initiatives on behalf of Company. The activities undertaken so far includes to provide clothing support to underprivileged children, to educate around 1500 students in Satpura district of Madhya Pradesh by contributing to Friends of Tribal Society (FTS), livelihood enhancement of the weaker sections of the society as per Schedule VII of the Companies Act, 2013. The engagement has supported 4564 childrens/students.

Part C: Other Details

Sl. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company / Companies?	Yes, FEL has six subsidiaries and one step down subsidiary as on March 31, 2017.
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company / Companies	FEL has positively influenced its subsidiary companies to participate and formulate their own BR initiatives and conduct their business in an ethical, transparent and accountable manner.
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Business Responsibility policies are applicable to the management and all employees of FEL, it encourages adoption of BR initiatives by its Business Partners. Based on engagement with its suppliers and distributors on BR issues, currently less than 30% of other entities participate in the BR initiatives of the Company

Part D: BR Information

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

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	00088451
2	Name	Mr. Dinesh Maheshwari
3	Designation	Executive Director & Chief Financial Officer
4	Telephone number	022-61190000
5	e-mail id	Dinesh.maheshwari@futuregroup.in

2. Principle-wise (as per NVGs) BR policy / policies (Replies in Y - Yes / N - No):

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

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

(a) BR Policies and coverage of NVG Nine principles

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes, the policies have been approved by the Board and signed by the Managing Director.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes, the Company's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	http://felindia.in/investors/Policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its system for evaluating the implementation of the policies. The policies are evaluated from time to time and updated whenever required.								

(b) If answer to S. No. 1 above against any principle, is 'No', please explain why: **Not Applicable**

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company at least once in a year.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company is publishing the information on BR in the Annual Report for the financial year 2016-17 for the first time, which is also available on the website of the Company, i.e. http://felindia.in/investors/Policies.html

Part E: Principle Wise Performance

Principle 1: Ethics, Transparency & Accountability

Businesses should conduct and govern themselves with ethics, transparency and accountability

FEL stands on the foundation of integrity and stewardship, it conducts its business and affairs in full compliance with applicable laws, rules and regulations in letter and spirit. FEL encourages and promote such behaviour amongst its senior management, officers and employees, and with its stakeholders. The Code of Conduct delineates precisely its approach whilst dealing with its customers, partners, vendors and community:

1. Service standards at stores for infrastructure provision and for our products shall be of the highest order and no false or misleading claims shall be made whilst marketing our products or services to customers.
2. FEL values all an individuals and team's contributions, it offers opportunities to share in its commercial success with equal opportunities provided to all.
3. FEL cultivates a global network of collaborative and mutually beneficial alliances and respects partners' customs and traditions, and is honest and ethical in all dealings.
4. FEL has a fair procurement process, administering tendering and contracting procedures in good faith.
5. FEL contributes to the well-being of the societies in which it operates, it maintains the highest level of integrity while respecting local laws, customs and traditions.

FEL strictly prohibits any kind of sexual harassment and has set up a committee to redress complaints with regards the same. FEL has established a vigil mechanism for FEL's employees and Directors to report grievances about unethical behaviour, actual or suspected fraud or violation of the FEL's Code of Conduct ("Code") or ethics policy. It promotes responsible and secure whistle blowing and adequately safeguards the whistle blower from victimization. All individuals working in FEL must abide by the Code. For the subsidiaries, the Code is applicable in line with the local requirements prevailing in the country of operation. FEL encourages its business partners to follow the Code.

The Senior Management's affirmation to the Code is communicated to all stakeholders by Managing Director, through a declaration in the Annual Report.

Feedback of any type is taken with utmost seriousness and the attempt is made to satisfactorily close all customer feedbacks expeditiously.

Any violation / suspected violation of the Code have to be promptly communicated to the compliance officer of FEL which would be taken up in the meetings of the Audit Committee / Board of Directors.

In order to adhere to each of the Nine Principles as per National Voluntary Guidelines, FEL have in place the necessary policies and processes approved in the current reporting period. These Guidelines have been placed before the Board and adopted on May 19, 2017.

FEL has received 21 investor complaints which have been resolved. The Company discloses all information required by the statutory law.

FEL has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. No complaints were received in 2016-17 by ICC.

The Company has formulated its own Whistle Blower Policy and there were no complaints which were received during the year 2016-17.

Principle 2: Products Contributing to Sustainability

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

FEL develops, owns and rents out the retail infrastructure for certain retail chains of Future Group which has helped the Future Group entities develop state of the infrastructure for smooth operations of the retail chains. FEL claims to address product stewardship with a high degree of commitment while addressing the social and environmental values of the product.

FEL ensures that products and services are designed shall offer the best possible value to customers such that the brand becomes the customers' first choice for quality and service.

- In FEL's business of renting out of assets (computers, electronic installations, furniture and fitting, plant and equipment), it endeavours to use assets/products which are more environmental friendly and reusable.
- FEL is in the process of developing sustainable sourcing guidelines. Fabric and equipment are procured from manufacturers / producers keeping in mind quality and consistency.
- During the year under review Future Supply Chain Solutions Ltd., a subsidiary has undertaken a number of safety and logistics optimization projects.
- FEL has implemented projects at a number of existing and upcoming stores to move into more energy efficient and LED base lighting as well as other energy conservation devices. FEL is currently not tracking the reductions at the entity end but fittings are regularly upgraded to provide the most energy efficient equipment including lighting and energy conservation devices at retail stores.
- In the coming years FEL endeavours to develop a sound monitoring system to develop operational excellence in quantification of the inputs.

FEL does not undertake any process which gives rise to activity relating with recycling of products and waste. All wastes are disposed with by selling through scrap dealers.

There were no incidents of non-compliance with regulations or voluntary codes resulting in fine, penalty or notices received concerning emissions, health and safety impacts of the FEL's products in production, use or disposal.

Sustainable sourcing

FEL plans to draw up its sustainable sourcing guidelines which will identify and evaluate new suppliers in a fair manner, and a robust monitoring policy for the performance assessment on environmental and social parameters.

FEL avails services of local communities, after providing them necessary training, for its manufacturing of ready-made garments process.

In FEL's factory at Tarapur, internship programmes are organized to train local youth. This Employment Promotion Program (EPP) is a part of the Rojgar Protsahan project (which is a skill development project under the State Government of Maharashtra).

FEL works with 150 nos. local (state region) vendors, comprising 86% of total vendors of the Company.

Product Labelling

FEL endeavours to provide customers with appropriate labelling and signages as per Indian Care Labelling System which provides information in the form of symbols so as to indicate to customers how the garment must be handled, washed or treated, The content label provides the fibre type, fibre content, country of origin and certification labelling (wherever applicable).

FEL discloses all information truthfully and factually as per the Code including the risks to the individual.

Principle 3: Welfare of Employees

Businesses should promote the well-being of all employees

FEL is an "equal opportunity" organization that prohibits discrimination or harassment based on race, colour, religion, national origin, sex, age, sexual orientation, marital status, citizenship status, or disability which is consistent with local legislation.

The manpower at Future Enterprises Limited as on March 31, 2017 was as under:

Total Strength	No. of female employees	% of female employees to total strength
1025	451	43.02%

No. of employees with disabilities: 1

Employee Well-being

FEL wants to attract, develop and motivate the best people through creation of a work environment that is open, honest and unprejudiced and which encourages people to achieve their full potential. It promotes a healthy lifestyle.

FEL ensures that its policies and processes concerning labour and human rights are in line with the laws of the land, and is updated from time to time. Trainings on diversity and inclusion are conducted to enhance awareness around these issues.

FEL ensures all its employees to enjoy a flexible life and are able to maintain a work life balance through:-

- a) Provision of a flexible time window at the start of and conclusion of the core working period of eight hours, this enables the employee to plan both his personal life and work activities.
- b) Provision of paternity and maternity leave as governed by Indian laws
- c) Insurance policies such as Medi-claim, EDLI as well as Life security plans have been implemented on a Group level.
- d) The Future Group offices, backend offices, stores and factories are disability friendly.
- e) The workspace is ergonomically designed.

FEL takes care to ensure that there is no child labour, forced labour or any form of involuntary labour, paid or unpaid at any of its premises.

Employee growth, Training and Development and Overall well-being –

FEL's diverse people initiatives are aimed to attract, motivate and empower our employees in many ways. FEL recruits, employs and rewards on ability and contribution, thus ensures continuous skill and competence upgradation by providing equal and non-discriminatory learning opportunities to all.

FEL conducts a job analysis to ensure employees are well equipped in terms of functional as well as skill based competencies required for the job. Through Individual Development Plans, customised training needs are identified in the Behavioural and Skills department and the same is imparted to all eligible employees. Some of the trainings being Design thinking, Digital Learning, dialogue design etc.

Through diverse trainings concerning overall development of the employee from the Group level to customised growth plans, has helped establish a robust retention scheme is catered to. The Company has several programs designed to benefit marginalized stakeholders it includes:

- GENISIS: FEL's Management Trainee Program aims to develop trainees into future leaders at the Company through on-the-job training, project work and functional implementation.

- **Shishya:** An initiative that provides an opportunity to develop and enhance skills and knowledge through various educational and learning programs.
- **Seekho:** An initiative, aimed at encouraging employees who are consistent performers to fast-track their career growth by completing their higher education (MBA) in the retail domain.
- **L.E.A.P:** Our Leadership Excellence Advancement Program identifies and develops an individual's leadership potential

An Employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall well-being.

Percentage of employees was given safety and skill up-gradation training in financial year 2016-17

- Permanent Employees - 40%
- Permanent Women Employees - 34%
- Employees with Disabilities - 100%

Collective Bargaining

FEL's employees do not participate in collective bargaining practices. FEL ensures all grievances of the employees are addressed through an active and functioning grievance mechanism.

Occupational Health and Safety

FEL provides a congenial environment where adequate health and safety measures are taken for the employees. Functional Heads shall ensure that due compliances to all laws and regulations pertaining to health and safety measures are undertaken on a continuous basis.

FEL believes in supporting the welfare for people who work for the organisation, visit its facilities, lives near its establishments, and is committed to fulfill its duty of care with due diligence. Following are the few initiatives taken by the Company to adhere to Principle 3:

- FEL has constituted safety committee and safety representatives for its units and offices which meets on quarterly basis. It has also defined its safety principles.
- Systems for reporting and monitoring various Safety and Environment parameters are defined and circulated. Injury incidents are being reported to the corporate safety team.
- Various guidelines are being developed for third party or contractors working on site for issues like safety management, working at height and road safety.
- Regular Evacuation Mock Drills are conducted at all units so that safety is maintained in the surroundings and observations from them are recorded.

Principle 4: Stakeholder Engagement

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

FEL believes that stakeholders are partners in business and the Company engages with internal and external stakeholder groups, in order to ensure there is a dialogue created, identify and address concerns and work towards creating shared value. FEL acts as a driving force in stimulating inclusiveness as a powerful development tool with an objective to create a sustainable community while partnering with stakeholders from the vulnerable and marginalized society.

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

FEL has identified its stakeholders, understood their level of concern, defined purpose and the scope of engagement. They are committed to keep a healthy relation with all their stakeholders

Shareholders

FEL provides a platform for all Shareholders to engage with top management during general meetings. The Company has a Stakeholder's Relationship Committee which meets quarterly to review the complaints received, pending and addressed during each quarter from the investors.

Employees

FEL strives to create a positive work environment that encourages people to achieve their full potential and provides opportunities for personal growth and professional development through engagements that involve appropriate communication and consultation with employees.

Through a pro-inclusion mind-set which ensures that differently abled or minority members are not discriminated against, FEL works to engage with, motivate and address each employee's concern as per guidelines at workplace:

- "TATTVA" where our employees are given a platform to showcase their talent in Sports, Arts and Cultural events.
- Employee engagement activities include festival celebration like Dussehra, Diwali, Ganesh Chaturthi, Holi etc. and also participating in various activities that takes place during celebration.

Statutory bodies

FEL in its process for ensuring compliances also interact with various statutory bodies and regulators as and when required. It also maintain its records and ensure compliances internally and externally.

Business Partners

FEL cultivates a global network of collaborative and mutually beneficial alliances. It works with partners in the creation of successful ventures and shares its values and principles in dialogue with other organizations and in considering new and existing relationships.

Suppliers/Vendors

FEL values the diversity of its vendors and works with them in innovative ways that create added value for customers and trading partners.

FEL recognizes the potential to address economic inequality/disparity and accomplish other objectives contributing to inclusive growth, with the aim to foster a symbiotic relationship with entrepreneurs across communities to create increased self-employment opportunities.

Customers

FEL considers the retail brands and chains that are served directly as their customers. All interactions are limited to the retail chains. FEL endeavours to provide products, infrastructure and equipment that are technologically competitive and develop mutually beneficial relationships of an enduring nature with its customers.

A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with FEL through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and resolved. *(Please refer to Principle 9 for more details)*

Communities

FEL contributes to the well-being of the societies in which it operates through its business activities and the skills of its people. FEL works with community and other organizations to support non-profit making activities that benefit wider society. *(Please refer to Principle 8 for more details)*

Principle 5: Human Rights

Businesses should respect and promote human rights

FEL's human rights policy currently extends to the Group. The intent of this policy has been conveyed to all relevant stakeholders. Wherever violations are brought to the notice of the management, it makes every effort to resolve the same.

Human rights violation of any kind as articulated in the Constitution of India and the International Bill on Human Rights is not tolerated across its operations, including sexual harassment, child labour, forced labour, discrimination of any kind is brought to the notice of the management to resolve the same.

All contracts with suppliers, contractors and vendors state need to comply with labour laws, monthly pay is to be made within prescribed time limits, medical facilities to be provided, ensuring contributions including to PF, ESIC, Gratuity.

FEL has set up grievance mechanisms accessible to all stakeholders impacted by the business. FEL has not received any complaints during the reporting period under review.

Principle 6: Environment

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

FEL endeavours to establish sustainability as the core strategy and business practices. The EHS policy has been adopted by FEL and is being extended to its subsidiaries, joint ventures, vendors and suppliers. Sustainability coupled with inclusive growth will help FEL to build a stronger foundation for long-term sustainable growth.

FEL believes in caring for environment and society in which it works and recognizes its responsibility towards ensuring environmental care in all its operations and also to provide products that make a positive impact on its intermediary consumers.

A manufacturing unit at Tarapur is in process of installing LED lights and optimized daylighting to save upon electricity consumption.

There were no incidents of non-compliance with regulations or voluntary codes resulting in fine, penalty or notices received concerning emissions, health and safety impacts of FEL's products in production, use or disposal.

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

Principle 7: Policy Advocacy

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

FEL contributes by participating in industry events and is a member of the Retailers Association of India (RAI). RAI is working towards development of the healthy organized retail in the Country.

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

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

FEL has developed its Corporate Social Responsibility (CSR) policy and complies with all the requirements detailed in Section 135 of the Companies Act, 2013 ("the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs ("MCA").

FEL engages with "Sone Ki Chidiya" Foundation, a Group Trust for undertaking various initiatives as provided under CSR Policy. The engagement has supported 4564 children.

FEL has spent ₹ 0.61 Crore on the CSR Activities during the financial year 2016-17. The amount was spent on livelihood enhancement of the weaker sections of the society as per Schedule VII of the Companies Act, 2013 on CSR.

The CSR committee reviews it of CSR projects / programmes / initiatives from time to time. The report on the CSR activities carried by the Company is annexed with the Boards' Report for the FY 2016-17.

Principle 9: Value to Customers and Consumers

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

FEL's intent to maintain a healthy relationship with the

stakeholders, the Company takes feedback from its customers – Future Retail Limited and Future Lifestyle Fashions Limited for improving the products and services provided to them. These Companies collectively attracted over 350 million customer visits through the financial year 2016-17. There were 190 consumer cases at the end of the reporting period.

FEL ensures that its advertising and communications do not mislead or confuse the consumers or violate any of the principles in these Guidelines.

FEL ensures display of adequate information on product label in addition to information regarding a product's environmental or social responsibility. *(Please refer to Principle 2 and Principle 4 for more details)*

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

10 YEAR FINANCIAL SUMMARY

Key Highlights of Financial Position

₹ in Crore

Particulars	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15	Mar-16	Mar-17
Share Capital	29.35	31.86	38.06	41.23	106.90	46.32	46.32	82.84	85.57	94.57
Reserves & Surplus	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	3,715.23
Net Worth	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	3,809.80
Total Borrowings	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	5,199.41
Capital Employed	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	9,009.21
Net Block	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	5,847.93
Investments	252.01	586.52	954.03	2,002.91	2,250.52	2,280.23	1,349.52	1,295.16	1,294.68	1,404.45
Inventory	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	873.13

Key Highlights of Financial Results

₹ in Crore

Particulars	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15	Mar-16	Mar-17
	12 Months	12 Months	12 Months	12 Months	12 Months	18 Months	15 Months	12 Months	12 Months	12 Months
Sales & Operating Income	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	3,782.09
Total Income	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	4,013.14
COGS	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	2,675.41
EBITDA	307.63	464.28	674.50	676.70	435.33	1,060.60	1,098.16	1,243.28	1,048.75	1,184.36
Interest	89.76	185.27	318.22	288.24	173.66	460.41	692.54	669.04	488.86	507.61
Depreciation	36.86	83.39	140.05	161.88	146.37	311.87	404.34	512.88	546.74	633.19
Profit Before Tax	180.96	195.64	216.23	213.64	115.29	288.32	1.27	61.37	13.15	43.56
Profit After Tax	119.99	125.97	140.58	179.56	76.66	273.26	2.81	74.07	11.83	43.56

Key Financial Ratios

Particulars	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15	Mar-16	Mar-17
COGS/Sales & Operating Income (%)	69.36%	69.56%	69.85%	68.46%	64.60%	63.60%	73.40%	71.63%	72.04%	70.74%
Interest / Total Income (%)	2.70%	3.67%	5.01%	4.79%	4.22%	6.56%	5.97%	6.45%	5.84%	12.65%
EBITDA/Interest (Debt-Service Ratio)	3.43	2.51	2.12	2.35	2.51	2.30	1.59	1.86	2.15	2.33
EBITDA / Total Income (%)	9.24%	9.19%	10.63%	11.24%	10.57%	15.12%	9.46%	11.99%	12.52%	29.51%
PBT / Total Income (%)	5.44%	3.87%	3.41%	3.55%	2.80%	4.11%	0.01%	0.59%	0.16%	1.09%
PAT / Total Income (%)	3.60%	2.49%	2.21%	2.98%	1.86%	3.90%	0.02%	0.71%	0.14%	1.09%
Basic EPS (₹)	8.71	7.54	7.94	8.46	3.54	12.08	0.12	2.75	0.26	0.92
Debt Equity Ratio	1.19	1.19	1.25	0.50	0.70	1.06	1.93	0.93	1.46	1.36

Note:

- EBITDA, 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.
- Financial numbers of the year ended March 31, 2017 are prepared as per IND AS, hence not comparable with previous years.

INDEPENDENT AUDITORS' REPORT

To,

The Members of

FUTURE ENTERPRISES LIMITED

(formerly known as Future Retail Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of **FUTURE ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Financial Statements

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

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 standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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 thereunder.

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

Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of Company as at March 31, 2017, its profit and its cash flow and the changes in equity 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.
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 and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder;
- e. On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 has disclose the impact of pending litigation on its financial position in its standalone Ind AS Financial Statements. Refer Note 41 to the standalone Ind AS Financial Statement;
 - ii. The Company did not have any long term contracts including derivative contract for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred , to the Investor Education and Protection Fund by the Company; and
- iv. The Company has provided requisite disclosures in its standalone Ind AS Financial Statements as to holdings as well as dealings in specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company. Based on audit procedure and reliance on management representation, we report that the disclosures are in accordance with books of accounts and other records maintained by the Company and as produced to us by the management of the Company. Refer Note 47 to the standalone Ind AS Financial Statements.

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

Place: Mumbai
Date : May 19, 2017

Ashok A. Trivedi
Partner
Membership No. 042472

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the FUTURE ENTERPRISES LIMITED on the standalone Ind AS Financial Statements for the year ended March 31, 2017, 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 Companies Act, 2013, 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, Value Added Tax, 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, 2017 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 explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The Company has not taken any loans from Government or any Financial Institution.
- (ix) Based on audit procedure and on the basis of information and explanation given by the management, we are of the opinion that money raised by Company by way of term loan have been applied for the purpose for which they were raised. The Company did not raised any money by way of Initial Public offer or further public offer.
- (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 of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite provision of Section 197 read with Schedule V to 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

Place: Mumbai
Date : May 19, 2017

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, 2017 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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 controls 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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

Place: Mumbai
Date : May 19, 2017

Membership No. 042472

BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Crore)

	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
1. Non-Current Assets				
Property, Plant and Equipment	3	5,847.93	5,279.41	4,597.58
Capital Work-in-Progress	3	386.34	420.11	274.92
Intangible Assets	3	-	-	234.08
Financial Assets				
Investments	4	1,404.45	1,417.34	1,259.07
Loans	5	120.04	118.13	234.59
Others	6	0.25	0.04	4.92
Other Non-Current Assets	7	206.50	326.52	261.73
Total Non-Current Assets		7,965.51	7,561.55	6,866.89
2. Current Assets				
Inventories	8	873.13	859.91	3,522.68
Financial Assets				
Trade Receivables	9	366.71	256.00	387.97
Cash and Cash Equivalents	10	34.25	56.63	43.41
Bank Balance Other Than Cash and Cash Equivalents	11	12.47	21.16	56.16
Loans	12	17.01	112.86	601.41
Others	13	2.37	-	10.00
Other Current Assets	14	961.57	768.82	1,091.51
Total Current Assets		2,267.51	2,075.38	5,713.14
Total Assets		10,233.02	9,636.93	12,580.03
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	15	94.57	85.57	82.84
Other Equity	16	3,715.23	3,377.07	5,083.14
Total Equity		3,809.80	3,462.64	5,165.98
Liabilities				
1. Non-Current Liabilities				
Financial Liabilities				
Borrowings	17	4,833.64	4,417.23	2,912.34
Other Financial Liabilities	18	562.74	501.57	-
Provisions	19	4.78	2.34	19.12
Deferred Tax Liabilities (Net)	33	65.09	65.09	169.16
Total Non-Current Liabilities		5,466.25	4,986.23	3,100.62
2. Current Liabilities				
Financial Liabilities				
Borrowings	20	119.47	17.30	1,132.37
Trade Payables	21	478.69	640.60	2,103.39
Other Financial Liabilities	22	352.83	517.86	923.03
Other Current Liabilities	23	5.18	6.53	120.38
Provisions	24	0.79	5.77	34.26
Total Current Liabilities		956.96	1,188.06	4,313.43
Total Equity and Liabilities		10,233.02	9,636.93	12,580.03

The accompanying notes are an integral part of the financial statements.

1-52

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

S. Doreswamy
Director

Dinesh Maheshwari
Executive Director &
Chief Financial Officer

Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

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

(₹ in Crore)

	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
INCOME			
Revenue From Operations	25	3,782.09	8,357.70
Other Income	26	231.05	47.49
Total Income		4,013.14	8,405.19
EXPENSES			
Cost of Materials Consumed		26.51	20.30
Purchase of Stock-In-Trade		2,662.80	6,215.85
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(13.90)	(228.21)
Employee Benefits Expense	28	59.96	280.18
Finance Costs	29	507.61	496.52
Depreciation and Amortization Expense	3	633.19	546.74
Other Expenses	30	93.41	1,047.02
Total Expenses		3,969.58	8,378.40
Profit Before Tax		43.56	26.79
Tax Expense	33	-	5.52
(1) Current Tax		-	-
(2) Deferred Tax		-	5.52
Profit For The Year		43.56	21.27
Other Comprehensive Income For The Year			
Re-measurement Gains on Defined Benefit Plans	32	0.08	0.72
Fair Value Changes On Investments		296.23	158.45
Total Comprehensive Income For The Year		339.87	180.44
Earnings Per Equity Share of Face Value of ₹ 2/- each			
	37		
Basic - Equity Share		0.92	0.48
Basic - Class B (Series-1) Share		0.96	0.52
Diluted - Equity Share		0.92	0.48
Diluted - Class B (Series-1) Share		0.96	0.52

The accompanying notes are an integral part of the financial statements.

1-52

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

S. Doreswamy
Director

Dinesh Maheshwari
Executive Director &
Chief Financial Officer

Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

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

(₹ in Crore)

	As at 31 March, 2017	As at 31 March, 2016
(A) EQUITY SHARE CAPITAL		
Opening Balance	85.57	82.84
Change During The Year		
Issue of Equity Shares Under Employee Stock Option Scheme	0.30	0.03
Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	8.70	-
Issue of Equity Shares	-	2.70
Closing Balance	94.57	85.57
(B) OTHER EQUITY		
Equity Warrants		
Opening Balance	-	23.18
Change During The Year		
Issue of Equity Shares	-	(23.18)
Closing Balance	-	-
Share Capital Suspense		
Opening Balance	8.70	-
Change During The Year		
Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	(8.70)	-
Equity Shares to be Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	-	8.70
Closing Balance	-	8.70
Retained Earnings		
Opening Balance	244.19	70.22
Profit For The Year	43.56	21.27
Dividend and Tax on Dividend, on Equity Shares Issued After April 1 till the Record Date	(0.52)	(1.13)
Proposed Dividend on Equity Shares	-	(4.44)
Tax on Dividend	-	(0.90)
Other Comprehensive Income/(Loss) For The Year		
Fair Value Changes On Investments	296.23	158.45
Re-measurement Gains/ (Losses) on Defined Benefit Plans	0.08	0.72
Closing Balance	583.56	244.19
Capital Reserve		
Opening Balance	-	535.68
Change During The Year		
On Composite Scheme of Arrangement	-	(535.68)
Closing Balance	-	-

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

(₹ in Crore)

	As at 31 March, 2017	As at 31 March, 2016
Securities Premium Reserve		
Opening Balance	2,732.71	4,074.12
Change During The Year		
Issue of Equity Shares	2.29	91.76
On Composite Scheme of Arrangement	-	(1,433.17)
Closing Balance	2,735.00	2,732.71
Debenture Redemption Reserve		
Opening Balance	268.13	268.13
Change During The Year	-	-
Closing Balance	268.13	268.13
General Reserve		
Opening Balance	110.82	110.82
Change During The Year	-	-
Closing Balance	110.82	110.82
Share Options Outstanding Account		
Opening Balance	4.38	1.01
Change During The Year		
Expense on Employee Stock Option Scheme	0.72	4.97
Exercise of Stock Options	(2.31)	(1.60)
Closing Balance	2.79	4.38
Promotor Equity Contribution		
Opening Balance	8.16	-
Change During The Year		
Personal Guarantees By Promoters	5.52	8.16
Closing Balance	13.68	8.16
Equity Component of Optionally Convertible Debentures		
Opening Balance	-	-
Change During The Year		
Issue of Optionally Convertible Debentures (Equity Component)	1.27	-
Closing Balance	1.27	-
TOTAL OTHER EQUITY	3,715.23	3,377.07

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

S. Doreswamy
Director

Dinesh Maheshwari
Executive Director &
Chief Financial Officer

Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crore)

	Year Ended March 31, 2017	Year Ended March 31, 2016
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	43.56	26.79
Adjusted for:		
Depreciation and Amortization Expense	633.19	546.74
Finance Costs	507.61	496.52
(Profit)/Loss on Sale of Investments	(151.22)	0.16
Expense on Employee Stock Option Scheme	0.72	4.97
Loss on Disposal/Discard of Fixed Assets (Net)	33.37	22.24
Dividend Income	(3.46)	(3.47)
Interest Income	(73.84)	(37.35)
Operating Profit Before Working Capital Changes	989.93	1,056.60
Adjusted for:		
Trade Receivables	(110.71)	7.10
Other Financial Assets and Other Assets	(42.15)	(268.26)
Inventories	(13.22)	(226.68)
Trade Payables	(161.91)	182.97
Other Financial Liabilities, Other Liabilities and Provisions	50.32	262.42
Cash Generated From Operations	712.26	1,014.15
Taxes Paid	69.48	(35.07)
Net Cash Flows From Operating Activities	781.74	979.08
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(1,201.31)	(1,465.23)
Sale of Property, Plant and Equipment and Intangible Assets	-	248.38
Sale/(Purchase) of Investments	460.34	0.02
Dividend Income	3.46	3.47
Interest Income	73.84	37.35
Net Cash Used In Investing Activities	(663.67)	(1,176.01)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	7.07	77.87
Proceeds from Borrowings	365.95	790.60
Dividends Paid (Including Dividend Distribution Tax)	(5.86)	(31.08)
Interest Paid	(507.61)	(496.52)
Net Cash Used In Financing Activities	(140.45)	340.87
On Composite Schemes of Arrangements	-	(130.72)
Net (Decrease)/Increase In Cash and Cash Equivalents	(22.38)	13.22
Net (Decrease)/Increase In Cash and Cash Equivalents	(22.38)	13.22
Cash and Cash Equivalents (Opening Balance)	56.63	43.41
Cash and Cash Equivalents (Closing Balance)	34.25	56.63

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

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Executive Director &
Chief Financial Officer

Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Company Overview And Significant Accounting Policies

1.1 Company Overview

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 12 October, 1987. The Company engaged in the business of manufacturing, trading and leasing of assets.

The Company has its registered office at Mumbai, Maharashtra, India. The Company has its primary listings on the National Stock Exchange of India Limited and BSE Limited.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 19, 2017.

1.2 Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention method on accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.

1.3 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2015 measured as per previous GAAP as it deemed cost on the date of transition.

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Plant and Equipment	: 15 years
Office Equipment*	: 3 to 6 years
Furniture And Fixture	: 10 years
Electrical Installation and Equipment	: 10 years
Vehicles	: 10 years
Leasehold Improvement*	: Lease term or 15 Years, whichever is lower

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

1.5 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life not exceeding ten years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as on April 1, 2015 measured as per previous GAAP as it deemed cost on the date of transition.

1.6 Impairment of Assets

i Financial Assets

The Company recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

ii Non-Financial Assets

Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

iii Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.7 Financial Instruments

i Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

ii Subsequent Measurement

a) Non-Derivative Financial Instruments

i Financial Assets Carried At Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii Financial Assets At Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii Investments in Associates, Joint Venture and Subsidiaries

Investments in Associates, Joint Venture and Subsidiaries are carried at cost.

iv Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

v Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b) Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

i Financial Assets or Liabilities, at Fair Value Through Profit or Loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii Derecognition of Financial Instruments

The company derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

1.8 Current Versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.9 Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Input for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.10 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or 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.

1.11 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 value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the statement of profit and loss.

1.12 Share-Based Payment

The Company recognizes compensation expense relating to share-based payments in statement of profit and loss, using fair-value. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.13 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

1.14 Revenue Recognition

Revenue is recognised on a fair value basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(i) Sale of goods

Revenue from sale of goods is recognised, when significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and excludes value added tax / sales tax. It is measured at fair value of consideration received or receivable, net of returns and allowances.

(ii) Revenue from Sale of Services

Revenue from Sale of services are recognised as they are rendered based on arrangements with the customers.

(iii) Lease Income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight - line basis as per the terms of the agreements in the statement of profit or loss.

(iv) Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(v) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.15 Foreign Currency Transactions

(i) Functional Currency

Financial statements of the Company's are presented in Indian Rupees (₹), which is also the functional currency.

(ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

1.16 Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.17 Taxes on Income

Income tax comprises current and deferred income tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

1.19 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, in which they occur in the statement of profit and loss.

1.20 First-Time Adoption of Ind AS

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the year ended up to March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in above note have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in below note. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 1.21.

1.21 Exemptions availed on First-Time Adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(i) Business Combination

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date. The Company elected to apply Ind AS 103 prospectively.

(ii) Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(iii) Share - Based Payment

The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

2. Reconciliation

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at April 1, 2015 and March 31, 2016
- Net profit for Year ended March 31, 2016

Reconciliation of Equity Between Previous IGAAP And Ind AS Is As Under

(₹ in Crore)

	Opening Balance Sheet As At April 1, 2015			Balance Sheet As At March 31, 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS						
1. Non-Current Assets						
Property, Plant and Equipment	4,597.58	-	4,597.58	5,279.41	-	5,279.41
Capital Work-in-Progress	274.92	-	274.92	420.11	-	420.11
Intangible Assets	234.08	-	234.08	-	-	-
Financial Assets						
Investments	1,295.16	(36.09)	1,259.07	1,294.68	122.66	1,417.34
Loans	242.86	(8.27)	234.59	151.63	(33.50)	118.13
Others	4.92	-	4.92	0.04	-	0.04
Other Non-Current Assets	253.83	7.90	261.73	293.34	33.18	326.52
Total Non-Current Assets	6,903.35	(36.46)	6,866.89	7,439.21	122.34	7,561.55
2. Current Assets						
Inventories	3,522.68	-	3,522.68	859.91	-	859.91
Financial Assets						
Trade Receivables	387.97	-	387.97	256.00	-	256.00
Cash and Cash Equivalents	43.41	-	43.41	56.63	-	56.63
Bank Balances Other than Cash and Cash Equivalents	56.16	-	56.16	21.16	-	21.16
Loans	601.41	-	601.41	112.86	-	112.86
Others	10.00	-	10.00	-	-	-
Other Current Assets	1,091.51	-	1,091.51	768.83	-	768.82
Total Current Assets	5,713.14	-	5,713.14	2,075.39	-	2,075.38
Total Assets	12,616.49	(36.46)	12,580.03	9,514.60	122.34	9,636.93
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	82.84	-	82.84	85.57	-	85.57
Other Equity	5,115.06	(31.92)	5,083.14	3,232.22	144.85	3,377.07
Total Equity	5,197.90	(31.92)	5,165.98	3,317.79	144.85	3,462.64
Liabilities						
1. Non-Current Liabilities						
Financial Liabilities						
Borrowings	2,918.56	(6.22)	2,912.34	4,441.34	(24.11)	4,417.23
Other Financial Liabilities	-	-	-	505.86	(4.29)	501.57
Provisions	19.12	-	19.12	2.34	-	2.34
Deferred Tax Liabilities (Net)	167.48	1.68	169.16	59.21	5.88	65.09
Total Non-Current Liabilities	3,105.16	(4.54)	3,100.62	5,008.75	(22.52)	4,986.23
2. Current Liabilities						
Financial Liabilities						
Borrowings	1,132.37	-	1,132.37	17.30	-	17.30
Trade Payables	2,103.39	-	2,103.39	640.60	-	640.60
Other Financial Liabilities	923.03	-	923.03	517.87	-	517.86
Other Current Liabilities	120.38	-	120.38	6.52	-	6.53
Provisions	34.26	-	34.26	5.77	-	5.77
Total Current Liabilities	4,313.43	-	4,313.43	1,188.06	-	1,188.06
Total Equity and Liabilities	12,616.49	(36.46)	12,580.03	9,514.60	122.34	9,636.93

Reconciliation Statement of Profit and Loss Between Previous IGAAP And Ind AS Is As Under

(₹ in Crore)

	Year Ended March 31, 2016		
	IGAAP	Effects of Transition to Ind AS	Ind AS
Income			
Revenue from operations	8,339.68	18.02	8,357.70
Other Income	36.91	10.58	47.49
Total Income	8,376.59	28.60	8,405.19
Expenses			
Cost of Materials Consumed	20.30	-	20.30
Purchase of Stock-In-Trade	6,215.85	-	6,215.85
Change in Inventories of Stock-In-Trade	(228.21)	-	(228.21)
Employee Benefits Expense	279.44	0.74	280.18
Finance Costs	488.86	7.66	496.52
Depreciation and Amortization Expense	546.74	-	546.74
Other Expenses	1,040.46	6.55	1,047.02
Total Expense	8,363.44	14.94	8,378.40
Profit Before Tax For The Year	13.15	13.65	26.79
Tax Expense	1.32	4.19	5.52
Profit After Tax For The Year	11.83	9.46	21.27
Other Comprehensive Income	-	159.17	159.17
Total Comprehensive Income	11.83	168.63	180.44

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Property, Plant and Equipment

(₹ in Crore)

Tangible Assets	Freehold Land	Leasehold Land	Building	Leasehold Improvement	Plant & Equipment	Office Equipment	Furniture and Fixture	Electrical Installation	Vehicle	Total	Capital work in progress
Cost											
As At April 1, 2015	4.83	0.93	7.53	1,022.87	679.69	182.58	1,712.20	982.28	4.67	4,597.58	274.92
Additions	-	-	-	330.99	205.61	36.83	456.11	217.24	-	1,246.78	-
Deductions	-	-	-	20.09	2.59	0.32	7.10	5.10	-	35.20	-
As At March 31, 2016	4.83	0.93	7.53	1,333.77	882.71	219.09	2,161.21	1,194.42	4.67	5,809.16	420.11
Additions	-	-	-	303.09	193.56	27.92	482.84	227.67	-	1,235.08	-
Deductions	-	-	-	27.70	6.14	0.40	4.26	6.43	-	44.93	-
As At March 31, 2017	4.83	0.93	7.53	1,609.16	1,070.13	246.61	2,639.79	1,415.66	4.67	6,999.31	386.34
Accumulated Depreciation											
As At April 1, 2015	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	0.02	0.10	63.82	56.76	47.29	230.31	130.53	0.92	529.75	-
Deductions/Adjustments	-	-	-	-	-	-	-	-	-	-	-
As At March 31, 2016	-	0.02	0.10	63.82	56.76	47.29	230.31	130.53	0.92	529.75	-
Depreciation charge for the year	-	0.02	0.19	89.59	75.28	54.70	262.08	150.39	0.94	633.19	-
Deductions/Adjustments	-	-	-	2.79	4.34	0.36	2.88	1.19	-	11.56	-
As At March 31, 2017	-	0.04	0.29	150.62	127.70	101.63	489.51	279.73	1.86	1,151.38	-
Net Book Value											
As At March 31, 2017	4.83	0.89	7.24	1,458.54	942.43	144.98	2,150.28	1,135.93	2.81	5,847.93	386.34
As At March 31, 2016	4.83	0.91	7.43	1,269.95	825.95	171.80	1,930.90	1,063.89	3.75	5,279.41	420.11
As At April 1, 2015	4.83	0.93	7.53	1,022.87	679.69	182.58	1,712.20	982.28	4.67	4,597.58	274.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

Intangible Assets	Computer Software
Cost	
As At April 1, 2015	234.08
Additions	18.32
Disposals/Transfers	252.40
As At March 31, 2016	-
Additions	-
Deductions	-
As At March 31, 2017	-
Accumulated Amortisation	
As At April 1, 2015	-
Amortisation for the year	16.99
Disposals/Transfers	16.99
As At March 31, 2016	-
Amortisation for the year	-
Disposals/Transfers	-
As At March 31, 2017	-
Net Book Value	
As At March 31, 2017	-
As At March 31, 2016	-
As At April 1, 2015	234.08

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
4. Non-Current Financial Assets - Investments						
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	19.25		19.16		19.03	
Less : Provision	15.79	3.46	15.79	3.37	15.79	3.24
Others						
15,00,00,000 Equity Shares of Future Consumer Limited of ₹ 6/- each (Formerly Known as Future Consumer Enterprise Limited)		437.25		308.25		181.65
NIL (60,82,359) (63,46,980) Equity Shares of Centrum Capital Limited of ₹ 1/- each		-		6.72		10.00
NIL (3,05,70,108) Equity Shares of Future Lifestyle Fashions Limited of ₹ 2/- each		-		243.03		208.18
Unquoted						
Subsidiary Companies						
1,91,60,000 Equity Shares of Future Bazaar India Limited		19.16		19.16		19.16
2,24,72,831 (2,74,62,962) Equity Shares of Future Supply Chain Solutions Limited		52.78		64.50		64.50
2,73,78,746 Equity Shares of Future Media (India) Limited		36.65		36.65		36.65
1,69,98,000 Equity Shares of Future E-Commerce Infrastructure Limited		17.00		17.00		17.00
34,58,654 (32,20,133) Equity Shares of Work Store Limited (Formerly Known as Staples Future Office Products Limited)		35.92		27.92		27.92
2,24,52,099 (NIL) Equity Shares of Bluerock eServices Private Limited		10.92		-		-
Joint Ventures						
22,03,500 Equity Shares of Apollo Design Apparel Parks Limited		73.73		73.68		73.64
20,65,50,000 (18,10,50,000) Equity Shares of Future Generali India Insurance Company Limited		206.55		181.05		181.05
5,77,15,020 (4,35,60,000) Equity Shares of Future Generali India Life Insurance Company Limited		57.72		43.56		43.56
22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited		70.38		70.34		70.30
19,22,47,809 (17,86,99,931) Equity Shares of Sprint Advisory Services Private Limited		192.25		178.70		178.70
11,18,44,321 (8,74,95,000) Equity Shares of Shendra Advisory Services Private Limited		111.84		87.50		87.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
In Preference Shares			
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	48.47
5,58,088 (NIL) Cumulative Convertible Preference Shares of Work Store Limited (Formerly Known as Staples Future Office Products Limited)	0.70	-	-
Others			
11,92,759 0.01% Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited	1.19	1.19	1.19
Non-Trade Investments paid up of ₹ 10/- each unless otherwise stated			
Unquoted			
Others			
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08	0.08
Less : Provision	0.08	0.08	0.08
35,78,278 Equity Shares of Pan India Food Solutions Private Limited	4.19	3.00	3.13
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	3.13	2.82	2.82
In Government and Other Securities			
Quoted			
2,00,000 (NIL) 9% Bonds of Mahindra & Mahindra Financial Services Limited	20.71	-	-
Unquoted			
National Saving Certificates (Deposited with Sales Tax Authorities)	0.05	0.05	0.05
LIC Mutual Fund Liquid Plan	0.40	0.38	0.36
	1,404.45	1,417.34	1,259.07
Note:			
Investment Carried At Fair Value Through Other Comprehensive Income			
1 Aggregate Amount of Quoted Investments	456.50	577.16	418.86
2 Market Value of Quoted Investments	467.39	566.01	411.88
3 Aggregate Amount of Unquoted Investments	963.83	856.06	856.08
4 Aggregate Amount of Diminution in Value of Investments	15.87	15.87	15.87

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5. Non-Current Financial Assets - Loans			
Security Deposits			
Unsecured, Considered Good	120.04	118.13	234.59
	120.04	118.13	234.59
6. Non-Current Financial Assets - Others			
Bank Balances Other Than Cash and Cash Equivalents			
Deposit With Banks	0.25	0.04	4.92
	0.25	0.04	4.92
7. Other Non-Current Assets			
Capital Advances			
Others Unsecured, Considered Good	22.55	29.41	27.54
Others			
Others Unsecured, Considered Good*	183.95	297.11	234.19
	206.50	326.52	261.73
(*Includes Balances with Government Authorities)			
8. Inventories			
Raw Materials	1.96	2.64	1.23
Work-in-Progress	4.24	3.12	3.41
Stock-in-Trade	866.93	854.15	3,515.11
Goods-in-Transit of ₹ 16.51 Crore (2016: ₹ 5.47 Crore, 2015: ₹ 94.23 Crore)			
Packing Materials And Others	-	-	2.93
	873.13	859.91	3,522.68
9. Trade Receivables			
Unsecured, Considered Good	366.71	256.00	387.97
	366.71	256.00	387.97
10. Cash and Cash Equivalents			
Balances with Banks			
On Current Accounts	34.19	56.58	26.57
Cheques on Hand	-	-	0.77
Cash on Hand	0.06	0.05	16.07
	34.25	56.63	43.41
11. Bank Balances Other Than Cash and Cash Equivalents			
Deposit With Banks*	12.09	20.72	55.72
On Dividend Accounts	0.38	0.44	0.44
	12.47	21.16	56.16
*Held as margin money or security against the borrowings, guarantees and other commitments			
12. Current Financial Assets-Loans			
Security Deposits			
Unsecured, Considered Good	17.01	112.86	601.41
	17.01	112.86	601.41
13. Current Financial Assets-Others			
Others			
Unsecured, Considered Good	2.37	-	10.00
	2.37	-	10.00
14. Other Current Assets			
Other Advances#			
Unsecured, Considered Good	961.57	768.82	1,091.51
	961.57	768.82	1,091.51
#Includes advance to suppliers, prepaid expenses etc.			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Share Capital

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crore)	Number	(₹ in Crore)
Authorised						
Equity Shares of ₹ 2/- each	60,00,00,000	120.00	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	5,00,00,000	10.00
Preference Shares of ₹ 100/- each	-	-	30,00,000	30.00	30,00,000	30.00
	65,00,00,000	130.00	50,30,00,000	130.00	50,30,00,000	130.00
Issued *						
Equity Shares of ₹ 2/- each	43,35,55,714	86.71	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	3,93,83,172	7.88	2,58,84,872	5.18
	47,29,38,886	94.59	42,79,64,667	85.59	41,43,02,073	82.86
Subscribed and Paid up *						
Equity Shares of ₹ 2/- each	43,34,59,836	86.69	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	3,93,74,679	7.87	2,58,76,379	5.18
	47,28,34,515	94.57	42,78,60,296	85.57	41,41,97,702	82.84

*Refer Note No 15(v)

(i) Reconciliation of Number of shares

Equity Share of ₹ 2/- each

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Number of Shares	Number of Shares	Number of Shares
Opening Balance	38,84,85,617	38,83,21,323	21,56,53,439
Shares issued*	4,49,74,219	1,64,294	17,26,67,884
Closing Balance	43,34,59,836	38,84,85,617	38,83,21,323

* 14,95,958 (2016 : 1,64,294) equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme 12,19,841 Equity Shares on December 3, 2016 and 2,76,117 Equity Shares on March 21, 2017.

4,34,78,261 Equity Shares of ₹ 2/- each, fully paid-up, pursuant to the Scheme of arrangement with Bharti Retail Limited on May 18, 2016

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Number of Shares	Number of Shares	Number of Shares
Opening Balance	3,93,74,679	2,58,76,379	1,59,29,152
Shares Issued	-	1,34,98,300	99,47,227
Closing Balance	3,93,74,679	3,93,74,679	2,58,76,379

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(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.

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, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares						
Central Departmental Stores Private Limited	17,38,84,257	40.12	-	-	-	-
Future Corporate Resources Limited	-	-	16,27,71,294	41.90	15,75,96,398	40.58
Cedar Support Services Limited	4,34,78,261	10.03	-	-	-	-
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	5.77	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
Equity Shares of Class B (Series -1)						
Central Departmental Stores Private Limited	2,54,41,753	64.61	-	-	-	-
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	-	-	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.

- 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.

Share Capital Suspense Account

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crore)	Number	(₹ in Crore)
4,34,78,261 Equity Shares of ₹ 2/- each, fully paid-up, to be issued pursuant to the Scheme of arrangement with 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, 2017	As at March 31, 2016
16. OTHER EQUITY			
Equity Warrants			
Opening Balance		-	23.18
Change During The Year			
Issue of Equity Shares		-	(23.18)
Closing Balance		-	-
Share Capital Suspense			
Opening Balance		8.70	-
Change During The Year			
Issued Pursuant to the Scheme of Arrangement with Future Retail Limited		(8.70)	-
Equity Shares to be Issued Pursuant to the Scheme of Arrangement with Future Retail Limited		-	8.70
Closing Balance		-	8.70
Retained Earnings			
Opening Balance		244.19	70.22
Profit For The Year		43.56	21.27
Dividend and Tax on Dividend, on Equity Shares Issued After April 1 till the Record Date		(0.52)	(1.13)
Proposed Dividend on Equity Shares		-	(4.44)
Tax on Dividend		-	(0.90)
Other Comprehensive Income/(Loss) For The Year			
Fair Value Changes On Investments		296.23	158.45
Re-measurement Gains/ (Losses) on Defined Benefit Plans		0.08	0.72
Closing Balance		583.56	244.19
Capital Reserve			
Opening Balance		-	535.68
Change During The Year			
On Composite Scheme of Arrangement		-	(535.68)
Closing Balance		-	-
Securities Premium Reserve			
Opening Balance		2,732.71	4,074.12
Change During The Year			
Issue of Equity Shares		2.29	91.76
On Composite Scheme of Arrangement		-	(1,433.17)
Closing Balance		2,735.00	2,732.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2017	As at March 31, 2016
Debenture Redemption Reserve		
Opening Balance	268.13	268.13
Change During The Year	-	-
Closing Balance	268.13	268.13
General Reserve		
Opening Balance	110.82	110.82
Change During The Year	-	-
Closing Balance	110.82	110.82
Share Options Outstanding Account		
Opening Balance	4.38	1.01
Change During The Year		
Expense on Employee Stock Option Scheme	0.72	4.97
Exercise of Stock Options	(2.31)	(1.60)
Closing Balance	2.79	4.38
Promoter Equity Contribution		
Opening Balance	8.16	-
Change During The Year		
Personal Guarantees By Promoters	5.52	8.16
Closing Balance	13.68	8.16
Equity Component of Optionally Convertible Debentures		
Opening Balance	-	-
Change During The Year		
Issue of Optionally Convertible Debentures (Equity Component)	1.27	-
Closing Balance	1.27	-
TOTAL OTHER EQUITY	3,715.23	3,377.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
17. Non-Current Financial Liabilities - Borrowings			
Secured (Refer Note No. 46)			
Non-Convertible Debentures	3,954.49	3,717.18	1,403.67
Long-Term Loan from Banks / Other	879.15	700.05	1,508.67
	4,833.64	4,417.23	2,912.34
18. Other Financial Liabilities			
Deposit Received from Others	562.74	501.57	-
	562.74	501.57	-
19. Non-Current Liabilities - Provisions			
Long Term Provision for Employee Benefits	4.78	2.34	19.12
	4.78	2.34	19.12
20. Borrowings			
Secured (Refer Note No. 46)			
Term Loans from Banks	-	-	150.00
Working Capital Loans from Banks	119.47	3.50	968.57
	119.47	3.50	1,118.57
Unsecured			
Inter Corporate Deposits Received	-	13.80	13.80
	-	13.80	13.80
	119.47	17.30	1,132.37
21. Trade Payables			
Trade Payables (Refer Note No. 40)	478.69	640.60	2,103.39
	478.69	640.60	2,103.39
22. Current-Other Financial Liabilities			
Optionally Convertible Debentures			
958 10.00 % p.a. Optionally Convertible Debentures having face value of ₹10,00,000 each	103.80	95.80	-
1500 12.50 % p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each	-	-	150.00
Current Maturities of Long-Term Borrowings	142.50	295.14	621.82
Interest Accrued But Not Due on Borrowings	105.11	126.38	67.23
Unclaimed Dividends *	0.38	0.44	0.44
Security Deposits	-	-	79.35
Others	1.04	0.10	4.19
	352.83	517.86	923.03
*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.			
23. Other Current Liabilities			
Advance From Customers	-	-	78.12
Other Payables	5.18	6.53	42.26
	5.18	6.53	120.38
24. Current Provisions			
Short Term Provision for Employee Benefits	0.79	0.43	4.31
Proposed Dividend	-	4.44	24.96
Tax on Dividend	-	0.90	4.99
	0.79	5.77	34.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		Year Ended March 31, 2017	Year Ended March 31, 2016
25. Revenue From Operations			
	Sale of Products	3,107.08	8,414.12
	Less: Vat, Sales Tax	2.05	432.92
	Other Operating Revenue	677.06	376.50
		3,782.09	8,357.70
26. Other Income			
	Interest Income	73.84	37.35
	Dividend on Non-Current Investments	3.46	3.47
	Excess Provisions/Liabilities Written Back	-	0.05
	Profit on Sale of Investments	151.22	-
	Miscellaneous Income	2.53	6.62
		231.05	47.49
27. Changes in Inventories of Stock-in-Trade			
	Opening Inventories		
	Stock-in-Trade	854.15	3,515.11
	Work-in-Progress	3.12	3.41
	Less: On Composite Scheme of Arrangement	-	2,889.46
	Closing Inventories		
	Stock-in-Trade	866.93	854.15
	Work-in-Progress	4.24	3.12
		(13.90)	(228.21)
28. Employee Benefits Expense			
	Salaries, Wages and Bonus	56.19	250.98
	Contribution to Provident and Other Funds	2.39	15.45
	Expense on Employee Stock Option Scheme	0.72	4.97
	Staff Welfare Expenses	0.66	8.78
		59.96	280.18
29. Finance Costs			
	Interest Expense	497.31	487.98
	Other Borrowing Costs	10.30	8.54
		507.61	496.52
30. Other Expenses			
	Power and Fuel	1.64	113.28
	Repairs and Maintenance	0.49	17.79
	Insurance	2.83	7.30
	Rates and Taxes	2.29	4.39
	Rent Including Lease Rentals	19.09	358.24
	Advertisement and Marketing	-	171.90
	Corporate Social Responsibility Expenses	0.61	-
	Loss on Disposal/Discard of Fixed Assets (Net)	33.37	22.24
	Exchange Fluctuation Loss (Net)	1.69	3.68
	Miscellaneous Expenses	31.40	348.20
		93.41	1,047.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

i Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

ii Foreign Currency Risk

The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

The following table analyzes foreign currency risk from financial instruments as of:

(₹ in Crore)

	2016-17	2015-16
Trade Payables	38.94	40.40
Trade Receivables	4.47	6.57

iii Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 366.71 Crore and ₹ 256.00 Crore as of March 31, 2017 and March 31, 2016 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

iv Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

(₹ in Crore)

	2016-17	2015-16
Short-Term Borrowings	119.47	17.30
Trade Payables	478.69	640.60
Other Financial Liabilities	352.83	517.86

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

v. Financial Instruments Valuation

- All financial instruments are initially recognized and subsequently re-measured at fair value as described below:
- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(₹ in Crore)

Particulars	As At March 31, 2017			As At March 31, 2016			As At April 1, 2015		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Financial Assets									
At Amortised Cost									
Trade Receivables	366.71	-	-	256.00	-	-	387.97	-	-
Cash and Bank Balances	46.72	-	-	77.78	-	-	99.57	-	-
Loans	137.05	-	-	230.99	-	-	836.00	-	-
Other Financial Assets	2.62	-	-	0.04	-	-	14.92	-	-
At FVTOCI									
Investments	466.92	458.36	8.56	565.44	558.38	7.06	407.38	400.19	7.19
Financial Liabilities									
At Amortised Cost									
Borrowings	4,953.11	-	-	4,434.53	-	-	4,044.71	-	-
Trade Payables	478.69	-	-	640.60	-	-	2,103.39	-	-
Other Financial Liabilities	915.57	-	-	1,019.43	-	-	923.03	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

vi Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings	4,953.11	4,434.53	4,044.71
Trade Payables	478.69	640.60	2,103.39
Other Payables	920.76	1,025.96	1,043.41
Less: Cash and Cash Equivalents	46.72	77.78	99.57
Net Debt	6,305.84	6,023.31	7,091.94
Equity	94.57	85.57	82.84
Other Equity	3,715.23	3,377.07	5,083.14
Total Capital	3,809.80	3,462.64	5,165.98
Capital and Net Debt	10,115.64	9,485.95	12,257.92
Gearing Ratio	62%	63%	58%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2017 and March 31, 2016.

32. Employee Benefits - Gratuity

As per Ind AS 19 the disclosures as defined in the Accounting Standard are given below:

i Change in Present Value of Defined Benefit Obligation

(₹ in Crore)

	2016-17	2015-16
Defined Benefit Obligation at the beginning	1.75	17.43
Service Cost	1.92	0.42
Interest Expense	0.13	0.29
Transfer of Obligation	-	(13.80)
Remeasurement-Actuarial (gains)/losses	(0.08)	(0.72)
Benefits Paid	(0.15)	(1.87)
Defined Benefit Obligation at the end	3.57	1.75

ii Change in Fair Value of Plan Assets

(₹ in Crore)

	2016-17	2015-16
Fair Value of Plan Assets at the beginning	-	4.26
Transfer of assets	-	(4.26)
Remeasurement-Return on plan assets excluding amounts included in interest income	-	-
Contributions	-	-
Actuarial Gain/ (Loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iii	Net Defined Benefit Liability/ (Assets)		(₹ in Crore)
		2016-17	2015-16
	Defined Benefit Obligation	3.57	1.75
	Fair Value of Plan Assets	-	-
	Surplus /(Deficit)	3.57	1.75
	Effect of Assets Ceiling	-	-
	Net Defined Benefit Liability/ (Assets)	3.57	1.75
iv	Total Expenses Recognised in the Statement of Profit and Loss Account		(₹ in Crore)
		2016-17	2015-16
	Current Service cost	1.92	0.42
	Net interest on the net defined benefit liability/asset	0.13	0.29
	Immediate recognition of (gains)/losses - other long term benefits	-	-
	Total Expenses Recognised in Profit And Loss Account	2.05	0.71
v	Remeasurement Effects Recognised in Other Comprehensive Income (OCI)		(₹ in Crore)
		2016-17	2015-16
	Actuarial (gains)/losses	(0.08)	(0.72)
	(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	-	-
	Total (Gain) / Loss included in OCL	(0.08)	(0.72)
vi	Total Cost Recognised in Comprehensive Income		(₹ in Crore)
		2016-17	2015-16
	Expenses Recognised in Profit And Loss Account	2.05	0.71
	Remeasurement Effects Recognised in Other Comprehensive Income (OCI)	(0.08)	(0.72)
	Total Cost Recognised in Comprehensive Income	1.97	(0.01)
vii	Reconciliation of Amounts in Balance Sheet		(₹ in Crore)
		2016-17	2015-16
	Defined Benefit Obligation at the beginning	1.75	13.17
	Acquisitions	-	(9.54)
	Total expenses recognised in Profit and Loss Account	2.05	0.71
	Total Remeasurement included in OCI	(0.08)	(0.72)
	Contribution Paid	-	-
	Benefits Paid During the Year	(0.15)	(1.87)
	Defined Benefit Obligation at the end	3.57	1.75

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

viii Reconciliation of Amounts in Statement of Other Comprehensive Income

(₹ in Crore)

	2016-17	2015-16
OCI (Income)/ Loss beginning of the Year	(1.18)	(0.46)
Total Remeasurement included in OCI	(0.08)	(0.72)
OCI (Income)/ Loss end of the Year	(1.26)	(1.18)

ix Expected Maturity Profile of Defined benefit Obligation

(₹ in Crore)

	2016-17
Year 1	0.39
Year 2	0.20
Year 3	0.19
Year 4	0.23
Year 5	0.30
Year 6 - 10	1.60

x Financial Assumptions

	2016-17	2015-16
Discount Rate	7.20%	8.00%
Expected Rate of Salary Increase	5.00%	5.00%

xi Demographic Assumptions

	2016-17	2015-16
Mortality Rate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Withdrawal Rate	2 % to 10 %	2 % to 10 %
Retirement age	58 Years	58 Years

xii Sensitivity Analysis

(₹ in Crore)

	2016-17	2015-16
Discount Rate		
a. Discount Rate -100 basis point	3.92	1.92
b. Discount Rate +100 basis point	3.27	1.60
Salary increase Rate		
a. Rate -100 basis point	3.31	1.62
b. Rate +100 basis point	3.86	1.89

33. Income Tax Expense

i Reconciliation of Tax Expenses

(₹ in Crore)

	2016-17	2015-16
Profit Before Tax	43.56	26.79
Applicable tax rate	34.61%	33.99%
Computed expected tax expense	15.08	9.11
Effect of Non-deductible Expense	(41.24)	11.42
Effect of Additional deduction	8.26	(57.63)
Carried forward losses utilized	17.90	38.42
Tax Expense charged to the Statement of Profit & Loss	-	1.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii Deferred Tax

(₹ in Crore)

	2016-17	2015-16
Unused tax losses / depreciation	253.81	273.85
Accelerated depreciation for tax purpose	(322.03)	(335.69)
Other items giving rise to temporary differences	3.13	(3.25)
Deferred tax asset / (liability)	(65.09)	(65.09)

34. Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to manufacturing, trading and leasing of assets. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

(₹ in Crore)

	2016-17
1. Segment Revenue	
Leasing	676.60
Manufacturing and Trading	3105.49
Revenue from Operations	3782.09
2. Segment Results	
Leasing	44.17
Manufacturing and Trading	358.35
Total Segment Profit Before Interest and Tax	402.52
Less :	
Finance Costs	507.61
Net Unallocated Income (Net)	(148.65)
Total Profit Before Tax	43.56
3. Segment Assets	
Leasing	6147.97
Manufacturing and Trading	1491.32
Unallocated	2593.73
Total Assets	10233.02
4. Segment Liabilities	
Leasing	637.75
Manufacturing and Trading	403.68
Unallocated	77.27
Total Liabilities	1118.70

Note: The Company now operates in two identified business segment and unallocated business. However, the Company had only one business segment in corresponding quarter of previous year i.e. "Retail".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. Related Party Disclosures

Disclosure as required by Ind AS 24 "Related Party Disclosures" are given below:

i List of Related Parties

A 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) Work Store Limited (formerly known as Staples Future Office Products Limited)
- (vii) Bluerock eServices Private Limited (from 15 April, 2016)

B Associate Company

- (i) Galaxy Entertainment Corporation Limited

C Joint Venture Companies

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

D Enterprises over which Key Management Personnel are able to exercises significant influence

- (i) Future Ideas Company Limited
- (ii) Future Lifestyle Fashions Limited
- (iii) Future Retail Limited

E Entity able to Exercise Significant Influence

- (i) Future Corporate Resources Limited (upto March 30, 2017)

F Key Management Personnel

- (i) Mr. Kishore Biyani (upto May 1, 2016)
- (ii) Mr. Rakesh Biyani (upto May 1, 2016)
- (iii) Mr. Vijay Biyani
- (iv) Mr. Dinesh Maheshwari
- (v) Mr. Deepak Tanna

G 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

ii Transaction with Related Parties

(₹ in Crore)

Nature of Transaction	Subsidiaries	Associates/ Joint Ventures	Key Management Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Management Personnel/ Relatives
Sale of Goods and Services	- (6.30)	0.08 (0.04)	878.67 (4.25)	- (2.32)	- (0.01)
Sale of Fixed Assets	- (0.07)	- (-)	0.03 (0.69)	- (-)	- (-)
Purchases of Goods and Services	2.61 (120.34)	45.93 (287.69)	0.10 (95.55)	- (65.07)	-
Purchases of Fixed Assets	- (-)	0.18 (-)	1.06 (0.07)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	4.20 (7.95)
Dividend Received	- (-)	2.24 (2.24)	1.22 (1.23)	- (-)	- (-)
Advances Given	- (-)	- (0.79)	113.65 (28.53)	- (-)	- (-)
Security Deposit Received	- (-)	- (-)	75.00 (-)	- (-)	- (-)
Investment	8.70 (-)	77.56 (-)	- (-)	- (-)	- (-)
Inter Company Deposits Repayment	13.80 (-)	- (-)	- (-)	- (-)	- (-)
Outstanding Balances as on March 31, 2017					
Receivable	- (7.60)	0.03 (6.52)	41.33 (207.57)	- (168.18)	- (-)
Payable	3.35 (22.51)	106.33 (0.15)	410.22 (1.06)	- (-)	- (-)

Note: Previous year figures are given in parenthesis.

iii Significant Related Party Transactions

- A Sale of Goods and Services includes Future Media (India) Limited ₹ Nil (2016: ₹ 6.08 Crore), Future Supply Chain Solutions Limited ₹ Nil (2016: ₹ 0.22 Crore), Future Corporate Resources Limited ₹ Nil (2016: ₹ 2.32 Crore), Future Generali India Life Insurance Company Limited ₹ 0.05 Crore (2016: ₹ 0.04 Crore), Future Lifestyle Fashions Limited ₹ Nil (2016: ₹ 4.17 Crore), Apollo Design Apparel Parks Limited ₹ 0.03 Crore (2016: ₹ Nil), Future Retail Limited ₹ 878.67 Crore (2016: ₹ Nil).
- B Sale of Fixed Assets includes Future Supply Chain Solutions Limited ₹ Nil (2016: ₹ 0.07 Crore), Future Lifestyle Fashions Limited ₹ 0.03 Crore (2016: ₹ 0.69 Crore).
- C Purchases of Goods and Services includes Future Supply Chain Solutions Limited ₹ 1.52 Crore (2016: ₹ 111.05 Crore), Apollo Design Apparel Parks Limited ₹ 27.63 Crore (2016: ₹ 150.43 Crore), Goldmohur Design and Apparel Park Limited ₹ 18.15 Crore (2016: ₹ 137.11 Crore), Future Corporate Resources Limited ₹ Nil (2016: ₹ 65.07 Crore), Future Lifestyle Fashions Limited ₹ 0.03 Crore (2016: ₹ 95.32 Crore), Future Generali India Life Insurance Company Limited ₹ 0.15 Crore (2016: ₹ Nil), Future Ideas Company Limited ₹ 0.07 Crore (2016: ₹ Nil), Future Media (India) Limited ₹ 1.09 Crore (2016: ₹ Nil).
- D Purchase of Fixed Assets includes Future Lifestyle Fashions Limited ₹ 0.04 Crore (2016: ₹ 0.07 Crore), Future Retail Limited ₹ 1.02 Crore (2016: ₹ Nil), Future Media (India) Limited ₹ 0.18 Crore (2016: ₹ Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- E Managerial Remuneration includes Mr. Kishore Biyani ₹ 0.21 Crore (2016: ₹ 2.57 Crore), Mr. Rakesh Biyani ₹ 0.21 Crore (2016: ₹ 2.56 Crore), Mr. Vijay Biyani ₹ 1.91 Crore (2016: ₹ 1.47 Crore), Mr. Dinesh Maheshwari ₹ 1.37 Crore (2016: ₹ 0.96 Crore). Key Managerial Personnel Remuneration includes Mr. Deepak Tanna ₹ 0.50 Crore (2016: ₹ 0.39 Crore).
- F Dividend Received includes Apollo Design Apparel Parks Limited ₹ 1.10 Crore (2016: ₹ 1.10 Crore), Goldmohur Design and Apparel Park Limited ₹ 1.14 Crore (2016: ₹ 1.14 Crore), Future Lifestyle Fashions Limited ₹ 1.22 Crore (2016: ₹ 1.23 Crore).
- G Advance Given includes Future Generali India Insurance Company Limited ₹ Nil (2016: ₹ 0.08 Crore), Future Ideas Company Limited ₹ Nil (2016: ₹ 28.53 Crore), Galaxy Entertainment Corporation Limited ₹ Nil (2016: ₹ 0.70 Crore), Future Corporate Resources Limited ₹ 113.65 Crore (2016: ₹ Nil).
- H Security Deposit Received Future Retail Limited ₹ 75.00 Crore (2016: ₹ Nil).
- I Investment includes Work Store Limited (formerly known as Staples Future Office Products Limited) ₹ 8.70 Crore (2016: ₹ Nil), Sprint Advisory Services Private Limited ₹ 13.55 Crore (2016: ₹ Nil), Shendra Advisory Services Private Limited ₹ 24.35 Crore (2016: ₹ Nil), Future Generali India Life Insurance Company Limited ₹ 14.16 Crore (2016: ₹ Nil), Future Generali India Insurance Company Limited ₹ 25.50 Crore (2016: ₹ Nil).
- J Inter Company Deposits Repayment includes Future Media (India) Limited ₹ 13.80 Crore (2016: ₹ Nil).

36. Joint Venture Companies Information

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2017	Percentage of Interest as on March 31, 2016
1.	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2.	Future Generali India Insurance Company Limited	Equity	India	25.51%	25.50%
3.	Future Generali India Life Insurance Company Limited	Equity	India	3.83%	3.00%
4.	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5.	Sprint Advisory Services Private Limited	Equity	India	49.81%	49.80%
6.	Shendra Advisory Services Private Limited	Equity	India	49.82%	49.80%

Company's Interest in the Joint Ventures

(₹ 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, 2017	46	4	March 31, 2017	121	117
2.	Future Generali India Insurance Company Limited	March 31, 2017	977	798	March 31, 2017	650	637
3.	Future Generali India Life Insurance Company Limited	March 31, 2017	123	112	March 31, 2017	42	44
4.	Goldmohur Design and Apparel Park Limited	March 31, 2017	46	5	March 31, 2017	115	111
5.	Sprint Advisory Services Private Limited	March 31, 2017	368	0.01	March 31, 2017	0.00	0.03
6.	Shendra Advisory Services Private Limited	March 31, 2017	198	0.01	March 31, 2017	0.04	0.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

37. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

	Units	2016-17	2015-16
Profit After Tax	₹ in Crore	43.56	21.27
The Weighted average number of Ordinary Shares for Basic EPS	No. in Crore	43.24	40.29
The Weighted average number of Class B (Series-1) Shares for Basic EPS	No. in Crore	3.94	3.94
The Weighted average number of Ordinary Shares for Diluted EPS	No. in Crore	43.24	40.29
The Weighted average number of Class B (Series-1) Shares for Diluted EPS	No. in Crore	3.94	3.94
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	39.78	19.23
Share of Profit for Class B (Series-1) Shares for Basic EPS	₹ in Crore	3.78	2.04
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crore	39.78	19.23
Share of Profit for Class B (Series-1) Shares for Diluted EPS	₹ in Crore	3.78	2.04
Earnings Per Ordinary Share (Basic)		0.92	0.48
Earnings Per Class B (Series-1) Share (Basic)		0.96	0.52
Earnings Per Ordinary Share (Diluted)		0.92	0.48
Earnings Per Class B (Series-1) Share (Diluted)		0.96	0.52

38. Employee Stock Option Scheme

Stock Option activity under the scheme is set out below:

(₹ in Crore)

	2016-17		2015-16	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,008,116	10	414,514	10
Number of options revised	(280,951)	2	-	-
Granted during the year	4,925,298	2	757,896	10
Forfeited / cancelled during the year	746,748	2	-	-
Exercised during the year	1,495,958	2	164,294	10
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,409,757	2	1,008,116	10
Exercisable at the end of the year	3,409,757	2	42,963	10
Weighted average remaining contractual life of outstanding options (in years)	2.75		3.68	

Weighted average fair value of options granted:

- On August 31, 2015 : ₹ 105.29
- On November 7, 2016 : ₹ 15.66
- On November 7, 2016 : ₹ 15.30
- On December 12, 2016 : ₹ 14.31

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	November 07, 2016	November 07, 2016	August 31, 2015	August 31, 2015
2. Risk Free Interest Rate	6.57%	6.41%	7.68%	7.70%
3. Expected Life	2.75	Immediate Vesting	2.75	3.00
4. Expected Volatility	43.12%	47.00%	58.69%	58.78%
5. Dividend Yield	-	-	0.52%	0.52%
6. Price of the underlying share in market at the time of the option grant (₹)	16.64	17.30	115.00	115.00

39. 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 ₹ 13.06 Crore (2016: ₹ 22.90 Crore), payable later than one year but not later than five year is ₹ 6.84 Crore (2016: ₹ 18.69 Crore) and payable later than five years is ₹ Nil (2016: ₹ Nil).

40. Details of dues to Micro, Small And Medium Enterprises Development as defined under the MSMED Act, 2006

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.

41. Contingent Liabilities

Claims Against the Company Not Acknowledged as Debts, in respect of Income Tax ₹ 104.29 Crore (2016: ₹ 123.34 Crore, 2015: ₹ 184.69 Crore), Value Added Tax ₹ Nil (2016: ₹ Nil, 2015: ₹ 9.25 Crore), Letter of Credit ₹ 135.62 Crore, Others ₹ Nil (2016: ₹ Nil, 2015: ₹ 300.82 Crore) and Other money for which the Company is Contingently Liable, Corporate Guarantees Given ₹ 4,159.78 Crore (2016: ₹ 10.95 Crore, 2015: ₹ 34.54 Crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Company.

42. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 78.40 Crore (2016: ₹ 66.67 Crore).

43. The borrowing cost capitalized during the year ended March 31, 2017 was ₹ 43.29 Crore (2016: ₹ 38.95 Crore).

44. Payment to the Auditor (Inclusive of Service Tax)

(₹ in Crore)

	2016-17	2015-16
Statutory Audit Fees	0.75	0.75
Other Expenses	0.03	0.03
Total	0.78	0.78

45. Expenditure on Corporate Social Responsibilities

The particulars of CSR expenditure are as follows:

- Gross amount required to be spent by the company during the year is ₹ 1.99 Crore (2015: ₹ 1.38 Crore + 2016: ₹ 0.61 Crore).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Amount spent during the year on:

(₹ in Crore)

	In Cash	Yet to be paid in cash	Total
Construction / acquisition of any asset	-	-	-
On purposes other than above	0.61	1.38	1.99

46. Security clause in respect to Secured Borrowings

(i) Non-Convertible Debentures

- a) ₹ Nil (2016: ₹ 190.00 Crore, 2015: ₹ 500.00 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.
- b) ₹ 112.50 Crore (2016: ₹ 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 FY 2017-18.
- c) ₹ Nil (2016: ₹ 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.
- d) ₹ Nil (2016: ₹ 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.
- e) ₹ 600.00 Crore (2016: ₹ 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.
- f) ₹ 500.00 Crore (2016: ₹ 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.
- g) ₹ 365.00 Crore (2016: ₹ 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.
- h) ₹ 35.00 Crore (2016: ₹ 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.
- i) ₹ 400.00 Crore (2016: ₹ 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.
- j) ₹ 750.00 Crore (2016: ₹ 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.
- k) ₹ 197.50 Crore (2016: ₹ Nil, 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 ₹ 104.00 Crore in FY 2021-22 and ₹ 93.50 Crore in FY 2022-23.
- l) ₹ 51.00 Crore (2016: ₹ Nil, 2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.75% per annum and are redeemable fully as per terms of issuance in FY 2021-22.
- m) ₹ 84.00 Crore (2016: ₹ Nil, 2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.80% per annum and are redeemable as per terms of issuance fully in FY 2023-24.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- n) ₹ 27.00 Crore (2016: ₹ Nil, 2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.50% per annum and are redeemable fully as per terms of issuance in FY 2021-22.
- o) ₹ 18.00 Crore (2016: ₹ Nil, 2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.55% per annum and are redeemable as per terms of issuance fully in FY 2023-24.
- p) ₹ 949.00 Crore (2016: ₹ Nil, 2015: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.60% per annum and are redeemable as per terms of issuance in two installments as ₹ 379.60 Crore in FY 2021-22 and ₹ 569.40 Crore in FY 2022-23.
- q) NCD from Banks and Financial Institution of ₹ 3,237.50 Crore are secured by Corporate Guarantee of Future Retail Limited.

(ii) Term Loan from Banks

- a) ₹ Nil (2016: ₹ 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.
- b) ₹ Nil (2016: ₹ 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.
- c) ₹ Nil (2016: ₹ 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).
- d) ₹ Nil (2016: ₹ 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).
- e) ₹ Nil (2016: ₹ 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.
- f) ₹ Nil (2016: ₹ Nil, 2015: ₹ 139.96 Crore) are secured by First Pari-Passu charge on Fixed Assets, present and future, excluding specific immovable properties.
- g) ₹ Nil (2016: ₹ 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.
- h) ₹ 30.00 Crore (2016: ₹ 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).
- i) ₹ 286.26 Crore (2016: ₹ 283.85 Crore, 2015: ₹ 235.09 Crore) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) except assets exclusively charged to other lenders.
- j) ₹ Nil (2016: ₹ Nil, 2015: ₹ 135.00 Crore) are secured by Second Pari-Passu charge on the Fixed & Current Assets of the company.
- k) ₹ Nil (2016: ₹ 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.
- l) ₹ Nil (2016: ₹ 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.
- m) ₹ Nil (2016: ₹ 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.
- n) ₹ Nil (2016: ₹ 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 ₹ 150.00 Crore and (c) Mortgage of immovable property, corporate guarantee and pledge of certain investments held by associate company.
- o) ₹ 108.67 Crore (2016: ₹ 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).
- p) ₹ 350.96 Crore (2016: ₹ Nil, 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).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- q) ₹ 61.24 Crore (2016: ₹ Nil, 2015: ₹ Nil) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) excluding specific immovable properties.
- (iii) **Term Loan from Other**
₹ 80.00 Crore (2016: ₹ 100.00 Crore, 2015: ₹ 100 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.
- (iv) **Short-Term Borrowings**
₹ Nil (2016: ₹ 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.
- (v) **Working Capital Loans from Banks**
₹ Nil (2016: ₹ 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.
- (vi) Term Loans from Banks and other of ₹ 427.50 Crore are secured by personal guarantee of promoter directors
- (vii) Term Loans from Banks and Other of ₹ 916.16 Crore are secured by Corporate Guarantee of Future Retail Limited.
- (viii) Term Loans from Banks and others are repayable as follows: ₹ 32.81 Crore in FY 2017-18, ₹ 97.50 Crore in FY 2018-19, and ₹ 189.52 Crore in FY 2019-20, and ₹ 252.50 Crore in FY 2020-21, ₹ 211.67 Crore in FY 2021-22, ₹ 111.25 Crore in FY 2022-23 and ₹ 21.88 Crore in FY 2023-24.
- (ix) Installments falling due in respect of all the above Loans (Term Loan & NCDs) upto 31.03.2018 aggregating ₹ 145.31 Crore have been grouped under Current Maturities of Long-Term Borrowings.
- (x) Weighted average rate of interest on the Term Loans is 11.41%.

47. Disclosure on Specified Bank Notes (SBNs)

Details of Specified Bank Notes (SBN) Held and Transaction During the Period 08/11/2016 to 30/12/2016 is as under:

(₹ in Crore)

	SBNs*	Other Denomination	Total
Closing Cash in Hand as on November 8, 2016	0.02	0.01	0.03
(+) Permitted receipts	-	0.17	0.17
(-) Permitted payments	-	0.04	0.04
(-) Amounts deposited in Banks	0.02	0.08	0.10
Closing Cash in Hand as on December 30, 2016	-	0.06	0.06

48. Optionally Convertible Debentures

₹ 95.80 Crore (2016: ₹ 95.80 Crore) As per the provisions of the Composite Scheme of Arrangement, the Company issued 10% Optionally Convertible Debentures, convertible at the option of the Company within a period of 18 months from May 1, 2016, being 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 Bharti Retail Limited ("BRL") 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 BRL and Demerger of the Retail Infrastructure Business Undertaking of BRL 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 BRL. Accordingly, on May 18, 2016 BRL 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 BRL has been transferred to and vested in the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 BRL as provided in the Scheme.

50. The Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies an upside on the realization out of the shares of the two companies, subject to certain board terms and conditions.

51. 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, 2017 (Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2016 (Including Interest Accrued)	Maximum outstanding during the Previous year
A	Loans					
I	Top Class Capital Markets Private Limited		-	121.65	121.65	121.65
B	Corporate Guarantee Given					
I	Galaxy Entertainment Corporation Limited- For Axis Bank Limited		7.28	Not Applicable	10.95	Not Applicable
II	Future Retail Limited for various borrowing facilities		4,152.50	Not Applicable	-	-
C	Investments					

Refer Note 4 to Notes forming part of the Financial Statements

52. Details of Miscellaneous Expenses

(₹ in Crore)

	2016-17	2015-16
Common Area Maintenance Charges	0.19	33.89
Credit Card Charges	-	32.03
House Keeping Charges	0.26	25.43
Legal and Professional Charges	9.03	44.50
Security Service Charges	0.28	23.48
Travelling and Conveyance Expenses	5.19	19.32
Other Expenses	16.45	169.55
Total	31.40	348.20

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

S. Doreswamy
Director

Dinesh Maheshwari
Executive Director &
Chief Financial Officer

Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS 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"), Jointly Controlled Entities and an Associate Company, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement and the Consolidated statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows and Consolidated Changes in Equity of the Group including its Jointly Controlled Entities and an Associate 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 relevant Rules issued thereunder.

The respective Board of Directors of the Companies included in the Group and of its Jointly Controlled Entities and an 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 Jointly Controlled Entities 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Ind AS Financial Statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated state of affairs of the Group, its Jointly Controlled Entities and an Associate Company as at March 31, 2017, and its Consolidated financial performance including comprehensive income, its Consolidated cash flow and Consolidated Changes in Equity for the year ended on that date.

Other Matters

We did not audit the Financial Statements of three subsidiaries whose Financial Statements reflect total assets (net) of ₹ 41.56 Crore as at March 31, 2017, total revenues of ₹ 35.85 Crore and net cash inflows amounting to ₹ 0.53 Crore for the year ended on that date as

considered in the Consolidated Ind AS Financial Statements. These Financial Statements and the other financial information have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the Consolidated results to the extent they have been derived from such Financial Statements is based solely on the other auditor's report. The Consolidated Ind AS Financial Statements also includes the Group's share of profit after tax of ₹ 0.05 Crore for the year ended March 31, 2017, as considered in the Consolidated Ind AS Financial Statements, in respect of Jointly Controlled Entities, whose financial statement have not been audited by us. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and other disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the auditors.

We have relied on the unaudited Financial Statements of a subsidiary whose Financial Statements reflect total assets (net) of ₹ (14.25 Crore) as at March 31, 2017 total revenue of ₹ 6.89 Crore and net outflow amounting to ₹ 1.49 Crore for the year then ended on that date and an Associate Company and two Jointly Controlled Entities whose Financial Statements reflect the Group's share of profit of ₹ 16.61 Crore for the year ended on that date. These unaudited Financial Statements are approved by the respective Board of Directors of these Companies and have been furnished to us by the management and our report in so far as it relates to amounts included in respect of subsidiary and associate are based solely on such approved unaudited Financial Statements

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 Ind As Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies and Jointly Controlled Entities and written representations received from the Directors of an Associate Company and two Jointly Controlled Entities which have been Consolidated on the basis of management certified Financial Statements, none of the Directors of the Group its Jointly Controlled Entities and an Associate Company incorporated in India is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of Internal controls over financial reporting of the Group and the operating effectiveness of such controls. Refer to our separate report in "Annexure A", 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 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 Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group, its Jointly Controlled Entities and an Associate Company – Refer Note 43 to the Consolidated Ind AS Financial Statements.
 - ii. The Holding Company and its Subsidiaries Companies did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts in case of Subsidiary Companies, Jointly Controlled Entities and Associate Companies which were required to be transferred to Investor Education and Protection Fund.
 - iv. The Company has provided requisite disclosures in the Consolidated Ind AS financial statement as to Holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with books of accounts maintained by the Company. Refer Note 47 to the Consolidated Ind AS Financial Statements.

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

Mumbai
May 19, 2017

Ashok A. Trivedi
Partner
Membership No. 042472

Annexure – A to the Auditors’ Report

Report on the Internal Financial Controls under Clause (1) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Art”)

In conjunction with our audit of the Consolidated Ind AS Financial Statement of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Future Enterprises Limited (“the Holding Company”) and its Subsidiary 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 and its Subsidiary 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 required 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 risk of material misstatement of the Ind AS Financial Statement, 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 Statement 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 Statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Financial Statements.

Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation 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 procedure may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary 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 reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note 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, incorporated in India,

is based on the corresponding reports of the auditors of such Company incorporated in India.

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

Mumbai
May 19, 2017

Ashok A. Trivedi
Partner
Membership No. 042472

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Crore)

	Note No.	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
1. Non-Current Assets				
Property, Plant and Equipment	3	5,978.84	5,419.60	4,747.59
Capital Work-in-Progress	3	456.16	421.94	276.21
Other Intangible Assets	3	2.84	2.09	241.43
Intangible Assets Under Development	3	0.01	-	-
Financial Assets				
Investments	4	1,125.06	1,128.21	975.55
Loans	5	120.04	120.23	236.69
Others	6	23.77	25.82	56.16
Other Non-Current Assets	7	213.90	342.13	279.14
Total Non-Current Assets		7,920.62	7,460.02	6,812.77
2. Current Assets				
Inventories	8	882.86	869.22	3,531.96
Financial Assets				
Investments	9	10.01	-	-
Trade Receivables	10	603.37	504.76	616.55
Cash and Cash Equivalents	11	83.64	67.42	47.37
Bank Balances Other than Cash and Cash Equivalents	12	27.21	59.62	64.58
Loans	13	12.50	10.00	13.25
Others	14	26.36	185.49	625.56
Other Current Assets	15	982.70	781.59	1,101.37
Total Current Assets		2,628.65	2,478.08	6,000.64
Total Assets		10,549.27	9,938.10	12,813.41
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	94.57	85.57	82.84
Instruments Entirely Equity in Nature	17	23.53	72.09	72.09
Other Equity	18	3,702.91	3,310.59	5,003.60
Total Equity		3,821.01	3,468.25	5,158.53
Liabilities				
1. Non-Current Liabilities				
Financial Liabilities				
Borrowings	19	4,907.18	4,461.51	2,926.11
Other Financial Liabilities	20	564.70	503.52	1.59
Provisions	21	8.25	4.52	20.94
Deferred Tax Liabilities (Net)	37	74.35	76.27	178.06
Total Non-Current Liabilities		5,554.48	5,045.82	3,126.70
2. Current Liabilities				
Financial Liabilities				
Borrowings	22	125.43	53.89	1,171.73
Trade Payables	23	641.77	802.75	2,248.00
Other Financial Liabilities	24	373.19	534.80	944.94
Other Current Liabilities	25	30.94	26.18	128.67
Provisions	26	2.45	6.40	34.84
Total Current Liabilities		1,173.78	1,424.03	4,528.18
Total Equity and Liabilities		10,549.27	9,938.10	12,813.41

The accompanying notes are an integral part of the financial statements.

1-50

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

S. Doreswamy
Director

Dinesh Maheshwari
Executive Director &
Chief Financial Officer
Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

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

(₹ in Crore)

	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
INCOME			
Revenue From Operations	27	4,485.45	8,915.46
Other Income	28	237.14	59.27
Total Income		4,722.59	8,974.73
EXPENSES			
Cost of Materials Consumed	29	418.42	378.41
Purchase of Stock-In-Trade	30	2,754.35	6,206.38
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	(8.98)	(228.18)
Employee Benefits Expense	32	138.28	349.87
Finance Costs	33	521.80	506.97
Depreciation and Amortization Expense	3	654.31	573.35
Other Expenses	34	189.88	1,126.09
Total Expenses		4,668.06	8,912.89
Profit Before Share of Profit From Associate and Joint Ventures		54.53	61.84
Share of Profit From Associate and Joint Ventures		11.73	3.36
Profit Before Tax		66.26	65.20
Tax Expense			
(1) Current Tax	37	13.43	12.91
(2) Deferred Tax	37	(2.00)	7.83
Profit For The Year		54.83	44.45
Attributable To :			
Equity Holders of The Parent		35.00	35.56
Non-Controlling Interest		19.83	8.89
Other Comprehensive Income For The Year			
Other Comprehensive Income	35	296.15	159.34
Share of OCI from Associate and Joint Ventures		5.91	(8.98)
Total Other Comprehensive Income For The Year		302.06	150.36
Attributable To :			
Equity Holders of The Parent		301.30	149.83
Non-Controlling Interest		0.76	0.54
Total Comprehensive Income For The Year		356.89	194.81
Earnings Per Equity Share of Face Value of ₹ 2/- each			
	41		
Basic - Equity Share		0.74	0.80
Basic - Class B (Series-1) Share		0.78	0.84
Diluted - Equity Share		0.74	0.80
Diluted - Class B (Series-1) Share		0.78	0.84

The accompanying notes are an integral part of the financial statements.

1-50

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

Vijay Biyani

Managing Director

Kishore Biyani

Vice-Chairman & Director
London

Ashok A. Trivedi

Partner

Membership No.: 042472

S. Doreswamy

Director

Bala Deshpande

Director

Mumbai

May 19, 2017

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

Mumbai

Deepak Tanna

Company Secretary

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

(₹ in Crore)

	As At March 31, 2017	As At March 31, 2016
(A) EQUITY SHARE CAPITAL		
Opening Balance	85.57	82.84
Change During The Year		
Issue of Equity Shares Under Employee Stock Option Scheme	0.30	0.03
Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	8.70	-
Issue of Equity Shares	-	2.70
Closing Balance	94.57	85.57
(B) INSTRUMENTS ENTIRELY EQUITY IN NATURE		
Preference Share Capital		
Opening Balance	72.09	72.09
Change During The Year		
Redemption of Preference Shares	(48.56)	-
Closing Balance	23.53	72.09
(C) OTHER EQUITY		
Share Capital Suspense		
Opening Balance	8.70	-
Change During The Year		
Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	-	8.70
Equity Shares to be Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	(8.70)	-
Closing Balance	-	8.70
Retained Earnings		
Opening Balance	(60.09)	(246.93)
Profit For The Year	35.00	35.56
Adjustment on Account of Subsidiary	10.44	7.93
Dividend and Tax on Dividend, on Equity Shares Issued After April 1 till the Record Date	(0.52)	(1.13)
Proposed Dividend on Equity Shares	-	(4.44)
Tax on Dividend	-	(0.90)
Other Comprehensive Income/(Loss) For The Year	301.30	149.83
Closing Balance	286.13	(60.09)
Capital Reserve		
Opening Balance	0.00	535.68
Change During The Year		
On Composite Scheme of Arrangement	-	(535.68)
Closing Balance	0.00	0.00
Securities Premium Reserve		
Opening Balance	2,889.34	4,230.75
Change During The Year		
Less: On Composite Schemes of Arrangements	-	(1,433.17)
Issue of Equity Shares	2.29	91.76
Closing Balance	2,891.63	2,889.34

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

(₹ in Crore)

	As At March 31, 2017	As At March 31, 2016
Share Options Outstanding Account		
Opening Balance	4.37	1.01
Change During The Year		
Expense on Employee Stock Option Scheme	0.72	4.97
Exercise of Stock Options	(2.31)	(1.60)
Closing Balance	2.78	4.37
Equity Component of Optionally Convertible Debentures		
Opening Balance	-	-
Change During The Year		
Issue of Optionally Convertible Debentures (Equity Component)	1.27	-
Closing Balance	1.27	-
Capital Reserve on Consolidation	4.12	16.21
Non - Controlling Interest		
Opening Balance	64.96	64.77
Change During The Year	59.40	0.20
Closing Balance	124.36	64.96
Debenture Redemption Reserve		
Opening Balance	268.13	268.13
Add : Transfer from Profit & Loss Account	-	-
Add: Pursuant to the composite scheme of arrangement	-	-
Closing Balance	268.13	268.13
Promoter Equity Contribution		
Opening Balance	8.16	-
Change During The Year		
Personal Guarantees By Promoters	5.52	8.16
Closing Balance	13.69	8.16
General Reserve		
Opening Balance	110.82	110.82
Transfer During The Year	-	-
Closing Balance	110.82	110.82
Equity Warrants		
Opening Balance	-	23.18
Change During The Year		
Issue of Equity Shares	-	(23.18)
Closing Balance	-	-
TOTAL OTHER EQUITY	3,702.91	3,310.59

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

S. Doreswamy
Director

Dinesh Maheshwari
Executive Director &
Chief Financial Officer
Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crore)

		Year Ended March 31, 2017	Year Ended March 31, 2016
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	66.26	65.20
	Adjusted for :		
	Depreciation and Amortization Expense	654.31	573.35
	Expense on Employee Stock Option Scheme	0.72	4.97
	Finance Costs	521.80	506.97
	Dividend Income	(3.46)	(3.47)
	(Profit)/Loss on Sale of Investments	(132.74)	-
	(Profit) / Loss on Disposal/Discard of Fixed Assets (Net)	33.40	22.16
	Interest Income	(94.02)	(48.02)
	Allowances for Bad and Doubtful Debts	0.98	1.98
	Provision for Impairment of Goodwill	4.91	-
		985.90	1,057.92
	Operating Profit Before Working Capital Changes	1,052.16	1,123.12
	Adjusted For :		
	Trade and Other Receivables	(99.60)	(15.05)
	Inventories	(13.63)	(226.72)
	Other Financial Assets and Other Assets	62.34	(316.27)
	Trade and Other Payables	(160.98)	200.51
	Other Financial Liabilities, Other Liabilities and Provisions	41.55	267.81
		(170.32)	(89.73)
	Cash Generated From Operations	881.84	980.76
	Share in Profit/(Loss) of Joint Ventures and Associate Company	(11.73)	(3.36)
	Share in Non - Controlling Interest	38.81	(9.23)
	Adjustment on Account of Subsidiary Includes in Consolidation	10.44	7.93
	Taxes Paid	56.05	(47.98)
	Net Cash From Operating Activities	975.41	958.53
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment	(1,289.93)	(1504.43)
	Sale of Property, Plant and Equipment	3.07	275.63
	Sale/ (Purchase) of investments	427.66	0.17
	Dividend Received	3.46	3.47
	Interest Received	94.02	48.02
	Net Cash Used In Investing Activities	(761.72)	(1,177.14)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Crore)

	Year Ended March 31, 2017	Year Ended March 31, 2016
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Borrowings	371.67	807.33
Proceeds From Issue of Share Capital	7.07	77.87
Redemption of Preference Shares	(48.56)	-
Dividend Paid (Including Dividend Distribution Tax)	(5.86)	(25.74)
Interest paid	(521.80)	(506.97)
Cash (Used In) / From Financing Activities	(197.48)	347.15
On Composite Schemes of Arrangements		(130.72)
Net (Decrease)/Increase In Cash And Cash Equivalents	16.22	20.05
Net (Decrease)/Increase In Cash And Cash Equivalents	16.22	20.05
Cash and Cash Equivalents At Beginning of The Year	67.42	47.37
Cash and Cash Equivalents At End of The Year	83.64	67.42

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra
Chairman & Director

S. Doreswamy
Director

Dinesh Maheshwari
Executive Director &
Chief Financial Officer
Mumbai

Vijay Biyani
Managing Director

Bala Deshpande
Director

Deepak Tanna
Company Secretary

Kishore Biyani
Vice-Chairman & Director
London

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Company Overview And Significant Accounting Policies

1.1 Overview

Future Enterprises Limited (Formerly Known as Future Retail Limited) ('the Company or Parent') is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956 on 12 October, 1987. The Company, its Subsidiaries, Joint Ventures and Associate collectively refer to as a "Group".

The Group engaged in the business of manufacturing, trading, leasing of assets, logistics services and joint ventures with Life and Non Life Insurance services.

The Group has its registered office at Mumbai, Maharashtra, India. The Group has its primary listings on the National Stock Exchange of India Limited and BSE Limited.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 19, 2017.

1.2 Basis of Preparation and Presentation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention method on accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.

1.3 Basis of Consolidation

The Group consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group, it controlled its subsidiaries, associates and joint venture.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Parent Company and its subsidiaries are consolidated on a line-by-line basis and intra-Group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Associates are entities over which the Group has significant influence but not having control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition.

Investments in Joint Ventures are accounted for using the equity method of accounting, after initially being recognised at cost in the consolidated balance sheet.

1.4 Use of Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2015 measured as per previous GAAP as it deemed cost on the date of transition.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Plant and Equipment	: 15 years
Office Equipment*	: 3 to 6 years
Furniture And Fixture	: 10 years
Electrical Installation and Equipment	: 10 years
Vehicles	: 10 years
Leasehold Improvement*	: Lease term or 15 Years, whichever is lower

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital Work-in-Progress'.

1.6 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on straight line basis over their estimated useful economic life not exceeding ten years.

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognised as on April 1, 2015 measured as per previous GAAP as it deemed cost on the date of transition.

1.7 Goodwill

Goodwill on acquisition of Subsidiaries and Joint Ventures is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

1.8 Impairment of Assets

(i) Financial Assets

The Group recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Non-Financial Assets

a. Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

1.9 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.10 Financial Instruments

(i) Initial Recognition and Measurement

The Group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

(ii) Subsequent Measurement

a) Non-Derivative Financial Instruments

(i) Financial Assets Carried At Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial Assets At Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Investments in Associate and Joint Venture.

Investments in Associate and Joint Venture are carried at cost.

(iv) Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(v) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b) Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

(i) Financial Assets or Liabilities, at Fair Value Through Profit or Loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Derecognition of Financial Instruments

The Group derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

1.11 Current Versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.12 Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Input for the asset or liability that are not based on observable market data (unobservable inputs).

1.13 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or 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.

1.14 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 value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the statement of profit and loss.

1.15 Share-Based Payment

The Group recognizes compensation expense relating to share-based payments in statement of profit and loss, using fair-value. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.16 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

1.17 Revenue Recognition

Revenue is recognised on a fair value basis to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Sale of goods

Revenue from sale of goods is recognised, when significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and excludes value added tax / sales tax. It is measured at fair value of consideration received or receivable, net of returns and allowances.

(ii) Revenue from Sale of Services

Revenue from Sale of services are recognised as they are rendered based on arrangements with the customers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Lease Income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight - line basis as per the terms of the agreements in the statement of profit or loss.

(iv) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(v) Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established.

1.18 Foreign Currency Transactions

(i) Functional Currency

Consolidated financial statements of the Group's are presented in Indian Rupees (₹), which is also the functional currency.

(ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

1.19 Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.20 Taxes on Income

Income tax comprises current and deferred income tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

the substantive enactment date. A deferred income tax asset is recognized to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

1.22 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 in which they occur in the statement of profit and loss.

1.23 First-Time Adoption of Ind AS

These consolidated financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the year ended up to March 31, 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

For the purposes of transition to Ind AS, the Group has followed the guidance prescribed in Ind AS 101 - First Time Adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in above note have been applied in preparing the consolidated financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, Statement of Profit and Loss, is set out in below note. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 1.24.

1.24 Exemptions and Exceptions availed on first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has accordingly applied the following exemptions.

(i) Business Combination

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date. The Group elected to apply Ind AS 103 prospectively.

(ii) Deemed Cost

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(iii) Share - Based Payment

The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

(iv) Non-Controlling Interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Reconciliation

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity As At April 1, 2015 and March 31, 2016
- Net Profit for Year Ended March 31, 2016

Reconciliation of Equity Between Previous IGAAP And Ind AS Is As Under :

(₹ in Crore)

	Opening Balance Sheet As At April 1, 2015			Balance Sheet As At March 31, 2016		
	IGAAP	Effects of Transition to Ind AS	Ind AS	IGAAP	Effects of Transition to Ind AS	Ind AS
ASSETS						
1. Non-Current Assets						
Property, Plant and Equipment	4,755.77	(8.18)	4,747.59	5,428.27	(8.67)	5,419.60
Capital Work-in-Progress	276.94	(0.73)	276.21	422.81	(0.87)	421.94
Intangible Assets	241.95	(0.52)	241.43	3.13	(1.04)	2.09
Intangible Assets Under Development	-	-	-	-	-	-
Financial Assets						
Investment	1,621.93	(646.38)	975.55	1,567.36	(439.15)	1,128.21
Loans	259.11	(22.42)	236.69	179.06	(58.84)	120.23
Others	35.05	21.11	56.16	18.08	7.74	25.82
Other Non-Current Assets	252.11	27.03	279.14	279.50	62.63	342.13
Total Non-Current Assets	7,442.86	(630.09)	6,812.77	7,898.22	(438.21)	7,460.01
2. Current Assets						
Inventories	3,533.65	(1.69)	3,531.96	872.03	(2.80)	869.22
Financial Assets						
Investments	-	-	-	-	-	-
Trade Receivables	549.77	66.78	616.55	582.39	(77.63)	504.76
Cash and Cash Equivalents	47.28	0.08	47.37	4.27	63.16	67.42
Bank Balances Other than Cash and Cash Equivalents	83.58	(18.99)	64.58	144.44	(84.82)	59.62
Loans	130.05	(116.80)	13.25	90.80	(80.80)	10.00
Others	504.19	121.37	625.56	116.05	69.43	185.49
Other Current Assets	1,158.32	(56.95)	1,101.37	870.15	(88.56)	781.59
Total Current Assets	6,006.85	(6.21)	6,000.64	2,680.12	(202.03)	2,478.09
Total Assets	13,449.71	(636.30)	12,813.41	10,578.34	(640.23)	9,938.10
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	82.84	-	82.84	85.57	-	85.57
Instruments Entirely Equity in Nature	72.09	-	72.09	72.09	-	72.09
Other Equity	5,325.21	(321.61)	5,003.60	3,335.10	(24.51)	3,310.59
Total Equity	5,480.14	(321.61)	5,158.53	3,492.76	(24.51)	3,468.25

(₹ in Crore)

	Opening Balance Sheet As At April 1, 2015			Balance Sheet As At March 31, 2016		
	IGAAP	Effects of Transition to Ind AS	Ind AS	IGAAP	Effects of Transition to Ind AS	Ind AS
Liabilities						
1. Non-Current Liabilities						
Financial Liabilities						
Borrowings	2,932.34	(6.22)	2,926.11	4,496.34	(34.83)	4,461.51
Other Financial Liabilities	496.19	(494.60)	1.59	1,054.10	(550.59)	503.52
Provisions	21.03	(0.10)	20.94	4.59	(0.06)	4.52
Deferred Tax Liabilities (Net)	176.86	1.20	178.06	70.89	5.38	76.27
Total Non-Current Liabilities	3,626.42	(499.72)	3,126.70	5,625.92	(580.10)	5,045.82
2. Current Liabilities						
Financial Liabilities						
Borrowings	1,158.61	13.12	1,171.73	53.89	(0.00)	53.89
Trade Payables	2,029.56	218.44	2,248.00	730.18	72.57	802.75
Other Financial Liabilities	850.57	94.38	944.94	517.84	16.97	534.80
Other Current Liabilities	285.07	(156.40)	128.67	144.66	(118.48)	26.18
Provisions	42.63	(7.79)	34.84	13.09	(6.69)	6.40
Total Current Liabilities	4,366.44	161.74	4,528.18	1,459.66	(35.65)	1,424.03
Total Equity and Liabilities	13,473.00	(659.59)	12,813.41	10,578.34	(640.26)	9,938.10

Reconciliation Statement of Profit and Loss Between Previous IGAAP And Ind AS Is As Under :

(₹ in Crore)

	Year Ended March 31, 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS
INCOME			
Revenue From Operations	9,318.85	(403.39)	8,915.46
Other Income	105.99	(46.72)	59.27
Total Income	9,424.83	(450.11)	8,974.73
EXPENSES			
Cost of Materials Consumed	53.75	324.66	378.41
Purchase of Stock-In-Trade	6,642.55	(436.17)	6,206.38
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(229.03)	0.85	(228.18)
Employee Benefits Expense	386.33	(36.46)	349.87
Finance Costs	499.65	7.32	506.97
Depreciation and Amortization Expense	575.59	(2.25)	573.35
Other Expenses	1,441.07	(314.98)	1,126.09
Total Expenses	9,369.91	(457.03)	8,912.89

(₹ in Crore)

	Year Ended March 31, 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS
Profit Before Share of Profit From Associate and Joint Ventures	54.92	6.92	61.84
Share of Profit / (Loss) From Associate and Joint Ventures	(0.64)	4.00	3.36
Profit Before Tax	54.28	2.93	65.20
Tax Expense			
(1) Current Tax	13.20	(0.28)	12.91
(2) Deferred Tax	3.62	4.21	7.83
Profit For The Year	37.46	(1.00)	44.45
Attributable To :	-	-	-
Equity Holders of The Parent	47.24	(11.68)	35.56
Non-Controlling Interest	(9.78)	18.67	8.89
Other Comprehensive Income For The Year			
Other Comprehensive Income	-	159.34	159.34
Share of OCI from Associate and Joint Ventures	-	(8.98)	(8.98)
Total Other Comprehensive Income For The Year	-	150.36	150.36
Attributable To :			
Equity Holders of The Parent	-	149.83	149.83
Non-Controlling Interest	-	0.54	0.54
Total Comprehensive Income For The Year	37.46	149.36	194.81

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3 . Property, Plant and Equipment

(₹ in Crore)

Tangible Assets	Freehold Land	Leasehold Land	Leasehold Improvement	Building	Plant and Machinery	Computer	Furniture and Fitting	Office Equipment	Electrical Installation	Vehicle	Total	Capital Work-in-Progress
Cost :												
As At April 1, 2015	4.83	13.86	1,022.87	7.53	781.56	5.81	1,726.37	186.06	1,013.03	5.32	4,767.24	276.21
Additions	5.60	0.17	330.99	-	222.58	4.88	458.53	38.08	223.70	-	1,284.54	145.72
Disposals / Transfers	-	0.27	20.09	-	19.88	2.37	9.12	1.24	10.62	0.07	63.66	-
As At March 31, 2016	10.43	13.77	1,333.77	7.53	984.26	8.32	2,175.78	222.89	1,226.11	5.25	5,988.12	421.94
Additions	0.28	0.15	303.09	-	194.71	3.14	484.17	29.25	229.09	5.05	1,248.93	-
Disposals / Transfers	-	0.46	27.70	-	6.21	0.42	4.41	0.64	7.17	0.43	47.44	-
Less : Asset Held For Sale	-	0.13	-	-	-	0.08	0.30	0.10	-	-	0.62	-
As At March 31, 2017	10.71	13.33	1,609.16	7.53	1,172.76	10.96	2,655.24	251.40	1,448.03	9.87	7,188.99	456.16
Accumulated Depreciation :												
As At April 1, 2015	-	0.66	-	-	-	1.92	1.36	1.19	14.45	0.07	19.65	-
Depreciation Charged For The Year	-	2.70	63.82	0.10	66.06	2.27	232.60	48.29	133.30	1.01	550.16	-
Disposals / Transfers	-	0.27	-	-	-	0.43	0.10	0.26	0.15	0.07	1.28	-
As At March 31, 2016	-	3.09	63.82	0.10	66.06	3.77	233.86	49.22	147.59	1.01	568.52	-
Depreciation Charged For The Year	-	2.57	89.59	0.19	84.33	1.94	264.36	55.51	152.93	1.80	653.22	-
Disposals / Transfers	-	0.34	2.79	-	4.37	(1.32)	2.78	0.24	1.77	0.09	11.07	-
Less : Asset Held For Sale	-	0.09	-	-	-	0.08	0.26	0.10	-	-	0.52	-
As At March 31, 2017	-	5.23	150.62	0.29	146.02	6.94	495.19	104.39	298.75	2.72	1,210.15	-
Net Book Value												
As At March 31, 2017	10.71	8.10	1,458.53	7.24	1,026.74	4.01	2,160.06	147.01	1,149.28	7.15	5,978.84	456.16
As At March 31, 2016	10.43	10.68	1,269.94	7.43	918.20	4.56	1,941.92	173.67	1,078.52	4.25	5,419.60	421.94
As At April 1, 2015	4.83	13.20	1,022.87	7.53	781.56	3.89	4.45	184.87	171.61	5.25	4,747.59	276.21

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Intangible Assets

(₹ in Crore)

	Computer Software	Brands / Trademarks	Total	Intangible Assets under Development
Cost				
As At April 1, 2015	241.30	35.27	276.58	-
Additions / Transfers	19.27	-	19.27	-
Disposals / Transfers	252.40	-	252.40	-
As At March 31, 2016	8.17	35.27	43.44	-
Additions	1.19	0.65	1.85	0.01
Disposals / Transfers	-	-	-	-
As At March 31, 2017	9.36	35.93	45.29	0.01
Accumulated Amortization				
As At April 1, 2015	4.60	30.55	35.15	-
Amortization Charge For The Year	18.66	4.53	23.19	-
Disposals / Transfers	16.99	-	16.99	-
As At March 31, 2016	6.27	35.08	41.35	-
Amortization Charge For The Year	0.88	0.22	1.10	-
Disposals / Transfers	-	-	-	-
As At March 31, 2017	7.15	35.30	42.45	-
Net Book Value				
As At March 31, 2017	2.21	0.63	2.84	0.01
As At March 31, 2016	1.90	0.19	2.09	-
As At April 1, 2015	236.71	4.72	241.43	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
4. Non-Current Financial Assets-Investments			
Quoted Investments			
Associate			
49,37,935 Equity Shares of Galaxy Entertainment Corporation Limited	15.79	15.79	15.79
Less: Provision	(15.79)	(15.79)	(15.79)
Investment in Equity Instruments			
15,00,00,000 Equity Shares of Future Consumer Limited of ₹ 6/- each	437.25	308.25	181.65
Nil (60,82,359) (63,46,980) Equity Shares of Centrum Capital Limited of ₹ 1/- each	-	6.72	10.00
Nil (3,05,70,108) Equity Shares of Future Lifestyle Fashions Limited of ₹ 2/- each	-	243.03	208.18
Unquoted Investments			
Joint Ventures			
22,03,500 Equity Shares of Apollo Design Apparel Parks Limited	87.32	84.44	81.53
20,65,50,000 (18,10,50,000) Equity Shares of Future Generali India Insurance Company Limited	166.28	126.81	136.37
5,77,15,020 (4,35,60,000) Equity Shares of Future Generali India Life Insurance Company Limited	19.31	6.74	8.51
22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited	83.75	81.16	78.14
19,22,47,809 (17,86,99,931) Equity Shares of Sprint Advisory Services Private Limited	190.64	177.12	177.13
11,18,44,321 (8,74,95,000) Equity Shares of Shendra Advisory Services Private Limited	110.82	86.47	86.47
In Preference Shares			
Unquoted Investments			
11,92,759 0.01% Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited	1.19	1.19	1.19
Non-Trade Investments paid up of ₹ 10/- each unless otherwise stated			
Equity Instruments			
Unquoted			
Others			
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08	0.08
Less: Provision	(0.08)	(0.08)	(0.08)
35,78,278 Equity Shares of Pan India Food Solutions Limited	4.19	3.00	3.13
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	3.13	2.82	2.82
Investment in Government or Trust Securities			
Quoted			
2,00,000 9% Bonds of Mahindra & Mahindra Financial Services Limited	20.71	-	-
Unquoted			
National Saving Certificates (Deposited with Sales Tax Authorities)	0.07	0.07	0.07
LIC Mutual Fund Liquid Plan	0.40	0.38	0.36
	1,125.06	1,128.21	975.55
Note:			
• Investment Carried at Fair Value through Other Comprehensive Income			
• Aggregate amount of Quoted Investments	453.04	324.04	197.44
• Market Value of Quoted Investments	467.39	566.07	411.88
• Aggregate amount of Unquoted Investments	687.89	570.29	578.80
• Aggregate amount of Diminution in Value of Investments	15.87	15.87	15.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
5. Non-Current Financial Asset - Loans			
Unsecured, Considered Good			
Security Deposits	120.04	120.23	236.69
	120.04	120.23	236.69
6. Non-Current Financial Assets - Others			
Unsecured, Considered Good, Unless Otherwise Stated			
Deposits	23.43	25.69	16.15
Bank Balances Other than Cash and Cash Equivalents			
Deposit with Banks with more than 12 months maturity	0.34	0.13	40.01
	23.77	25.82	56.16
7. Other - Non-Current Assets			
Capital Advances			
Others Unsecured, Considered Good	22.55	29.56	27.99
Others			
Others Unsecured, Considered Good*	191.35	312.56	251.15
Doubtful	0.23	0.23	0.23
Less: Provisions	0.23	0.23	0.23
	213.90	342.13	279.14
(*Includes Balances with Government Authorities)			
8. Inventories			
Packing Materials, Branding Material and Stores & Spares	0.02	0.03	2.94
Raw Material	1.96	2.64	1.23
Work-in-Progress	4.24	3.12	3.41
Stock-in-Trade	875.49	861.04	3,520.69
Goods-in-Transit	1.14	2.39	3.69
	882.86	869.22	3,531.96
9. Current Financial Asset - Investments			
Unquoted Investments			
Investment in Mutual Fund	10.01	-	-
	10.01	-	-
10. Trade Receivables			
Unsecured, Considered Good	410.04	298.52	442.85
Unsecured, Considered Doubtful	0.85	5.51	4.53
Less: Provision for Doubtful Debts	0.85	5.51	4.53
Less: Allowance for Credit Loss	5.89	1.70	0.66
	404.14	296.81	442.19
Other Receivables			
Unsecured, considered good	199.23	207.94	174.36
Unsecured, considered doubtful	21.68	-	-
Less: Provision for doubtful debts	21.68	-	-
	199.23	207.94	174.36
	603.37	504.76	616.55

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
11. Cash And Cash Equivalents			
Balances with Banks :			
On Current Accounts	83.40	67.19	29.51
On Deposit Accounts	0.07	0.07	0.08
Cheques on Hand	-	-	1.59
Cash on Hand	0.17	0.16	16.19
	83.64	67.42	47.37
12. Bank Balance Other Than Cash And Cash Equivalents			
Deposits with Banks*			
Earmarked Balances with Banks For :			
Dividend Account	0.38	0.44	0.44
Fixed Deposit Account	12.43	21.19	56.14
Short Term Bank Deposits	14.41	37.99	8.00
	27.21	59.62	64.58
*Held as margin money or security against the Borrowings, Guarantees and Other Commitments.			
13. Current Financial Assets - Loans			
Unsecured, Considered Good, Unless Otherwise Stated			
Loans to Related Parties			
Unsecured, Considered Good	-	-	13.22
Inter-Corporate Deposits	12.50	10.00	-
	12.50	10.00	13.22
Security Deposits :			
Unsecured, Considered Good	-	0.00	0.03
Unsecured, Considered Doubtful	0.05	0.05	0.05
Less: Allowance For Bad and Doubtful Advances	0.05	0.05	0.05
	-	0.00	0.03
	12.50	10.00	13.25
14. Current Financial Assets - Others			
Balances with Government Authority	0.00	0.44	-
Capital Advances	0.71	0.79	1.67
Deposits	23.28	93.46	493.84
Others			
Secured, Considered Good	-	90.80	130.05
Unsecured, Considered Good	2.37	-	-
Doubtful	0.07	0.07	0.01
Less: Provisions	0.07	0.07	0.01
	26.36	185.49	625.56
15. Other Current Assets			
Insurance Claim receivable	0.38	0.94	0.67
Income Accrued/Interest Accrued But Not Received	0.06	0.08	0.70
Other Advances #	982.17	780.56	1,100.00
Asset Held For Sale	0.10	-	-
	982.70	781.59	1,101.37
#Includes Advance to Suppliers, Prepaid Expenses etc.			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

16. Share Capital	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crores)	Number	(₹ in Crore)
Authorised						
Equity Shares of ₹ 2/- each	60,00,00,000	120.00	45,00,00,000	90.00	45,00,00,000	90.00
Equity Shares of Class B (Series -1) of ₹ 2/- each	50,000,000	10.00	50,000,000	10.00	5,00,00,000	10.00
Preference Shares of ₹ 100/- each	-	-	30,00,000	30.00	30,00,000	30.00
	650,000,000	130.00	50,30,00,000	130.00	50,30,00,000	130.00
Issued *						
Equity Shares of ₹ 2/- each	43,35,55,714	86.71	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	3,93,83,172	7.88	2,58,84,872	5.18
	47,29,38,886	94.59	42,79,64,667	85.59	41,43,02,073	82.86
Subscribed and Paid up *						
Equity Shares of ₹ 2/- each	43,34,59,836	86.69	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	3,93,74,679	7.87	2,58,76,379	5.18
	47,28,34,515	94.57	42,78,60,296	85.57	41,41,97,702	82.84

*Refer Note No 16(v)

(i) Reconciliation of Number of Shares

Equity Share of ₹ 2/- each

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
	Number of Shares	Number of Shares	Number of Shares
Opening Balance	38,84,85,617	38,83,21,323	21,56,53,439
Shares Issued*	4,49,74,219	1,64,294	17,26,67,884
Closing Balance	43,34,59,836	38,84,85,617	38,83,21,323

* 14,95,958 (2016 : 1,64,294) equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme 12,19,841 Equity Shares on December 3, 2016 and 2,76,117 Equity Shares on March 21, 2017.

4,34,78,261 Equity Shares of ₹ 2/- each, fully paid-up, pursuant to the Scheme of arrangement with Bharti Retail Limited on May 18, 2016

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

Particulars	As at March 31, 2017	As At March 31, 2016	As At April 1, 2015
	Number of Shares	Number of Shares	Number of Shares
Opening Balance	3,93,74,679	2,58,76,379	1,59,29,152
Shares Issued	-	1,34,98,300	99,47,227
Closing Balance	3,93,74,679	3,93,74,679	2,58,76,379

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

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, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares						
Central Departmental Stores Private Limited	17,38,84,257	40.12	-	-	-	-
Future Corporate Resources Limited	-	-	16,27,71,294	41.90	15,75,96,398	40.58
Cedar Support Services Limited	4,34,78,261	10.03	-	-	-	-
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	5.77	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
Equity Shares of Class B (Series -1)						
Central Departmental Stores Private Limited	2,54,41,753	64.61	-	-	-	-
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	-	-	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.

- 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.

Share Capital Suspense Account

	As at March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	(₹ in Crore)	Number	(₹ in Crore)	Number	(₹ in Crore)
4,34,78,261 Equity Shares of ₹ 2/- each, fully paid-up, to be issued pursuant to the Scheme of arrangement with Bharti Retail Limited (Refer Note No. 49)	-	-	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, 2017	As At March 31, 2016
17. Instruments Entirely Equity In Nature		
Preference Share Capital		
Opening Balance	72.09	72.09
Change During The Year		
Redemption of Preference Shares	(48.56)	-
Closing Balance	23.53	72.09
18. Other Equity		
Share Capital Suspense		
Opening Balance	8.70	-
Change During The Year		
Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	-	8.70
Equity Shares to be Issued Pursuant to the Scheme of Arrangement with Future Retail Limited	(8.70)	-
Closing Balance	-	8.70
Retained Earnings		
Opening Balance	(60.09)	(246.93)
Profit For The Year	35.00	35.56
Adjustment on Account of Subsidiary	10.44	7.93
Dividend and Tax on Dividend, on Equity Shares Issued After April 1 till the Record Date	(0.52)	(1.13)
Proposed Dividend on Equity Shares	-	(4.44)
Tax on Dividend	-	(0.90)
Other Comprehensive Income/(Loss) For The Year	301.30	149.83
Closing Balance	286.13	(60.09)
Capital Reserve		
Opening Balance	0.00	535.68
Change During The Year		
On Composite Scheme of Arrangement	-	(535.68)
Closing Balance	0.00	0.00
Securities Premium Reserve		
Opening Balance	2,889.34	4,230.75
Change During The Year		
Less: On Composite Schemes of Arrangements	-	(1,433.17)
Issue of Equity Shares	2.29	91.76
Closing Balance	2,891.63	2,889.34

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As At March 31, 2017	As At March 31, 2016
Share Options Outstanding Account		
Opening Balance	4.37	1.01
Change During The Year		
Expense on Employee Stock Option Scheme	0.72	4.97
Exercise of Stock Options	(2.31)	(1.60)
Closing Balance	2.78	4.37
Equity Component of Optionally Convertible Debentures		
Opening Balance	-	-
Change During The Year		
Issue of Optionally Convertible Debentures (Equity Component)	1.27	-
Closing Balance	1.27	-
Capital Reserve on Consolidation	4.12	16.21
Non - Controlling Interest		
Opening Balance	64.96	64.77
Change During The Year	59.40	0.20
Closing Balance	124.36	64.96
Debenture Redemption Reserve		
Opening Balance	268.13	268.13
Add : Transfer from Profit & Loss Account	-	-
Add : Pursuant to the Composite Scheme of Arrangement	-	-
Closing Balance	268.13	268.13
Promoter Equity Contribution		
Opening Balance	8.16	-
Change During The Year		
Personal Guarantees By Promoters	5.52	8.16
Closing Balance	13.69	8.16
General Reserve		
Opening Balance	110.82	110.82
Transfer During The Year	-	-
Closing Balance	110.82	110.82
Equity Warrants		
Opening Balance	-	23.18
Change During The Year		
Issue of Equity Shares	-	(23.18)
Closing Balance	-	-
TOTAL OTHER EQUITY	3,702.91	3,310.59

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
19.	Non - Current Financial Liabilities - Borrowings			
	Secured Loans			
	Zero Coupon Fully Convertible Debentures (Refer Note No. 48)	49.14	44.28	-
	Non Convertible Debentures	3,954.49	3,717.18	1,403.67
	Term Loans From Banks / Others	903.55	700.05	1,522.44
		4,907.18	4,461.51	2,926.11
20.	Non - Current - Other Financial Liabilities			
	Deposits Payable	564.70	503.52	1.57
	Other Payables	-	0.00	0.02
		564.70	503.52	1.59
21.	Non - Current Provisions			
	Provision For Employee Benefits	8.25	4.52	20.94
	Provision For Others	-	-	-
		8.25	4.52	20.94
22.	Current Financial Liabilities - Borrowings			
	Short - Term Borrowings (Secured)			
	Term Loans From Banks	-	-	150.00
	Working Capital Loans From Banks	119.47	39.51	1,006.76
	Loan and Advances From Related Parties	-	-	13.22
	Other (Hire Purchase, Cash Credit, Bank Overdraft)	5.96	14.38	1.75
		125.43	53.89	1,171.73
23.	Current Financial Liabilities - Trade Payables			
	Trade Payables	598.02	763.36	2,200.02
	Due to Related Parties :			
	Associates / Joint Ventures	43.76	39.39	47.98
		641.77	802.75	2,248.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
24. Current - Other Financial Liabilities			
Optionally Convertible Debentures			
958 10% p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each	103.80	95.80	-
1500 12.50 % p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each	-	-	150.00
Current Maturities Of Long-Term Borrowings	149.67	295.22	632.90
Interest Accrued But Not Due On Borrowings	105.11	126.38	67.90
Unclaimed Dividend*	0.38	0.44	0.44
Finance Lease Obligation	0.02	0.03	0.03
Other Payables #	14.16	16.40	14.28
Security Deposits	0.05	0.55	79.39
	373.19	534.80	944.94
* 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.			
25. Other Current Liabilities			
Advance From Customers#	6.68	1.60	80.72
Employee Related Liabilities	1.49	1.61	1.59
Other Payables *	22.78	22.97	46.36
	30.94	26.18	128.67
* Other Payables includes Statutory Dues, Deferred Interest etc.			
# Includes Advance From Related Parties.			
26. Short - Term Provisions			
Provision For Employee Benefits	2.45	1.06	4.89
Proposed Dividend	-	4.44	24.96
Tax on Dividend	-	0.90	4.99
	2.45	6.40	34.84

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	Year Ended March 31, 2017	Year Ended March 31, 2016
27. Revenue From Operations		
Sale of Products	3,202.94	8,526.15
Sale of Services	605.56	450.23
Less : VAT, Sales Tax	2.05	432.92
Other Operating Revenues	679.00	372.00
	4,485.45	8,915.46
28. Other Income		
Interest Income	94.02	48.02
Dividend Income	3.46	3.47
Profit on Sale of Shares/ Investment	132.74	-
Miscellaneous Income	6.91	7.77
	237.14	59.27
29. Cost of Materials Consumed		
Cost of Material Consumed	418.42	378.41
	418.42	378.41
30. Purchases of Stock - in - Trade		
Purchases of Stock-in-Trade	2,754.35	6,206.38
	2,754.35	6,206.38
31. Changes in Inventories Of Finished Goods, Work - in - Progress And Stock - in -Trade		
Changes in Inventories of Finished Goods and Work-in-Progress :		
Closing Stock :		
Work-in-Progress	4.24	3.12
Opening Stock :		
Work-in-Progress	3.12	3.41
	(1.12)	0.29
Changes in Inventories of Stock-in-Trade :		
Closing Stock :		
Stock-in-Trade	875.64	863.20
Add: On Composite Schemes of Arrangements	-	2,889.46
Opening Stock :		
Stock-in-Trade	867.78	3,524.19
	(7.86)	(228.47)
	(8.98)	(228.18)
32. Employees Benefits Expense		
Salaries, Wages and Bonus	128.37	314.56
Contribution to Provident and Other Funds	5.06	17.97
Expense on Employee Stock Option Scheme	3.81	4.97
Staff Welfare Expenses	1.04	12.37
	138.28	349.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		Year Ended March 31, 2017	Year Ended March 31, 2016
33. Finance Costs			
	Interest Expense	511.49	498.24
	Other Borrowing Costs	10.31	8.73
		521.80	506.97
34. Other Expenses			
	Consumption of Stores and Spares	0.34	0.76
	Power and Fuel	11.54	122.20
	Rent including Lease Rentals	27.85	368.14
	Repairs and Maintenance	11.71	28.64
	Insurance	4.11	9.07
	Rates and Taxes	3.38	4.96
	Labour Charges	0.42	0.35
	Advertisement and Marketing	7.52	169.04
	Loss on Disposal / Discard of Fixed Assets (Net)	33.54	22.31
	Provision for Doubtful Debts/Advances	-	1.98
	Allowance for Credit Loss	0.98	-
	Sundry Balances Written Off	0.19	0.23
	Corporate Social Responsibility Expenses	0.77	-
	Impairment of Goodwill	4.91	-
	Exchange Fluctuation Loss (Net)	1.70	3.71
	Miscellaneous Expenses	80.91	394.70
		189.88	1,126.09
35. Other Comprehensive Income			
	Items that will not be Reclassified to Profit or Loss	(0.09)	0.89
	Fair Value on Changes on Investment	296.23	158.45
		296.15	159.34

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

36. Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Group manage market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

(ii) Foreign Currency Risk

The Group are exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Group follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

The following table analyzes foreign currency risk from financial instruments as of:

(₹ in Crore)

	2016-17	2015-16
Trade Payables	38.99	40.45
Trade Receivables	4.47	6.57

(iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 603.37 Crore and ₹ 504.76 Crore as of March 31, 2017 and March 31, 2016 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grant credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

(iv) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Group ensure that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

(₹ in Crore)

	2016-17	2015-16
Short-Term Borrowings	125.43	53.89
Trade Payables	641.77	802.75
Other Financial Liabilities	373.19	534.80

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(v) Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(₹ in Crore)

Particulars	As At March 31, 2017			As At March 31, 2016			As At April 1, 2015		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Financial Assets									
At Amortised Cost									
Trade Receivables	603.37	-	-	504.76	-	-	616.55	-	-
Cash and Bank Balances	110.85	-	-	127.04	-	-	111.95	-	-
Loans	132.54	-	-	130.23	-	-	249.94	-	-
Other Financial Assets	50.13	-	-	211.31	-	-	681.72	-	-
At FVTOCI									
Investments	466.94	458.36	8.58	565.46	558.38	7.08	407.40	400.19	7.21
Financial Liabilities									
At Amortised Cost									
Borrowings	5,032.61	-	-	4,515.40	-	-	4,097.84	-	-
Trade Payables	641.77	-	-	802.75	-	-	2,248.00	-	-
Other Financial Liabilities	937.89	-	-	1,038.32	-	-	946.53	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(vi) Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings	5,032.61	4,515.40	4,097.84
Trade Payables	641.77	802.75	2,248.00
Other Payables	968.83	1,064.51	1,075.21
Less: Cash and Cash Equivalents	110.85	127.04	111.95
Net Debt	6,532.36	6,255.62	7,309.10
Equity	94.57	85.57	82.84
Other Equity	3,702.91	3,310.59	5,003.60
Total Capital	3,797.48	3,396.17	5,086.44
Capital and Net Debt	10,329.85	9,651.78	12,395.54
Gearing Ratio	63%	65%	59%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2017 and March 31, 2016.

37. Income Tax Expense

(i) Income Tax Expense charged to Profit and Loss

(₹ in Crore)

	2016-17	2015-16
Profit Before Tax	66.26	65.20
Tax Expense		
Current Tax	13.43	12.91
Deferred Tax	(2.00)	7.83
Tax Expense charged to Profit and Loss Account	11.43	20.74
Profit After Tax	54.83	44.46

(ii) Amount for Which Deferred Tax Asset/Liability is Recognised

(₹ in Crore)

	2016-17	2015-16
Unused Tax Losses	253.81	(61.84)
Other Items giving rise to Temporary Differences	5.34	(1.44)
Accelerated Depreciation for Tax Purpose	(333.50)	(13.00)
Deferred Tax Asset / (Liability)	(74.35)	(76.27)

38. Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to manufacturing, trading and leasing of assets. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

	2016-17
1. Segment Revenue	
Leasing	676.60
Manufacturing and Trading	3,247.66
Logistics	561.18
Revenue from Operations	4,485.44
2. Segment Results	
Leasing	44.17
Manufacturing and Trading	335.60
Logistics	70.67
Less :	
Finance Costs	521.79
Net Unallocated Income (Net)	(137.62)
Total Profit Before Tax	66.26
3. Segment Assets	
Leasing	6,147.97
Manufacturing and Trading	1,300.26
Logistics	507.80
Add : Unallocated	2,593.24
Total Assets	10,549.27
4. Segment Liabilities	
Leasing	637.75
Manufacturing and Trading	418.68
Logistics	215.86
Add : Unallocated	77.27
Total Liabilities	1,349.56

Note: The Group now operates in three identified business segment. However, the Group had only one business segment in previous year i.e. "Retail".

39. Related Party Disclosures

Disclosure as required by Ind AS 24 "Related Party Disclosures" are given below:

(i) List of Related Parties

A 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) Work Store Limited (Formerly Known as Staples Future Office Products Limited)
- (vii) Bluerock eServices Private Limited (From 15 April, 2016)

B Associate Company

- (i) Galaxy Entertainment Corporation Limited

C Joint Venture Companies

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

D Enterprises over which Key Management Personnel are able to exercises significant influence

- (i) Future Ideas Company Limited
- (ii) Future Lifestyle Fashions Limited
- (iii) Future Retail Limited (From May 2, 2016)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

E Entity able to Exercise Significant Influence

- (i) Future Corporate Resources Limited (upto March 30, 2017)

F Key Management Personnel

- (i) Mr. Kishore Biyani (upto May 1, 2016)
(ii) Mr. Rakesh Biyani (upto May 1, 2016)
(iii) Mr. Vijay Biyani
(iv) Mr. Dinesh Maheshwari
(v) Mr. Deepak Tanna

G Relatives of Key Management Personnel

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

(ii) Transaction with Related Parties

Nature of Transaction	(₹ in Crore)			
	Associates/ Joint Ventures	Key Management Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Management Personnel/ Relatives
Sale of Goods and Services	0.08 (0.04)	878.67 (6.57)	- (2.32)	- (0.01)
Sale of Fixed Assets	- (-)	0.03 (0.69)	- (-)	- (-)
Purchases of Goods and Services	45.93 (287.69)	0.10 (160.62)	- (65.07)	- -
Purchases of Fixed Assets	0.18 (-)	1.06 (0.07)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	4.20 (7.95)
Dividend Received	2.24 (2.24)	1.22 (1.23)	- (-)	- (-)
Advances Given	- (0.79)	113.65 (28.53)	- (-)	- (-)
Security Deposits Received	- (-)	75.00 (-)	- (-)	- (-)
Investment	77.56 (-)	- (-)	- (-)	- (-)
Outstanding Balances as on March 31, 2017				
Receivable	0.03 (6.52)	323.16 (207.57)	- (168.18)	- (-)
Payable	106.33 (0.15)	410.22 (1.06)	- (-)	- (-)

Note: Previous year figures are given in parenthesis.

(iii) Significant Related Party Transactions

- A Sale of Goods and Services includes Future Corporate Resources Limited ₹ Nil (2016: ₹ 2.32 Crore), Future Generali India Life Insurance Company Limited ₹ 0.05 Crore (2016: ₹ 0.04 Crore), Future Lifestyle Fashions Limited ₹ Nil (2016: ₹ 4.17 Crore), Apollo Design Apparel Parks Limited ₹ 0.03 Crore (2016: ₹ Nil), Future Retail Limited ₹ 878.67 Crore (2016: ₹ Nil).
- B Sale of Fixed Assets includes Future Lifestyle Fashions Limited ₹ 0.03 Crore (2016: ₹ 0.69 Crore).
- C Purchases of Goods and Services includes Apollo Design Apparel Parks Limited ₹ 27.63 Crore (2016: ₹ 150.43 Crore), Goldmohur Design and Apparel Park Limited ₹ 18.15 Crore (2016: ₹ 137.11 Crore), Future Corporate Resources Limited ₹ Nil (2016: ₹ 65.07 Crore), Future Lifestyle Fashions Limited ₹ 0.03 Crore (2016: ₹ 95.32 Crore), Future Generali India Life Insurance Company Limited ₹ 0.15 Crore (2016: ₹ Nil), Future Ideas Company Limited ₹ 0.07 Crore (2016: ₹ Nil).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- D Purchase of Fixed Assets includes Future Lifestyle Fashions Limited ₹ 0.04 Crore (2016: ₹ 0.07 Crore), Future Retail Limited ₹ 1.02 Crore (2016: ₹ Nil).
- E Managerial Remuneration includes Mr. Kishore Biyani ₹ 0.21 Crore (2016: ₹ 2.57 Crore), Mr. Rakesh Biyani ₹ 0.21 Crore (2016: ₹ 2.56 Crore), Mr. Vijay Biyani ₹ 1.91 Crore (2016: ₹ 1.47 Crore), Mr. Dinesh Maheshwari ₹ 1.37 Crore (2016: ₹ 0.96 Crore). Key Managerial Personnel Remuneration includes Mr. Deepak Tanna ₹ 0.50 Crore (2016: ₹ 0.39 Crore).
- F Dividend Received includes Apollo Design Apparel Parks Limited ₹ 1.10 Crore (2016: ₹ 1.10 Crore), Goldmohur Design and Apparel Park Limited ₹ 1.14 Crore (2016: ₹ 1.14 Crore), Future Lifestyle Fashions Limited ₹ 1.22 Crore (2016: ₹ 1.23 Crore).
- G Advance Given includes Future Generali India Insurance Company Limited ₹ Nil (2016: ₹ 0.08 Crore), Future Ideas Company Limited ₹ Nil (2016: ₹ 28.53 Crore), Galaxy Entertainment Corporation Limited ₹ Nil (2016: ₹ 0.70 Crore), Future Corporate Resources Limited ₹ 113.65 Crore (2016: ₹ Nil).
- H Security Deposit Received Future Retail Limited ₹ 75.00 Crore (2016 : ₹ Nil).
- I Investment includes Sprint Advisory Services Private Limited ₹ 13.55 Crore (2016: ₹ Nil), Shendra Advisory Services Private Limited ₹ 24.35 Crore (2016: ₹ Nil), Future Generali India Life Insurance Company Limited ₹ 14.16 Crore (2016: ₹ Nil), Future Generali India Insurance Company Limited ₹ 25.50 Crore (2016: ₹ Nil).

40. Interest In Other Entities

Subsidiary Companies :

Sr. No	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2017	Percentage of Interest as on March 31, 2016
1	Futurebazaar India Limited	Equity	India	100.00%	100.00%
2	Future Media (India) Limited	Equity	India	93.10%	93.10%
3	Future Supply Chain Solutions Limited	Equity	India	57.42%	70.17%
4	Future E-Commerce Infrastructure Limited	Equity	India	70.42%	70.42%
5	Office Shop Private Limited	Equity	India	61.67%	60.00%
6	Work Store Limited (Formerly Known as Staples Future Office Products Limited)	Equity	India	61.67%	60.00%
7	Bluerock eServices Private Limited	Equity	India	100.00%	0.00%

Joint Venture Companies Information

Sr. No	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2017	Percentage of Interest as on March 31, 2016
1.	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2.	Future Generali India Insurance Company Limited	Equity	India	25.51%	25.50%
3.	Future Generali India Life Insurance Company Limited	Equity	India	3.83%	3.00%
4.	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5.	Sprint Advisory Services Private Limited	Equity	India	49.81%	49.80%
6.	Shendra Advisory Services Private Limited	Equity	India	49.82%	49.80%

Company's Interest in the Joint Ventures

(₹ in Crore)

Particulars	As At March 31, 2017	As At March 31, 2016
Assets	1,757.45	1,491.35
Liabilities	920.33	736.95
Income	928.09	828.87
Expenditure	909.04	823.73

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Associate Company Information

Sr. No	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2017	Percentage of Interest as on March 31, 2016
1.	Galaxy Entertainment Corporation Limited	Equity	India	31.55%	31.55%

41. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

	Units	2016-17	2015-16
Profit for the Year attributable to Equity Holders	₹ in Crore	35.00	35.56
Weighted average number of Ordinary Shares for Basic EPS	No. in Crore	43.24	40.29
Weighted average number of Class B (Series-1) Shares for Basic EPS	No. in Crore	3.94	3.94
Weighted average number of Ordinary Shares for Diluted EPS	No. in Crore	43.24	40.29
Weighted average number of Class B (Series-1) Shares for Diluted EPS	No. in Crore	3.94	3.94
Share of Profit for Ordinary Shares for Basic EPS	₹ in Crore	31.93	32.25
Share of Profit for Class B (Series-1) Shares for Basic EPS	₹ in Crore	3.07	3.31
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crore	31.93	32.25
Share of Profit for Class B (Series-1) Shares for Diluted EPS	₹ in Crore	3.07	3.31
Earnings Per Ordinary Share (Basic)	₹	0.74	0.80
Earnings Per Class B (Series-1) Share (Basic)	₹	0.78	0.84
Earnings Per Ordinary Share (Diluted)	₹	0.74	0.80
Earnings Per Class B (Series-1) Share (Diluted)	₹	0.78	0.84

42. Leases

The Group (Consist Subsidiaries 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 ₹ 35.94 Crore (2016: ₹ 43.64 Crore), payable later than one year but not later than five year is ₹ 73.83 Crore (2016: ₹ 66.54 Crore) and payable later than five years is ₹ 27.34 Crore (2016: ₹ 20.55 Crore).

43. Contingent Liabilities

Claims Against the Group Not Acknowledged as Debts, In respect of Income Tax ₹ 104.24 Crore (2016: ₹ 123.37 Crore, 2015: ₹ 184.69 Crore), Value Added Tax ₹ 2.27 Crore (2015: ₹ 2.89 Crore), Letter of Credit ₹ 135.62 Crore, Others 0.06 (2016: ₹ 0.06 Crore, 2015: ₹ 1.55 Crore) and Other money for which the Company is Contingently Liable, Corporate Guarantees Given ₹ 4159.78 Crore (2016: ₹ 10.52 Crore, 2015: ₹ 34.54 Crore), Bank Guarantees ₹ 0.15 Crore (2016: ₹ 0.57 Crore, 2015: ₹ Nil).

Share in the Contingent Liabilities of Associate Company and Joint Ventures ₹ 38.00 Crore (2016: ₹ 38.29 Crore, 2015: ₹ 8.68 Crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Group, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Group.

44. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 81.96 Crore (2016: ₹ 68.78 Crore, 2015: ₹ 38.07 Crores).

45. Payment to the Auditor (Inclusive of Service Tax)

(₹ in Crore)

	2016-17	2015-16
Statutory Audit Fees	1.32	1.08
Other Expenses	0.03	0.03
Total	1.35	1.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46. For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the Entities in the Group	2016-17									
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income			
	As a % of Consolidated Net Assets	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)
Future Enterprises Limited	124.7%	3,810	101.1%	44	100.1%	296	100.2%	340		
Subsidiaries										
Future E-Commerce Infrastructure Limited	-1.3%	(40)	2.8%	1	0.0%	-	0.4%	1		
Futurebazaar India Limited	-0.1%	(2)	-0.1%	(0.1)	0.0%	0.00	-0.0%	(0.05)		
Future Media (India) Limited	0.1%	2	2.3%	0.1	-0.0%	(0.04)	0.3%	1		
Future Supply Chain Solutions Limited	9.6%	292	107.7%	46	-0.1%	(0.3)	13.6%	46		
Work Store Limited (Formerly Known as a Staples Future Office Products Limited)	2.4%	72	-6.4%	(2)	0.1%	0.2	-0.8%	(3)		
Office Shop Private Limited	-0.6%	(19)	-4.9%	(2)	-0.0%	(0.0)	-0.6%	(2)		
Bluerock eServices Private Limited	-0.5%	(14)	-47%	(20)	-0.0%	(0.01)	-6.0%	(20)		
Subtotal		4,100		67		296		363		
Intercompany Elimination and Consolidation Adjustments	-34.3%	(1,046)	-55.5%	(24)		-	-7.0%	(24)		
Total		3,054		43		296		339		
Non - Controlling Interest		124		(20)		(1)		(21)		
Associates (Investment as per Equity Method)										
Galaxy Entertainment Corporation Limited		(16)		(0.1)		-		(0.1)		
Joint Ventures (Investment as per Equity Method)										
Apollo Design Apparel Parks Limited		87		3		(0.0)		3		
Goldmohur Design and Apparel Park Limited		84		3		(0.0)		3		
Future Generali India Insurance Company Limited		166		9		5		14		
Future Generali India Life Insurance Company Limited		19		(2)		1		(2)		
Sprint Advisory Services Private Limited		191		(0.03)		-		(0.03)		
Shendra Advisory Services Private Limited.		111		0.02		-		0.02		
Grand Total		3,821		35		301		336		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2015-16

Name of the Entities in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)
Future Enterprises Limited	121.3%	3,463	51.2%	21	100%	159	90%	180
Subsidiaries								
Future E-Commerce Infrastructure Limited	-1.4%	(41)	-0.0%	(0.0)	0.0%	-	-0.0%	(0.0)
Futurebazaar India Limited	-0.1%	(2)	-0.0%	(0.0)	-0.0%	(0.0)	-0.0%	(0.0)
Future Media (India) Limited	1.5%	43	2.4%	1	0.0%	0.0	0.5%	1
Future Supply Chain Solutions Limited	8.6%	246	73.2%	30	0.0%	0.0	15%	30
Work Store Limited (Formerly Known as a Staples Future Office Products Limited)	2.6%	73	-22%	(9)	0.0%	0.0	-4.5%	(9)
Office Shop Private Limited	-0.6%	(17)	-4.9%	(2)	0.0%	-	-1%	(2)
Bluerock eServices Private Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Subtotal		3,765		41		159		200
Intercompany Elimination and Consolidation Adjustments	-31.8%	(909)	0.0%	-	0.0%	-	0.0%	-
Total		2,856		41		159		200
Non - Controlling Interest		65		(9)		(0.0)		(9)
Associates (Investment as per Equity Method)								
Galaxy Entertainment Corporation Limited		(16)		(0.0)		-		(0.0)
Joint Ventures (Investment as per Equity Method)								
Apollo Design Apparel Parks Limited		84		3		0.0		3
Goldmohur Design and Apparel Park Limited		81		3		(0.0)		3
Future Generali India Insurance Company Limited		127		(1)		(9)		(10)
Future Generali India Life Insurance Company Limited		7		(1)		(0.0)		(2)
Sprint Advisory Services Private Limited		177		(0.0)		-		(0.0)
Shendra Advisory Services Private Limited.		87		(0.0)		-		(0.0)
Grand Total		3,468		36		150		185

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

47. Disclosure on Specified Bank Notes (SBNs)

Details of Specified Bank Notes (SBN) Held and Transaction During the Period 08/11/2016 to 30/12/2016 is as under:

(₹ in Crore)

	SBNs*	Other Denomination	Total
Closing Cash in Hand as on November 8, 2016	0.07	0.11	0.18
(+) Permitted receipts	-	0.24	0.24
(-) Permitted payments	0.01	0.12	0.13
(-) Amounts deposited in Banks	0.06	0.04	0.11
Closing Cash in Hand as on December 30, 2016	-	0.19	0.19

48. Convertible Debentures

Optionally Convertible Debentures

₹ 95.80 Crore (2016: ₹ 95.80 Crore) As per the provisions of the Composite Scheme of Arrangement, the Group issued 10% Optionally Convertible Debentures, convertible at the option of the Group 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.

Compulsory Convertible Debentures

Terms/ rights attached to Zero coupon Compulsory Convertible Debentures (CCDs) are in accordance with the Securities Subscription cum Shareholders Agreement dated April 30, 2015 ("SSSHA") and the Articles of Association. Accordingly, the CCDs: -

1. Do not carry any interest;
2. Do not carry any voting and/or dividend rights, until the CCDs are converted into Equity Shares of the Company;
3. Are subject to Lock-in and other transfer restrictions;
4. Are compulsorily and mandatorily convertible into Equity shares after the expiry of the lock-in period;
5. Carry liquidity and exit rights, upon conversion into Equity Shares of the Company.

49. Composite Scheme of Arrangement

The Composite Scheme of Arrangement between the Group and Bharti Retail Limited ("BRL") 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 Group into BRL and Demerger of the Retail Infrastructure Business Undertaking of BRL into the Group 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 Group has been transferred to and vested in BRL. Accordingly, on May 18, 2016 BRL issued 42,78,60,296 Equity Shares to the shareholders holding shares on May 12, 2016 in the Group as per the Scheme. Further, all the assets and liabilities pertaining to Retail Infrastructure Business Undertaking of BRL has been transferred to and vested in the Group and accordingly, on May 18, 2016 the Group issued 4,34,78,261 equity shares to the shareholders holding shares on May 12, 2016 in BRL as provided in the Scheme.

50. The Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies an upside on the realization out of the shares of the two companies, subject to certain board terms and conditions.

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Ashok A. Trivedi

Partner

Membership No.: 042472

Mumbai

May 19, 2017

For and on behalf of Board of Directors

V. K. Chopra

Chairman & Director

S. Doreswamy

Director

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

Mumbai

Vijay Biyani

Managing Director

Bala Deshpande

Director

Deepak Tanna

Company Secretary

Kishore Biyani

Vice-Chairman & Director
London

FUTURE ENTERPRISES LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2017.

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

1. Anuraag Agarwal, Head-Strategy, Mergers & Acquisitions, 42, June 01, 2012, 17, Master of Management Engineering, 2,07,21,404, Berenson & Company; 2. Basil Keelor, Head Admin, 57, September 01, 2015, 12, Diploma, 58,23,000, BCL Secure Premise Pvt Ltd.; 3. Craig Wimsatt, Group President-Format Development, 55, October 01, 2015, 21, Alumnus, 3,51,53,402, Bharti Retail Ltd.; 4. Dinesh Maheshwari, Chief Financial Officer & Executive Director, 48, December 03, 2004, 20, CA, 1,36,63,123, Mukwand Group of Company; 5. Kaustubh Sonalkar, Group Chief People Office, 46, July 09, 2014, 22, BSC, 3,28,86,271, PWC; 6. Kishore Biyani*, Director, 56, June 01, 1991, 26, B.Com, PGD in Market Management, 21,43,300, Business; 7. Manoj Agarwal, Chief Transformation Officer, 45, October 05, 2011, 24, Others, 1,88,34,933, P&G; 8. Rajesh Kalyani, CFO-Property Division, 47, June 09, 1997, 24, CA and ICWA, 1,32,44,539, Paschim Chemical; 9. Rakesh Biyani*, Director, 45, April 01, 1997, 24, B.Com, Advanced Management Programme Havard Business School, 21,80,917, Business; 10. Sanjay Rathi, Head-Legal & Corp Governance, 51, February 01, 2007, 26, B.Com Accounts & Economics/ACS, 1,41,34,158, Sanjay Rathi and Associates; 11. Suyash Saraogi, COO Projects, 50, April 02, 2015, 27, BSC Economics, 1,91,68,470, Reliance Industries; 12. Vijay Biyani, Director, 57, September 26, 2009, 33, B.Com Accounts & Economics, 1,90,61,126, Business; 13. Vinay Bhatia, CEO – Group Loyalty & Analytics, 47, October 01, 2015, 17, MMS, 1,37,72,994, Shopper Stop; 14. Vishal Kapoor, Chief Design Officer, 43, June 15, 2002, 22, BA Fashion Design, 1,03,78,570, Shopper Stop 15. Vinod Bidarkoppa, Group CIO, 47, August 10, 2015, 23, MBA, 1,98,39,452, Tesco.

“*” denotes employed part of the year

Notes:

1. Nature of employment is permanent and terminable by Notice on either side.
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 and Class B (Series 1) Shares of the Company.
4. Terms and conditions of employment are as per Company's Rules.
5. Gross Remuneration received shown in statement includes Salary, House Rent Allowance, Car Perquisites value/allowances as applicable, employer's contribution to Provident Fund and Superannuation Scheme, Leave encashment, Leave Travel Facility, reimbursement of Medical expenses and all allowances/ perquisites and terminal benefits, as applicable.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 19, 2017

V. K. Chopra
Chairman

