



**FUTURE CONSUMER LIMITED** (Formerly Future Consumer Enterprise Limited)  
Regd. Office : Knowledge House, Shyam Nagar, Off JVLR, Jogeshwari (East), Mumbai - 400 060  
(T) +91 22 6644 2200 | CIN: L52602MH1996PLC192090

4<sup>th</sup> September, 2021

To,  
Department of Corporate Services  
BSE Limited  
P. J. Towers, Dalal Street,  
Mumbai-400 001.  
**Scrip Code: 533400**

To,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
**Scrip Code: FCONSUMER**

Dear Sir/Madam,

**Sub.: Annual Report for financial year 2020-21 and Notice of Annual General Meeting of the Members of the Company.**

Please take note that the Twenty-Fifth Annual General Meeting of the Members of Future Consumer Limited (“AGM”) is scheduled to be held on **Wednesday, 29<sup>th</sup> September, 2021** at **11.00 a.m** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith Annual Report for the financial year 2020-21 together with Notice calling the aforesaid AGM.

The Annual Report for the financial year 2020-21 along with the Notice of the AGM is also made available on the website of the Company, [www.futureconsumer.in](http://www.futureconsumer.in).

Kindly take the same on record and acknowledge receipt of the same.

Thanking you,

Yours truly,  
For **Future Consumer Limited**

  
**Manoj Gagvani**  
Company Secretary & Head – Legal

**Encl.: As above**

## FUTURE CONSUMER LIMITED

**Corporate Identity Number (CIN):** L52602MH1996PLC192090

**Registered Office:** Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai – 400 060

**Tel. No:** +91 22 6644 2200 **Fax:** +91 22 6644 2201

**Email ID:** [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in) **Website:** [www.futureconsumer.in](http://www.futureconsumer.in)

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Future Consumer Limited (the “**Company**”) will be held on Wednesday, 29<sup>th</sup> September, 2021 at 11.00 a.m. through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Frederic de Mevius (DIN: 03359921), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Deepak Malik (DIN: 00662141), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. **Appointment of Mr. Jude Linhares (DIN:08314396) as a Director of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) read with the Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Jude Linhares (DIN: 08314396) who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member, proposing the candidature of Mr. Jude Linhares for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose term shall be liable to retire by rotation.”

#### 5. **Appointment of Mr. Jude Linhares (DIN:08314396) as an Executive Director of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196 and 203 and other applicable provisions, if any, of the Companies Act,2013 (the “**Act**”) and the Rules framed thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to consents and permissions from regulatory authorities / bodies as may be necessary and also subject to terms and conditions that may be imposed by such authorities / bodies while granting such consents and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include the “Nomination and Remuneration/ Compensation Committee” of the Company), consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded for appointment of Mr. Jude Linhares (DIN: 08314396) as an Executive Director of the Company, for a period of three years with effect from 29<sup>th</sup> April, 2021, who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary, expedient or desirable, including to make necessary applications, representations with the concerned authorities and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution and further to authorise one or more representatives of the Company to carry out any or all of the activities that the Board is authorised to do and to execute such further deeds, documents and writings that may be considered necessary and appropriate.”

#### 6. **Payment of Remuneration to Mr. Jude Linhares (DIN:08314396) Executive Director of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act,2013 (the “**Act**”) and the Rules framed thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to consents and permissions from regulatory authorities /bodies as may be necessary and also subject to the terms and

conditions that may be imposed by such authorities / bodies while granting such consents and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include the “Nomination and Remuneration/ Compensation Committee” of the Company), consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded to pay remuneration to Mr. Jude Linhares (DIN: 08314396), during his term as an Executive Director of the Company with effect from 29<sup>th</sup> April, 2021, more particularly as set out in the Explanatory Statement annexed to the Notice.

**RESOLVED FURTHER THAT** in the event of there being no profits or inadequacy of profits in any financial year during the currency of term of Mr. Jude Linhares as an Executive Director, the amount of remuneration and perquisites fixed as provided in the Explanatory Statement hereto shall be the minimum remuneration and perquisites payable to Mr. Jude Linhares, provided that the total remuneration by way of salary and perquisites shall be in accordance to the provisions as prescribed under the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter and vary the terms and conditions for payment of remuneration to Mr. Jude Linhares, in accordance with the provisions of the Act or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary, expedient or desirable, including to make necessary applications, representations with the concerned authorities and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution and further to authorise one or more representatives of the Company to carry out any or all of the activities that the Board is authorised to do and to execute such further deeds, documents and writings that may be considered necessary and appropriate.”

**7. Re-appointment of Ms. Ashni Biyani (DIN: 00058775) as Managing Director of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) and the Rules framed thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to consents and permissions from regulatory authorities / bodies as may

be necessary and also subject to the terms and conditions that may be imposed by such authorities / bodies while granting such consents and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include the “Nomination and Remuneration/ Compensation Committee” of the Company), consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded for re-appointment of Ms. Ashni Biyani (DIN:00058775) as Managing Director of the Company, for a period of three years with effect from 22<sup>nd</sup> May, 2021, who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary, expedient or desirable, including to make necessary applications, representations with the concerned authorities and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution and further to authorise one or more representatives of the Company to carry out any or all of the activities that the Board is authorised to do and to execute such further deeds, documents and writings that may be considered necessary and appropriate.”

**8. Payment of Remuneration to Ms. Ashni Biyani (DIN: 00058775) Managing Director of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) and the Rules framed thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to consents and permissions from regulatory authorities / bodies as may be necessary and also subject to terms and conditions that may be imposed by such authorities / bodies while granting such consents and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include the “Nomination and Remuneration/ Compensation Committee” of the Company), consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded to pay remuneration to Ms. Ashni Biyani (DIN:00058775), during her term as Managing Director of the Company with effect from 22<sup>nd</sup> May, 2021 on the existing terms and conditions, more particularly as set out in the Explanatory Statement annexed to the Notice.

**RESOLVED FURTHER THAT** in the event of there being no profits or inadequacy of profits in any financial year during the currency of term of Ms. Ashni Biyani as Managing Director, the amount of remuneration and perquisites fixed as provided in the Explanatory Statement hereto shall be the minimum remuneration and perquisites payable to Ms. Ashni Biyani, provided that the total remuneration by way of salary and perquisites shall be in accordance to the provisions as prescribed under the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter and vary the terms and conditions for payment of remuneration to Ms. Ashni Biyani, in accordance with the provisions of the Act or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary, expedient or desirable, including to make necessary applications, representations with the concerned authorities and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution and further to authorise one or more representatives of the Company to carry out any or all of the activities that the Board is authorised to do and to execute such further deeds, documents and writings that may be considered necessary and appropriate."

**9. Re-appointment of Mr. Adhiraj Harish (DIN: 03380459) as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) and the Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Adhiraj Harish (DIN: 03380459), an Independent Director of the Company who holds office as such upto 28<sup>th</sup> August, 2021 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, consent of the Shareholders of the Company (**"Shareholders"**) be and is hereby accorded for re-appointment of Mr. Adhiraj Harish as an Independent Director of the Company for a further term of 5 (Five) consecutive years with effect from 29<sup>th</sup> August, 2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as **"Board"**, which term shall be deemed to include the "Nomination and Remuneration/Compensation Committee" of the Company), be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion consider necessary, expedient or desirable and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution and further to authorise one or more representatives of the Company to carry out any or all of the activities that the Board is authorised to do and to execute such further deeds, documents and writings that may be considered necessary and appropriate."

**By Order of the Board of Directors**

**Manoj Gagvani**  
**Company Secretary & Head- Legal**  
**ACS: 10652**

Place: Mumbai  
 Date: 26<sup>th</sup> June, 2021

**Registered Office:**  
 Knowledge House, Shyam Nagar,  
 Off Jogeshwari Vikhroli Link Road,  
 Jogeshwari (East), Mumbai - 400 060

**NOTES:**

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (**"the Act"**), in respect of the Special Businesses to be transacted at the Annual General Meeting (**"AGM"**), is annexed hereto.
- 2) In view of the continuing COVID-19 pandemic and considering the social distancing norms, the Ministry of Corporate Affairs (**"MCA"**) has vide its General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 (collectively referred to as **"MCA Circulars"**) permitted the holding of AGM through VC/OAVM, without the physical presence of the Members at a common venue, subject to compliance of various conditions mentioned therein. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI Listing Regulations"**) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

- 3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 4) Corporate Members can authorize representative(s) to attend the AGM and are requested to send a certified copy of the Board Resolution authorizing their representative or the authority letter or power of attorney of the board of directors or other governing body of the body corporate authorizing their representative to attend and vote on their behalf at the AGM through email at [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in)
- 5) In compliance with the aforesaid MCA Circulars and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.futureconsumer.in](http://www.futureconsumer.in), website of the Stock Exchanges i.e. BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 6) Those Members, whose email address is not registered with the Company or with their respective Depository Participants, and who wish to receive the Notice of the 25<sup>th</sup> AGM and the Annual Report for the financial year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered with the Company. The process of registration of email ids is given in the instruction for evoting.
- 7) The quorum of the Meeting of the Shareholders shall be 30 (thirty) shareholders of the Company and the Shareholders attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 8) The Members of the Company had appointed M/s. S R B C & CO LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 years, to hold office from the conclusion of the 21<sup>st</sup> AGM of the Company till the conclusion of the 26<sup>th</sup> AGM of the Company, subject to ratification of their appointment by the Members at every AGM. In accordance with the provisions of Companies Amendment Act, 2017, which has been notified on 7<sup>th</sup> May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors in the notice calling this AGM.
- 9) The Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address;
- Link Intime India Private Limited  
C-101, Embassy 247, 1<sup>st</sup> Floor, L.B.S. Marg, Vikhroli (W), Mumbai – 400 083  
Tel. No. +91 22 4918 6000 Fax No. +91 22 4918 6060  
Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
- 10) The Securities and Exchange Board of India ("**SEBI**") has mandated submission of Income Tax Permanent Account Number ("**PAN**") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
- 11) As per the Press Release of SEBI issued on 28<sup>th</sup> March, 2018, SEBI has amended Regulation 40 of SEBI Listing Regulations for mandating transfer of securities of listed entities only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.
- 12) Pursuant to Section 72 of the Act read with the Rules made thereunder, Members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 duly filled, to the Registrar and Share Transfer Agents - Link Intime India Private Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
- 13) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- 14) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 28<sup>th</sup> September, 2021 through email on [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in). The same will be replied by the Company suitably.

- 15) The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act and the Certificate from Auditors of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be made available for inspection by the Members electronically during the AGM on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in).
- 16) All documents in respect of items referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically, upon request being sent by the Member on [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in). The aforesaid documents will also be available for inspection through electronic mode by Members during the AGM on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in).
- 17) The Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending request at [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in) mentioning their name, DP ID and Client ID/folio number, PAN and mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- 18) **Instructions and other Information for Voting through Electronic Means:**
- a) The Shareholders can join the Meeting through VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice and the Company may close the window for joining the VC/ OAVM facility 15 minutes after the scheduled time to start the Meeting. The facility of participation at the Meeting through VC/OAVM will be made available for 1000 members on first come first serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration/ Compensation Committee and Stakeholders Relationship Committee, auditors etc. can attend the Meeting without any restriction on account of first-come first-served principle.
- b) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations and the MCA

Circulars, the Company has provided the facility for voting through electronic means ("**E-voting**") so as to enable the Shareholders, to cast their votes on the resolution as set out in this Notice. The Members can cast their votes through E-voting from any place other than voting at the AGM ("**Remote E-voting**").

Accordingly, the Remote E-voting facility will commence from Sunday, 26<sup>th</sup> September, 2021 at 9.00 a.m. and will end on Tuesday, 28<sup>th</sup> September, 2021 at 5.00 p.m. The Company is also providing the facility of E-Voting during the AGM to the Shareholders attending the Meeting and who have not cast their votes through Remote E- Voting.

- c) The Company has engaged the services of The National Securities Depository Limited ("**NSDL**") for facilitating Remote E-voting and E-voting during the AGM to be held on Wednesday, 29<sup>th</sup> September, 2021. The Members who have cast their vote by Remote E-voting may also attend the AGM but shall not be entitled to cast their vote again at the AGM. In case a Member votes by both the modes then the votes cast through Remote E-voting shall prevail and the votes cast during the AGM shall be considered invalid. The Shareholders are requested to follow the instructions mentioned in Note below.
- d) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the cut-off date i.e. 22<sup>nd</sup> September, 2021. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- e) The Members whose names appear in the Register of Members / list of beneficial owners as on the cut-off date 22<sup>nd</sup> September, 2021 only shall be entitled to cast their vote electronically on the Resolution(s) set out in this Notice. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- f) Any person who becomes a Member of the Company after dispatch of this Notice and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2021, may obtain the User ID and password for Remote E-voting by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in).

However, if you are already registered with NSDL for Remote E-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.co.in](http://www.evoting.nsdl.co.in) or contact NSDL at the following toll free number 1800 1020 990 and 1800 22 44 30.

- g) Mr. Nilesh Shah (having Membership No. FCS- 4554 and COP No. 2631) or failing him, Mr. Mahesh Darji (having Membership No. FCS-7175 and COP No. 7809) representing M/s. Nilesh Shah and Associates, Practising Company Secretaries, have been appointed as the Scrutinizer to scrutinize the Remote E-voting process and voting done at the AGM in a fair and transparent manner.
- h) The Scrutinizer shall, after scrutinizing the votes cast by E-voting during the AGM and through Remote E-voting, not later than (2) two working days from the conclusion of the AGM make a consolidated Scrutinizer's report and submit the same to the Chairman.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in) and on the website of NSDL and shall also be communicated to BSE and NSE.

- i) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM, i.e. 29<sup>th</sup> September, 2021.
- j) **The instructions for Members for Remote E-voting are as under:**

**The Remote E-voting period begins on Sunday, 26<sup>th</sup> September, 2021 at 9.00 a.m. and ends on Tuesday, 28<sup>th</sup> September, 2021 at 5.00 p.m. The Remote E-voting module shall be disabled by NSDL for voting thereafter.**

**How do I vote electronically using NSDL e-Voting system?**


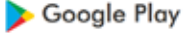


*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of provisions of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on "e-Voting facility provided by Listed Companies", Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDEAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDEAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43</p>
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**B) Login Method for E-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
<p>a) For Members who hold shares in demat account with NSDL.</p>	<p>8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p>
<p>b) For Members who hold shares in demat account with CDSL.</p>	<p>16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****</p>
<p>c) For Members holding shares in Physical Form.</p>	<p>EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>



5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

k) **Process for those shareholders whose email ids are not registered with the depositories for procuring Notice of AGM and the Annual Report for the financial year 2020-21 and user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

#### Process for registration of Email ID:

<b>Physical Holding</b>	Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a> and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number, e-mail ID, and also upload the image of share certificate and a duly signed request letter (upto 1 MB) in PDF or JPEG format.
<b>For Permanent Registration for Demat Shareholders</b>	Members are requested to register their e-mail address with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.
<b>For Temporary Registration for Demat Shareholders</b>	Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a> and follow the registration process as guided therein. Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail ID, and also to upload a duly signed request letter (upto 1 MB) in PDF or JPEG format.

Alternatively, Members whose email IDs are not registered with the Company and who wish to receive

Notice of AGM and the Annual Report for the financial year 2020-21 and also to participate in the AGM or cast their vote through Remote E-Voting or through E-Voting during the AGM, may obtain the login ID and password:

- i) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [e-voting@nsdl.co.in](mailto:e-voting@nsdl.co.in) and to the Company at [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in).
  - ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [e-voting@nsdl.co.in](mailto:e-voting@nsdl.co.in) and to the Company at [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
  - iii) In terms of provisions of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on "e-Voting facility provided by Listed Companies", Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- l) The instructions for Members for E-voting on the day of the AGM are as under:**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- m) Instructions for Members for attending the AGM through VC/OAVM are as under:**
1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps

mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**n) General Guidelines for shareholders**

- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [nilesh@ngshah.com](mailto:nilesh@ngshah.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in).
  - ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 19) The Company is concerned about the environment and utilizes natural resources in a sustainable way. To support "Green Initiative", the Members are requested to update their email address, with their concerned Depository Participant to enable us to send you necessary documents/communication via email. Members who hold shares in physical form are requested to register their e-mail address with Link Intime India Private Limited, Registrar and Share Transfer Agents.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 4, 5 & 6

The Board of Directors of the Company ("**Board**"), on the basis of recommendation made by the Nomination and Remuneration/Compensation Committee, had at their meeting held on 29<sup>th</sup> April, 2021 appointed Mr. Jude Linhares as an Additional Director of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, read with Rules framed thereunder, Mr. Jude Linhares shall hold office only up to the date of this Annual General Meeting.

Further, the Board on the basis of recommendation made by the Nomination and Remuneration / Compensation Committee, had at the said meeting, subject to approval of the Shareholders of the Company and such other consents and approvals that may be required, also designated Mr. Jude Linhares, as an Executive Director of the Company ("**Appointee**") for a period of three years with effect from 29<sup>th</sup> April, 2021 ("**Term**").

The Board had at the said meeting also approved payment of remuneration to Mr. Jude Linhares during his Term as an Executive Director of the Company.

The broad particulars of the terms of remuneration proposed to be paid to the Appointee is as under:

- a) Salary per annum in the scale of ₹ 2,70,00,000/- to ₹ 4,30,00,000/- during the Term as Executive Director of the Company.
- b) In addition to the remuneration stated above, the Appointee shall be entitled to permissible contributions to provident fund, other funds and payment of gratuity, which shall not be included in computation of the ceiling on perquisites plus other allowances and reimbursements as per Company policy.
- c) Increment in remuneration payable to the Appointee, as may be determined by the Board and / or the Nomination and Remuneration/Compensation Committee of the Company, shall be within the scale of remuneration under (a) above.
- d) It is clarified that employees stock options granted / to be granted to the Appointee, from time to time, shall not be considered as a part of perquisites under (a) above and that the perquisite value of stock options exercised shall be in addition to the remuneration mentioned thereunder.
- e) The Appointee shall not be paid any sitting fees for attending meetings of the Board and/or any of its Committee(s).

In terms of the provisions of Companies Act, 2013 read with Schedule V thereto, approval of the Shareholders of the Company is being sought by way of Special Resolution for appointment of Mr. Jude Linhares as an Executive Director and payment of remuneration to him,

for a period of three years with effect from 29<sup>th</sup> April, 2021, in excess of the limits prescribed under Schedule V of the Companies Act, 2013. The Company has on 7<sup>th</sup> May, 2021 implemented One Time Resolution Plan ("**OTR Plan**") in respect of the financial facilities availed from various banks and/or other financial institutions pursuant to circular for 'Resolution Framework for COVID-19-related Stress' dated 6<sup>th</sup> August, 2020 issued by Reserve Bank of India. With regards to outstanding payment to debenture holders, not forming part of OTR Plan, the Company has entered into settlement /deferment arrangement with them as per the revised terms thereunder. In view of the aforesaid, no prior approval of the bank or public financial institution or debenture holder or other secured creditor has been obtained by the Company for payment of remuneration to Mr. Jude Linhares, in terms of the provisions of Companies Act, 2013 read with Schedule V thereto.

As per the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice from a Member, proposing candidature of Mr. Jude Linhares, for the office of Director of the Company.

A brief profile of Mr. Jude Linhares, including nature of his expertise, is provided as a separate statement attached to this Notice as **Annexure 1**, as required under clause (iv) of proviso to Paragraph (b) of Section II of Part II of Schedule V to the Companies Act, 2013, which forms part of the Explanatory Statement.

Additional information as required to be provided pursuant to the requirements of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of the Appointee, is also provided under **Annexure 2** to this Notice and forms part of the Explanatory Statement.

The Agreement to be executed with Mr. Jude Linhares, providing terms for appointment and payment of remuneration is available for inspection by the members electronically during the AGM on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in).

Mr. Jude Linhares and his relatives, to the extent of their respective shareholding in the Company, if any, shall be deemed to be concerned or interested in the Resolution set out under Item No. 4, 5 and 6 of this Notice. None of the other Directors and / or the Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the Resolution(s) set out under Item No. 4, 5 and 6 of this Notice.

Your Directors recommend Resolution(s) proposed at Item No. 4, 5 and 6 of this Notice for your approval.

### Item No. 7 & 8

The Shareholders of the Company (“**Shareholders**”) had at the 22<sup>nd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> August, 2018 approved appointment of Ms. Ashni Biyani as a Managing Director of the Company for a period of three years with effect from 22<sup>nd</sup> May, 2018 and had also approved payment of remuneration to her.

Considering the immense contributions made by Ms. Ashni Biyani towards the business of the Company and on the basis of recommendation made by the Nomination and Remuneration / Compensation Committee, the Board of Directors of the Company (“**Board**”), had at their meeting held on 29<sup>th</sup> April, 2021, subject to approval of the Shareholders and such other consents and approvals that may be required, approved re-appointment of Ms. Ashni Biyani as the Managing Director of the Company (“**Appointee**”) for a further period of three years with effect from 22<sup>nd</sup> May, 2021 (“**Term**”) and payment of remuneration as per the terms mentioned hereunder.

Ms. Ashni Biyani has been mentoring brand entrepreneurs and has been instrumental in successful launching of new products and developing new brands for the Company. She has actively contributed towards entering new product categories and grabbing share of the consumer basket and achieving the overall vision of the Company of being recognized as India’s foremost consumer brands organization. In view of the same, the Board has considered it appropriate to appoint Ms. Ashni Biyani as the Managing Director of the Company for a further term of three years.

The broad particulars of the terms of remuneration proposed to be paid to the Appointee is as under:

- a) Salary per annum in the scale of : ₹ 2,40,00,000/- to ₹ 4,00,00,000/- payable during her Term as Managing Director of the Company.
- b) The Board shall be entitled to enhance the remuneration payable to Ms. Ashni Biyani, from time to time within the above scale, during the her Term as Managing Director of the Company.
- c) In addition to the remuneration stated above, the Appointee shall be entitled to permissible contributions to provident fund, other funds and payment of gratuity plus other permissible allowances, perquisites, club membership fees and reimbursements as per Company policy.
- d) Payment of commission of such amount in addition to remuneration mentioned under (a) above, as may be determined by the Board and/or the Nomination and Remuneration/Compensation Committee of the Company that may be permissible in terms of the provisions of the Companies Act, 2013.
- e) The Appointee shall not be paid any sitting fees for attending meetings of the Board and/or any of its Committee(s).

In terms of the provisions of Companies Act, 2013 read with Schedule V thereto, approval of the Shareholders of the Company is being sought by way of Special Resolution for re-appointment of Ms. Ashni Biyani as Managing Director and payment of remuneration to her, for a period of three years with effect from 22<sup>nd</sup> May, 2021, in excess of the limits prescribed under Schedule V of the Companies Act, 2013. The Company has on 7<sup>th</sup> May, 2021 implemented One Time Resolution Plan (“**OTR Plan**”) in respect of the financial facilities availed from various banks and/or other financial institutions pursuant to circular for ‘Resolution Framework for COVID-19-related Stress’ dated 6<sup>th</sup> August, 2020 issued by Reserve Bank of India. With regards to outstanding payment to debenture holders, not forming part of OTR Plan, the Company has entered into settlement /deferment arrangement with them as per the revised terms thereunder. In view of the aforesaid, no prior approval of the bank or public financial institution or debenture holder or other secured creditor has been obtained by the Company for payment of remuneration to Ms. Ashni Biyani, in terms of the provisions of Companies Act, 2013 read with Schedule V thereto.

A brief profile of Ms. Ashni Biyani together with other disclosures is provided as a separate statement attached to this Notice as **Annexure 1**, as required under clause (iv) of proviso to Paragraph (b) of Section II of Part II of Schedule V to the Companies Act, 2013, which forms part of the Explanatory Statement.

Additional information as required to be provided pursuant to the requirements of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of the Appointee, is also provided under **Annexure 2** to this Notice and forms part of the Explanatory Statement.

The Agreement to be executed with Ms. Ashni Biyani, providing terms for re-appointment as Managing Director and payment of remuneration is available for inspection by the members electronically during the AGM on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in).

Ms. Ashni Biyani and her relatives, to the extent of their respective shareholding in the Company, if any, shall be deemed to be concerned or interested in the Resolution set out under Item No. 7 and 8 of this Notice. Except Mr. Kishore Biyani, being relative of Ms. Ashni Biyani, none of the other Directors and/or the Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the Resolution set out under Item No. 7 and 8 of this Notice.

Your Directors recommend the Resolution proposed at Item No. 7 and 8 of this Notice for your approval.

**Item No. 9**

Mr. Adhiraj Harish, has been appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Rules framed thereunder as approved by the Shareholders of the Company (“**Shareholders**”) at the 20<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> August, 2016. In terms of the same, Mr. Adhiraj Harish holds office as an Independent Director of the Company upto 28<sup>th</sup> August, 2021.

The Board of Directors of the Company (“**Board**”), based on recommendation made by Nomination and Remuneration/ Compensation Committee and considering the performance evaluation report of Independent Directors, had at its meeting held on 26<sup>th</sup> June, 2021, recommended re-appointment of Mr. Adhiraj Harish (DIN: 03380459) as an Independent Director of the Company, for a further term of five consecutive years with effect from 29<sup>th</sup> August, 2021, subject to approval of the Shareholders.

Mr. Adhiraj Harish holds a Bachelors degree in Management Studies and a Masters degree in Legislative Laws (University of Mumbai). He is a member of the Bar Council of Maharashtra & Goa and has been practicing as an Associate at D.M. Harish & Co., Advocates, since 2011. His primary area of focus is real estate laws and he has been instrumental in successful completion of numerous real estate transactions. In addition to real estate, he also practices in the areas of Wills and Succession and the laws and practices with respect to international investments under the Foreign Exchange Management Act, amongst others.

The Nomination and Remuneration /Compensation Committee and the Board are of the view that in order to take advantage of Mr. Adhiraj Harish’s experience, it would be beneficial for the Company that he continues to serve on the Board as an Independent Director.

Mr. Adhiraj Harish is not disqualified in terms of Section 164 of the Act from being appointed as Director and has given his consent to act as an Independent Director of the Company. In the opinion of the Board and as confirmed by Mr. Adhiraj Harish, he fulfills the conditions for appointment as an Independent Director as specified under the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and is independent of the management.

The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Adhiraj Harish for the office of Director.

Additional information as required to be provided pursuant to the requirements of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2), in respect of Mr. Adhiraj Harish, is provided under **Annexure 2** to this Notice, which forms part of the Explanatory Statement.

Copy of the draft letter of appointment of Mr. Adhiraj Harish setting out the terms and conditions of appointment will be available for inspection for inspection by the members electronically during the AGM on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in)

Mr. Adhiraj Harish and his relatives, to the extent of their shareholding in the Company, if any, shall be deemed to be concerned or interested in the Resolution set out under Item No. 9 of this Notice. None of the other Directors and/ or Key Managerial Personnel of the Company and/ or their respective relatives are in any way concerned or interested in the Resolution set out under Item No. 9 of this Notice.

Your Directors recommend the Resolution proposed at Item No. 9 of this Notice for your approval.

**Annexure 1****STATEMENT AS REQUIRED UNDER CLAUSE (iv) OF PROVISIO TO PARAGRAPH (B) OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013**

<b>I GENERAL INFORMATION</b>				
1	Nature of Industry	The Company is an integrated food and FMCG company that operates across sourcing, processing, manufacturing, branding and distribution of food and FMCG products.		
2	Date or expected date of commencement of commercial production	Not Applicable		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company is an existing company.		
4	Financial Performance based on given indicators	<b>₹ in lakhs</b>		
		<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
		Total Income	64,921.48	3,09,233.50
		Profit / (Loss) After Tax	(41,076.02)	(30,565.42)
		Equity Share Capital	1,18,415.29	114,459.41
		Reserves & Surplus	(23,165.23)	19,821.04
		Basic and Diluted Earnings Per Share	(2.08)	(1.60)
		Note: All Figures for financial year 2020-2021, 2019-2020 and 2018-2019 are as per IND AS.		
5	Foreign investments or collaborations, if any	As on 31 <sup>st</sup> March, 2021, the Company has made investment in the following entity: 1. Aussee Oats Milling (Private) Limited, a subsidiary at Sri Lanka 2. FCEL Overseas FZCO, a subsidiary at UAE		

<b>II INFORMATION ABOUT THE APPOINTEE</b>			
		<b>Mr. Jude Linhares</b>	<b>Ms. Ashni Biyani</b>
1	Background details	Mr. Jude Linhares is a Mechanical Engineering graduate from Pune University with a Masters in Operations Management from Mumbai. He has over 30 years of experience across leading organizations such as Cadbury's, Marico, Reckitt Benkiser, Dabur (India & International).	Ms. Ashni Biyani has graduated as a textile designer at Srishti School of Art, Design and Technology in Bangalore. She has also attended courses on scenario planning at New York's Parsons School of Design and the Summer Institute of General Management at Graduate School of Business, Stanford University. She has been instrumental in bringing in designed thinking within the Future Group's business decision making.
2	Past remuneration	Prior to appointment of Mr. Jude Linhares as Executive Director of the Company, he was heading the Product Supply management function and his role includes New Product and Packaging Development, Procurement, Quality Assurance, Own Manufacturing facilities as well as third party manufacturers and was paid remuneration in terms of his employment with the Company. During the financial year 2020-21, Mr. Jude Linhares was paid remuneration of ₹ 174.75 lakhs plus perquisites not forming part of the remuneration.	During the financial year 2020-21, Ms. Ashni Biyani has been paid remuneration of ₹ 154.23 lakhs plus perquisites not forming part of the remuneration.

3	Recognition or awards	No such specific recognition or awards.	No such specific recognition or awards.
4	Job profile and suitability	<p>Mr. Jude Linhares has been associated with Future Consumer Limited since October 2018 and since then he has worked towards strengthening the backend through various strategic initiatives leading to improving profitability through capacity utilization at the India Foodpark, reduction in cost of goods sold through initiatives in procurement techniques, process improvements (Total Productive Maintenance, LEAN), developing innovative products and building a Quality Assurance culture across the organization.</p> <p>He is involved in the Business Planning &amp; New business development, Augmentation of negotiating capacity with key suppliers, Maintenance of desired inventory levels in order to enhance profitability, developing purchasing capacity.</p> <p>With his vast experience in the trading, procurement, business development, he is appropriately suitable for appointment as an Executive Director.</p>	<p>In her current role, Ms. Ashni Biyani leads a team that understands the nuances of Indian consumers. Championing the self-governing model of Holacracy, within the organisation, she is currently mentoring brand entrepreneurs and insuring a new self-organising culture. She has led the conceptualization and launch of various business formats across Future Group. She is currently focusing on creating futuristic food and fashion concepts.</p> <p>She has also co-founded "Holii" a fashion accessories brand in partnership with India's leading handbags and accessory brand Hidesign and has spearheaded the larger format Big Bazaar Family Center stores as its Concept Head. She lead the transformation of these larger size Big Bazaar stores and anchored them as community centres.</p> <p>With her experience in leading various business formats within Future Group, she is appropriately suitable for appointment as Managing Director.</p>
5	Remuneration proposed	As per the resolution at Item No. 6 of the Notice read with Explanatory Statement thereto.	As per the resolution at Item No. 8 of the Notice read with Explanatory Statement thereto.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person, in case of expatriates the relevant details would be w.r.t the country of his origin	Considering the experience and knowledge of Mr. Jude Linhares who is considered to be a thorough professional in the area of dealing into product supply management and manufacturing business and his contributions towards the business of the Company, the Board of Directors consider the proposed remuneration to be in line with the industry norms, size of the Company and the segment into which the Company carries on its business.	Considering the experience, knowledge and Contributions of Ms. Ashni Biyani towards the business of the Company and the position she occupies, the Board of Directors consider the proposed remuneration to be in line with the industry norms, size of the Company and the segment into which the Company carries on its business.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	<p>Mr. Jude Linhares holds 1,200 equity shares in the Company and also holds 14,00,000 stock options granted under FVIL Employees Stock Option Scheme -2014.</p> <p>Mr. Jude Linhares is not related to any Director and/or Key Managerial Personnel of the Company.</p>	<p>Ms. Ashni Biyani holds 67,169 equity shares in the Company. Ms. Ashni Biyani forms part of the Promoter and Promoter Group of the Company which holds 14.47% of the paid-up equity share capital of the Company.</p> <p>Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani, Promoter and Vice Chairman of the Company.</p>

<b>III</b>	<b>OTHER INFORMATION</b>	
1	Reasons of loss or inadequate profits	<p>The financial year 2020-21 has witnessed unprecedented time. Lockdown imposed due to the COVID-19 pandemic led to severe restrictions in movement of man and material causing severe supply-side constraints and demand constraints. During the financial year 2020-21,</p> <ul style="list-style-type: none"> <li>• Large percentage of stores remained shut due to government restrictions.</li> <li>• Discretionary spend declined due to unemployment, pay cuts and restrictions on movement due to the pandemic.</li> <li>• There have been disruption in manufacturing and supply chain operations due to lockdown, labour shortage and transportation bottlenecks.</li> <li>• Inventory build-up and stretched receivables resulted in shortfall in cash to fund operation.</li> </ul> <p>All the above contributed to lower revenue and profits.</p>
2	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> <li>• Promptly reconnected suppliers and ramped up production to refill stocks at stores</li> <li>• Ensuring availability of stocks at the store when lock down were eased out.</li> <li>• Optimization of supply chain and procurement cost.</li> <li>• Resource optimization and reduction in discretionary spending like marketing and promotion.</li> <li>• Obtained onetime restructuring of bank loan to ensure sufficient liquidity to fund our business.</li> </ul>
3	Expected increase in productivity and profits in measurable terms	<p>With the steps taken, the Company is expected to achieve sales and profitability of pre covid level assuming there is no further disruption.</p>
<b>IV</b>	<b>DISCLOSURES</b>	
		<p>The details of remuneration package of Mr. Jude Linhares and Ms. Ashni Biyani is as set out in the accompanying Notice. The Company makes appropriate applicable disclosures in the Directors' Report under the heading 'Corporate Governance' forming part of the Annual Report.</p>



**Annexure 2**  
**Information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment / re-appointment at the Annual General Meeting**

Name of Director(s)	Frederic de Mevius DIN: 03359921	Deepak Malik DIN:00662141	Jude Linhares DIN:08314396	Ashni Biyani DIN:00058775	Adhiraj Harish DIN:03380459
Date of Birth	26/11/1958	14/11/1967	21/10/1965	25/12/1984	13/12/1986
Age	62 years	53 years	55 years	36 years	34 years
Date of first appointment on the Board	09/11/2012	26/04/2016	29/04/2021	15/11/2014	01/09/2015
Qualifications	BA degree in Finance and Economics from the University of Louvain-la-Neuve.	Bachelor's degree in Economics from Delhi University, a Master's degree in Economics from the Delhi School of Economics and MBA from Cornell University	Mechanical Engineering graduate from Pune University with a Masters in Operations Management from Mumbai	Graduate in textile designing	Bachelors degree in Management Studies and Masters degree in Legislative Laws (University of Mumbai)
Experience and Expertise in Specific Functional Area	Investment and Private Equity. He founded Verlinvest, an investment holding company and has been its managing director. He is non-executive director of Verlinvest portfolio companies. He is also chairman or non-executive director of several charitable and cultural non profit associations in Belgium. He had an investment banking career in London and New York.	He is a Managing Director of the private equity team in Proterra Investment Partners ("Proterra"). He currently sits on the boards of various companies that Proterra's private equity funds have invested in. He joined Cargill in 1995 and worked in Cargill's Strategy and Business Development Group, where he managed corporate strategies and mergers and acquisitions within the petroleum, natural gas, coffee, grain and oilseeds, and meat industries.	He carries with him professional expertise in Product Supply management function and his role includes New Product and Packaging Development, Procurement, Quality Assurance, Own Manufacturing facilities as well as third party manufacturers. He has been associated with Future Consumer Limited since October 2018 and since then he has worked towards strengthening the backend through various strategic initiatives leading to improving profitability through capacity utilization at the India Foodpark, reduction in cost of goods sold through initiatives in procurement techniques, process improvements (Total Productive Maintenance, LEAN), developing innovative products and building a Quality Assurance culture across the organization.	She has been instrumental in bringing design-led thinking within the Group's business decision making. In her current role, she leads a team that understands the nuances of Indian consumers. She has led the conceptualization and launch of various business formats across Future Group. She is currently focusing on creating futuristic food concepts.	He has been practicing as an Associate at D.M. Harish & Co., Advocates, since 2011. His primary area of focus is real estate laws. He also practices in the areas of Wills and Succession and the laws and practices with respect to International investments under the Foreign Exchange Management Act.

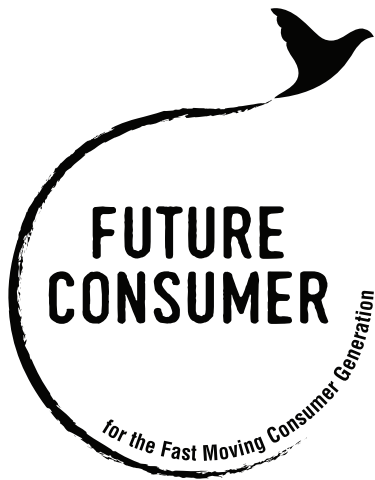
Name of Director(s)	Frederic de Mevius DIN: 03359921	Deepak Malik DIN:00662141	Jude Linhares DIN:08314396	Ashni Biyani DIN:00058775	Adhiraj Harish DIN:03380459
Terms and conditions of appointment	The Director shall be liable to retire by rotation.	The Director shall be liable to retire by rotation.	The Director shall be liable to retire by rotation and other terms and conditions as provided under resolution at Item No. 4, 5 and 6 of the Notice read with Explanatory Statement thereto.	The Director shall be liable to retire by rotation and other terms and conditions as provided under resolution at Item No. 7 and 8 of the Notice read with Explanatory Statement thereto.	The Director shall not be liable to retire by rotation.
Remuneration proposed to be paid	Payment of sitting fees for attending meeting of Board of Directors and Committees thereof.	Payment of sitting fees for attending meeting of Board of Directors and Committees thereof.	As per the resolution at Item No. 6 of the Notice read with Explanatory Statement thereto.	As per the resolution at Item No. 8 of the Notice read with Explanatory Statement thereto.	Payment of sitting fees for attending meeting of Board of Directors and Committees thereof.
Remuneration last drawn (including sitting fees, if any) for financial year 2020-21	₹ 2.50 lakhs	Not Applicable	₹ 174.75 lakhs	₹ 154.23 lakhs	₹ 4.50 lakhs
Number of Board meetings attended during the financial year 2020-21	7	7	Not Applicable	7	7
Directorships held in other listed companies (As on March 31, 2021)	None	None	None	None	<ul style="list-style-type: none"> <li>Advani Hotels and Resorts (India) Limited</li> </ul>
Directorships of other companies in India (As on March 31, 2021)	None	<ul style="list-style-type: none"> <li>Simply Fresh Private Limited</li> <li>Gemini Edibles &amp; Fats India Private Limited</li> <li>Citrus Processing India Private Limited</li> <li>Proterra Investment Advisors India Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Aussee Oats India Limited</li> <li>FCL Tradevest Private Limited</li> <li>Fonterra Future Dairy Private Limited</li> <li>The Nilgiri Dairy Farm Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Foresight Bullion India Private Limited</li> <li>Srishti Mall Management Company Private Limited</li> <li>Salaam Bombay Foundation</li> <li>Ambuja Cement Foundation</li> <li>Holi Accessories Limited</li> </ul>	<ul style="list-style-type: none"> <li>Aadhaar Wholesale Trading And Distribution Limited</li> <li>The Nilgiri Dairy Farm Private Limited</li> </ul>

<b>Name of Director(s)</b>	<b>Frederic de Mevius DIN: 03359921</b>	<b>Deepak Malik DIN:00662141</b>	<b>Jude Linhares DIN:08314396</b>	<b>Ashni Biyani DIN:00058775</b>	<b>Adhiraj Harish DIN:03380459</b>
Chairmanship/ Membership of the Committees of the Board of Directors of other listed companies (As on March 31, 2021)	None	None	None	None	<b>Advani Hotels and Resorts (India) Limited</b> <ul style="list-style-type: none"> <li>• Audit Committee- Member</li> <li>• Nomination and Remuneration Committee-Member</li> <li>• Stakeholders Relationship Committee-Member</li> </ul> None
Chairmanship/ Membership of the Committees of other companies in India (As on March 31, 2021)	None	None	None	None	None
Shareholding of Director(s) (As on March 31, 2021)	0	0	1,200 Equity Shares	67,169 Equity Shares	0
Relationship with other Directors / Key Managerial Personnel	Not related to any Director /Key Managerial Personnel.	Not related to any Director / Key Managerial Personnel.	Not related to any Director / Key Managerial Personnel.	Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani, Promoter and Vice Chairman of the Company.	Not related to any Director /Key Managerial Personnel.

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# FUTURE CONSUMER LIMITED



# ANNUAL REPORT 2020-21

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

Chairman, Independent Director

### **Kishore Biyani**

Vice Chairman

### **Ashni Biyani**

Managing Director

### **Adhiraj Harish**

Independent Director

### **Deepak Malik**

Nominee Director

### **Frederic de Mevius**

Director

### **Harminder Sahni**

Independent Director

### **Krishan Kant Rathi**

Director

### **Jude Linhares**

Executive Director

*(Appointed w.e.f 29<sup>th</sup> April, 2021)*

### **Neelam Chhiber**

Independent Director

## STATUTORY AUDITORS

M/s. S R B C & CO LLP

## BANKERS

State Bank of India

RBL Bank Limited

Kotak Mahindra Bank Limited

Cooperative Rabobank U.A.

HDFC Bank Limited

## REGISTERED OFFICE

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

Tel No.: +91 22 6644 2200

Fax No.: +91 22 6644 2201

Email ID : investor.care@futureconsumer.in

## CHIEF FINANCIAL OFFICER

Sailesh Kedawat

## COMPANY SECRETARY & HEAD-LEGAL

Manoj Gagvani

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

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

Tel No. : +91 22 4918 6000

Fax: +91 22 4918 6060

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

## WEBSITE

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

## CORPORATE IDENTIFICATION NUMBER

L52602MH1996PLC192090



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 25<sup>th</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Total Income	64,921.48	3,09,233.50	1,20,569.27	4,06,641.51
Profit / (Loss) before Exceptional Items	(30,482.46)	(1,054.20)	(39,479.23)	(8,602.57)
Share of loss in Associate Company and Joint Venture	N.A.	N.A.	(2,549.42)	(4,697.13)
Add/ (Less): Exceptional Items	(8,494.25)	(29,162.74)	(4,274.54)	(8,533.14)
Profit / (Loss) Before Tax	(38,976.71)	(30,216.94)	(46,213.19)	(21,832.84)
Profit / (Loss) After Tax	(41,076.02)	(30,565.42)	(48,330.77)	(21,650.28)
Profit / (Loss) After Share of Associates and Minority Interest	N.A.	N.A.	(48,330.32)	(21,582.77)

### BUSINESS OPERATIONS

Future Consumer Limited ("**FCL**" / "**Company**") is a next-generation Food and HPC company focusing on emerging categories and value-added space. Your Company focusses on extensive use of consumer data flowing in from its own and third-party distribution networks like modern retail and ecommerce to understand the consumers and meet their expectations. Your Company is set out to create brands amidst the largely unbranded foods business in India while also meeting the challenge of some of the large and well established brands with differentiated offerings in the HPC segments. Your Company has over the years successfully created a portfolio of differentiated products catering to a wide range of categories spanning across food, home care, personal care and beauty. Your Company has created a smarter product supply chain organization building synergies from back end to market.

During the year under review, the Company faced a difficult economic and business environment due to the COVID-19 pandemic and the subsequent lockdown and restriction in movement of goods and customers. In order to improve profitability, your Company started to regard procurement management as its priority and revamped the procurement function from manual procurement practices to E-procurement (E-REQ, Reverse Auction etc.) to promote data base and ethical sourcing to keep pace with business demand. The Company implemented E-procurement model and tied up with Vendx (Digital procurement platform) to transform procurement, basis changing global requirement, data driven, bias free approach.

The Company also took a holistic approach towards implementing Total Productive Maintenance or TPM. The TPM initiative at its units kicked off one year back and in January 2021 in the Centre of Plate (COP) units. Classroom and on-the-job trainings were imparted at Integrated Food Park (IFP), Tumkur, Indore, Nimrani, Hyderabad. The training methodology covered

all the employees, skilled labourers and contract labourers. The training modules covered the TPM basics, 5S, KAIZEN, autonomous maintenance (JH), OEE monitoring and 8 pillar approach and was conducted by TPM co-ordinators and then by the local team to cascade the training. TPM methodology was implemented across FCL manufacturing facilities and the Company also initiated energy saving projects on energy. Resource efficiency initiatives have been done at IFP and COP manufacturing facilities.

The Company continues to focus on delivering safe and healthy products to its customers. The Company ensures its "Caremate" hand wash range is Paraben & Triclosan free and its "IRAYA" range of personal care products are 100% vegetarian and are sulphate free and silicon free products and have no synthetic dyes. the Company's "Aroha" brand of soaps are 100% vegetarian and paraben free.

"Caremate" home care category products like deluxe kitchen rolls tissues are made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council. The brand also endeavors to source disposables that are biodegradable thus reducing the environmental burden.

"Think Skin" body wash range are Paraben free and do not contain formaldehyde releasing preservatives and micro beads. The "Kara" brand offers wipes that are made of viscous fibre and are 100% alcohol free & Paraben free. The "Puretta" baby liquid cleanser and laundry detergent are alcohol, phosphorus and fluorescent free and are ideal for washing all baby accessories, toys and any articles that come in contact with the baby.

The newly introduced "Terra" chips is a healthy range of snacks with no artificial ingredients like colour and flavor, gluten free, non-GMO and has no preservatives. During the year under review, the "Tasty Treat" fruit-based juices that now offer five different variants, reduced the quantity of sugar by 15-20%. The Company's mayonnaise range reduced the quantity of edible oil by 20%.

During the year under review, your Company has recorded revenue from operations of ₹ 1,18,451.32 Lakhs as against revenue from operations of ₹ 4,04,033.02 Lakhs in the previous year. EBITDA of the Company reduced from ₹ 5,902.23 Lakhs in the previous year to a loss of ₹ 27,457.83 Lakhs during the year under review. The loss after tax attributable to the Company increased from ₹ 21,650.28 Lakhs in FY20 to ₹ 48,330.77 Lakhs in FY21 primarily on account of expected credit loss recorded on trade receivables, limited operations due to the pandemic, and one time impairment costs of ₹ 4,274.54 lakhs recognised on account of losses on account of invocation of force majeure by major customer and impairment of brands during the year.

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

## FUTURE OUTLOOK

The year 2020-21 has been an unprecedented year with COVID-19 bringing the entire world to a standstill. The entire Country went into lockdown as mandated by the Government authorities. This significantly impacted the entire value chain with increased challenges on both the demand and supply side. With economic activities & people movement completely shut for months owing to national lockdown followed by local lockdowns, both market and public sentiment had taken a hit for a substantial part of the year. With the deceleration most pronounced in the manufacturing and agriculture sectors and muted consumption drove largely by macro-economic factors, the annual growth forecasts took a huge blow. The economy started opening up gradually. However the second wave of COVID-19 in March 2021 made the year end with significant disruptions yet again.

India and the World continue to be in the grasp of the global pandemic. While the Government has undertaken stringent containment measures, the trajectory and severity of this pandemic are yet to be known. However, the entire economy has seen an unprecedented slowdown. Given the uncertainty of this disruption, near-term visibility is difficult to ascertain presently.

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

During these times, while footfalls at offline retail slowed down, a new way consumption was adopted by Indian masses with e-commerce becoming an integral part of frequent daily

basket shopping. Your Company believes that habits formed in current times will tend to remain in the long term as well and so have been agile to adapt itself to ensure your Company's portfolio commands leading shares in the online basket. Your Company is focusing on changing orientation of all business and brand activities to make them Digital First. This will be phased out in a series of short term penetration, market share growth objectives, long term brand and loyalty building goals.

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

Your Company will use Future Retail's retail muscle to expand its distribution reach. However, it is also steadily expanding its reach outside of FRL stores. With a cluster wise launch approach, your Company will be entering in general trade stores with Home & Personal care brands leading the way. This will be done by leveraging existing distributor network of "Kara" and building a new base of distributors for higher reach. Your Company will also focus on taking JV brands like "Terra", "Dreamery" and "Oateo" across kirana stores.

Your Company will also take a focused drive on reaching out to more & more households using e-commerce as a platform with plans to scale up presence on existing e-retailers like Amazon, Nykaa where the brands are already present along with adding new channels like Tata Cliq, Purpelle & more.

The Company believes that there is immense opportunity to further grow our brands in existing FCL owned / franchised channels, Aadhaar & Nilgiris. These channels allow the Company to build a Controlled Distribution across categories and brands where the Company is present. Controlled distribution assists the Company in building a rich data eco-system which shall act as a key differentiator in the industry.

The fiscal 2022 had begun with the second wave of COVID-19 leading to another round of disruptions across the value chain. However, with a focused vaccination drive, the medium to long term opportunity seems promising. The Company strongly believes in India's growth potential & the way forward for FCL is to be on top of adapting to changing consumer preferences by making the brands Digital First, building a strong distribution network outside of FRL on the front end along with optimizing costs at backend, driving synergies and judiciously allocating resources, conserving cash and improving liquidity thereby enhancing stakeholder value.

## UNCLAIMED SHARES

In terms of the provisions of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), details about unclaimed shares in suspense account as on 31<sup>st</sup> March, 2021 are as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1 <sup>st</sup> April, 2020	1	600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 <sup>st</sup> March, 2021	-	-
Number of shareholders to whom shares were transferred from suspense account upto 31 <sup>st</sup> March, 2021	-	-
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 <sup>st</sup> March, 2021	1	600

The Company has opened separate suspense account with Central Depository Services (India) Limited and has credited the said unclaimed shares to this suspense account. The voting rights in respect of shares maintained under the suspense account shall remain frozen till the rightful owner makes any claim over such shares.

## TRANSFER TO RESERVES

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

## DIVIDEND

In view of the losses incurred and with an objective to conserve the resources, your Directors have not recommended any dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2021.

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

## SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors of the Company had, based on the recommendation of Audit Committee, approved the Composite Scheme of Arrangement between the Company and other Transferor Companies with Future Enterprises Limited ("**Transferee Company**" or "**FEL**") and their respective Shareholders and Creditors ("**Scheme**"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 *inter-alia* comprising of amalgamation of the Company along with other Transferor Companies with FEL.

The salient features of the Scheme *inter- alia* includes the following:

- Amalgamation of the Company along with other Transferor companies with FEL;
- Transfer and vesting of the Logistics and Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("**RRVL**");
- Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited a wholly owned subsidiary of RRVL ("**RRVL WOS**"); and
- Preferential allotment of equity shares and warrants of FEL to RRVL WOS.
- Upon the Scheme becoming effective, FEL shall issue 9 (Nine ) fully paid up equity shares of ₹ 2/- each to the equity shareholders of FCL as on the Record Date (as may be determined in terms of the Scheme) for every 10 (Ten) fully paid up equity shares of ₹ 6/- each of FCL.

The Scheme has been filed with Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") under the provisions of Section 230-232 and other applicable provisions of the Companies Act, 2013 and rules made there under. The NCLT has admitted the Scheme and further directions from NCLT are awaited with respect to the Scheme.

During the year under review, the Scheme of Arrangement between the Company, Athena and their respective shareholders and creditors ("**Athena Scheme**") filed with Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made there under was admitted and NCLT convened meeting of the equity shareholders of the Company was held on 6<sup>th</sup> August, 2020. The Athena Scheme was approved by the equity shareholders by requisite majority at the said meeting. Pursuant to the shareholders' approval, the Company had filed the Company Scheme Petition with the NCLT for seeking final approval. The Athena Scheme envisages acquisition of business undertaking of Athena Life Sciences Private Limited by way of demerger of the said business undertaking in the Company, with effect from appointed date as mentioned under the Scheme i.e 1<sup>st</sup> April, 2019. The Athena Scheme will be implemented after receiving approval from NCLT.

During the year under review, a Company Application with respect to Scheme of Arrangement for consolidation of few subsidiary companies by way of amalgamation of viz. Affluence Food Processors Private Limited, Genoa Rice Mills Private Limited, Avante Snack Foods Private Limited, FCEL Food Processors Limited and Future Consumer Products Limited ("**Transferee Companies**") with FCL Tradevest Private Limited, a wholly owned subsidiary of the Company ("**Transferee Company**") was filed by Transferor and Transferee companies

with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"). The NCLT had allowed Company Application vide its order dated 18<sup>th</sup> December, 2020. Thereafter, the Transferor and Transferee companies have filed Company Scheme Petition with NCLT on 17<sup>th</sup> March, 2021, which is now pending for admission at NCLT.

## INCREASE IN SHARE CAPITAL

During the year under review, your Company has issued and allotted:

- 4,95,15,599 equity shares to International Finance Corporation upon conversion of 21,000 Compulsorily Convertible Debentures and unpaid coupons thereon and
- 1,64,15,600 equity shares to Verinvest SA upon conversion of 6,962 Compulsorily Convertible Debentures and unpaid coupons thereon;

Consequent to the aforesaid, the issued, subscribed and paid-up capital of the Company increased from 1,92,11,09,680 equity shares of ₹ 6/- each to 1,98,70,40,879 equity shares of ₹ 6/- each.

## CONVERTIBLE SECURITIES

During the year under review, Illusie Produkt Private Limited ("Illusie"), a promoter group entity, has not exercised the option for conversion of 7,000 warrants issued on preferential allotment basis into equity shares of the Company and hence the said option has lapsed. Consequently, the amount of ₹ 17.50 Crore equivalent to 25% of the value of warrants, paid on subscription of the said warrants by Illusie, has been forfeited by the Company.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31<sup>st</sup> March, 2021, your Company had following Subsidiary and Joint Venture companies:

Sr. No.	Name of the company	Category
1.	Aadhaar Wholesale Trading and Distribution Limited	Subsidiary
2.	Affluence Food Processors Private Limited	Subsidiary of FCL Tradevest
3.	Appu Nutritions Private Limited	Subsidiary of NDFPL
4.	Aussee Oats India Limited	Subsidiary
5.	Aussee Oats Milling (Private) Limited	Subsidiary
6.	Avante Snack Foods Private Limited	Subsidiary of FCL Tradevest
7.	Bloom Foods and Beverages Private Limited	Subsidiary

8	Delect Spices and Herbs Private Limited	Subsidiary of FCL Tradevest
9.	FCEL Food Processors Limited	Subsidiary
10.	FCEL Overseas FZCO	Subsidiary
11	FCL Tradevest Private Limited ("FCL Tradevest")	Subsidiary
12.	Future Consumer Products Limited	Subsidiary
13.	Future Food and Products Limited	Subsidiary of FCL Tradevest
14.	Future Food Processing Limited	Subsidiary of FCL Tradevest
15.	Fonterra Future Dairy Private Limited	Joint Venture
16.	Genoa Rice Mills Private Limited	Subsidiary of FCL Tradevest
17.	Hain Future Natural Products Private Limited	Joint Venture
18.	Integrated Food Park Limited	Subsidiary of FCL Tradevest
19.	Illusie Trading AG (formerly known as Mibelle Future Consumer Products A.G.)	Joint Venture (under liquidation)
20.	MNS Foods Limited	Subsidiary of FCL Tradevest
21.	Nilgiris Franchise Limited	Subsidiary of NDFPL
22.	Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDFPL
23.	Sublime Foods Limited	Subsidiary of FCL Tradevest
24.	The Nilgiri Dairy Farm Private Limited ("NDFPL")	Subsidiary

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

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

The policy for determining material subsidiaries as approved by the Board of Directors of the Company is available on the website of the Company <https://futureconsumer.in/investors.aspx#policies-code>.

As on 31<sup>st</sup> March, 2021, FCL Tradevest Private Limited and Bloom Foods and Beverages Private Limited have been identified as material subsidiary of the Company as per the thresholds laid down under the aforesaid policy.



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

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

## FINANCIAL STATEMENTS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 ("IND AS") notified by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards with effect from 1<sup>st</sup> April, 2016. Accordingly, the Standalone and Consolidated Financial Statements of the Company and its subsidiaries, for the year ended 31<sup>st</sup> March, 2021 have been prepared in accordance with IND AS.

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

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

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided under Note No. 45 to Standalone Financial Statements of the Company, forming part of this Annual Report.

## RELATED PARTY TRANSACTIONS

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

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

All transactions entered into with related parties during the financial year under review were in the ordinary course of business and on an arm's length basis. The disclosure in respect

of material contracts or arrangements with related parties, as required under Section 134(3)(h) of the Companies Act, 2013 is made in Form AOC-2 which is annexed to this Report as **Annexure I**.

## INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS

The Company has an internal audit system commensurate with the size of the Company and the nature of its business. The Company has appointed KPMG as the Internal Auditors of the Company. The internal auditor prepares an annual audit plan based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. Improvements in processes are identified during reviews and communicated to the management on an ongoing basis. The Audit Committee of the Board monitors the performance of the internal auditors on a periodic basis through review of audit plans, audit findings and issue resolution through follow-ups. Each year, there are at least four meetings in which the Audit Committee reviews internal audit findings. Internal Audit function plays a key role in providing to both the management and to the Audit Committee, an objective view and re-assurance of the overall internal control systems and effectiveness of the risk management processes and the status of compliances with operating systems, internal policies and regulatory requirements across the Company including its subsidiaries. The Internal Auditors assist in setting Industry benchmarks and help us drive implement best Industry practice within our organization.

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

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

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

Based on the assessment carried out by the Company, the internal financial controls were adequate and effective and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed, during the financial year ended 31<sup>st</sup> March, 2021.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Board of Directors of the Company ("Board") on the recommendation of the Nomination and Remuneration/ Compensation Committee ("NRC Committee") had at their meeting held on 29<sup>th</sup> April, 2021, appointed Mr. Jude Linhares as an Additional Director of the Company with effect from 29<sup>th</sup> April, 2021. In terms of provisions of Section 161 of the Companies Act, 2013, Mr. Jude Linhares shall hold office as such up to the date of forthcoming AGM. Further, the Board had at the said meeting, subject to approval of the Shareholders of the Company at the forthcoming AGM and such other consents and approvals that may be required, also approved appointment of Mr. Jude Linhares as an Executive Director of the Company for a period of three years with effect from 29<sup>th</sup> April, 2021 and payment of remuneration to him as determined by the Board in accordance with the provisions of Companies Act, 2013 read with Schedule V and Rules framed thereunder.

Further, the Board had at their meeting held on 29<sup>th</sup> April, 2021, on the recommendation of the NRC Committee and subject to approval of the Shareholders of the Company at the forthcoming AGM and such other consents and approvals that may be required, re-appointed Ms. Ashni Biyani as the Managing Director of the Company for a period of three years with effect from 22<sup>nd</sup> May, 2021 and payment of remuneration to her as determined by the Board in accordance with the provisions of Companies Act, 2013 read with Schedule V and Rules framed thereunder.

The Board had also at their meeting held on 26<sup>th</sup> June, 2021, on the recommendation of the NRC Committee and pursuant to the provision of Regulation 17 of SEBI Listing Regulations, approved and recommended re-appointment of Mr. Adhiraj Harish as the Non- Executive Independent Director on the Board of Directors of the Company for a further term of 5 (Five) consecutive years with effect from 29<sup>th</sup> August, 2021, subject to approval of the Shareholders of the Company at the forthcoming AGM.

The Company has received declaration from Mr. Adhiraj Harish confirming that he meets the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Notice convening forthcoming Annual General Meeting includes the proposal for appointment /re-appointment of the aforesaid Directors. A brief resume of the Directors seeking re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") forms part of the Notice calling the AGM.

During the year under review, the Board had on recommendation of NRC Committee appointed Ms. Neelam Chhiber as an Additional Independent Director of the Company with effect from 25<sup>th</sup> June, 2020. Further, the Shareholders of the Company had at the 24<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> December, 2020, approved appointment of Ms. Neelam Chhiber as an Independent Director of the Company for a term of five years with effect from 25<sup>th</sup> June, 2020. The Board is of the opinion that Ms. Neelam Chhiber possess highest standards of integrity and requisite expertise and experience required to fulfil the duties as an Independent Director.

As on 31<sup>st</sup> March, 2021, none of the Directors are disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013. The Company has received individual declarations from following Independent Director(s) of the Company stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations:

- a) Mr. G. N. Bajpai
- b) Mr. Harminder Sahni
- c) Mr. Adhiraj Harish
- d) Ms. Neelam Chhiber

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

Mr. Rajnikant Sabnavis resigned as the Chief Executive Officer of the Company with effect from closure of business hours on 27<sup>th</sup> November, 2020. The Board wishes to place on record their appreciation for the contributions made by Mr. Rajnikant Sabnavis during his tenure of employment with the Company.

Further, Mr. Narendra Baheti has resigned as an Executive Director of the Company with effect from 29<sup>th</sup> April, 2021. The Board wishes to place on record their appreciation for contributions made by Mr. Narendra Baheti during his tenure as a member of the Board of Directors of the Company.

## MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2020-21, the Board of Directors met 7 (Seven) times on 10<sup>th</sup> April, 2020, 16<sup>th</sup> May, 2020, 10<sup>th</sup> July, 2020, 29<sup>th</sup> August, 2020, 8<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 5<sup>th</sup> February, 2021.

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

## AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2021, the composition of Audit Committee has been as under:

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

During the year under review, the Audit Committee met 6 (six) times on 10<sup>th</sup> April, 2020, 10<sup>th</sup> July, 2020, 29<sup>th</sup> August, 2020, 8<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 5<sup>th</sup> February, 2021.

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

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31<sup>st</sup> March, 2021, the composition of Corporate Social Responsibility Committee has been as under:

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

## RISK MANAGEMENT COMMITTEE

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of SEBI Listing Regulations, Risk Management Committee is in place and as on 31<sup>st</sup> March, 2021 the composition of Risk Management Committee has been as under:

- a. Mr. K K Rathi
- b. Ms. Ashini Biyani
- c. Mr. Sailesh Kedawat

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

## PERFORMANCE EVALUATION OF BOARD

The Board had carried out an annual evaluation of its own performance, board, committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations for the financial year 2020-21. The evaluation process was carried out through a web based application in terms of a structured questionnaire in accordance to the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

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

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

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

The overall performance evaluation process for functioning of Board and its Committees was based on discussions amongst the Board Members, Committee Members and responses shared by each Member. The Board and the Nomination and Remuneration Committee reviewed and discussed the performance of individual directors, the performance of the Board, its Committees. Performance evaluation of independent directors was done by the entire Board, excluding the Concerned independent director being evaluated.

The Board was of the opinion that there was considerable value and richness in the discussions and deliberations and has agreed for possible continuous improvisation and effectiveness in functioning of the Board and Committees.

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## BUSINESS RESPONSIBILITY REPORT

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

## VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

## NOMINATION AND REMUNERATION POLICY

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

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

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Policy is available on the website of the Company - <https://futureconsumer.in/investors.aspx#policies-code>.

## CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in accordance with Section 135 of the Companies Act, 2013. The Board of Directors of the Company have based on recommendations made by the CSR Committee formulated and approved Corporate Social Responsibility Policy ("CSR Policy") for the Company. The salient features of CSR Policy *inter-alia* comprises of framing of guidelines to make Corporate Social Responsibility ("CSR") a key business process for sustainable development of the society to directly/indirectly undertake projects/ programmes which will enhance the quality of life and economic well-being of the communities in and around our operations and society and to generate goodwill and recognition among all stakeholders of the Company.

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

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

## RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

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

It involves:

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

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

## AUDITORS AND AUDITORS' REPORT

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

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

## SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Your Company has undertaken Secretarial Audit for the financial year 2020-21 which, *inter alia*, includes audit of compliance with



the Companies Act, 2013 and the Rules made under the Act, SEBI Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Secretarial Standards issued by the Institute of the Company Secretaries of India. Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Sanjay Dholakia & Associates, Practicing Company Secretary (Membership No. 2655 / CP No.1798) to conduct the Secretarial Audit of the Company for financial year 2020-21.

The Secretarial Audit Report is annexed to this Report as **Annexure III**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY

Pursuant to provisions of Regulation 24A of SEBI Listing Regulations, Secretarial Audit was undertaken for two material subsidiaries of the Company – Bloom Foods and Beverages Private Limited and FCL Tradevest Private Limited. The Secretarial Audit Report for aforesaid material unlisted subsidiary companies is annexed to this Report as **Annexure IV-A and IV-B** and does not contain any qualification, reservation or adverse remark.

## PUBLIC DEPOSITS

Your Company has not been accepting any deposits from the public and hence there are no unpaid / unclaimed deposits or any instance of default in repayment thereof.

## ANNUAL RETURN

The Annual Return as on 31<sup>st</sup> March, 2021 in terms of provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rules thereto, is available on website of the Company - <https://futureconsumer.in/investors.aspx#financials-id>.

## PARTICULARS OF EMPLOYEES

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

In terms of the provisions of first proviso to Section 136(1) of the Companies Act, 2013, the statement containing particulars of top ten employees and the employees drawing remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is excluded from the Annual Report being sent to the Members of the Company and will be available for inspection

by the Members upto the date of forthcoming Annual General Meeting. If any Member is interested in obtaining a copy thereof or inspecting the same, such Member may write to the Company Secretary and the same shall be provided. The full Annual Report including aforesaid information is being sent electronically to all those members who have registered their email addresses and is also available on the website of the Company and Stock Exchanges.

## ANNUAL REPORT

In view of the continuing COVID-19 pandemic and in compliance with circulars issued by the Ministry of Corporate Affairs ("**MCA**"), viz. General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 (collectively referred to as "**MCA Circulars**") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.futureconsumer.in](http://www.futureconsumer.in), website of the Stock Exchanges i.e. BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## PARTICULARS OF EMPLOYEE STOCK OPTION PLAN

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

- a) FVIL Employees Stock Option Plan-2011 ("**FVIL ESOP-2011**")
- b) Future Consumer Enterprise Limited - Employee Stock Option Plan 2014 ("**FCEL ESOP - 2014**")

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

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

## MAINTENANCE OF COST RECORDS

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

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

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

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

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

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

### (A) Conservation of Energy

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

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

- a. An energy audit was conducted at India Food Park, Tumkur ("IFPL") by National Productivity Council (NPC) GOI. Implemented two major savings potential by the energy audit.
  - Energy savings by revision of contract demand to 2300KVA as per the load demand (KVA)-annual monetary savings ₹40 lakhs.(on going)
  - Energy savings by running 2MW solar rooftop PV plant continuously - annual monetary savings ₹ 169 lakhs.( on going)

- b. Facilities at India Food Park are instrumental in saving energy, each facility took stretched target of 25% optimization in electrical energy. Each facility implemented TPM, lean manufacturing to optimize the energy and achieved more than set target.
- c. The overall energy optimized at India Food Park is 0.65 GJ/Ton of production against target of 0.85 GJ/Ton of production. Realization of 23% less consumption for financial year 2020-21.
- d. Controlled shut down of freezer rooms resulted in savings of 250 kwh/ day at F&V facility.
- e. Rationalization in capacity utilization of freezer and movement of man and materials in the freezer room restricted temperature increase.
- f. Light circuit modification for auto power cut-off through installation of limit switches at cold chambers has resulted in savings of 100 kwh/ month.
- g. Effective utilization of steam from boiler by regular monitoring of briquette consumption to steam generation and water consumption to steam generation.
- h. Auto power factor correction (APFC) resulted in savings of 850 kwh/month.
- i. PNG is used as fuel for boiler operation and Oven operations by most of facilities at Food Park.
- j. Dedicated chimney has been installed for 125 and 250 KVA DG sets, which will help on effective stack monitoring and there by result less power diesel consumption.
- k. ₹ 0.77 / unit saving in Jan '21 (approx. ₹ 3.52L)
- l. Decline on per unit rate due to higher EB usage
- m. Solar usage to be improved – efficient monitoring has been put in place for daily tracking of load & solar usage
- n. CRS –condensate recovery system has been installed at F&V boiler and resulted in 3440 KL of water savings.
- o. LPG is replaced by PNG at IFPL. All the units are using PNG as fuel for their utilities
- (ii) **the steps taken by the Company for utilizing alternate sources of energy:**

India Food Park at Tumkur has installed 3MW solar power generating units by third party and solar power caters 35% of overall electricity consumption for India Food Park.
- (iii) **the capital investment on energy conservation equipments:**

The total capital investment on energy conservation equipment FY 2020-21 across all the business verticals of the Company and its subsidiaries is approximately ₹ 41 lakhs.

### Conservation of Water

- Water mapping done with mass balance study.
- Water flow meters are installed from source to all the appropriate locations to monitor the water consumption.
- Digital flow meter is installed at KIADB, IFPL water inlet for monitor the actual receipt of inlet water.
- Reuse, Recycle, Reduce method used to optimize the water consumption.
- The Company's water stewardship policy encourages water conservation efforts while monitoring, measuring and reporting progress against key performance indicators and complying with the local regulations.
- The overall water consumption is 2 KL/ton of production against target of 2.25 KL/ton production and there by optimized 11% of water usage.

### (B) Technology absorption

Total Productive Maintenance -TPM a holistic approach to implement TPM at our units kicked off 1 year ago and in January 2021 in the Centre of Plate ("**COP**") units. Classroom and on the job trainings were imparted at Tumkur, Indore, Nimrani, Hyderabad. The Training methodology covers all the employees, skilled labours & contract labour. Training modules on TPM basics, 5S, KAIZEN, Autonomous maintenance (JH), OEE monitoring and 8 pillar approach are done by the TPM co-ordinator and then the local team takes over the cascade training. TPM methodology is implemented across Company's manufacturing facilities and initiated energy saving projects on energy. Resource efficiency initiatives have been done at IFPL and COP manufacturing facilities.

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

### (C) Foreign exchange earnings and outgo

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

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: ₹ 1,994.35 lakhs

Particulars	Amount (₹ lakhs)
Goods Purchase	1,950.54
Royalty Fees	20.55
Sitting Fees	2.00
Retainership Fees	2.16
Marketing Expenses	19.10
<b>Total</b>	<b>1,994.35</b>

### GENERAL

1. The Company has neither issued any equity shares with differential rights as to dividend, voting or otherwise nor sweat equity shares and hence no disclosure is required to be made in respect of the same.
2. The Managing Director and Executive Director have not received any commission from the Company nor any remuneration in the form of salary/perquisites from any of its subsidiary companies.
3. There are no significant / material orders passed by the regulators/courts/tribunals during the year under review which would otherwise impact the going concern status of your Company and its future operations.
4. The Company has complied with the provisions regarding the constitution of the Internal Complaints Committee ("**ICC**") in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereto. To build awareness among the employees, the Company has been conducting inductions / refresher programmes in the organisation on a continuous basis. During the year under review, there were no reported instances of cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
6. There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.
7. The Company has completed implementation of One Time Restructuring ("**OTR**") Plan with the lenders on 7<sup>th</sup> May, 2021. The Company has not availed loan from the Banks or Financial Institutions after implementation of OTR plan and therefore there is no disclosure relating to difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

8. There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profit or loss of the Company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **ACKNOWLEDGEMENT**

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

**On behalf of the Board of Directors**

**G. N. Bajpai**  
**Chairman**

Date: 26<sup>th</sup> June, 2021  
Place: Mumbai

## FORM AOC-2

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

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

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

The Company has not entered into any contracts or arrangements or transactions with its related parties which are not on arm's length basis during the financial year 2020-21.

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

Sr. No	Name of the Related Party	Nature of Relationship	Nature of contract / arrangement/ transactions	Duration of the contract/ arrangement/ transactions	Salient Terms of the contract/ arrangement/ transactions	Date of Approval by Board, if any	Amount (₹ In Lakhs)
1	Future Retail Limited	Entities Controlled/ Having Significant influence by KMP and their Relatives	Sales	On Going	As per Purchase Order placed from time to time	31 <sup>st</sup> January, 2020	31,952.25
2	1. Future Lifestyle Fashions Limited; 2. Future Supply Chain Solutions Limited; 3. Future Market Network Limited; 4. Future Retail Limited; 5. Futurebazaar India Limited; 6. Acute Retail Infra Private Limited; 7. Basuti Sales & Trading Private Limited; 8. Brattle Foods Private Limited; 9. Chirag Operating Lease Co Private Limited; 10. Hare Krishna Operating Lease Private Limited; 11. Nice Texcot Trading & Agency Private Limited; 12. Nishta Mall Management Co Private Ltd; 13. Ojas Tradelease Mall Management Private Limited; 14. Precision Realty Developers Private Limited; 15. Rivaaz Trade Ventures Private Limited; 16. Syntex Trading & Agency Private Limited; 17. Taquito Lease Operators Private Limited; 18. Unique Malls Private Limited; 19. Future Enterprises Limited	Future Group entities	Composite Scheme of Arrangement u/s 230-232 of the Companies Act, 2013	Not Applicable	An arrangement under a Composite Scheme of Arrangement, <i>inter alia</i> , provides for Amalgamation of the Company (alongwith other Transferor Companies) with Future Enterprises Limited	29 <sup>th</sup> August, 2020	Nil

On behalf of the Board of Directors  
of Future Consumer Limited

Date : 26<sup>th</sup> June, 2021  
Place : Mumbai

G.N. Bajpai  
Chairman

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

## ("CSR") ACTIVITIES

Annexure II

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

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

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

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

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

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

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

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

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	Nil	Nil
	<b>Total</b>		

### 6. Average net profit of the company as per section 135(5) : ₹ 2570.93 lakhs

### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 51.42 Lakhs

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 51.42 Lakhs

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

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

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/ No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Relief of Poverty, providing of Educational and Medical facilities	Activity i) and ii) of Schedule VII	No	Across India		51.42 Lakhs	No	Sone Ki chidiya Foundation	CSR00013400
	Total					51.42 Lakhs			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 51.42 Lakhs

(g) Excess amount for set off, if any

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

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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) : **None**
- (b) Amount of CSR spent for creation or acquisition of capital asset. : **Nil**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicable**

**Ashni Biyani**  
Managing Director and Chairperson - CSR Committee



# SECRETARIAL AUDIT REPORT

Annexure III

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Future Consumer Limited**  
Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period); and
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

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

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

We further report that:

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

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

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

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

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

Further we have to state that we have not carried out the physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID-19 across the

Country. We have relied on the records as made available by the Company by digital mode and also on the Management Representation Letter issued by the Company.

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

**For SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**  
**Practicing Company Secretary**  
**Proprietor**

**Membership No. 2655**  
**C P No.: 1798**

**Place : Mumbai**  
**Date : 26<sup>th</sup> June, 2021**  
**UDIN : F002655C000519204**

#### ANNEXURE I TO SECRETARIAL AUDIT REPORT

To,  
 The Members  
**Future Consumer Limited**  
 Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**  
**Practicing Company secretary**  
**Proprietor**

**Membership No. 2655**  
**C P No.: 1798**

**Place: Mumbai**  
**Date: 26<sup>th</sup> June, 2021**  
**UDIN: F002655C000519204**

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

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the “Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit period)

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

- (i) Secretarial Standards [Meeting of Board of Directors (SS-1) and General Meetings (SS-2)] issued by The Institute of Company Secretaries of India.

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

**I further report that:**

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

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

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

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

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

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

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

Place : Mumbai

Date : 1<sup>st</sup> June, 2021

**Bhumika Desai**  
**Company Secretary**  
 ACS No.: 35550  
 C P No.: 22202  
 UDIN : A035550C000406965

#### Annexure

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations and norms is the responsibility of management. My examination was limited to the verification of procedure on test-check basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I have not carried out physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID-19 pandemic across the country. I have relied on the data / records as made available by the Company through electronic mode and also on the management representations obtained from the Company.

Place : Mumbai

Date : 1<sup>st</sup> June, 2021

**Bhumika Desai**  
**Company Secretary**  
 ACS No.: 35550  
 C P No.: 22202  
 UDIN : A035550C000406965

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

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the “**Act**”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit period)

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

- (i) Secretarial Standards [Meeting of Board of Directors (SS-1) and General Meetings (SS-2)] issued by The Institute of Company Secretaries of India.

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

The Board of Directors of the Company is duly constituted with three Non-Executive Directors as on 31<sup>st</sup> March, 2021. During the year under review, Mr. Rajnikant Sabnavis resigned as a Director of the Company with effect from 27<sup>th</sup> November, 2020. Subsequently, Mr. Amit Kumar Agrawal was appointed as an Additional Director of the Company with effect from 11<sup>th</sup> December, 2020. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

- The Board of Directors of the Company at their meeting held on 19<sup>th</sup> September, 2020, approved the Composite Scheme of Arrangement of Affluence Food Processors Private Limited (First Transferor Company) and Avante Snack Foods Private Limited (Second Transferor Company) and FCEL Food Processors Limited (Third Transferor Company) and Future Consumer Products Limited (Fourth Transferor Company) and Genoa Rice Mills Private Limited (Fifth Transferor Company) with FCL Tradevest Private Limited (Transferee Company) and their respective shareholders ("**Scheme**").

The petition seeking approval to the Scheme has been filed with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), on 17<sup>th</sup> March, 2021. The NCLT has fixed the hearing for admission of petition on 24<sup>th</sup> June, 2021.

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

Place : Mumbai

Date : 24<sup>th</sup> June, 2021

**Bhumika Desai**  
**Company Secretary**  
 ACS No.: 35550  
 C P No.: 22202  
 UDIN : A035550C000511344

#### Annexure

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations and norms is the responsibility of management. My examination was limited to the verification of procedure on test-check basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I have not carried out physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID-19 pandemic across the country. I have relied on the data / records as made available by the Company through electronic mode and also on the management representations obtained from the Company.

Place : Mumbai

Date : 24<sup>th</sup> June, 2021

**Bhumika Desai**  
**Company Secretary**  
 ACS No.: 35550  
 C P No.: 22202  
 UDIN : A035550C000511344

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary and Manager during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

Sr. No	Name of Director/KMP and designation	Remuneration of Director / KMP for Financial Year 2020-21 (₹ In Lakhs)	% increase in Remuneration for Financial Year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1	Ashni Biyani Managing Director	154.23	-	38.92
2	Narendra Baheti*	45.05	-	11.37
3	Rajnikant Tirumala Sabnavis# Chief Executive Officer	118.33	-	29.86
4	Manoj Gagvani Company Secretary & Head- Legal	72.88	-	18.39
5	Sailesh Kedawat\$ Chief Financial Officer	64.48	72	16.27

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

# Resigned with effect from 27<sup>th</sup> November, 2020

\$ appointed with effect from 10<sup>th</sup> April, 2020

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

In the financial year 2020-21, there was an increase of 32% in the median remuneration of employees on account of significant reduction in the head count.

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

There were 451 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2021.

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

The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2020-21 was 6% whereas the increase in the managerial remuneration for the same financial year was 3%.

- (v) **Affirmation that the remuneration is as per the remuneration policy of the Company**

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

## ANNEXURE VI

Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31<sup>st</sup> March, 2021

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014												
A	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note 35 in Notes to Standalone Financial Statements													
B	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	₹ (2.08)													
C	<b>Details related to ESOS</b>														
(i)	A description of each ESOS that existed at any time during the year including the general terms and conditions of each ESOS														
(a)	Date of Shareholders' Approval	10 <sup>th</sup> August, 2010 and 16 <sup>th</sup> January, 2012	12 <sup>th</sup> January, 2015 and 12 <sup>th</sup> May, 2015												
(b)	Total Number of Options approved under ESOS	5,00,00,000	Primary Route: 3,19,50,000 Secondary Route: 7,98,00,000												
(c)	Vesting Requirements	<table border="1"> <tr> <td>At the end of one year from the date of Grant</td> <td>30% of options granted</td> </tr> <tr> <td>At the end of two year from the date of Grant</td> <td>30% of options Granted</td> </tr> <tr> <td>At the end of three year from the date of Grant</td> <td>40% of options granted</td> </tr> </table>	At the end of one year from the date of Grant	30% of options granted	At the end of two year from the date of Grant	30% of options Granted	At the end of three year from the date of Grant	40% of options granted	<table border="1"> <tr> <td>At the end of one year from the date of Grant</td> <td>20% of options granted</td> </tr> <tr> <td>At the end of two year from the date of Grant</td> <td>30% of options granted</td> </tr> <tr> <td>At the end of three year from the date of Grant</td> <td>50% of options granted</td> </tr> </table>	At the end of one year from the date of Grant	20% of options granted	At the end of two year from the date of Grant	30% of options granted	At the end of three year from the date of Grant	50% of options granted
At the end of one year from the date of Grant	30% of options granted														
At the end of two year from the date of Grant	30% of options Granted														
At the end of three year from the date of Grant	40% of options granted														
At the end of one year from the date of Grant	20% of options granted														
At the end of two year from the date of Grant	30% of options granted														
At the end of three year from the date of Grant	50% of options granted														
(d)	Exercise price or Pricing formula	₹ 6	<p><b>Primary Route :</b> The exercise price per Option shall not be less than the face value of Equity Shares and shall not exceed market price of the Equity Share of the Company as on date of grant of Options, as may be decided by Nomination and Remuneration / Compensation Committee.</p> <p><b>Secondary Route :</b> The exercise price per Option shall not exceed market price of the Equity Share of the Company as on date of grant of Options or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher, as may be decided by Nomination and Remuneration / Compensation Committee.</p>												
(e)	Maximum term of Options granted	Three Years from the date of Vesting	Three Years from the date of Vesting												
(f)	Source of Shares (primary, secondary or combination)	Primary	Primary & Secondary												



(g)	Variation of terms of Options	Nil	Nil	
(ii)	Method used to account for ESOS - Intrinsic or fair value	Fair Value	Fair Value	
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	NOT APPLICABLE		
(iv)	Option Movement during the year (for each ESOS)			
		<b>FVIL ESOP-2011 (Primary Route)</b>	<b>FCEL ESOP-2014 (Secondary Market Route)</b>	<b>FCEL ESOP-2014 (Primary Route)</b>
a)	Number of Options outstanding at the beginning of the Period	Nil	1,27,25,000	36,31,000
b)	Number of Options granted during the year	Nil	7,27,793	Nil
c)	Number of Options forfeited / lapsed during the year	Nil	58,89,500	8,23,500
d)	Number of Options vested during the year.	Nil	22,76,000	Nil
e)	Number of Options exercised during the year	Nil	Nil	Nil
f)	Number of shares arising as a result of exercise of Options	Nil	Nil	Nil
g)	Money realized by exercise of Options	Nil	Nil	Nil
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Nil	Not Applicable
i)	Number of options outstanding at the end of the year	Nil	75,63,293	28,07,500
j)	Number of Options exercisable at the end of the year.	Nil	51,31,500	28,07,500

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note 35 in Notes to Standalone Financial Statements	
vi)	Employee wise details of options granted to:		
(a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)		Nil
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.		Nil
(c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.		Nil
vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer Note 35 in Notes to Standalone Financial Statements	
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	The fair value of each Option is estimated using the Black Scholes Option Pricing model.	
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour.	
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grant and vest.	

**Details related to Trust:**

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

**(i) General information on all schemes**

Sr. No.	Particulars	Details
1	Name of the Trust	Future Consumer Enterprise Employees Welfare Trust
2	Details of the Trustee(s)	Vistra ITCL (India) Limited (formerly known as IL & FS Trust Company Limited)
3	Amount of loan disbursed by Company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 3,921.10 lakhs
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee.	Nil
6	Any other contribution made to the Trust during the year	Nil

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

(a)	Number of shares held at the beginning of the year;	1,34,52,793
(b)	Number of shares acquired during the year through:	
	(i) primary issuance	Nil
	(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	Nil
(d)	Number of shares held at the end of the year	1,34,52,793

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

Sr. No	Particulars	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
a)	Held at the beginning of the year	1,34,52,793	0.81%
b)	Acquired during the year	Nil	-
c)	Sold during the year	Nil	-
d)	Transferred to the employees during the year	Nil	-
e)	Held at the end of the year	1,34,52,793	0.81%

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY OVERVIEW

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

### ECONOMIC & INDUSTRY OVERVIEW

The year 2020-21 was a challenging year for Indian economy due to the impact of COVID-19. In the first quarter of the Financial Year, the economy was severely impacted due to the national lockdown that required factories and logistics networks to be shut down, restricted movement of people and along with it trade and commerce. This resulted in the economy witnessing its worst ever contraction, with the GDP degrowing by 24.4% in the same quarter. The next quarter saw an improvement over previous quarter but local lockdowns kept hurting the economy and the GDP contracted by 7.3% in the second quarter, when compared with the same period in the last year. However, a V-shaped recovery helped close the year with GDP growing by 0.4% over the previous year.

FY21-22 has started yet again with surge in Covid-19 cases and local lockdowns, thus threatening the expected GDP growth of 11% for the year. However, the Government has increasingly focused rolling out what will be one of the largest vaccination program in the world, and the economy seems to be poised to rebound in the later part of the financial year.

India's economic and trade activity had already started returning to the Pre-Covid level in Q4 FY20-21 and as different states come out of local lockdowns to resume daily business activities, the economy is expected to go back to pre-covid level soon. One of the key economic indicators, GST collection, has continued its longest streak of crossing ₹ 1 lakh crore mark for consecutive 8 months. Even in the month of May 2021, when most big cities were in local lockdowns, the GST collections stood at ₹ 1.02 lakh crores showing signs of economy strengthening.

These factors have also shaped buying behaviours for consumers of the FMCG sector. With factors like pantry loading and panic buying consumption during lockdowns, growing in-home consumption and unhindered rural demand, the industry has maintained its growth momentum by growing at 9.4% in the quarter ended March 2021. The growth is higher as compared to previous quarter growth of 7.3%, showing another sign of strong economic recovery.

However, the first quarter of FY 21-22 hasn't been the best ones with demand in rural sector taking a hit pushing the growth down. With lockdowns easing, markets opening up, vaccination drives gaining momentum and on-time arrival of monsoons, the recovery is expected to be sooner and faster. Also, shifting preferences towards last mile delivery options, growth in organized modern trade and higher adoption of low cost online payment mode are further expected to strengthen organized sector. On the other hand, rural markets continue posting double digit growth in past few quarters, 14.6% in Jan-March quarter.

\* Source: NielsenIQ Indian FMCG Industry Outlook 2021

### BUSINESS AND PERFORMANCE OVERVIEW

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

During these times, while footfalls at modern retail slowed down, a new way of consumption was adopted by every section of urban customers with e-commerce becoming an integral part of frequent daily basket shopping. FCL believes that habits formed in current times will tend to remain in the long term as well and so have been agile to adapt itself to ensure your Company's portfolio commands leading shares in the online basket. Your Company is focusing on changing orientation of all business and brand activities to make them Digital-First. This will be phased out in a series of short-term penetration and market share growth objectives and long-term brand & loyalty building goals.

FCL strongly believes in India's growth potential and the way forward for FCL is to be on top of adapting to changing consumer preferences by making the brands Digital-First, building a strong distribution network outside of Future Retail Limited on the front end along with optimizing costs at backend, driving synergies and judiciously allocating resources, conserving cash and improving liquidity thereby enhancing stakeholder value.

FCL believes that there is immense opportunity to further grow our brands in existing FCL owned or franchised channels, Aadhaar & Nilgiris. These channels allow the Company to build a Controlled Distribution across categories and brands

where Company is present. Controlled distribution assists the Company in building a rich data eco-system which shall act as a key differentiator in the industry.

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

FCL's portfolio of Food and FMCG brands has sharpened its presence on online platforms that have been an ever more salient part of the consumer's world in a locked-down year. The online marketing toolkit of today uses multiple levers to drive brand awareness and sales. A combination of rich online content, user ecosystems where consumers share ratings and reviews of brands with one another, and search engine optimization that suggests FCL brands to consumers at every relevant moment, will continue to drive heart-, mind- and wallet-share for our brands in a post pandemic world.

FCL's brands are using these levers to ensure consistent, everyday salience on platforms such as shop.bb.com and Future Pay (via banner ads, notifications and m-coupons) as well as through social media handles. Topical and contextual brand prompts, regular communication of offers to our consumers across platforms through which we access small format and large format members (including WhatsApp) and constant cross-selling and re-selling efforts online are giving our brands added everyday relevance in the consumer's life.

## HUMAN RESOURCES

FCL had 451 employees as on 31<sup>st</sup> March 2021 vis-à-vis 1,289 on 31<sup>st</sup> March 2020. FCL strongly believes employees are one of the most critical and important assets of the organization. Employee wellness and wellbeing has been a matter of paramount significance over the past one year due to the pandemic. We ensured a safe working place for those teams who had to be physically present in our production units, warehouses and supply chain and shared health and sanitization norms not just for our office spaces, but also do's and don'ts for our own employees and those working with us in the eco system.

To facilitate remote working effectively, we helped sensitize leaders and managers to build regular channels of communication to effectively manage teams and achieve productivity. In order to keep employees engaged, we shared success stories of our covid warriors at Group level employee communication platform. Further, to upskill some of our critical talent, we provided opportunities of enrolling themselves in self-paced online courses by KNOLSKAPE.

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

## RISK, THREATS INTERNAL CONTROLS AND ADEQUACY

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

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

Enterprise Risk Management:

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

It involves:

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

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

### Internal Audit and Internal Financial Controls

The Company has an internal audit system commensurate with the size of the Company and the nature of its business. The Company has appointed KPMG as the Internal Auditors of the Company. The internal auditor prepares an annual audit plan based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls.

Improvements in processes are identified during reviews and communicated to the management on an ongoing basis. The Audit Committee of the Board monitors the performance of the internal auditors on a periodic basis through review of audit plans, audit findings and issue resolution through follow-ups. Each year, there are at least four meetings in which the Audit Committee reviews internal audit findings. Internal Audit function plays a key role in providing to both the management and to the Audit Committee, an objective view and re-assurance of the overall internal control systems and effectiveness of the risk management processes and the status of compliances with operating systems, internal policies and regulatory requirements across the Company including its subsidiaries. The Internal Auditors assist in setting Industry benchmarks and help us drive implement best Industry practice within our organization.

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

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

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

## REVIEW OF CONSOLIDATED FINANCIALS

The financial statements have been prepared in accordance with Indian Accounting Standards and the relevant provisions of the Companies Act, 2013 and Rules made thereunder, as amended/ re-enacted, from time to time, as applicable.

### Turnover

The Company has recorded consolidated turnover of ₹ 1,18,451.32 Lakhs in the fiscal year 2021 as against ₹ 4,04,033.02 Lakhs in last fiscal, a reduction of 70.7%. Our turnover consists of income from sale of products and other operating income by the Company and its subsidiaries.

### Cost of Goods Sold

Our cost of goods sold primarily includes costs in relation to purchases of finished goods and raw materials and other cost. Our cost of goods sold accounted for 91.7% and 87.1% of our turnover for fiscal year 2021 and fiscal year 2020 respectively.

### Employee Costs

Employee cost include salaries and bonuses to our employees, ESOP charges, contributions to provident funds and other funds as well as staff welfare expenses. During fiscal year 2021, employee benefit expenses amounted to 5.3% of turnover, as compared to 3.0% of turnover in fiscal 2020. Employee cost decreased by 47.3% compared to last year due to rationalization of employee costs during the year.

### Other Expenses

Other Expenses primarily include expenses towards payment of rent and fuel, power, water, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges etc. Other expenses accounted for 27.1% and 8.8% of turnover for fiscal year 2021 and fiscal year 2020, respectively, increasing primarily due to the Expected Credit Loss provision recognized on Trade Receivables during the year. Our overall Other Expenses for fiscal year 2021 decreased by 9.9% over fiscal year 2020.

### Interest and Financing Charges

Interest and financing cost primarily consist of interest on working capital loans, fixed loans and term loans. FCL incurred interest and financing charges of ₹ 7,229.50 Lakhs in fiscal year 2021, a decrease of ₹ 1,475.62 Lakhs over the previous fiscal year. The reduction is on account of reduced working capital requirements, and repayments of fixed term borrowings during the current and previous fiscal years. Interest and Financing Charges stood at ~11% on average borrowing balance.

### Depreciation and Amortization

For the year, Depreciation and Amortization expense has decreased from ₹ 7,045.05 Lakhs in fiscal year 2020 to ₹ 5,821.67 Lakhs in fiscal year 2021. The decrease is partly due to reduction in lease and other tangible assets during the year.

### Profit before Tax

FCL incurred a loss of ₹ 46,213.19 Lakhs for fiscal year 2021 vs a loss of ₹ 21,832.84 Lakhs for the fiscal year 2020. The increase in loss is mainly attributable to limited operations in the fiscal year 2021 due to the Covid-19 pandemic. Further the Company also reported Exceptional items in the fiscal year 2021 amounting to ₹ 4,274.54 lakhs.

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

Losses on account of JVs, Subsidiaries and Associates and minority interest stood at ₹ 2,459.42 Lakhs in fiscal year 2021 vs ₹ 4,697.13 Lakhs for fiscal year 2020. The losses attributable to Aussee Oats Milling (Private) Limited, Hain Future Natural Products Private Limited and Fonterra Future Dairy Private Limited have reduced as these businesses have started to

gain traction. Further, losses attributable to Illusie Trading AG, formerly Known as Mibelle Future Consumer Product AG, have ceased as the Company has discontinued operations of the same since the previous fiscal year.

#### Profit after Tax

Loss for fiscal year 2021 was ₹ 48,330.77 Lakhs, vis-a-vis ₹ 21,650.28 Lakhs in the fiscal year 2020.

#### Exceptional Items

The Company has always believed that prudence is one of its key business virtues and has worked towards enhancing corporate governance framework. Due to Covid-19 pandemic and resulting lockdowns, one of the Company's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Company has recognised a loss of ₹3,558.80 lakhs which is included in exceptional items for the year ended March 31, 2021. Further, the Company has taken a non-recurring non-cash impairment pertaining to investment in Nilgiris ₹ 3,876.71 Lakhs, ₹ 515.74 Lakhs on Brand KBFP, ₹ 343 lakhs on investment in Sublime Foods Private Limited and ₹ 200 Lakhs on Brand Kara in the standalone books of FCL. In the consolidated books of the Company, the non-recurring impairments recorded amount to ₹ 4,274.54 Lakhs including ₹ 3,558.80 Lakhs on inventories subject to force majeure, ₹ 515.74 Lakhs on Brand KBFP, and ₹ 200 Lakhs on Brand Kara.

## SUMMARY OF BALANCE SHEET FINANCIAL POSITION

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

Fixed Assets declined from ₹ 81,818.25 Lakhs at the end of fiscal year 2020 to ₹ 68,622.44 lakhs at the end of fiscal 2021. This was mainly on account of discontinuance of Right-to-use assets ₹ 4,578.99 lakhs, depreciation and amortization ₹ 5,821.67 lakhs, impairment of brands ₹ 715.74 lakhs and transfer of assets of ₹ 3,743.25 Lakhs to Non-Current Assets Held for Sale.

### Other Non-Current Assets

Other Non-Current Assets decreased to ₹ 3,356.66 lakhs Lakhs for fiscal year 2021 from ₹ 6,555.61 Lakhs for fiscal year 2020 primarily due to decrease in net deferred tax assets.

### Financial Assets (Non-Current)

Financial Assets increased from ₹ 7,955.51 Lakhs for fiscal year 2020 to ₹ 15,794.24 Lakhs primarily on account of reclassification of loans given to joint ventures.

### Other Current Assets

Other Current Assets has reduced to ₹ 4,558.16 Lakhs for fiscal year 2021 from ₹ 16,619.11 Lakhs in fiscal year 2020 primarily due to reclassification of loans given to joint ventures.

### Cash and Bank Balances

Cash & Bank Balances stood at ₹ 4,748.04 lakhs (fiscal year 2020: ₹ 5,904.06 Lakhs).

### Shareholders' Funds

As on 31<sup>st</sup> March, 2021 (fiscal year 2021), Shareholder's Funds of the Company amounted to ₹ 59,195.33 Lakhs (fiscal year 2020: ₹ 1,05,424.96 Lakhs). Decrease is primarily on account of losses of ₹ 48,330.77 Lakhs incurred during the year.

### Net Working Capital

As on 31<sup>st</sup> March, 2021, the Net Working Capital of the Company amounted to ₹ 48,593.68 Lakhs (fiscal year 2020: ₹ 62,006.86 lakhs), this included ₹ 5,693.02 Lakhs (fiscal year 2020: ₹ 16,620.12 Lakhs) of Inventories, ₹ 62,838.49 Lakhs (fiscal year 2020: ₹ 76,287.36 Lakhs) of Trade Receivables and ₹ 19,937.83 Lakhs (fiscal year 2020: ₹ 30,900.63 Lakhs) of Trade Payables. Net Working Capital Days increased to 166 days at the end of fiscal year 2021 from 55 days at the end of fiscal year 2020, on account of limited operations during the year.

### Borrowings

As on 31<sup>st</sup> March, 2021, the Company's Gross Debt stood at ₹ 62,379.62 Lakhs comprising Non-current borrowings of ₹ 16,970.53 Lakhs, short-term borrowings of ₹ 32,127.50 Lakhs, Lease Liabilities of ₹ 4,427.70 Lakhs and Current Maturities of long-term borrowings of ₹ 8,853.89 Lakhs (fiscal year 2020 Gross Debt: ₹ 69,554.57 Lakhs; Non-current borrowings: ₹ 22,381.67 Lakhs; Short-term borrowings: ₹ 31,537.01 Lakhs; Lease Liabilities ₹ 8,473.27 Lakhs and Current Maturities of long-term borrowings: ₹ 7,162.62 Lakhs). Long-term borrowing repayment of FCL is split evenly over a tenure of five years providing necessary liquidity in the medium term. The decrease in borrowings was primarily on account of repayment of Term Loans, reduction in utilization of Working Capital facilities and CCDs converted during the year.

### Details of Significant Changes in Key Financial Ratios

#### 1. Debtors Turnover

Debtors Turnover ratio increased from 65 days at the end of fiscal year 2020 to 214 days at the end of fiscal year 2021 primarily on account of limited operations during the current year.

## 2. Inventory Turnover

Inventory Turnover ratio has increased from 21 days of Cost Of Goods Sold (COGS) at the end of fiscal year 2020 to 37 days of COGS at the end of fiscal year 2021 primarily on account of limited operations during the year.

## 3. Payables Turnover

Payables Turnover ratio increased from 32 days of COGS for fiscal year 2020 to 85 days for fiscal year 2021 primarily on account of limited operations during the year.

## 4. Interest Coverage Ratio

Interest coverage ratio decreased from -3.66x for fiscal year 2020 to -11.47x for fiscal year 2021 primarily on account of losses incurred during the year.

## 5. Current Ratio

Current ratio reduced from 1.4x for the fiscal year 2020 to 0.8x for the fiscal year 2021, primarily on account of reclassification of loans given to joint ventures.

## 6. Debt to Equity Ratio

Debt to Equity ratio (calculated on net debt) stood at 1.0x for the fiscal year 2021 as compared to 0.6x for the fiscal year 2020. Increase in the ratio was due to reduction in equity on account of loss incurred during the current year.

## 7. Operating Profit Margin (EBITDA) %

EBITDA margin (EBITDA calculated as Earnings before Interest, Taxes, Depreciation and Amortisation, Exceptional Items and including Other Income (excluding interest income)) for the Company reduced to -23.2% for the fiscal year 2021 from 1.5% for the fiscal year 2020 due to the losses incurred during the year on account of limited operations, and exceptional costs.

## 8. Net Profit Margin (%)

Net profit margin (attributable to owners of the Company) has reduced to -40.8% for the fiscal year 2021 from -5.3% for the fiscal year 2020 due to the losses incurred during the year on account of limited operations, and exceptional costs.

## 9. Return on Net Worth (%)

Return on Net Worth reduced from -20.5% for the fiscal year 2020 to -81.6% for the fiscal year 2021 as net losses have increased during the current year on account of limited operations and exceptional costs.

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

### Subsidiary Companies:

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

Aadhaar, a wholly owned subsidiary of the Company, is in the business of rural and semi-urban wholesale and distribution of primarily fast-moving consumer products of the Company. It is actively pursuing wholesale distribution and franchisee models in this segment. Aadhaar is also pursuing low cost general trade access via hub and spoke model in the states of Gujarat, Punjab and Rajasthan. General trade store operating in a 100-kilometre radius of a hub can become a member ("Mitra"). These Mitras in turn will get an access to the Company's brands along with other FMCG products and shall also benefit from technology and systems expertise. These wholesale centers also cater to other businesses in the radius such as hotel, restaurants and canteens, FCL intends to improve its reach to rural India via this digital distribution model. Aadhaar has registered revenues of ₹ 21,548.05 Lakhs during the year (₹ 28,890.38 Lakhs in fiscal year 2020).

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

With origin in 1905, Nilgiris is a leading dairy and bakery brand in South India with a franchisee network of over 200 stores. The brand Nilgiris has grown to become a household name in the south India with consumers spanning successive generations. The brand has a unique portfolio, supported by manufacturing facilities for dairy. Nilgiris also has franchisee operated chain of convenience stores with a strong presence in urban centers across India's southern states. Nilgiris has registered consolidated revenues of ₹ 6,281.88 Lakhs for the fiscal year 2021 as compared to ₹ 17,862.67 Lakhs in fiscal year 2020. The Company has recorded an impairment of ₹ 3,876.71 Lakhs in the standalone books (₹ Nil in the consolidated financials) on the investment in Nilgiris during the year.

The subsidiaries of Nilgiris are mentioned as below:

- a) Appu Nutritions Private Limited
- b) Nilgiri's Mechanised Bakery Private Limited
- c) Nilgiris Franchise Limited, *formerly known as Nilgiris Franchise Private Limited*



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

Bloom, a wholly owned subsidiary of the Company, is predominantly engaged in the business of trading in all types of fruits and vegetables. Bloom has registered revenues of ₹ 34,341.80 lakhs (Fiscal year 2020: ₹ 66,833.80 Lakhs and Profit after Tax of ₹ 41.76 Lakhs for the fiscal year 2021 as compared to ₹ 651.61 Lakhs for the fiscal year 2020.

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

IFPL, a subsidiary of FCL Tradevest, has in partnership with the Ministry of Food Processing Industries, Government of India, set-up a state-of-the-art India Food Park facilitates which provides end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market. Equipped with world-class food processing units, storage capacity, cold storage unit and in-house pulping, dehydration and frying and roasting line, IQF, milling, flouring, spice and dal units, this massive park is spread across 110 acre land at Tumkur region in Karnataka. IFPL is home to several food processing firms where it enables them to work through a single window system. IFPL also houses other facilities such as effluent / sewage treatment plant, central canteen, meeting and conference rooms, office cabin, micrology lab and research and development lab.

IFPL has registered revenues of ₹ 1,787.05 lakhs during the fiscal year 2021 as compared to ₹ 3,065.54 Lakh in fiscal year 2020.

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

Aussee Oats operates a state-of-the-art "oats based" breakfast cereals manufacturing facility (EOU - Export Oriented Unit) in Sri Lanka through a Joint Venture initiative with SVA India Limited and the Company. The Company holds 50% plus one ordinary share of Aussee Oats. Aussee Oats predominantly focuses on manufacturing and sale of wide range of oats such as flavoured oats, steel cut oats etc.

During the financial year the company increased its capacity utilization and added a few large corporate customers. It also launched its own brand, "Oateo" across channels in the Indian market. A key feature of its own brands is its licensing tie up with Marvel Comics. The brand and packaging features the entire set of the very popular Avengers series and is expected to earn the attention of kids and other young adults. The company and its brand continued to see strong demand in the South Indian market during the year. The company plans to increase distribution network and reach in other states in the forthcoming year. Aussee Oats has registered revenues of ₹ 6,352.71 Lakhs for the fiscal year 2021 (converted into Indian Rupees at the exchange rate of USD 1= ₹ 74.2269).

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

Aussee Oats India is engaged in the business of selling, importing, primarily oats and oats based products in India. FCL Tradevest holds 50% plus one equity share of Aussee Oats India. Aussee Oats India has registered revenues of ₹ 2,765.23 Lakhs for the fiscal year 2021.

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

Sublime is engaged in the business of manufacturing convenient food products such as sauces, chutneys, condiments, dressings and mayonnaise for Company's brand - "Sangi's Kitchen". The manufacturing unit has been set up by Sublime Foods at the India Food Park, Tumkur, which mainly which produces dips and sauces such as sweet, chilli garlic, schezwan, mayonnaise, tamarind (imli), coriander & mint and Italian classic arrabiata and alfredo. It has capabilities to produce other variety of such food products such as jams, jellies, confectionery fillings, different types of cheese and few dairy products. These products are made in equipment imported from Italy with an automated manufacturing system to ensure safety and hygiene standards. FCL Tradevest owns 51% stake in Sublime Foods. Sublime has registered revenues of ₹ 674.04 Lakhs for the fiscal year 2021. The Company has recorded an impairment of ₹ 343 lakhs on it's investment in Sublime during the year.

8. **Avante Snack Foods Private Limited ("Avante Foods")**

Avante Foods was a subsidiary of Sublime Foods engaged in the business of manufacturing, processing, branding, packaging, warehousing and dealing in items in snack food category, fried chips of various fruits and vegetables, nuts and seeds based snacks, dehydrated fruits and vegetables snacks, extruded snacks made from rice and other grains and other food products. Avante Foods is now a subsidiary of FCL Tradevest with effect from 18<sup>th</sup> March, 2020 and shall be merged into FCL Tradevest as part of the proposed Composite Scheme of Arrangement.

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

MNS Foods, a subsidiary of FCL Tradevest is engaged in the business of manufacturing and trading of all kinds of wafer biscuits, chocolate enrobed wafer biscuits, confectionaries, bakery, cookies, pastries, cereals foods, canned foods, lemon drops, extruded foods, tinned fruits, preserved foods, nutrients, vegetables, fruits, jams, pickles, sausages, diet foods, toffees, chocolates and packaging activities. MNS Foods supports manufacturing of Tasty Treat wafer biscuits from its manufacturing facilities set up at India Food Park, Tumkur. FCL Tradevest holds 50.01% stake in MNS Foods. MNS Foods has registered revenues of ₹ 1,200.44 Lakhs for the fiscal year 2021.

**10. Future Food and Products Limited (“FFPL”) and Future Food Processing Limited (“FFPRL”)**

FFPL and FFPRL have been set up with the objective to focus on establishment of food processing units. These entities are subsidiaries of FCL Tradevest and were established with the purpose of setting up necessary infrastructural facilities at Nagpur. These companies are exploring opportunities to sell the land parcels held by them at Nagpur in the fiscal 2022.

**11. Future Consumer Products Limited (“FCPL”)**

FCPL has discontinued the brand “Sach” and shall be merged into FCL Tradevest as part of the proposed Composite Scheme for Arrangement.

**12. FCEL Overseas FZCO (“FCEL Overseas”)**

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

**13. FCEL Food Processors Limited (“FCEL Food Processors”)**

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

**14. FCL Tradevest Private Limited (“FCL Tradevest”)**

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

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

**15. Affluence Food Processors Private Limited (“Affluence”)**

Affluence is a subsidiary of FCL Tradevest which operates a combi mill facility at the India Food Park, Tumkur and has a capacity of 60,000 MTPA. Affluence reported revenues of ₹ 102.87 Lakhs during the fiscal year 2021. The Company shall be merged into FCL Tradevest as part of the proposed Composite Scheme of Arrangement.

**16. Genoa Rice Mills Private Limited (“Genoa”)**

Genoa is a wholly owned subsidiary of FCL Tradevest undertaking the business of manufacturing and distribution of rice and with an objective of developing the first national brand outside the Basmati rice space. Genoa is engaged in the business of processing, marketing and distribution of rice and has set up its milling and processing plant at India Food Park, Tumkur. Genoa generated revenues of ₹ 169.11 Lakhs during the fiscal year 2021. The Company shall be merged into FCL Tradevest as part of the proposed Composite Scheme of Arrangement.

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

**Joint Venture Companies:**

**1. Illusie Trading AG, formerly known as Mibelle Future Consumer Products AG**

The Company had entered into a joint venture arrangement with Swiss based Mibelle A. G., a division of Migros Group by forming a 50:50 joint venture company under the name Mibelle Future Consumer Products AG at Switzerland. The Company has approved the termination of said JV arrangement on May 27, 2020.

The name of Mibelle has been changed to Illusie Trading AG and the now the Company is in the process of liquidation.

**2. Hain Future Natural Products Private Limited (“Hain”)**

Hain is a 50:50 joint venture with Tilda Hain India Private Limited. Tilda Hain India Private Limited is part of Hain Celestial Group Inc., a leading organic, natural and better-for-you products and is listed on NASDAQ. Hain Celestial Group participates in almost all-natural categories with nearly 57 brands and introduced brands and products comprising Terra vegetable chips, Sensible Portions etc.

Hain had set up a state of art manufacturing facility for brands “Terra” and “Sensible Portions” at India Food Park, Tumkur with a frying capacity of over 2 million cases per year. The product was initially exported to Middle East and neighboring markets. During the current financial year, the team launched the “Terra” brand in India, with special SKU’s tailor made for the Indian consumer at an attractive yet premium price and great quality product.

While the initial feedback from customers and trade on the launch of “Terra” products in India was very heartening, it did get impacted by the lockdowns and closure of modern retail networks. Initial sales were slow, but the brand started gathering traction towards the second half of the year. In FY 22, the brand will be introduced in general trade across Mumbai, Pune, Bangalore, Delhi and few cities of Punjab will start this year. The business is on track to achieve targeted

numbers in FY 22 and is expected to break-even capacity utilization for the factory as well. The company has also planned launched of new flavors in the new financial year. Hain incurred a loss of ₹ 1,150.92 Lakhs in fiscal year 2021, which is an improvement of 29% over last year.

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

FCL and Fonterra Co-operative Group, a leading global dairy nutrition company have formed a 50:50 joint venture to meet the growing demand for high- quality dairy nutrition in India. The partnership will leverage Fonterra's global dairy expertise and Future Consumer's strong local consumer insights and distribution scale, to launch a full range of consumer and foodservice dairy products. Fonterra had launched products in 5 categories, including Tetra Pak milk, flavored milk, cheese slices, curd and flavored/Greek yogurt, in the second half of FY 2020. The pandemic and

associated lockdown impacted the distribution and sales of the products significantly. However, the company registered a bounce back from initial challenges during the first set of lock downs.

The company was able to new products and variants such in flavored milk, variants of cheese slices, ghee, variants of Greek yoghurt and other products. After the lockdown was over, the company restarted its activities with all distributors and are expecting a full recovery over pre-Covid run rate in FY22. The new launches were very well received in the market and the company's cheese products have earned loyal customers across distribution channels. The company has also re-started its supplies to the HORECA segment and expects to grow this significantly over the coming few months. Fonterra incurred a net loss of ₹ 2,883.86 Lakhs for fiscal year 2021, which is an improvement of 26%.

# BUSINESS RESPONSIBILITY REPORT

## Overview

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

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

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

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

The Directors of FCL hereby present the Business Responsibility Report ("**BRR**") of the Company for the financial year ended on 31<sup>st</sup> March, 2021, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52602MH1996PLC192090
2	Name of the Company	Future Consumer Limited
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futureconsumer.in
5	E-mail id	investor.care@futureconsumer.in
6	Financial Year reported	2020-21
7	Sectors/key products/services	1. Food - Branded Packaged Food Business (Groceries, Dairy, Beverages, Bakery, Snacks and Munch and other World Foods) 2. Home Care Products 3. Personal Hygiene Care Products
8	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	The Company operates in India and has presence in Sri Lanka through its subsidiaries.
	(b) Number of National Locations	FCL carries out business activities all over India with major manufacturing locations at Karnataka, Maharashtra and Haryana.
9	Markets served by the Company - Local/State/National/International	FCL predominantly serves national markets with exports to few Countries.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	INR 119,222.46 Lakhs
2	Total Turnover (INR)	INR 58,743.60 Lakhs (standalone)
3	Total profit /(loss) after taxes (INR)	INR (41,076.02) Lakhs (standalone)

Sr. No.	Particulars	Company Information
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year under review, the Company has spent ₹ 51.42 lakhs on CSR activities (equivalent to 2% of the average net profits of the Company made during the three immediately preceding financial years), as calculated under Section 198 of the Companies Act, 2013 ( <b>"the Act"</b> )
5	List of activities in which expenditure in 4 above has been Incurred	The Company has undertaken its CSR activities through an implementing agency "Sone ki Chidiya Foundation".

### SECTION C: OTHER DETAILS

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

### SECTION D: BR INFORMATION

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

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

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00058775
2	Name	Ms. Ashni Biyani
3	Designation	Managing Director
4	Telephone number	+ 9122 6644 2200
5	E-mail id	ashni.biyani@futuregroup.in

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

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

Principle 1 (P1) Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2 (P2) Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3 (P3) Businesses should promote the well-being of all employees.

Principle 4 (P4) Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5 (P5) Businesses should respect and promote human rights.

Principle 6 (P6) Businesses should respect, protect and make efforts to restore the environment.

Principle 7 (P7) Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8 (P8) Businesses should support inclusive growth and equitable development.

Principle 9 (P9) Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) **Details of compliance (Reply in Y/N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies conform to voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and is also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The functional heads of the respective departments oversee the implementation of the policies.								
6	Indicate the link for the policy to be viewed online?	<a href="https://futureconsumer.in/investors.aspx#policies-code">https://futureconsumer.in/investors.aspx#policies-code</a>								
7	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?*	N	N	N	N	N	N	N	N	N
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why	Not Applicable								

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

3. **Governance related to BR:**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company/ its Committees assess the various business responsibility initiatives undertaken by the Company on an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the BRR for the year 2020-21 forms part of the Annual Report, which is published annually. It is available on the website of the Company at - <a href="https://futureconsumer.in/investors.aspx#financials-id">https://futureconsumer.in/investors.aspx#financials-id</a> .

## SECTION E: PRINCIPLE WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

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

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

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

#### Governance

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

#### Vigilance Policy

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

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

There were no complaints received by FCL under the Vigil Mechanism and Whistle Blower Policy during the year ended 31<sup>st</sup> March, 2021.

#### Grievance Redressal Mechanism

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

#### Employee Grievance Mechanism

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

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

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

#### Investor Grievance Mechanism

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

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

#### Customer Grievance Mechanism

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

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

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

The product complaints obtained through offline and online interfaces are mapped on the CRM database, complaints registered through email and customer care phone number. Within 3 hours of receipt of complaint the customer service manager connects with the brand manager to investigate the complaint. Customers are updated about the actions taken and the customer service team ensures that necessary actions are taken.

Such consumer complaints are resolved promptly and effective escalation matrix is put in place to monitor and close the unresolved complaints. The Company endeavours to resolve complaints within 24 hours.

## Principle 2: Product stewardship

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

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

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

### Better –for-you range of Food Products

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

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

#### Desi Atta Company:

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

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

#### "Golden Harvest" and "Golden Harvest Premium":

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

#### Fresh and Pure:

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

## Healthy Snack and Drink options:

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

- Karmiq offers a range of dry fruits, berries, flavoured nuts and seeds that are a blend of nutrition and health combined with great taste.
- Roasted Nuts and Berry Mix: Good source of dietary fibre and iron, rich in zinc
- Trail Mix: Rich in dietary fibre, iron and antioxidants, Zero cholesterol
- Berry Mix: Rich in dietary fibre, iron and antioxidants
- Roasted and Salted Pumpkin Seeds: Good source of dietary fibre and vitamin E, rich in magnesium and zinc
- Sunkist through its detox range of fruit juices ensures fully natural juices with no added sugar.
- Sunkist range of jams contain no added sugar.
- Fresh and Pure tender coconut drink has no added sugar and is 100% coconut water.
- Sensible Portions offers consumers the ability to make sensible decisions as a Better-for-You snack and is available in single serve, sharing and family packs
- Product attributes: 30% less fat than the regular potato chip, gluten free, vegetable flours, and prepared in rice bran oils

## Conscious Personal and Home Care Product basket

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

- "Caremate" Hand wash range is Paraben & Triclosan free.
- 'Caremate', in the home care category produces deluxe kitchen rolls tissues made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council. The brand also endeavours to source disposables that are biodegradable thus reducing the environmental burden.
- 'Kara' brand of Wipes are made of viscous fibres that are 100% alcohol free & Paraben free.
- 'Puretta' Baby liquid cleanser and laundry detergent is alcohol, phosphorus and fluorescent free and is ideal for washing all baby accessories, toys and any articles that come in contact with the baby.



- TS Beauty Kajal: Paraben free, dermatologically tested, infused with aloe vera and jojoba oil which have anti oxidising properties.
- TS Lip Balms (3 variants) : Paraben free, dermatologically Tested.
- The Company also sources incense sticks, agarbattis, dhoop for its brand "Pratha" locally from small co-operatives and women entrepreneurs from Ahmedabad, Bangalore and Delhi.

#### Product Health and Safety

FCL has dedicated SOPs in place, KPI are set for each of quality parameters, and these KPIs are reviewed in monthly meetings. The Company has adequate systems in place for accessing and preserving quality and food safety related documents. Many of our manufacturing sites have undergone audits and certified for FSSC 22000, ISO 9001, and BRC. All our manufacturing units have obtained FSSAI license.

#### Conscious Product development (Environmental and social impact of products)

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

The personal and home care category brands in which the Company deals have begun embedding environmental consciousness during product development stage itself.

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

#### Promoting Healthy Foods:

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

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

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

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

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

The India Food Park has 22,000-tonne storage capacity, cold storage unit and in-house pulping, milling, flouring, spice & dal units and is spread across 101 acre land in Tumkur region in Karnataka. Within India Food Park, IFPL has its own processing units for agricultural commodities and fruits and vegetables. Currently, IFPL is operating its pulping, fruits and vegetables (F&V) packing, frozen F&V, spice grinding and packing, and frozen snacks in the Food Park.

#### Certifications

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

- Sublime Foods Limited unit in India Food Park that manufactures vegetable chutneys, culinary sauces and ketchup including processing and packing of emulsified products got certified for FSSC 22000 V 4.1 standard by TUV NORD.
- MNS Foods Limited unit in India Food Park that manufactures cream wafer biscuits got certified for FSSC 22000 V 4.1 standard by Intertek.
- Nilgiris Bakery unit and Nilgiris Dairy unit is certified against ISO 22000 standard.

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

#### **Food Safety Trainings**

#### **Food Safety Initiatives**

- Training provided on Internal auditing, ISO 22K standard, FSSC standard, personal hygiene, facility hygiene.
- FSMS documentation completed in F&V section. Commissioning and Handing over equipments systems and process implemented.
- Sampling plan for RM, In-process checks and FG put in place
- Food safety policy put in place and training imparted on 'Know Your Product' and 'General Market Practices'.
- Facility improvements - foot dips, hand wash stations, equipment upgradations.
- Provision of PPEs, safety shoes to employees.
- Environment monitoring, swab analysis, equipment swabs monitoring initiated
- Medical check-up and vaccination provided for all food handlers.
- Periodic Fumigation of Pasta at 3P unit & warehouses
- Product handling guidelines at stores
- Store and warehouse audits
- Manufacturing guidelines for 3P units.
- State of art NPD lab in place for developing new safe products
- Food safety compliance is made through the software "Complinity".
- Temperature monitoring control at cold room and DC to avoid spoilage issue.
- Training for COVID-19 precautions across all manufacturing units.

#### **Sustainable Sourcing**

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

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

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

In order to promote sustainability, the Company has moved to preferring CNG vehicles for transportation as per market availability. In addition, the Company is also actively pursuing usage of electric vehicles as and when this option becomes sustainable for longer routes of transportation. Usage of Silencer Filters in vehicles is being actively encouraged and audit protocols are in place to inspect vehicles as per prescribed Government regulations.

#### **Recycling**

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

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

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

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

The fiscal 2019-20 witnessed 10 MT \* of plastics saved through this initiative and during fiscal 2020 - 21 this initiative has saved more than 50 MT\* plastic by weight.

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

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

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

### Principle 3: Employee Welfare

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

#### Non Discrimination in recruitment and employment

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

The manpower at FCL as on 31<sup>st</sup> March, 2021 was 451 employees and workers.

No. of Permanent Employees			No. of Temporary/contractual workers			Total Manpower		
Male	Female	Total	Male	Female	Total	Male	Female	Total
405	46	451	709	235	944	1114	281	1395

#### Diversity and Women's Empowerment

The Company is striving to improve diversity in the workplace. The Company promotes diversity through the "Women in Leadership" Program that aims to identify and groom women having the potential. Currently women occupy 15% of the top management positions within the Company.

Group	Total Strength	No. of Female Employee	% of female employee to total strength
Band 1	148	4	3%
Band 2	174	18	11%
Band 3	89	18	20%
Band 4	26	4	16%
Band 5	14	2	15%
Total	451	46	11%

The Company provides several benefits for young women through tie-ups with organizations providing healthcare and crèche facilities under the Khushali program. During the reporting period 5% of female employees availed maternity leave, returned and continue to work during the close of the financial year.

#### Hiring and Promotion

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

#### Strengthening the Leadership pipeline

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

Employees are assessed on fair and equal basis through an integrated appraisal system and are rated by their reporting manager against the person's alignment to the Future Group values and set goals and targets for the reporting period.

#### Future Ready:

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

#### Khushali Program:

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

#### Housing benefits:

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

#### Health:

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

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

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

**Employee Welfare:**

The Company ensures access to safe drinking water and sanitary facilities that are adequate based on the working population at its units and offices and maintains a hygienic work environment comprising of:

- Every factory having their own wash room facility and periodic breaks are provided as per shift operation.

The Foodpark units ensure awareness is created amongst workers with regards to non-potable water supply systems and potable (drinking) water in local language.

- Each facility has a RO system and a 100 LPH water purification system at canteen. Drinking water availability is sufficient for all employees & contractor workers.
- Separate wash rooms is made available for both male and female at each factory and in the administration block of IFPL. Wash rooms are periodically cleaned daily as per checklist, pest control is undertaken weekly and related checklist are maintained and monitored by the HR/Admin team.
- Underground water storage facility is cleaned annually. The water treatment plant is maintained and water parameters are regularly checked.

**Employee incentives:**

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

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

\*Maximum three dependents.

**Employee Retention:**

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

**Employee growth, training and development and overall well-being**

Apart from physical and mental health, job skill analysis of employees ensure that they are well equipped with the knowledge

and skills required as per their job roles and responsibilities and are kept aware of the latest trends and competitive landscape to adapt themselves to business challenges

Business Unit	No. of trainings
Food Park and Manufacturing units	10
Centre of Plate	33
Corporate (Webinar)	16
Aadhaar	

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

**Health and Safety:**

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

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

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

The Company nurtures its employees through trainings that are skill/ knowledge based (including food safety, GMP, Kaizen,

**Emergency response plan and procedures:**

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

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

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

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

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

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

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

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

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

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

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

The scope broadly involved:

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

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

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

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

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

#### **Safety Program(s) undertaken at the Tumkur Foodpark FY 2020-21**

- Celebrated National Safety ( 4th March to 7th March 2021)
- New RPC at Jhundpur commissioned with zero accidents.
- Conducted mock drills and fire drills at manufacturing units ( COP units, own units, JVs and 3<sup>rd</sup> party at IFPL)
- Hazard Identification and Risk assessments are conducted across manufacturing units.
- HIRA and EAIR training imparted to ESMS coordinators of COP units
- Monthly Internal audits for the manufacturing facilities are conducted at COP and IFPL
- System for reporting and monitoring of various safety and environment parameters are religiously implemented.
- Various formats, checklist for implementation of health and safety are put in place and implemented across manufacturing units ( COP& IFPL)
- Permit to work system is in place for non-routine activities, permits used for general, hot, height and electrical work.
- Roles and responsibilities are defined for ESMS co-ordinators.
- EHS improvement projects have been successfully completed, completely utilized allotted EHS budget at IFPL and COP.
- IFPL and COP manufacturing units are 85% compliant on legal and statutory requirements.
- Training calendar defined and training are conducted accordingly.

- Safety Committee Meeting has been religiously conducted at COP & IFPL to review EHS performance.
- Investors (IFC and CDC) Environment & Social action plan – ESAP, action points have been completed.

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

#### Employee Safety Initiatives

- Task based PPEs provided to employees, encouraged them to maintain them properly.
- Provided 360° machine guarding for all the rotating parts.
- Working platforms have been provided with guard rails and chain protection to ensure fall from height.
- Employees have been trained on PTW system and encouraged them to use while they perform non-routine jobs.
- Job safety and job hazard analysis implemented for high/medium risk tasks
- Training calendar is in place, training and awareness session conducted
- Encouraged employees and contractor labours to report incidents, all the first aid above cases are investigated for root cause and CAPA are taken to avoid reoccurrence.
- Contractor safety (project site), daily tool box talks have been religiously followed, zero incidents reported for FY 20-21 during project and other non-routine jobs.
- Employee and contract labours participate in Mock drill/fire drills

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

First aid boxes are easily accessible to all and inventory is maintained. Training calendar is in place and accordingly trainings are conducted. During FY 2020-21, total 44 first aid cases were reported and 5 injury cases were reported.

#### COVID Initiatives

COVID 19 has impacted the Country and the entire world and the working environment has been disrupted due to the same. FCL is investing great time and efforts in creating a positive employee experience and keep its business running during these unprecedented times. Some initiatives taken-up by FCL for supporting its employees, customers, and communities during the pandemic are mentioned as follows:

- Thermal screening of all entrances at all manufacturing units, DCs and offices in order to check temperature before entry

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

#### Principle 4: Stakeholder Engagement

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

#### Investor Engagement

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

Senior management and the investor relations team holds regular meetings with its existing and potential shareholders, investors and analysts. The investor relations team assist the Board on key market issues to keep them informed on the market conditions and provides feedback on their views while taking a decision.

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

1. Road map for business of the Company considering the impact of COVID-19.
2. New products launches to be done in the current year and proposed steps towards brand building
3. Details of shares pledged by the Promoters and impact of invocation of pledge.
4. Mitigation plans to service the debt.
5. The status for completion of the scheme of merger with Reliance Group in light of ongoing litigations by Amazon.

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

#### Statutory Bodies

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

### Employee Engagement

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

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

### Supplier Engagement

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

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

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

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

### Customer Engagement

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

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

### Media Engagement

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

The Company sponsors various events with an objective to gain visibility for its brands through media coverages through print advertisements, press release and television advertisements and coverages as a recognized sponsor.

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

### Community Engagement

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

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

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

- Distribution of leg operated hand sanitizer to Tumkur police department
- Compost distribution to villagers
- Access roads to villages – roads levelled, pot holes covered.
- PPE Kit distribution to Tumkur Police Station
- 200 Food Kits distributed To Tumkur Police Department
- Plantation of trees and cleaning of local areas
- RO ( 100 LPH) at government higher primary school

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



### Principle 5: Human Rights

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

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

#### No Child Labour

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

#### No Forced Labour

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

#### Non- Discrimination

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

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

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

#### Working Hours and Fair Wages

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

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

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

#### Freedom of Speech

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

### Principle 6: Environment

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

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

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

FCL Environment policy is applicable to own facilities and extended to joint ventures, suppliers, 3P contractors. FCLs' Environment Management Systems (EMS) help them in identifying and assessing environmental risks, preventing and mitigating the environmental impact caused due to its operations and products. The Company monitors its environmental performance against key performance indicators and works towards increasing manufacturing efficiency, wastage reduction and enhancing capacity utilization. FCLs' Energy and Carbon Policy sets forth guidelines towards low carbon transformation through energy efficiency and sourcing energy from alternative and renewable sources.



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

#### Energy efficiency and climate stewardship:

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

During the reporting period, the Company consumed 32,98,767 KWH of energy. 35% of the total energy consumed at India Foodpark is derived from solar energy.

#### Environmental Risk and Control Measures

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
High requirements for power supply at Rice mills, cold storage and sauce manufacturing operations	<ul style="list-style-type: none"> <li>Depletion of fossil fuel</li> <li>Emission of greenhouse gases resulting in global warming</li> </ul>	Sourcing 35% power from a 3MW solar power plant	Continuous improvements by establishing energy efficient processes and optimize usage of electricity through process optimization
Energy wastages resulting from <ul style="list-style-type: none"> <li>Leakage of steam due to loose fittings/ wearing of joints or physical damage to the pipes</li> <li>Heat loss from pipes due to lack of insulation</li> </ul>	<ul style="list-style-type: none"> <li>Depletion of resource to increased need for energy</li> </ul>	Maintenance to ensure intactness of insulation	<ul style="list-style-type: none"> <li>'Repair worn insulations and install fresh insulations where repair not possible.</li> <li>Conduct preventive maintenance (PM) as per schedule</li> <li>Monitor the effectiveness.</li> </ul>

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

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

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

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

#### Water conservation

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

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

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

Energy – 0.65 GJ/MT of production FY 2020-21 against target 0.85 GJ/MT of production

Performance indicators are defined to monitor the water consumption.

Water - 2 KL/MT of production FY 2020-21 against target 2.25 KL/MT of production.

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

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

#### Environmental Risk and Control Measures

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
Requirement for large quantities of fresh water.	<ul style="list-style-type: none"> <li>Ground water depletion in the region in case of dependence on ground water;</li> <li>Contamination of ground or surface water sources in the region due to discharge of effluent;</li> <li>High energy consumption for treatment of raw or process water</li> </ul>	Minimal use of fresh water, recharge of ground water through Rain water Harvesting pond	To make arrangements for recharge pits on existing water lines, arrest of leakages, re use of used water wherever possible

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

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

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

**Wastewater Management**

During the reporting period, the Company discharged 53,620 KL of effluents responsibly vide common effluent treatment plants at India Food Park having 300 KLD capacity, treated water is reused it for landscaping purposes, which is within the operating consent from the concerned pollution control board. The quality of water discharged is also within the permissible limits.

**Air Emissions**

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

*Environmental Risk and Control Measures*

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

**Solid Waste management:**

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

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

**Waste Management Performance:**

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

*Environmental Risk and Control Measures*

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
Generation of large (or significant) quantities of organic waste due to <ul style="list-style-type: none"> <li>poor quality of raw materials or rotting of material due to prolonged storage.'</li> <li>Unavailability of process to convert to byproducts, fertilizers or energy.</li> </ul>	<ul style="list-style-type: none"> <li>Contamination of land, groundwater and/or surface water due to improper disposal of solid and liquid waste</li> </ul>	<ul style="list-style-type: none"> <li>Waste sent to scrap yard to be segregated for the different types, if mixed with other waste (E-Waste/Hazardous Waste/Solid Waste etc.)</li> <li>A composting pit for the solid waste is managed at IFPL</li> <li>minimising damages to cases by testing bags by falling from height tests</li> </ul>	<ul style="list-style-type: none"> <li>Procurement of raw materials to be carried out on a need to need basis and perishable items not to be stored within the site.</li> <li>To explore use of rejects after sorting/spillages as animal feed</li> </ul>
Plastic and paper waste generated from :- <ul style="list-style-type: none"> <li>Use of cling wraps on pallets</li> <li>Storage of frozen items</li> <li>Dryer and milling division</li> </ul>		<ul style="list-style-type: none"> <li>Establishing monitoring mechanisms for ensuring labeling and packaging is carried out as per requirements thus preventing over use.</li> <li>Utilizing cling wrap on pallets stored from third tier onwards in freezer, minimising excess use &amp; wastages.</li> <li>Segregation of waste into different coloured bins</li> <li>Disposing waste through registered vendors</li> </ul>	<ul style="list-style-type: none"> <li>Undertake process trainings</li> <li>Research on optimizing use of plastic, paper and cardboard for packaging.</li> <li>Explore use of alternatives to the existing mechanisms</li> <li>Establish mechanisms for buyback of plastic bottles</li> </ul>

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

### Mitigating Environmental Impact of Product Packaging

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

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

### FCL Strategy towards Sustainable Packaging Reduce

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

- The fiscal 2019-20 witnessed 10 MT \* of plastics saved through this initiative and during fiscal 2020 - 21 this initiative has saved more than 50 MT\* plastic by weight.

### Going forward

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

### Recycle

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

### Reuse

- The Company is working towards introduction of higher recycler content based rigid packaging as a pilot project.

### Replace

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

### Developing Easily Recyclable Plastic

- Edible Oil Laminate replaced with same family polymer structure for nearly 100MT Qty.
- Staples packaging under Golden Harvest using same polymer family through phased implementation in next one year.
- Use of flexo printing technology for laminates to facilitate non toluene environmental friendly / consumer safe inks. Already 17 SKUs completed and rest in pipeline.

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

### Principle 7: Public Advocacy

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

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

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

### Principle 8: Inclusive Growth

Inclusive growth and sustainability are key ingredients to achieving 'Happy Communities', hence these pillars form an

integral part of the Company's strategy. These pillars not only enable the Company to drive profit but also create positive contribution by responding effectively to local and national needs, thereby building and maintaining trust in and loyalty towards the brand.

#### **KOSH- Address Hunger Challenges**

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

#### **Creating Access to Clean Drinking Water**

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

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

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

#### **Corporate Social Responsibility**

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

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

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

During the reporting period, the Company was mandated to spend ₹51.42 lakhs on CSR projects as per an agreed plan, which was transferred to the SKC Foundation to be disbursed on projects and activities that improve livelihoods of organic farmers and address the nutritional criteria of their households during the upcoming reporting period.

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

#### **Principle 9: Customer Value**

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

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

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

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

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

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

#### **Product Labelling**

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

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

**Responsible marketing and communication**

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT

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

### COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

Corporate Governance for the Company comprises of processes and principles conforming to the highest standards which are reviewed periodically by the Board of Directors of the Company ("the Board") to facilitate effective entrepreneurial and prudent management that can deliver long-term success to the Company and continuing relevance, effectiveness and responsiveness for all stakeholders.

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

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

### BOARD OF DIRECTORS

#### Composition

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

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

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

As on 31<sup>st</sup> March, 2021, the number of directorship / committee membership / chairmanship of all the Directors is within the respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

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

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

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration/Compensation Committee has appointed Mr. Jude Linhares as an Additional Director and Executive Director of the Company with effect from 29<sup>th</sup> April, 2021. In terms of provisions of Section 161 of the Act, Mr. Jude Linhares shall hold office as such upto the date of forthcoming Annual General Meeting. Mr. Narendra Baheti resigned as an Executive Director of the Company with effect from 29<sup>th</sup> April, 2021.

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

During the financial year 2020-21, Seven meetings of the Board of Directors were held on the following dates:

10<sup>th</sup> April, 2020, 16<sup>th</sup> May, 2020, 10<sup>th</sup> July, 2020, 29<sup>th</sup> August, 2020, 8<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 5<sup>th</sup> February, 2021.

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

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

Video-conferencing facility is made available at the Board / Committee Meetings in case any Director is unable to attend but wishes to participate in the meetings through video conferencing. Further, during the financial year under review, due to the COVID -19 pandemic, meetings of the Board and its Committees, as well as the Annual General Meeting were held through two-way

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

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

Name of the Director	Category	No. of Board Meetings held during the financial year 2020-21	No. of Board Meetings attended by the Director during the financial year 2020-21	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee positions held including the Company*		Directorships in other listed company
						Chairman of the Committee	Member	
Mr. G. N. Bajpai	Chairman, Independent Director & Non-Executive Director	7	7	Yes	4	1	6	None
Mr. Kishore Biyani	Promoter, Vice-Chairman & Non-Executive Director	7	7	Yes	6	1	2	<ul style="list-style-type: none"> <li>Future Retail Limited (Executive Director, Chairman)</li> <li>Future Lifestyle Fashions Limited (Non -Independent and Non -Executive Director)</li> <li>Future Enterprises Limited (Non -Independent and Non -Executive Director)</li> </ul>
Mr. Frederic de Mevius	Non-Executive Director	7	7	No	0	0	0	None
Mr. K K Rathi	Non-Executive Director	7	7	No	3	1	6	<ul style="list-style-type: none"> <li>AU Small Finance Bank Limited (Independent and Non-Executive Director)</li> </ul>
Ms. Ashni Biyani	Managing Director	7	7	Yes	1	0	1	None
Mr. Adhiraj Harish	Independent Director & Non-Executive Director	7	7	Yes	2	0	4	<ul style="list-style-type: none"> <li>Advani Hotels and Resorts (India) Limited (Independent and Non-Executive Director)</li> </ul>
Mr. Deepak Malik	Non-Executive Director & Nominee Director	7	7	No	0	0	0	None
Mr. Narendra Baheti <sup>5</sup>	Executive Director	7	6	Yes	1	0	0	None
Mr. Harminder Sahni	Independent Director & Non-Executive Director	7	7	Yes	1	0	3	<ul style="list-style-type: none"> <li>Praxis Home Retail Limited (Independent and Non-Executive Director)</li> </ul>
Ms. Neelam Chhiber	Independent Director & Non-Executive Director	7	5	No	3	0	0	<ul style="list-style-type: none"> <li>Prestige Estates Projects Limited (Independent and Non-Executive Director)</li> </ul>

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

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

<sup>5</sup>Ceased to be Director with effect from 29<sup>th</sup> April, 2021.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place familiarization programme for the Independent Directors to familiarize them with their role and responsibilities and to enable them to understand the nature of industry in which the Company operates and the business model of the Company. Presentations are periodically made at the Board and Committee meetings *inter alia* covering the key traits of the Company as a FMCG organisation, its vision, strategy, operations, markets, brands, new product launches, budget, financial performance, risk management framework and internal control processes and for such other areas as may be considered necessary. The Independent Directors at the board meetings of the Company are regularly provided with an insight concerning several aspects of the Company's business and operations.

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

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

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

## MEETING OF INDEPENDENT DIRECTORS

During the financial year 2020-21, a separate meeting of the Independent Directors of the Company was held on 9<sup>th</sup> March, 2021, without the presence of Executive Directors or Management representatives.

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

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

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

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

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

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above. The Directors so appointed are drawn from diverse backgrounds and possess special skills in their respective areas. The skills, competence and core expertise of the Directors as on 31<sup>st</sup> March, 2021 is given below:



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

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

## COMMITTEES OF THE BOARD

In terms of applicable provisions of the Act and the SEBI Listing Regulations, the terms of reference of the Committees of Board are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year 2020-21 and attendance thereof is provided below.

### AUDIT COMMITTEE

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

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

### Terms of Reference

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- To approve transactions and subsequent modification(s) to the transactions of the Company with related parties;
- To scrutinize inter-corporate loans and investments of the Company;
- Valuation of undertaking or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the provisions of Companies Act, 2013 and Rules thereto and that of the Listing Agreement.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereunder and shall verify that the systems for internal control are adequate and are operating effectively.

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

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

#### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2021, the composition of the Audit Committee has been as under:

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

During the financial year 2020-21, six meetings of Audit Committee were held on the following dates: 10<sup>th</sup> April, 2020, 10<sup>th</sup> July, 2020, 29<sup>th</sup> August, 2020, 8<sup>th</sup> September 2020, 10<sup>th</sup> November, 2020 and 5<sup>th</sup> February, 2021

Attendance of the Directors at the Audit Committee Meetings held during the financial year 2020-21 is as under:

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

Mr. G. N. Bajpai Chairman of the Audit Committee was present at the last Annual General Meeting held on 29<sup>th</sup> December, 2020.

## NOMINATION AND REMUNERATION / COMPENSATION COMMITTEE

The Nomination and Remuneration/Compensation Committee has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration/ Compensation Committee comprises of 4 (four) members. During the year, there were no changes in the composition of Nomination and Remuneration/ Compensation Committee. Mr. Adhiraj Harish, Chairman of Nomination and Remuneration/ Compensation Committee is an Independent Director.

#### Terms of Reference

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

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

### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2021, the composition of Nomination and Remuneration /Compensation Committee has been as under:

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

During the financial year 2020-21, three meetings of Nomination and Remuneration/Compensation Committee were held on the following dates:

10<sup>th</sup> April, 2020, 24<sup>th</sup> June, 2020 and 10<sup>th</sup> November, 2020.

Attendance of the Directors at the Nomination and Remuneration/ Compensation Committee Meetings held during the financial year 2020-21 is as under:

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

Mr. Adhiraj Harish Chairman of the Nomination and Remuneration/Compensation Committee was present at the last Annual General Meeting held on 29<sup>th</sup> December, 2020.

### Performance Evaluation of Board

In compliance with the provisions of the Act and SEBI Listing Regulations, the Company has undertaken the performance evaluation process for the Board of Directors, its Committees and that of individual Directors. The performance evaluation was undertaken through a web-based online software as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India and framework provided by Nomination and Remuneration/Compensation Committee, setting out parameters for conducting performance evaluation of the Board, its Committees and that of Individual Directors. The performance evaluation of Independent Directors was based on various criteria, *inter-alia*, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry in which the Company operates.

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

### Remuneration of Directors

Remuneration Policy has been uploaded on website of the Company [www.futureconsumer.in](http://www.futureconsumer.in)

Details of remuneration paid to the Directors during the Financial Year 2020-21:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options outstanding as on 31 <sup>st</sup> March, 2021
Mr. Kishore Biyani	350,000	Nil	350,000	Nil
Mr. G. N. Bajpai	475,000	Nil	475,000	Nil
Mr. Frederic de Mevius	250,000	Nil	250,000	Nil
Ms. Ashni Biyani	Nil	1,54,23,222	1,54,23,222	Nil
Mr. K K Rathi	400,000	Nil	400,000	Nil
Mr. Adhiraj Harish	450,000	Nil	450,000	Nil
Mr. Deepak Malik	Nil	Nil	Nil	Nil
Mr. Narendra Baheti <sup>#</sup>	Nil	45,04,900	45,04,900	25,00,000
Mr. Harminder Sahni	425,000	Nil	425,000	Nil
Ms. Neelam Chhiber <sup>§</sup>	275,000	Nil	275,000	Nil

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

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

<sup>§</sup>appointed with effect from 25<sup>th</sup> June, 2020

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

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

### Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Non-Executive Independent Directors of the Company are also paid sitting fees for attending the Meeting(s) of Independent Directors. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2020-21. Details of shares held by Non-Executive Directors are as under:

Sr. No	Name of the Director	No. of equity shares/ convertible instruments held as on 31 <sup>st</sup> March, 2021 (Own or held by / for other persons on a beneficial basis)
1	Mr. G. N. Bajpai	2,50,000 equity shares
2	Mr. K K Rathi	2,275 equity shares
3	Ms. Neelam Chhiber	18,000 equity shares

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

## STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

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

### Terms of Reference

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

- To approve Transfer / Transmission / Dematerialisation of Equity Shares of the Company;
  - To approve issue of Duplicate/Consolidated/Split Share Certificate(s);
  - To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the Share Certificate(s), affixing Common Seal of the Company on Share Certificate(s) as per Article of Association of the Company etc;
  - To do all acts, deeds and things as may be required for admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL];
  - To decide and approve matters relating to Equity Shares and /or any other securities issued by the Company and any other matters as may be specifically authorized by the Board of Directors;
  - To oversee and resolve grievances of shareholders and other security holders of the Company;
  - To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies Act, 2013 and rules made there under.
  - Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
  - Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/ Board/KMPs, as may be required and identifying actionable points for implementation.
- Review of measures taken for effective exercise of voting rights by shareholders.
  - Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
  - Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2021, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

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

During the financial year 2020-21, one meeting of Stakeholders' Relationship and Share Transfer Committee was held on 5<sup>th</sup> February 2021.

Attendance of the Directors at the Stakeholders' Relationship and Share Transfer Committee Meetings held during the financial year 2020-21 is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Kishore Biyani	Chairman	Promoter, Vice-Chairman & Non-Executive Director	0
Mr. Adhiraj Harish	Member	Independent & Non-Executive Director	1
Ms. Ashni Biyani	Member	Managing Director	1

Mr. Kishore Biyani, Chairman of the Stakeholders' Relationship and Share Transfer Committee was present at the last Annual General Meeting held on 29<sup>th</sup> December, 2020.

During the year under review, Nil complaints/correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent.

### Name, Designation and Address of Compliance Officer

Mr. Manoj Gagvani - Company Secretary & Head - Legal

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

## RISK MANAGEMENT COMMITTEE

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

### Terms of Reference

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

- a. Identifying, monitoring and managing the strategic risk, financial and reporting risk, credit risk, operational risk, reputation risk, compliance/ legal/ regulatory risks and other risks of the Company.
- b. Provide a strategic framework to identify, assess, quantify and manage risk exposures.
- c. Providing an integrated view of the risks to the Company and issue specific directives to the respective departments or the business groups for necessary action.
- d. Designing Risk Management Policies and MIS framework for integrated risk management in the Company, after taking into account following:
  - i) The Company's overall business strategy, lines and changes in the business and operating environment;
  - ii) Appropriateness to the size, nature and complexity of the transactions entered into by the Company;
  - iii) Changes in the organisation structure;
  - iv) The risk tolerance of the Company;
  - v) Issues relating to safety, liquidity, exposure limits;
  - vi) Quality of internal control procedures;
  - vii) The sophistication of the Company's risk monitoring capability, risk management systems and processes;
  - viii) Frame limit structure in line with Company's risk appetite and monitor compliance with the limit structure. This limit framework shall be laid down in the policies and monitored by Treasury & Risk Department.
  - ix) Framework for identification of internal and external risks, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk
  - x) Measures for risk mitigation,
  - xi) Business continuity plan.
- e. Overseeing the execution / implementation of the Risk Management Practices by various executives outlined in the policies approved by the Committee.
- f. Ensure that adequate documented internal controls are in place and are complied with.
- g. Ensure reliability of the Management Information System.
- h. Provide a framework for the Internal Audit that will provide independent assurance to the Audit Committee of the Board on issues relating to operations, risk management and compliance.
- i. Provide a framework for risk self-assessment.
- j. Provide a framework for management of various risks involved in the business of the Company and report to the Board of Directors on crucial matters.
- k. Monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit. Such function shall specifically cover cyber security.
- l. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks;
- m. Monitor and oversee implementation of the risk management policy;
- n. Periodically review the risk management policy, at least once in two years;
- o. Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- p. Review and recommend appointment, removal and terms of remuneration of the Chief Risk Officer
- q. To seek information from any employee;
- r. Obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- s. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2021, the composition of Risk Management Committee has been as under:

- a) Mr. K K Rathi
- b) Ms. Ashni Biyani
- c) Mr. Sailesh Kedawat

During the financial year 2020-21, two meetings of the Risk Management Committee were held on following dates:

29<sup>th</sup> June, 2020 and 10<sup>th</sup> November, 2020.

Attendance of the Directors/Members at the Risk Management Committee meetings held during the financial year 2020-21 is as under:

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2021, the composition of Corporate Social Responsibility Committee has been as under:

- Ms. Ashni Biyani
- Mr. Kishore Biyani
- Mr. Harminder Sahni

During the financial year 2020-21, one meeting of the Corporate Social Responsibility Committee was held on 5<sup>th</sup> February, 2021.

Attendance of the Directors at the Corporate Social Responsibility Committee meetings held during the financial year 2020-21 is as under:

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

## COMMITTEE OF DIRECTORS

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

### Composition and Attendance at the Meetings

As on 31<sup>st</sup> March, 2021, the composition of Committee of Directors has been as under:

- Mr. Kishore Biyani
- Mr. G. N. Bajpai
- Ms. Ashni Biyani

During the financial year 2020-21, two meetings of the Committee of Directors were held on 1<sup>st</sup> October, 2020 and 23<sup>rd</sup> January, 2021.

Attendance of the Directors at the meetings of Committee of Directors held during the financial year 2020-21 is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Kishore Biyani	Chairman	Promoter, Vice Charman & Non-Executive Director	2
Mr. G. N. Bajpai	Member	Independent & Non-Executive Director	2
Ms. Ashni Biyani	Member	Managing Director	2

However, various matter(s) have also been approved by the Committee of Directors by way of resolution passed through circulation during the financial year 2020-21.

During the financial year 2020-21, the Board of Directors have accepted all recommendation(s) made by Committee(s) as provided from time to time.

### GENERAL BODY MEETINGS

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

Year	Day, Date and Time	Venue
2017-18	Wednesday, 29 <sup>th</sup> August, 2018 at 11.30 a.m.	Rangaswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2018-19	Tuesday, 30 <sup>th</sup> July, 2019 at 9.30 a.m.	Rangaswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2019-20	Tuesday, 29 <sup>th</sup> December, 2020 at 2.00 p.m.	Meeting conducted through VC / OAVM

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

AGM	AGM Date	Special Resolutions passed
22 <sup>nd</sup>	29 <sup>th</sup> August, 2018	a) Approval for continuation of Mr. G. N. Bajpai (DIN: 00946138) as a Non-Executive Director who has attained the prescribed age. b) Appointment of Ms. Ashni Biyani (DIN: 00058775) as a Managing Director of the Company and payment of remuneration. c) Alteration of object clause of the Memorandum of Association of the Company. d) Adoption of new set of Articles of Association of the Company. e) Approval of the Scheme for Reduction of Capital of the Company.
23 <sup>rd</sup>	30 <sup>th</sup> July, 2019	a) Re-appointment of Mr. G. N. Bajpai (DIN: 00946138) as an Independent Director of the Company. b) Re-appointment of Mr. Narendra Baheti (DIN: 00057255) as an Executive Director of the Company. c) Revision in remuneration payable to Ms. Ashni Biyani as Managing Director of the Company. d) Increase in limits of shareholding by Foreign Portfolio Investors.
24 <sup>th</sup>	29 <sup>th</sup> December, 2020	No Special Resolutions were passed at the 24 <sup>th</sup> Annual General Meeting of the Company.

## POSTAL BALLOT

### Special Resolution(s) passed through Postal Ballot:

During the financial year 2020-21, no Special Resolution(s) were approved by the Shareholders of the Company through postal ballot process. Further, no special resolution(s) are proposed to be passed by postal ballot at the 25<sup>th</sup> Annual General Meeting.

## DISCLOSURES

### Vigil Mechanism and Whistle Blower Policy

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

unethical behavior, misuse of power, violation of any legal or regulatory requirements.

The Company adheres to the highest standards of ethical, moral and legal conduct of business operations. In order to maintain these standards, the Company encourages its employees and other stakeholders who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the Employees, Directors and other stakeholders to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Policy. The Policy also provides for adequate safeguards against victimization of Employees, Directors and other stakeholders in availing the mechanism and also provide for direct access to the CEO Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee under the Policy.

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

### Related Party Transactions

Policy for dealing with related party transactions ("RPT Policy") is placed on the website of the Company - <https://futureconsumer.in/investors.aspx#policies-code>.

### Policy on Material Subsidiary

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

### Statutory Compliance, Penalties and Strictures

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

### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

#### 1. Risk management policy of the Company with respect to commodities including through hedging

The Company does not undertake material trading activities into commodity derivatives. The Company is generally exposed to commodity price risk since the agricultural products are open to frequent changes in the prices. The commodities are bought against business requirements of the Company. Few commodities are bought on the basis of projected annual requirement mainly to ensure quality consistency. Any variation in sales as compared with procurement is taken care by top up purchase or

market disposal at spot prices. With respect to import of commodities, market rates of the commodities and dollar prices are closely monitored and appropriate decisions

are made to execute the transactions. Necessary steps are taken to mitigate the price risks in accordance with the policies of the Company.

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

a. **Total exposure of the Company to commodities in INR: 21,735.66 lakhs (excluding packing materials)**

b. **Exposure of the Company to various commodities**

Commodity Name	Exposures in INR lakhs towards the particulars commodity	Exposures in Quantity terms towards the particular commodity (Tonnes)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pulses	6,277.80	7,322	-	-	-	-	-
Dry Fruits	5,235.21	1,080	-	-	-	-	-
Rice	4,063.28	11,762	-	-	-	-	-
Spices	2,576.42	1,447	-	-	-	-	-
Sugar	441.70	1,218	-	-	-	-	-
Oil and Oil Seed	316.73	192	-	-	-	-	-
Wheat	207.24	736	-	-	-	-	-
<b>Total</b>	<b>19,118.39</b>	<b>23,757</b>	-	-	-	-	-

c. **Commodity risks faced by the Company during the year and how they have been managed.**

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

The Company is exposed to foreign exchange risk arising from import of goods and services. The Company manages the foreign exchange risk with appropriate hedging activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31<sup>st</sup> March, 2021 are disclosed in Note No. 34.5 under notes to the Standalone Financial Statements.

**Note:**

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

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

(ii) If the listed entity has exposure in non-rupee terms, the Indian rupee equivalent after conversion shall be used for the aforesaid disclosures.

(iii) The term 'exposure' shall mean gross exposure of the listed entity including exposure both on the asset and liability side.

(iv) Where exact figures are not determinable, ballpark (estimated) figures may be provided.

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

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

Company Name	Relationship	Name of the Auditor	Remuneration (₹ In Lakhs)
Future Consumer Limited	-	S R B C & Co. LLP	90.38
The Nilgiri Dairy Farm Private Limited	Subsidiary	S R Batliboi and Associates LLP	34.00
FCL Tradevest Private Limited	Subsidiary	S R B C & Co. LLP	7.90

**CONFIRMATION AND AFFIRMATIONS**

**Details of utilization of funds raised through preferential allotment or qualified institutions placement during the financial year 2020-21.**

During the financial year 2020-21, the Company has not raised any funds through preferential allotment of securities.



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

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

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

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

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

### Certificate from Practising Company Secretary

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

### Insider Trading

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

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

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

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

### Code of Conduct

The Company has framed and adopted the Code of Conduct for all its Board Members and Senior Management personnel. The Code of Conduct for the employees as well as the Board Members is posted on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in)

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2020-21. A declaration to this effect in terms of Regulation 26 of the SEBI Listing Regulations, forms part of the Annual Report.

### Management Discussion and Analysis Report

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

## MEANS OF COMMUNICATION AND SHAREHOLDER INFORMATION

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

The Company announcements, news, press releases and presentations made to institutional investors or analysts are submitted to BSE and NSE and are also displayed on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in), from time to time.

### General Shareholder Information

#### Annual General Meeting

Date and Time	29 <sup>th</sup> September, 2021, 11:00 a.m.
Mode	The Company is conducting meeting through Video Conferencing (" <b>VC</b> ") or Other Audio Visual Means (" <b>OAVM</b> ") and as such there is no requirement to have a venue for the AGM. For further details please refer to the Notice of this AGM.
Financial Year	The financial year of the Company is from April 1 to March 31 of the following year.
First Quarter Results	By second week of August, 2021
Second Quarter Results	By second week of November, 2021
Third Quarter Results	By second week of February, 2022
Fourth Quarter / Annual Results	By end of May, 2022
Dividend Payment Date	Not Applicable

Corporate Identity Number (CIN):L52602MH1996PLC192090

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

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

**Stock Code:**

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

**Listing Fees**

Listing fees for both the Stock Exchange(s) for the year 2020-21 has been paid.

**Debentures**

The Company had issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures ("**NCDs 1**") in the form of Separately Transferable Redeemable Principal Parts ("**STRPP**"), having face value of ₹ 1,00,000/- each on 16<sup>th</sup> March, 2017. The NCDs 1 were listed on Wholesale Debt Market ("**WDM**") of BSE Limited and have been redeemed completely as on 31<sup>st</sup> March, 2020.

Further, the Company had issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures ("**NCDs 2**") in the form of Separately Transferable Redeemable Principal Parts ("**STRPP**"), having face value of ₹ 1,00,000/- each on 5<sup>th</sup> September, 2017. The NCDs 2 are listed on WDM of BSE Limited. 1500 NCDs 2 were redeemed during the FY 2018-19 and 1500 NCDs 2 were redeemed during the FY 2019-20. The balance 2000 NCDs were due for redemption on 5<sup>th</sup> September, 2020. The Company was unable to service its obligation for redemption of 2000 NCDs on the due date.

The redemption of 2000 NCDs 2 has been completed during the current FY 2021-22. The details of 2000 NCDs 2 redeemed are as under:

Description of NCDs2	Date of Redemption
2000 Series III NCDs STRPP 3	29 <sup>th</sup> June, 2021

The Company had also issued 1,500 Senior, Redeemable, Secured, Non-Convertible Debentures ("**NCDs 3**") having

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

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

NCDs		Security Code	ISIN
NCDs 3	1500 NCDs	Unlisted	INE220J07121
NCDs 4	500 NCDs	Unlisted	INE220J07139

**Debenture Trustee(s)**

**For NCDs 1 and NCDs 2**

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

**For NCDs 3 and NCDs 4**

**Catalyst Trusteeship Limited**

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

**CREDIT RATING**

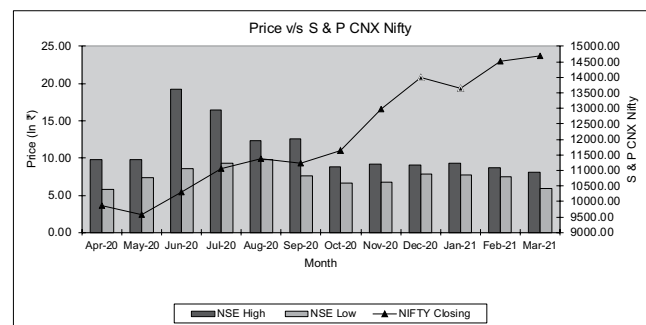
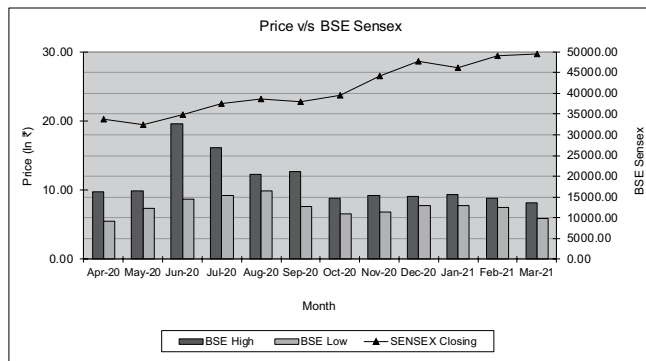
The Credit Rating assigned to the Company by CARE Rating Limited ("**CARE**") in respect of Bank Facilities and Non-Convertible Debentures are as under:

Facilities / Instrument	Name of the Agency	Amount (₹ In Crore)	Rating
Long-term Bank Facilities (Fund Based)	CARE	266.00	CARE D (Single D)
Short-term Bank Facilities (Fund Based)	CARE	70.00	CARE D (Single D)
Short-term Bank Facilities (Non-Fund Based)	CARE	25.00	CARE D (Single D)
Long/ Short-term Bank Facilities (Fund Based)	CARE	109.00	CARE D (Single D)
Long-term Bank Facilities (Term Loan)	CARE	45.50	CARE D (Single D)
Non-Convertible Debentures	CARE	20.00	CARE D (Single D)

### Market Price Data during Financial Year 2020-21:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	9.74	5.44	9.75	5.75
May, 2020	9.84	7.34	9.80	7.35
June, 2020	19.64	8.65	19.25	8.60
July, 2020	16.15	9.25	16.40	9.30
August, 2020	12.30	9.85	12.30	9.80
September, 2020	12.65	7.60	12.60	7.60
October, 2020	8.80	6.58	8.80	6.60
November, 2020	9.24	6.81	9.20	6.80
December, 2020	9.06	7.77	9.10	7.80
January, 2021	9.29	7.74	9.25	7.70
February, 2021	8.78	7.54	8.75	7.50
March, 2021	8.10	5.94	8.15	5.90

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



### Registrar and Share Transfer Agents

#### LINK INTIME INDIA PRIVATE LIMITED

C 101, Embassy 247, L.B.S. Marg,  
Vikhroli (West), Mumbai – 400083.

Tel: + 91 22 4918 6000 Fax: +91 22 4918 6060

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

### Share Transfer System

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

### Distribution of Shareholding as on 31<sup>st</sup> March, 2021

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 – 500	1,88,208	58.93	3,39,12,344	1.71
501 – 1000	49,713	15.57	4,20,24,073	2.11
1001 – 2000	33,289	10.42	5,22,31,459	2.63
2001 – 3000	13,962	4.37	3,63,10,411	1.83
3001 – 4000	6,940	2.17	2,52,38,195	1.27
4001 – 5000	6,775	2.12	3,22,94,171	1.62
5001 – 10000	10,933	3.42	8,25,81,587	4.16
10001 and above	9,541	2.99	1,68,24,48,639	84.67
<b>Total</b>	<b>3,19,361</b>	<b>100.00</b>	<b>1,98,70,40,879</b>	<b>100.00</b>

### Categories of Shareholding as on 31<sup>st</sup> March, 2021

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies	28,75,14,893	14.47
Clearing Members	3,26,34,513	1.64
Indian Companies	54,38,50,526	27.37
Foreign Company	25,41,03,116	12.79
Hindu Undivided Family	1,51,99,858	0.76
Mutual Funds	4,55,571	0.02
Non Nationalised Banks	250	0.00
Non Residents Indians	1,44,64,198	0.73
Non Residents Indians (Non Repatriable)	57,99,405	0.29
Office Bearers	18,42,707	0.09
Indian Public	61,27,14,819	30.84
Trusts	967	0.00
Directors/Relatives of Directors	21,04,672	0.11
Foreign Portfolio Investors (Corporate)	19,72,94,058	9.93
Employee Benefit Trust - under SEBI (Share Based Employee Benefits) Regulations, 2014	1,34,52,793	0.68
Insurance Companies	5,10,000	0.02
NBFCs registered with RBI	50,98,533	0.26
<b>Total</b>	<b>1,98,70,40,879</b>	<b>100.00</b>

### Compliance of Share Transfer formalities

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to a Stakeholders' Relationship and Share Transfer Committee comprising of Mr. Kishore Biyani, Ms. Ashni Biyani and Mr. Adhiraj Harish. The share certificates in physical form are generally

processed and returned within 15 days from the date of receipt, if the documents are clear in all respects.

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

#### Dematerialization of Shares and Liquidity

As on 31<sup>st</sup> March, 2021, a total of 1,98,68,90,559 equity shares aggregating to 99.99% of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

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

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

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

As on 31<sup>st</sup> March, 2021, the Company does not have any outstanding GDRs /ADRs/Warrants or Convertible Securities.

#### Plant Location :

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

#### Address for Correspondence:

#### Registrar and Share Transfer Agents

Link Intime India Private Limited  
C 101, Embassy 247, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400083  
Tel: + 91 22 4918 6000  
Fax: +91 22 4918 6060  
E mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### Company

Future Consumer Limited

#### Registered Office:

Knowledge House, Shyam Nagar,  
Off. Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060  
Tel: +91 22 6644 2200 Fax: + 91 22 6644 2201  
Website: [www.futureconsumer.in](http://www.futureconsumer.in)

Designated Email ID: [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in)

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

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

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

#### 1. The Board

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

#### 2. Shareholders' Rights

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

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

There are no modified opinion(s) on the financial statements for the financial year 2020-21. Standard practices and procedures are followed to ensure unmodified financial statements.

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

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

#### 5. Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

#### DECLARATION

I, Ashni Biyani, Managing Director of Future Consumer Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the financial year ended 31<sup>st</sup> March, 2021.

For Future Consumer Limited

Place: Mumbai  
Date: 26<sup>th</sup> June, 2021

Ashni Biyani  
Managing Director

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

**The Members of**

**FUTURE CONSUMER LIMITED**

Knowledge House, Shyam Nagar,  
Off. Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai-400060

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status on the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year as ending as on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

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

Further we have to state that we have not carried out the physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID-19 across the Country. We have relied on the records as made available by the Company through digital mode and also on the Management Representation Letter issued by the Company.

**For SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**

**Practicing Company secretary  
Proprietor**

**Membership No. 2655  
C P No.: 1798**

**Place: Mumbai**

**Date: 26<sup>th</sup> June, 2021**

**UDIN: F002655C000519193**

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

### The Members of Future Consumer Limited

1. The Corporate Governance Report prepared by future Consumer Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held during April 1, 2020 to March 31, 2021:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
    - (d) Nomination and Remuneration Committee;

- (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee
  - (g) Corporate Social Responsibility Committee
- v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

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

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497  
UDIN: 21105497AAAABH7356

Place of Signature : Mumbai  
Date: June 26, 2021

# STANDALONE FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

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

#### Opinion

We have audited the accompanying standalone financial statements of Future Consumer Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

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

#### Emphasis of Matter

We draw attention to Note 48 of the standalone financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and recoverability of assets. The estimates as at the date of approval of these standalone financial statements may differ based on the ongoing impact of the pandemic, improvement in the economy and the business of the Company. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

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

Key audit matters	How our audit addressed the key audit matter
<b>Related Party Transactions</b> (Refer Note 36 of the Standalone financial statements)	
<p>The Company has significant transactions with Related Parties which includes sale of products, services, rent, loans and advances given and interest income.</p> <p>Company's top customer which is a related party contributes about 55% of the total revenue of the Company.</p> <p>Considering the high volume of transactions with related parties, judgement involved in determination of arm's length price, related party transaction has been considered as a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls in relation to related party transactions with respect to approval of transactions by the Board of Directors of the Company, entering into agreements/contracts and recording in books of account;</li> <li>• We read contracts and agreements with related parties to understand the nature of the transactions;</li> <li>• We read the related party transaction report as prepared by third party consultant to assess whether the transactions are at arm's length;</li> <li>• We read the inputs used in the related party transaction report as prepared by third party consultant and also read the evaluation performed in determining arm's length price of related party transactions;</li> <li>• We assessed the objectivity and competence of the Company's external specialists involved;</li> <li>• We assessed the adequacy of disclosures made in the standalone financial statements as per Ind AS 24.</li> </ul>
<b>Recognition of Deferred Tax Assets</b> (as described in Note 8 of the standalone financial statements)	
<p>As per Ind AS 12 – Income taxes, deferred tax is to be recognized for all deductible temporary differences between the tax bases of assets and liabilities and their carrying amount and any unused tax losses.</p> <p>As at March 31, 2021, the Company has recognized deferred tax asset to the extent it is reasonably certain that sufficient taxable profits will be available in the future against which such deferred tax asset can be utilized. Significant judgments and estimates are involved in making this assessment.</p> <p>The estimate of future taxable profits is based on the future business plans. The recognition of deferred tax asset is therefore sensitive to changes in the business plan and hence there is inherent uncertainty involved in projecting future profits.</p> <p>This assessment requires the management to make assumptions to be used in the forecasts of future taxable profits, including expectations for future revenue and margin developments and overall market and economic conditions.</p> <p>This area was important to our audit due to the significance of judgment and estimates involved in management's assessment of the likelihood and magnitude of forecasting future taxable profits.</p> <p>Accordingly, recognition of deferred tax asset was determined to be a key audit matter in an audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to budget review processes;</li> <li>• We evaluated the management's assumptions on the projected forecasts keeping in view the current economic environment. In making this assessment we evaluated key assumptions related to expected growth rates, impact of the Covid 19 pandemic and its effect on business;</li> <li>• We assessed the historical accuracy of management's assumptions and estimation process by comparing the actual financials against previously forecasted financials;</li> <li>• We assessed the adequacy of disclosures made in the standalone financial statements as per Ind AS 12.</li> </ul>
<b>Impairment assessment of Goodwill</b> (as described in Note 44 of the standalone financial statements)	
<p>The Company is required to, at least annually, perform impairment assessments of goodwill recognized in books.</p> <p>The Company performs an annual impairment assessment of Goodwill to determine whether the recoverable value is below the carrying amount. We focused on this area as the assessments made by management for determination of future cash flows involved significant estimates and judgments including estimates for revenue growth rates, gross profit margin, net profit margin and terminal growth rate used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.</p> <p>The current economic climate also increases the complexity of forecasting.</p> <p>Accordingly, the impairment test of goodwill is considered to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to impairment review processes;</li> <li>• We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of Company's internal specialists involved in the process;</li> <li>• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 19 pandemic and its effect on business and terminal growth rates used;</li> <li>• We discussed with the management changes in key drivers as compared to the previous year to evaluate the reasonableness of the inputs and assumptions used in the cash flow forecasts;</li> <li>• We assessed the adequacy of disclosures made in the standalone financial statements as per Ind AS 36.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<b>Carrying Value of Trade and Other Receivables</b> (as described in Note 11 and Note 7 of the standalone financial statements)	
<p>As at March 31, 2021, Trade and Other Receivables constitutes approximately 30% of total assets of the Company. The Company is required to regularly assess the recoverability of its Trade and Other receivables.</p> <p>Recoverability of Trade and Other receivables was significant to our audit due to the value of amounts which also represents significant portion of the Company's working capital.</p> <p>Considering the adverse impact of the coronavirus outbreak on the operations of all major industries, there is a significant amount of judgment required in making provision of expected credit loss on trade and other receivables.</p> <p>Creation of expected credit loss involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.</p> <p>Accordingly, the recoverability of Trade and Other Receivables is a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls that the Company has for review of credit loss allowance process;</li> <li>• We evaluated the Management's assessment of the financial circumstances and ability to pay of relevant entities with receivable balances. These considerations include whether there are regular receipts from the customers, past collection history as well as an assessment of the customers' credit ability to make payments;</li> <li>• We tested the aging of trade and other receivables and receipts subsequent to the year-end;</li> <li>• We assessed the Company's Expected Credit Loss model applied in determining the recoverable amount; For samples selected for testing, we obtained direct confirmation for the receivable balances and performed alternate procedure for confirmation not received;</li> <li>• We assessed the adequacy of Company's disclosures in relation to Trade and Other receivables included in the standalone financial statements as per Ind AS 109.</li> </ul>
<b>Evaluation of Going Concern assumption of accounting</b> (as described in Note 2.1 and Note 3(i) of standalone financial statements)	
<p>The Company incurred a loss before tax of Rs. 38,976.71 lakhs during the year and having accumulated losses of Rs. 64,773.40 Lakhs as at March 31, 2021. As at March 31, 2021, the current liabilities of the Company exceeded its current assets by Rs. 9,988.43 Lakhs. Further, the Company had defaulted in repayment of borrowing (principal and interest) which was due during the year ended March 31, 2021 which got subsequently restructured.</p> <p>Management has prepared future cash flow forecasts considering current economic scenario which involves judgement and estimation of key variables and market conditions including impact of prevailing global health pandemic COVID-19 and after considering the One Time Restructuring plan of borrowings (Refer Note 51 of standalone financial statements) and recent arrangements with vendors and customer.</p> <p>The Company is confident that the projected net cash inflows will provide sufficient liquidity to meet its financial obligation as they fall due during the next twelve months. Hence, these financial statements have been prepared following the going concern assumption.</p> <p>Considering judgements involved in estimation of future cash flows of the Company which may be affected by unexpected changes in future market or economic conditions and considering the current economic climate impacted on account of prevailing global health pandemic COVID-19 also increases the complexity of forecasting, we have identified the assessment of going concern assumption of accounting to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained the going concern assessment made by the management including assumptions and estimates used by the management to estimate future cash flows;</li> <li>• We tested the assumptions and inputs used by the management in the cash flow forecast against historical performance, budgets, publicly available information, the Company's strategic plans and benchmarking of key market related conditions including the impact of prevailing pandemic COVID-19;</li> <li>• Based on cash flow forecast we evaluated whether the Company has sufficient cash flow to meet its repayment obligations due in next twelve months from the balance sheet date;</li> <li>• We analysed the key solvency, liquidity and profitability ratios to assess the financial position and performance of the Company;</li> <li>• We read the One-Time Restructuring (OTR) plan approved by lenders subsequent to the balance sheet date for deferment of repayment of loans and interest thereon to evaluate its impact on standalone financial position;</li> <li>• We examined the recent arrangements with vendors and customer to evaluate its impact on the operations of the Company;</li> <li>• We assessed the disclosures made in the standalone financial statements in this regard.</li> </ul>

### Other Information

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

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

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

### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in

terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497  
UDIN: 21105497AAAABE2799

Place of Signature: Mumbai  
Date: June 26, 2021

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme for physical verification of its fixed assets by which its fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. However, certain fixed assets (23% of total fixed assets) were not verified during the year as planned due to outbreak of COVID-19 pandemic. According to the information and explanations given to us, no material discrepancies were noticed on fixed assets verified during the year.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the company has given loans and advances, guarantees and securities and made investments in accordance with the provision of section 186 of the Companies Act 2013.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the records of the Company, the dues of income-tax, sales-tax, goods and services tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on March 31, 2021 on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (Rs. in Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Kerala Value Added Tax Act, 2003	Value Added Tax	15.96	2016-17	Deputy Commissioner of Sales Tax (Appeals)
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	9.94	2015-16	Commercial Tax Tribunal, Lucknow
Maharashtra Value Added Tax Act, 2002	Value Added Tax	10.72	2010-11	Joint Commissioner Sales Tax (Appeals)
		19.22	2011-12	Joint Commissioner Sales Tax (Appeals)
		38.87	2012-13	Joint Commissioner Sales Tax (Appeals)
		16.51	2015-16	Joint Commissioner Sales Tax (Appeals)
		15.71	2016-17	Joint Commissioner Sales Tax (Appeals)
Delhi Value Added Tax Act, 2004	Sales Tax	0.06	2016-17	Joint Commissioner Sales Tax (Appeals)
Gujarat Value Added Tax Act, 2003	Value Added Tax	12.13	2016-17	Deputy Commissioner of Sales Tax (Appeals)
		65.22	2016-17	Deputy Commissioner of Sales Tax (Appeals)

\*Net of deposits

(viii) According to the information and explanations given by the management, the Company has delayed in repayment of loans or borrowings to banks and dues to debenture holders during the year to the extent of Rs. 18,235.94 lakhs (the delay in such repayments being for less than 320 days in each individual case) and Rs. 10,403.97 lakhs of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Particulars	Amount of default as on the Balance sheet date (Rs in Lakhs)	Period of default since	Remarks
Rabo Bank	5,000.00	Aug-20	Note 1
State Bank of India	799.00	Jan-21	Note 1
Debentures - CDC Emerging Markets Limited*	2,292.57	Nov-20	Note 2
Debentures - AK Capital*	2,312.40	Sep-20	Note 2

\* includes interest

Note 1 – The Company has invoked One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines and the same has been approved by all the lenders on May 06, 2021. Accordingly, repayment of loan is extended, penal interest is waived and interest has been converted into loan (Refer Note 51 of financial statements).

Note 2 - The Company has entered into an agreement with debenture trustees on April 5, 2021 and May 04, 2021 by which the Company has received deferment for repayment of installments (Refer Note 51 of financial statements).

- (ix) In our opinion and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

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

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

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

Per Pramod Kumar Bapna  
Partner  
Membership No.: 105497  
UDIN: 21105497AAAABE2799

Place: Mumbai  
Date: June 26, 2021



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to standalone financial statements of Future Consumer Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

#### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Per Pramod Kumar Bapna  
Partner  
Membership No.: 105497  
UDIN: 21105497AAAABE2799

Place: Mumbai  
Date: June 26, 2021



# BALANCE SHEET

as at 31st March 2021

Particulars	Note	(₹ In lakhs)	
		As at 31st March 2021	As at 31st March 2020
<b>ASSETS</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	4	13,674.64	14,926.05
(b) Capital work in progress	41	21.42	654.19
(c) Goodwill	4	2,951.82	2,951.82
(d) Other intangible assets	4	9,985.97	12,158.00
(e) Right-of-use assets	4	2,973.73	6,678.53
(f) Financial assets			
(i) Investments	5	47,111.81	48,024.81
(ii) Loans	6	41,066.45	452.29
(iii) Other financial assets	7	7,421.45	573.42
(g) Deferred tax assets (net)	8	-	2,277.14
(h) Other assets	9	1,397.47	1,790.34
<b>Total non-current assets</b>		<b>126,604.76</b>	<b>90,486.59</b>
<b>2 Current assets</b>			
(a) Inventories	10	4,427.83	14,281.68
(b) Financial assets			
(i) Trade receivables	11	58,474.22	67,567.49
(ii) Cash and cash equivalents	12	2,439.32	2,982.54
(iii) Bank balances other than (ii) above	12	1,049.14	1,067.58
(iv) Loans	6	-	41,825.22
(v) Other financial assets	7	266.39	7,503.11
(c) Other assets	9	1,903.50	1,729.18
<b>Asset held for Sale</b>	42	409.08	2,035.08
<b>Total current assets</b>		<b>68,969.48</b>	<b>138,991.88</b>
<b>Total assets</b>		<b>195,574.24</b>	<b>229,478.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	13	118,415.29	114,459.41
(b) Other equity	14	(23,165.23)	19,821.04
<b>Total equity</b>		<b>95,250.06</b>	<b>134,280.45</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	16,970.53	22,320.13
(ii) Lease Liabilities		3,090.02	6,351.61
(iii) Other financial liabilities	16	927.04	831.15
(b) Provisions	17	368.68	705.04
<b>Total non-current liabilities</b>		<b>21,356.27</b>	<b>30,207.93</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	30,393.09	29,048.04
(ii) Lease Liabilities		768.55	1,261.81
(iii) Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		2,182.67	2,881.96
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		14,329.14	24,067.91
(iv) Other financial liabilities	20	10,850.55	6,344.28
(b) Provisions	17	756.89	594.22
(c) Other current liabilities	21	19,687.02	791.87
<b>Total current liabilities</b>		<b>78,967.91</b>	<b>64,990.09</b>
<b>Total equity and liabilities</b>		<b>195,574.24</b>	<b>229,478.47</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1- 52		

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

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

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

**Ashni Biyani**

Managing Director

**Sailesh Kedawat**

Chief Financial Officer

Place : Mumbai

Date : 26 June 2021

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 26 June 2021

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2021

Particulars	Note	₹ In lakhs	
		Year ended 31st March 2021	Year ended 31st March 2020
<b>1 REVENUE</b>			
(a) Revenue from operations	22	58,743.60	302,608.82
(b) Other income	23	6,177.88	6,624.68
<b>Total income</b>		<b>64,921.48</b>	<b>309,233.50</b>
<b>2 EXPENSES</b>			
(a) Cost of materials consumed	24	2,658.01	16,157.22
(b) Purchases of stock-in-trade (traded goods)		41,082.59	234,545.77
(c) Changes in inventories of finished goods and stock-in-trade	25	9,659.70	7,803.99
(d) Employee benefits expense	26	4,736.23	9,457.10
(e) Finance costs	27	7,001.98	7,993.45
(f) Depreciation and Amortisation expense	28	4,094.94	5,112.59
(g) Other expenses	29	26,170.49	29,217.58
<b>Total expenses</b>		<b>95,403.94</b>	<b>310,287.70</b>
<b>3 (Loss) / Profit before exceptional items and tax (1-2)</b>		<b>(30,482.46)</b>	<b>(1,054.20)</b>
<b>4 Exceptional items</b>	43	<b>(8,494.25)</b>	<b>(29,162.74)</b>
<b>5 (Loss) / Profit before tax (3+4)</b>		<b>(38,976.71)</b>	<b>(30,216.94)</b>
<b>6 Tax expense / (benefit)</b>			
(a) Current tax	8	-	-
(b) Tax relating to prior years	8	(139.96)	76.17
(c) Deferred tax	8	2,239.27	272.31
<b>Net tax expense / (benefit)</b>		<b>2,099.31</b>	<b>348.48</b>
<b>7 (Loss) / Profit for the period (5-6)</b>		<b>(41,076.02)</b>	<b>(30,565.42)</b>
<b>8 Other comprehensive income (OCI)</b>			
(a) (i) Items that will not be reclassified to statement of profit or loss			
Remeasurement gains on defined benefit plans		150.48	2.88
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss		(37.87)	(0.72)
(b) (i) Items that will be reclassified to statement of profit and loss			
Exchange differences in translating the financial statements of foreign operations		2.65	(5.52)
<b>Total other comprehensive income</b>		<b>115.26</b>	<b>(3.36)</b>
<b>9 Total comprehensive income for the year, net of tax (7+8)</b>		<b>(40,960.76)</b>	<b>(30,568.78)</b>
<b>Earnings per share after exceptional item (face value ₹ 6 each)</b>	31		
(a) Basic (₹)		(2.08)	(1.60)
(b) Diluted (₹)		(2.08)	(1.60)
<b>Earnings per share before exceptional item (face value ₹ 6 each)</b>	31		
(a) Basic (₹)		(1.65)	(0.07)
(b) Diluted (₹)		(1.65)	(0.07)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1- 52		

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

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

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

**G.N.Bajpai**  
Chairman  
  
**Manoj Gagvani**  
Company Secretary & Head - Legal

**Ashni Biyani**  
Managing Director  
  
**Sailesh Kedawat**  
Chief Financial Officer

Place : Mumbai  
Date : 26 June 2021  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai  
Date : 26 June 2021

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2021

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

Particulars	(₹ In lakhs)
	<b>Amount</b>
<b>Balance as at 31st March 2019</b>	<b>114,428.54</b>
Changes in Equity Share capital during the Year :	
Issue of Equity shares under Employee Share Option Plan (ESOP) (Refer Note 35)	38.82
Shares purchased (net) by ESOP trust treated as treasury shares	(7.95)
<b>As at 31st March 2020</b>	<b>114,459.41</b>
Changes in Equity Share capital during the Year :	
Equity shares issued and allotted during the year	3,955.88
<b>As at 31st March 2021</b>	<b>118,415.29</b>

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

Particulars	(₹ In lakhs)										
	Equity Component of compound financial instruments	Capital Reserve	Securities Premium Account	Reserves & Surplus			Retained Earnings	Money received against share warrants	Foreign Currency Translation Reserve	Other comprehensive income	Total Other Equity
				General Reserve	Share Options Outstanding Account	Capital Redemption Reserve					
Balance as at 31st March 2019	-	314.94	42,638.62	0.59	2,107.81	5.20	(22,695.87)	-	-	(18.97)	22,352.32
Effect of adoption of Ind AS 116	-	-	-	-	-	-	(463.94)	-	-	-	(463.94)
As at 1st April 2019 (Adjusted)	-	314.94	42,638.62	0.59	2,107.81	5.20	(23,159.81)	-	-	(18.97)	21,888.38
Loss for the year	-	-	-	-	-	-	(30,565.42)	-	-	-	(30,565.42)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(5.52)	2.16	(3.36)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>(30,565.42)</b>	-	<b>(5.52)</b>	<b>2.16</b>	<b>(30,568.78)</b>
Issue of Share Warrants	-	-	-	-	-	-	-	1,750.00	-	-	1,750.00
Recognition of share-based payments	-	-	-	-	51.76	-	-	-	-	-	51.76
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(55.81)	-	-	-	(55.81)
Transfer to securities premium on exercise of ESOP	-	-	95.55	-	(95.55)	-	-	-	-	-	-
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(39.87)	-	39.87	-	-	-	-
Issue of compulsory convertible debentures	26,253.16	-	-	-	-	-	-	-	-	-	26,253.16
Transfer to retained earnings as per capital reduction order (Refer note 47)	-	-	(28,690.41)	-	-	-	28,690.41	-	-	-	-

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2021

Particulars	(₹ In lakhs)										
	Equity Component of compound financial instruments	Capital Reserve	Securities Premium Account	Reserves & Surplus			Retained Earnings	Money received against share warrants	Foreign Currency Translation Reserve	Other comprehensive income	Total Other Equity
				General Reserve	Share Options Outstanding Account	Capital Redemption Reserve					
Effect on account of Deferred Tax on issue expenses and interest on compulsorily convertible debentures (Refer note 8)	-	-	-	-	-	-	433.49	-	-	-	433.49
Issue of Shares	-	-	68.84	-	-	-	-	-	-	-	68.84
<b>As at 31st March 2020</b>	<b>26,253.16</b>	<b>314.94</b>	<b>14,112.60</b>	<b>0.59</b>	<b>2,024.15</b>	<b>5.20</b>	<b>(24,617.27)</b>	<b>1,750.00</b>	<b>(5.52)</b>	<b>(16.81)</b>	<b>19,821.04</b>
Loss for the year	-	-	-	-	-	-	(41,076.02)	-	-	-	(41,076.02)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	2.65	112.61	115.26
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,076.02)</b>	<b>-</b>	<b>2.65</b>	<b>112.61</b>	<b>(40,960.76)</b>
Share warrants lapsed	-	1,750.00	-	-	-	-	-	(1,750.00)	-	-	-
Recognition of share-based payments	-	-	-	-	210.38	-	-	-	-	-	210.38
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(0.25)	-	-	-	(0.25)
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(920.13)	-	920.13	-	-	-	-
Issue of Shares	(26,253.16)	-	24,017.52	-	-	-	-	-	-	-	(2,235.64)
<b>As at 31st March 2021</b>	<b>-</b>	<b>2,064.94</b>	<b>38,130.12</b>	<b>0.59</b>	<b>1,314.40</b>	<b>5.20</b>	<b>(64,773.41)</b>	<b>-</b>	<b>(2.87)</b>	<b>95.80</b>	<b>(23,165.23)</b>

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements (Refer note 1 - 52)

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

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

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

**Ashni Biyani**

Managing Director

**Sailesh Kedawat**

Chief Financial Officer

Place : Mumbai

Date : 26 June 2021

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 26 June 2021

## STATEMENT OF CASH FLOWS

for the year ended 31st March 2021

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Cash flows from operating activities</b>		
Net (loss) / profit before tax as per the Statement of Profit and Loss	(38,976.71)	(30,216.94)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Exceptional items (Refer note 43)	8,494.25	29,162.74
Finance costs (including fair value change in financial instruments)	7,001.98	7,993.45
Finance income (including fair value change in financial instruments)	(5,310.68)	(5,247.03)
Interest on income tax refund	(54.67)	(38.82)
Provision no longer required written back	(72.08)	-
Net loss / (gain) on disposal of property, plant and equipment	127.32	15.10
Net loss/ (gain) on financial assets measured at fair value through profit or loss	(279.76)	(243.89)
Gain on sale of investments	(30.00)	-
Net unrealised exchange (gain)/loss	2.65	(5.52)
Expected Credit Loss on trade and other receivables	16,800.67	7,901.42
Amortisation of intangible assets	1,459.29	1,457.72
Depreciation and Impairment of Property, Plant & Equipment & Right-of-Use Assets	2,635.65	3,654.87
Share-based payment expenses	97.87	(39.21)
Net gain on financial guarantees contract	(7.26)	(35.07)
Gain on termination of Lease Assets	(406.09)	(20.25)
	<b>(8,517.57)</b>	<b>14,338.57</b>
<b>Working capital adjustments:</b>		
(Increase) / Decrease in trade and other receivables	(6,751.06)	(17,023.62)
(Increase) / Decrease in inventories	9,853.86	7,598.58
(Increase) / Decrease other assets	465.82	34.51
Increase / (Decrease) in trade payables	(8,733.51)	2,281.08
Increase / (Decrease) in provisions	(23.22)	(367.82)
Increase / (Decrease) in other liabilities	18,848.29	125.97
	<b>13,660.18</b>	<b>125.97</b>
<b>Cash flow from operations</b>	<b>5,142.61</b>	<b>6,987.27</b>
Income taxes (paid)/refund	31.54	(537.77)
<b>Net cash flow from operating activities</b>	<b>5,174.15</b>	<b>6,449.50</b>
<b>Cash flows from investing activities</b>		
Investment in Subsidiaries/Joint Ventures	(1,350.50)	(1,700.01)
Proceeds on Sale of Investment	30.00	-
Loans given	(3,558.84)	(43,638.85)
Loans refunded	4,769.89	35,409.30
Interest received	1,201.41	4,654.64
Purchase of property, plant and equipment including CWIP	(209.59)	(1,622.15)
Proceeds from sale of property, plant and equipment	115.04	17.77
Purchase of intangible assets	(3.00)	(23.60)
<b>Net cash flow from/(used in) investing activities</b>	<b>994.41</b>	<b>(6,902.90)</b>

## STATEMENT OF CASH FLOWS

for the year ended 31st March 2021

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity instruments of the Company	-	107.66
Proceeds from issue of share warrants	-	1,750.00
Purchase of treasury shares	-	(179.44)
Proceeds on exercise of ESOP out of treasury shares	-	115.67
Proceeds from issue of convertible debentures (Equity Component)	-	26,253.16
Proceeds from issue of convertible debentures (Debt Component)	-	1,453.60
Repayment of long term borrowings	(682.14)	(3,731.23)
Repayment of Lease Liabilities	(466.76)	(1,232.63)
Proceeds from short term borrowings (net)	(817.01)	(14,450.92)
Interest paid	(4,745.87)	(7,563.38)
<b>Net cash flow (used in)/from financing activities</b>	<b>(6,711.78)</b>	<b>2,522.49</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(543.22)</b>	<b>2,069.09</b>
Cash and cash equivalents at the beginning of the year	2,982.54	913.45
<b>Cash and cash equivalents at the end of the year (Refer Note 12)</b>	<b>2,439.32</b>	<b>2,982.54</b>
Non-cash investing and financing activities (Refer Note 12)		
Summary of significant accounting policies (Refer note 2)		
The accompanying notes are an integral part of the financial statements (Refer note 1 - 52)		

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

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

Place : Mumbai  
Date : 26 June 2021  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

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

**G.N.Bajpai**  
Chairman  
  
**Manoj Gagvani**  
Company Secretary & Head - Legal

Place : Mumbai  
Date : 26 June 2021

**Ashni Biyani**  
Managing Director  
  
**Sailesh Kedawat**  
Chief Financial Officer

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

## 1. GENERAL INFORMATION ABOUT THE COMPANY

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

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060.

The financial statements were approved for issue in accordance with a resolution of the Board of directors passed on 26<sup>th</sup> June, 2021.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements ('Standalone INDAS Financial Statements').

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

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 'Leases' ("Ind AS 17") and in the scope of Ind AS 116 'Leases' ("Ind AS 116") from 01 April, 2019, and that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

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

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

The principal accounting policies are set out below.

The financial statements are presented in ₹, which is the functional currency and all values are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

### 2.2 Basis of measurement

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

### 2.3 Current versus non-current classification

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

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

## 2.4 Business combinations

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

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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

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

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 'Revenue from contract with customers' ("Ind AS 115").

## 2.5 Goodwill and impairment of goodwill

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



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The date of annual impairment assessment of goodwill considered by the Company is March 31, 2021. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

## 2.6 Revenue from contract with customers

The Company recognises revenue from the following major sources, acting in the capacity of principal:

- Sale of consumer product
- Other operating revenue

### Sale of consumer product

The Company sells fast moving consumer goods ("FMCG"), Food and Processed Food Products.

The Company recognizes revenue on the sale of goods, net of discounts, sales incentives, estimated customer returns and rebates granted, if any, when control of the goods is transferred to the customer.

### Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)

The Company recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the terms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the Company warehouse). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods.

At inception of the contract, Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- (a) a good or service that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the Company determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

The Company provides volume discount and rebate schemes, to its customers on certain goods purchased by the customer once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Volume discount and rebate schemes give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Company considers that either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

In case where the customer gives non-cash consideration for the goods and services transferred or where customer provides the Company certain materials, equipment, etc. for carrying out the scope of work and the Company obtains control of those contributed goods or service, the fair value of such non-cash consideration given /materials supplied by customer is considered as part of the transaction price.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

### Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service (monthly basis)

### Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the Company when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 7 to 90 days.

### Dividend and Interest income

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

## 2.7 Leasing

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### a) Leases

#### Policy applicable from 1<sup>st</sup> April 2019

##### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3 to 30 years
- Plant and machinery 3 to 15 years
- Vehicles 3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.15 Impairment of non-financial assets.

### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance

fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company lease liabilities are disclosed on the face of Balance sheet under Financial Liabilities.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.8 Foreign Currency Transactions and Translation

The management of the Company has determined Indian rupee ("₹") as the functional currency of the Company. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences for long term foreign currency monetary items recognized in the financial statements for the year ended 31 March, 2016 prepared under previous GAAP, the exchange difference arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of depreciable property, plant and equipment to which the monetary items relates and depreciated over the remaining useful life of such assets.

## 2.9 Borrowing costs

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

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

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

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

## 2.10 Employee benefits

### Post-employment benefits

- Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement is immediately recognised in other comprehensive income in Other Equity and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the end of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item "Employee benefits expense", and the last component in Other Comprehensive Income which is immediately reflected in Other Equity and is not reflected in statement of profit and loss account. Curtailment gains and losses are accounted for as past service costs.

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

### Terminal benefits

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

## Short-term and other long-term employee benefits

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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

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

## 2.11 Earnings per share

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

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

## 2.12 Share-based payment arrangements

### Share-based payment transactions of the Company

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

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

### Share-based payment transactions among group entities

The cost of equity-settled transactions pertaining to group entities is recognised as debit to investment in those group companies, together with a corresponding increase in equity (Employee stock option reserve) over the vesting period. The cumulative amount recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting

period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Company does not recover the cost of employee stock options from its subsidiaries.

## 2.13 Taxation

### Current tax

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

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing standalone Ind AS financial statements, temporary differences are calculated using the carrying amount as per standalone Ind AS financial statements and tax bases as determined by reference to the method of tax computation.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.14 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated, however, it is subject to impairment.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on tangible property, plant and equipment has been provided on straight line method as per the useful life prescribed in Schedule II of the Company's Act, 2013, except in case of vehicle, leasehold improvements and moulds.

Estimated useful lives of the assets are as follows:

Asset	Useful Life	Asset	Useful Life
Buildings	60 Years	Computers	3 Years
Plant and Machinery	15 Years	Furniture and Fixtures	10 Years
Leasehold improvements	Note "a"	Office Equipment	5 Years
Moulds*	2 Years	Motor Vehicles*	10 Years
Roads	5 Years	Hydraulic Works & Pipeline	15 Years

\*The Company, based on technical assessment, depreciates Moulds and Motor Vehicles over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

Note "a" - Lease term or estimated useful lives of assets whichever is lower.

### Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Company has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

### 2.15 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

## Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported on the same basis as intangible assets that are acquired separately.

## Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in statement of profit and loss when the asset is derecognised.

## Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand*	10 Years
Software#	3 -6 Years	Brand Usage Rights	25 Years

\* Kara Brand has an indefinite useful life.

#The Company, based on technical assessment, amortise Software over estimated useful life which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that the estimated useful life is realistic and reflect fair approximation of the period over which the asset is likely to be used.

## Deemed cost on transition to Ind AS

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

## **2.16 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

## **2.17 Inventories**

Finished goods and traded goods are stated at the lower of cost and net realisable value. Raw material goods are stated at cost. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and Packing materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

## **2.18 Provisions**

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

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

## 2.20 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit and loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange revaluation and impairment losses or reversals, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit and loss.

All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the "Other Income" line item.

### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

## Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

## Investments in subsidiaries, associates and joint ventures

The Company has elected to account for its equity investments in subsidiaries, associates and joint ventures under IND AS 27 on Separate Financials Statements, at cost except Investment in Preference shares which is measured at FVTPL. At the end of each reporting period the Company assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

## Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

In accordance with Ind AS 109, the Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVTOCI debt instruments. ECLs are based on the difference between the contractual cash flows

due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.21 Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Compound instruments

The component parts of compound instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in statement of profit and loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. However, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as cost of investment.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'/'Other expenses'.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

## Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.22 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately. The Company does not designate the derivative instrument as a hedging instrument.

## 2.23 Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

## 2.24 Contingent liabilities

A contingent liability is:-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:-
  - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed in the case of:

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

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

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

## 2.25 Operating segment

The management views the Company's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

## 2.26 Asset held for sale

The Group classifies Assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

- Property, plant and equipment and intangible assets are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

## 2.27 Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

## 3. Key sources of estimation uncertainty and critical accounting judgements

### Significant Estimates

#### Going Concern

Considering the uncertainties caused due to Covid-19, the Company has prepared future cash flow forecasts taking into cognizance the developments such as One Time Restructuring plan of borrowings (Refer Note 51 of standalone financial statements) and Composite scheme of arrangement ('the scheme') for merger of the Company along with other Transferor Companies with Future Enterprises Limited ('FEL') and their respective Shareholders and Creditors (Refer Note 49 of standalone financial statements) which involves judgement and estimation of key variables and market conditions including future economic conditions on account of prevailing global pandemic COVID-19. Based on such an analysis, the Company continues to prepare its financial statements on a going concern basis.

In the course of applying the accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

### Key sources of estimation uncertainty

- a) Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management. Refer Note 4 for further disclosure.

- b) Impairment of property plant and equipment and intangible assets

Determining whether the property, plant and equipment and intangible assets are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise. Refer Note 4 for further disclosure.

- c) Impairment of investments in subsidiaries, joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in subsidiaries, joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In certain cases, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill. Refer Note 4 and 5 for further disclosure.

- d) Provisions, liabilities and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

in the notes but are not recognized. Refer Note 37 for further disclosure.

e) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 8 for further disclosure.

f) Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer Note 26 and 33 for further disclosure.

g) Share based payments

The Company initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note no 35.

h) Lease

The application of Ind AS 116 requires company to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease

term, we must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

i) Impairment of Financial Assets:

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimated impairment allowance on financial assets is based on the aging of the receivable balances and historical experience. Individual receivable balances are written off when management deems them not to be collectible. The information about the impairment provision on the Company's trade and other receivables is disclosed in Note 34.8.

### 3.1 Change in Accounting policies and disclosures

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

- (i) Ind AS 103 – Business Combinations
- (ii) Ind AS 107 – Financial Instruments: Disclosures
- (iii) Ind AS 109 – Financial Instruments
- (iv) Ind AS 116 – Leases

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation				Net Block			
	As at 1st April 2020	Additions	Deletions	Loss/(Gain) on foreign currency exchange differences	As at 31st March 2021	As at 1st April 2020	For the Period	Deletions	Impairment (Refer note 43)	Gain/(Loss) on foreign currency exchange differences	As at 31st March 2021	As at 31st March 2021
<b>A. Property, plant and equipment</b>												
Freehold land	443.13	-	-	-	443.13	-	-	-	-	-	-	443.13
Building	3,631.35	24.73	-	-	3,656.08	241.67	132.27	-	-	-	373.94	3,282.14
Office equipments	350.78	62.26	7.67	-	405.37	241.53	38.22	6.96	-	-	272.79	132.58
Computers	436.12	3.99	28.67	-	411.44	334.13	50.93	27.57	-	-	357.49	53.95
Furniture & fixtures	1,983.13	6.75	191.24	0.21	1,798.43	820.16	203.01	119.36	-	0.10	903.71	894.72
Vehicles	88.87	-	29.78	-	59.09	60.48	5.64	25.17	-	-	40.95	18.14
Plant & machinery	12,981.44	565.29	2,439.85	-	11,106.88	4,118.85	1,219.76	2,316.46	-	-	3,022.15	8,084.73
Leasehold improvements	922.25	139.97	169.01	-	893.21	340.45	104.36	128.33	-	-	316.48	576.73
Hydraulic works and pipelines	60.07	-	-	-	60.07	6.61	3.80	-	-	-	10.41	49.66
Roads	283.86	-	-	-	283.86	91.07	53.93	-	-	-	145.00	138.86
<b>Subtotal (A)</b>	<b>21,181.00</b>	<b>802.99</b>	<b>2,866.22</b>	<b>0.21</b>	<b>19,117.55</b>	<b>6,254.95</b>	<b>1,811.92</b>	<b>2,623.85</b>	<b>-</b>	<b>0.10</b>	<b>5,442.91</b>	<b>13,674.64</b>
<b>B. Other intangible assets</b>												
Brands, brand usage rights and trademarks (Refer note ii)	16,613.46	-	-	-	16,613.46	6,108.68	963.72	-	715.74	-	7,788.14	8,825.32
Software	2,972.91	3.00	0.31	-	2,975.60	1,319.69	495.57	0.31	-	-	1,814.95	1,160.65
<b>Subtotal (B)</b>	<b>19,586.37</b>	<b>3.00</b>	<b>0.31</b>	<b>-</b>	<b>19,589.06</b>	<b>7,428.37</b>	<b>1,459.29</b>	<b>0.31</b>	<b>715.74</b>	<b>-</b>	<b>9,603.09</b>	<b>9,985.97</b>
<b>C. Goodwill (Refer note 44)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>614.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>614.50</b>	<b>2,951.82</b>
<b>Subtotal (C)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>614.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>614.50</b>	<b>2,951.82</b>
<b>D. Right-of-use assets</b>												
Building	7,252.54	556.93	4,398.36	-	3,411.11	1,413.52	769.73	1,050.98	-	-	1,132.27	2,278.84
Vehicles (Refer note iii)	8.62	-	-	-	8.62	3.10	2.20	-	-	-	5.30	3.32
Plant and Machinery	915.33	-	170.70	-	744.63	81.34	51.80	80.08	-	-	53.06	691.57
<b>Subtotal (D)</b>	<b>8,176.49</b>	<b>556.93</b>	<b>4,569.06</b>	<b>-</b>	<b>4,164.36</b>	<b>1,497.96</b>	<b>823.73</b>	<b>1,131.06</b>	<b>-</b>	<b>-</b>	<b>1,190.63</b>	<b>2,973.73</b>
<b>Total (A+B+C+D)</b>	<b>52,510.18</b>	<b>1,362.92</b>	<b>7,435.59</b>	<b>0.21</b>	<b>46,437.29</b>	<b>15,795.78</b>	<b>4,094.94</b>	<b>3,755.22</b>	<b>715.74</b>	<b>0.10</b>	<b>16,851.13</b>	<b>29,586.16</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

Description of Assets	Gross Block (At cost / deemed cost)						Depreciation / Amortisation				Net Block		
	As at 1st April 2019	Adjustment on transition to Ind AS 116 (Refer note 32)	Additions	Deletions	Loss/ (Gain) on foreign currency exchange differences	As at 31st March 2020	As at 1st April 2019	For the Period	Deletions	Impairment (Refer note 43)	Gain/ (Loss) on foreign currency exchange differences	As at 31st March 2020	As at 31st March 2020
<b>A. Property, plant and equipment</b>													
Freehold land	443.13	-	-	-	-	443.13	-	-	-	-	-	-	443.13
Building	3,620.27	-	11.08	-	-	3,631.35	109.52	132.15	-	-	-	241.67	3,389.68
Office equipments	353.83	-	13.33	16.38	-	350.78	185.32	71.23	15.02	-	-	241.53	109.25
Computers	440.14	-	38.17	42.19	-	436.12	295.99	77.60	39.46	-	-	334.13	101.99
Furniture & fixtures	1,845.14	-	167.39	29.88	(0.48)	1,983.13	625.92	211.97	17.76	-	(0.03)	820.16	1,162.97
Vehicles	89.91	-	-	1.04	-	88.87	54.10	7.00	0.62	-	-	60.48	28.39
Plant & machinery	12,307.40	-	703.48	29.44	-	12,981.44	2,658.02	1,475.16	14.33	-	-	4,118.85	8,862.59
Leasehold improvements	902.03	-	38.64	18.42	-	922.25	233.66	124.07	17.28	-	-	340.45	581.80
Hydraulic works and pipelines	60.07	-	-	-	-	60.07	2.81	3.80	-	-	-	6.61	53.46
Roads	283.86	-	-	-	-	283.86	37.14	53.93	-	-	-	91.07	192.79
<b>Subtotal (A)</b>	<b>20,345.78</b>	<b>-</b>	<b>972.09</b>	<b>137.35</b>	<b>(0.48)</b>	<b>21,181.00</b>	<b>4,202.48</b>	<b>2,156.91</b>	<b>104.47</b>	<b>-</b>	<b>(0.03)</b>	<b>6,254.95</b>	<b>14,926.05</b>
<b>B. Other intangible assets</b>													
Brands, brand usage rights and trademarks (Refer note ii)	16,613.46	-	-	-	-	16,613.46	4,744.96	963.72	-	400.00	-	6,108.68	10,504.78
Software	2,949.93	-	23.61	0.63	-	2,972.91	826.32	494.00	0.63	-	-	1,319.69	1,653.22
<b>Subtotal (B)</b>	<b>19,563.39</b>	<b>-</b>	<b>23.61</b>	<b>0.63</b>	<b>-</b>	<b>19,586.37</b>	<b>5,571.28</b>	<b>1,457.72</b>	<b>0.63</b>	<b>400.00</b>	<b>-</b>	<b>7,428.37</b>	<b>12,158.00</b>
<b>C. Goodwill (Refer note 44)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>614.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>614.50</b>	<b>2,951.82</b>
<b>Subtotal (C)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>614.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>614.50</b>	<b>2,951.82</b>
<b>D. Right-of-use assets</b>													
Building	-	5,300.00	2,393.76	441.22	-	7,252.54	-	1,413.52	-	-	-	1,413.52	5,839.02
Vehicles (Refer note iii)	-	8.24	0.38	-	-	8.62	-	3.10	-	-	-	3.10	5.52
Plant and Machinery	-	915.33	-	-	-	915.33	-	81.34	-	-	-	81.34	833.99
<b>Subtotal (D)</b>	<b>-</b>	<b>6,223.57</b>	<b>2,394.14</b>	<b>441.22</b>	<b>-</b>	<b>8,176.49</b>	<b>-</b>	<b>1,497.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,497.96</b>	<b>6,678.53</b>
<b>Total (A+B+C+D)</b>	<b>43,475.49</b>	<b>6,223.57</b>	<b>3,389.84</b>	<b>579.20</b>	<b>(0.48)</b>	<b>52,510.18</b>	<b>10,388.26</b>	<b>5,112.59</b>	<b>105.10</b>	<b>400.00</b>	<b>(0.03)</b>	<b>15,795.78</b>	<b>36,714.40</b>

## Notes:

- (i) For Property, plant and equipment and other intangible assets pledged as security (Refer note 15 & 18)  
(ii) Includes Kara brand of ₹ 609 lakhs (Previous Year : ₹ 809 lakhs) with indefinite useful life (Refer note 43)  
(iii) Vehicle taken on lease is secured by hypothecation created under said lease

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 5. NON CURRENT INVESTMENTS

#### Unquoted

Particulars	(₹ In lakhs)			
	Number of Units		Amount	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
<b>Investment in equity shares (net of impairment)</b>				
<b>i) Subsidiaries (At cost, fully paid up)</b>				
Aadhaar Wholesale Trading and Distribution Limited (Refer note 43)	77,400,000	77,400,000	9,208.81	9,208.81
Future Consumer Products Limited	1,000,000	1,000,000	-	-
The Nilgiri Dairy Farm Private Limited (Refer note 43)	241,435	241,435	10,718.68	14,595.38
APPU Nutritions Private Limited	240	240	210.60	210.60
Nilgiri's Mechanised Bakery Private Limited	21,600	21,600	266.52	266.52
Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)	-	-	0.57	0.57
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	1,000,000	1,000,000	625.49	575.04
FCEL Food Processors Limited (Partly paid up)	5,000,000	5,000,000	3.50	3.50
FCEL Overseas FZCO (Refer note 43) (A company incorporated in UAE, face value DHS 1000 each)	60	60	-	-
FCL Tradevest Private Limited (Refer note 43)	127,686,000	127,686,000	11,798.60	12,141.60
<b>ii) Joint Ventures (At cost, fully paid up)</b>				
Aussee Oats Milling (Private) Limited (Refer note 42) (a company incorporated in Sri Lanka, face value LKR 10 each)	29,453,180	29,453,180	1,841.26	681.27
Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG) (Refer note 43) (a company incorporated in Switzerland, face value CHF 1000 each)	400	400	-	-
Hain Future Natural Products Private Limited	21,345,000	19,495,000	2,134.50	1,949.50
Fonterra Future Dairy Private Limited	24,150,000	15,500,000	2,415.00	1,550.00
<b>iii) Associate (At cost, fully paid up)</b>				
Sarjena Foods Private Limited	-	324,675	-	-
<b>iv) Others (At cost, fully paid up)</b>				
Saraswat Co-operative Bank Limited	50	50	0.01	0.01
<b>Investment in preference shares (net of impairment)</b>				
<b>i) Subsidiaries (At FVTPL, fully paid up)</b>				
2% cumulative redeemable preference shares of Future Consumer Products Limited	145,000	145,000	-	-
1% non cumulative redeemable preference shares of The Nilgiri Dairy Farm Private Limited	4,684,270	4,684,270	2,144.86	1,865.10
<b>ii) Joint venture (At FVTPL, fully paid up)</b>				
Cumulative redeemable preference shares of Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each) (Refer note 42)	11,380,155	11,380,155	466.00	-
<b>Investment in debentures</b>				
<b>i) Associate (At cost, fully paid up)</b>				
0.001% Compulsorily Convertible Debentures of Amar Chitra Katha Private Limited	4,977	4,977	4,976.91	4,976.91
<b>ii) Joint venture (At cost, fully paid up)</b>				
8.10% Compulsory Convertible Debentures of Hain Fututure Natural Products Private Limited	3,005,000	-	300.50	-
<b>Total</b>	<b>306,517,367</b>	<b>293,337,042</b>	<b>47,111.81</b>	<b>48,024.81</b>

The above investments are net of impairment, if any.

The list of subsidiaries, joint ventures and associates along with proportion of ownership interest held are disclosed in note 2.3 of consolidated financial statements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Loans to related parties (Refer Note 36)	41,066.45	452.29
<b>Total</b>	<b>41,066.45</b>	<b>452.29</b>
<b>Current</b>		
Loans to related parties (Refer Note 36)	-	41,825.22
<b>Total</b>	<b>-</b>	<b>41,825.22</b>

### 7. OTHER FINANCIAL ASSETS (UNSECURED)

Particulars	₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
<b>Considered good</b>		
Security deposits	223.61	422.65
Other deposits	-	10.22
Interest accrued on deposits	7,150.81	96.06
Bank deposits with more than 12 months maturity	47.03	44.49
<b>Total</b>	<b>7,421.45</b>	<b>573.42</b>
<b>Current</b>		
<b>Considered good</b>		
Security deposits	101.53	104.90
Interest accrued on deposits	41.09	2,986.58
Other receivables (for related party, refer note 36)	123.77	4,411.63
<b>Considered doubtful</b>		
Other receivables which have significant increase in credit risk (for related party, refer note 36)	7,219.96	3,981.62
	7,486.35	11,484.73
Impairment allowance		
Less: Other Receivables which have significant increase in credit risk (refer note 29)	(7,219.96)	(3,981.62)
<b>Total</b>	<b>266.39</b>	<b>7,503.11</b>

### 8. DEFERRED TAX ASSETS (NET)

Particulars	₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Deferred tax liabilities:</b>		
Accelerated depreciation for tax purposes	2,374.13	2,661.35
Taxable temporary differences on financial liability measured at amortised cost	28.84	55.29
<b>Total deferred tax liabilities (A)</b>	<b>2,402.97</b>	<b>2,716.64</b>
<b>Deferred tax assets:</b>		
Provision for doubtful debts	1,884.36	1,999.42
Provisions for employee benefits	295.89	327.00
Taxable temporary differences on lease accounting	222.72	235.07
Debt Component on Compulsory Convertible Debentures	-	158.16
Losses available for offsetting against future taxable income	-	2,274.13
<b>Total deferred tax assets (B)</b>	<b>2,402.97</b>	<b>4,993.78</b>
<b>Net Deferred Tax Liability / (Asset) (A-B)</b>	<b>-</b>	<b>(2,277.14)</b>

Note - During the year the Company has reassessed the deferred tax position and recognised the Deferred Tax Asset only to the extent of Deferred Tax Liability as at 31st March, 2021.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 8.1 Movement of Deferred Tax

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Deferred tax asset / (liability) at the start of the year	2,277.14	1,867.50
(Charge) / Credit to the Statement of Profit and Loss	(2,239.26)	(272.32)
(Charge) / Credit to Other Equity	-	682.68
(Charge) / Credit to Other Comprehensive Income	(37.88)	(0.72)
<b>Deferred tax asset / (liability) at the end of the year</b>	<b>-</b>	<b>2,277.14</b>

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

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Tax losses (revenue in nature) (Refer note a)	47,812.92	21,094.10
Tax losses (capital in nature) (Refer note b)	11,925.08	11,925.07
Other Temporary differences	17,258.44	-
<b>Total</b>	<b>76,996.44</b>	<b>33,019.17</b>

- a) Unused tax losses of revenue nature includes losses of ₹ 23,806.62 lakhs (Previous year ₹56.82 lakhs) that are available for offsetting for eight years against future taxable profits of the Company in which the losses arose.

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
2013-14	448.51	-
2015-16	4,601.10	-
2016-17	3,655.82	-
2017-18	240.29	56.82
2021-22	14,860.89	-
<b>Total</b>	<b>23,806.62</b>	<b>56.82</b>

Further unutilised tax losses of revenue nature include losses of ₹ 24,006.30 lakhs (Previous year ₹ 21,037.28 lakhs) which are available for set off against future taxable profits indefinitely

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

Assessment Year	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
2018-19	2,455.69	2,455.69
2019-20	9,469.38	9,469.38
<b>Total</b>	<b>11,925.07</b>	<b>11,925.07</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

Particulars	₹ In lakhs	
	Year ended 31st March 2021	Year ended 31st March 2020
Profit before tax	(38,976.71)	(30,216.94)
Other Comprehensive Income before tax	150.48	2.88
<b>Total</b>	<b>(38,826.23)</b>	<b>(30,214.06)</b>
Income tax expense calculated at 25.17% (Previous year 34.94%)	(9,771.79)	(7,604.27)
Effect of expenses not allowed for income tax purposes (net)	5,322.51	8,961.83
Effect of additional allowance for tax purpose, limited to net taxable income for the year	4,449.27	(1,357.56)
Tax expense relating to earlier years (PY - MAT Expense on Reversal)	(139.96)	76.17
Effect of change in rate of tax on Deferred Tax Asset	-	592.16
Effect of DTA (recognised)/reversed	2,277.14	(319.13)
<b>Total</b>	<b>2,137.18</b>	<b>349.20</b>
Income tax expense/ (income) relating to items that will not be reclassified to statement of profit or loss	37.87	0.72
Tax expense relating to earlier years (PY - MAT Expense on Reversal)	(139.96)	76.17
Deferred tax expense recognised in statement of profit or loss	2,239.27	272.31
Current tax expense recognised in statement of profit or loss	-	-
<b>Total</b>	<b>2,137.18</b>	<b>349.20</b>

## 9. OTHER ASSETS

Particulars	₹ In lakhs	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Capital advance	25.41	9.42
Advance taxes (net)	1,372.06	1,780.92
<b>Total</b>	<b>1,397.47</b>	<b>1,790.34</b>
<b>Current</b>		
Advances to employees	8.15	10.39
Advances given to suppliers	519.43	660.70
Other advances	124.32	257.08
Balances with government authorities	679.64	786.70
Advance Taxes	571.96	-
Others	-	14.31
<b>Total</b>	<b>1,903.50</b>	<b>1,729.18</b>

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

Particulars	₹ In lakhs	
	As at 31st March 2021	As at 31st March 2020
Raw materials (at cost)	396.75	595.25
Finished goods (at lower of cost and net realisable value)	170.30	361.24
Stock - in - trade (at lower of cost and net realisable value)	3,694.45	13,163.21
Packing material (at cost)	166.33	161.98
<b>Total</b>	<b>4,427.83</b>	<b>14,281.68</b>

### NOTES:-

- For Inventory hypothecated as security, refer note 18
- The amount of write down of inventories recognised as an expense during the year is ₹ 410.94 lakhs (Previous year: ₹ 188.34 lakhs).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 11. TRADE RECEIVABLES (UNSECURED)

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Considered good (for related party, refer note 36)	58,474.22	67,567.49
Receivables which have significant increase in credit risk (for related party, refer note 36)	17,525.01	3,962.68
	<b>75,999.23</b>	<b>71,530.17</b>
Impairment Allowance		
Less: Receivables which have significant increase in credit risk (refer note 29)	(17,525.01)	(3,962.68)
<b>Total</b>	<b>58,474.22</b>	<b>67,567.49</b>
<b>Movement in Credit impaired (expected credit loss allowance)</b>		
Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Opening balance	(3,962.68)	(42.88)
Changes in loss allowance:		
Impairment allowance based on expected credit loss	(13,562.33)	(3,919.80)
<b>Closing Balance</b>	<b>(17,525.01)</b>	<b>(3,962.68)</b>

Note:

(i) For trade receivables hypothecated as security (Refer note 18)

### 12. CASH AND CASH EQUIVALENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Cash and cash equivalents</b>		
On current accounts	709.06	1,231.67
In fixed deposit accounts	1,727.23	1,717.75
Cash on hand	3.03	33.12
<b>Total</b>	<b>2,439.32</b>	<b>2,982.54</b>
<b>Bank balances other than Cash and cash equivalents</b>		
As margin money	1,049.14	1,067.58
<b>Total</b>	<b>1,049.14</b>	<b>1,067.58</b>

During the current year the Company entered into non-cash investment activity of converting inter corporate deposit amounting to ₹ Nil (previous year ₹ 2,962.87 lakhs) into investments, acquisition of ROU assets of ₹ 556.93 lakhs (previous year ₹ 6,223.57 lakhs) (Refer Note 32) and a increase in investment of ₹ 50.44 lakhs (previous year decrease of ₹ 94.86 lakhs) (Refer Note 36). These are not reflected in the statement of cash flows.

Changes in liability due to financial activities						(₹ In lakhs)
Particulars	As at 31st March 2020	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	As at	
	31st March 2021					
Current borrowings (Refer Note 18)	29,048.04	(817.01)	-	2,162.06	30,393.09	
Non- current borrowings, including current maturities (Refer Note 15)	28,005.08	(682.14)	160.17	(1,720.23)	25,762.88	
Lease liabilities (Refer Note 32)	7,613.42	(466.76)	(3,288.08)	-	3,858.57	
<b>Total</b>	<b>64,666.54</b>	<b>(1,965.91)</b>	<b>(3,127.91)</b>	<b>441.83</b>	<b>60,014.54</b>	
Particulars	As at 1st April 2019	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	As at	
	31st March 2020					
Current borrowings (Refer Note 18)	43,498.96	(14,450.92)	-	-	29,048.04	
Non- current borrowings, including current maturities (Refer Note 15)	30,047.13	(2,277.63)	235.58	-	28,005.08	
Lease liabilities (Refer Note 32)	-	(1,232.63)	-	8,846.05	7,613.42	
<b>Total</b>	<b>73,546.09</b>	<b>(17,961.18)</b>	<b>235.58</b>	<b>8,846.05</b>	<b>64,666.54</b>	

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 13. EQUITY SHARE CAPITAL

#### a) Share capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	No of shares	Amount (₹ In lakhs)	No of shares	Amount (₹ In lakhs)
<b>Authorised</b>				
Equity shares of ₹6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
<b>Total</b>		<b>506,000.00</b>		<b>506,000.00</b>
<b>Issued, subscribed and fully paid-up capital</b>				
Equity shares of ₹6 each	1,987,040,879	119,222.46	1,921,109,680	115,266.58
Less : Shares held by ESOP trust treated as treasury shares	(13,452,793)	(807.17)	(13,452,793)	(807.17)
<b>Total</b>	<b>1,973,588,086</b>	<b>118,415.29</b>	<b>1,907,656,887</b>	<b>114,459.41</b>

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No of shares	Amount (₹ In lakhs)	No of shares	Amount (₹ In lakhs)
Equity shares at the beginning of the year	1,907,656,887	114,459.41	1,907,142,387	114,428.54
Add : Equity shares issued and allotted during the year	65,931,199	3,955.88	-	-
Add : Allotment pursuant to exercise of stock options granted under FVIL - Employees Stock Option Plan - 2011	-	-	200,000	12.00
Add : Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	-	-	447,000	26.82
Less : Shares purchased (net) by ESOP trust treated as treasury shares	-	-	(132,500)	(7.95)
<b>Equity shares at the end of the year</b>	<b>1,973,588,086</b>	<b>118,415.29</b>	<b>1,907,656,887</b>	<b>114,459.41</b>

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Vistra ITCL India Limited	447,239,338	22.51	-	-
Future Capital Investment Private Limited	243,544,041	12.26	826,612,246	43.03
Verinvest SA	156,929,569	7.90	140,513,969	7.31
Black River Food 2 Pte. Ltd	146,283,195	7.36	146,283,195	7.61
International Finance Corporation	107,819,921	5.43	58,304,322	3.03
Arisaig India Fund Limited	-	-	134,331,586	6.99

#### d) Share options granted under the Company's employee share option plan:

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note no. 35

#### e) Rights, Preferences and Restrictions attached to equity shares:

- The Company has one class of equity shares having a par value of ₹6 per share. Each holder of equity share is entitled to one vote per share.
- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

- f) During the financial year 2020-21:
- i) The Company has forfeited 7,000 warrants having face value of ₹ 1,00,000/- each issued to Illusie Produkt Private Limited, being a member of the Promoter group of the Company ("Illusie") due to non receipt of balance 75% of the total consideration amount from Illusie.
  - ii) The Company has issued and allotted 4,66,45,935 equity shares upon conversion of 21,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to International Finance Corporation and 28,69,664 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs at a conversion price of ₹ 45.02 per equity share .
  - iii) The Company has issued and allotted 1,54,64,238 equity shares upon conversion of 6,962 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to Verlinvest SA and 9,51,362 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs, at a conversion price of ₹ 45.02 per equity share .
- g) As at 31st March, 2021, 28,07,500 equity shares (FY 2020: 36,31,000 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 35) for ESOP Primary Scheme.
- h) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 14. OTHER EQUITY

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Capital reserve	2,064.94	314.94
Securities premium account	38,130.12	14,112.60
General reserve	0.59	0.59
Share options outstanding account	1,314.40	2,024.15
Capital redemption reserve	5.20	5.20
Equity Component of Compound Financial Instruments	-	26,253.16
Money received against share warrants	-	1,750.00
Foreign Currency Translation reserve	(2.87)	(5.52)
Retained earnings	(64,773.41)	(24,617.27)
Other comprehensive income	95.80	(16.81)
<b>Total</b>	<b>(23,165.23)</b>	<b>19,821.04</b>

#### Description of reserves

##### Capital reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

##### Securities premium account

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

##### General reserve

General Reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### Share options outstanding account

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 35.

### Capital redemption reserve

As per the provisions of the Companies Act, 2013 capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years. The reserve can be utilized for issuing fully paid up equity shares.

### Equity component of compound financial instruments

The Company had issued Compulsory Convertible Debentures ("CCD") with each CCD being compulsorily convertible into equity shares of the Company at a fixed conversion price appropriately adjusted for corporate events.

The instrument is a compound instrument and therefore total proceeds is divided into 'equity' and 'liability'. The equity portion is recorded under this reserve.

### Money received against share warrants

A share warrant is a financial instrument which gives the holder the right to acquire equity shares. A disclosure of the money received against share warrants is to be made since shares are yet to be allotted against the share warrants.

### Foreign Currency Translation reserve

When preparing financial statements, differences arising on translation of the financial statements of foreign operations is transferred to the Foreign Currency Translation Reserve (FCTR), which forms part of Other Comprehensive Income. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

### Retained earnings

This represents the surplus/ (deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

### Other Comprehensive Income

This relates to the remeasurement impact of defined benefit plans, exchange differences in translating the financial statements of foreign operations and income tax effect of the same.

## 15. NON CURRENT BORROWINGS

Particulars	(₹ In lakhs)			
	As at 31st March 2021		As at 31st March 2020	
	Non-Current	Current (Refer note 20)	Non-Current	Current (Refer note 20)
<b>Secured - at amortised cost</b>				
Term loans from banks:				
Term Loan Facility	2,937.71	910.00	3,614.27	910.00
Debentures :				
9.95% Redeemable non convertible debentures of ₹ 1 lakh each	-	2,000.00	-	1,994.14
11.07% Redeemable non convertible debentures of ₹ 10 lakh each	14,032.82	5,882.35	18,705.86	1,176.47
<b>Unsecured - at amortised cost</b>				
4 % Compulsorily Convertible Debentures of ₹ 1 lakh each				
Verlinvest SA	-	-	-	399.42
International Finance Corporation	-	-	-	1,204.92
<b>Total</b>	<b>16,970.53</b>	<b>8,792.35</b>	<b>22,320.13</b>	<b>5,684.95</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

(₹ In lakhs)				
Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2021	As at 31st March 2020
1	<b>Term Loan from bank:</b> a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering facility amount. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The facility has been restructured as part of the OTR Scheme (Refer Note 51). The next quarterly instalment is due in May 2021. Interest of 10.50% p.a.	3,847.71	4,524.27
2	<b>9.95% NCD:</b> a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series C of ₹ 2,000 Lakhs was due in September 2020, and has been restructured for repayment (Refer Note 51). Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	2,000.00	1,994.14
3	<b>11.07 % NCD:</b> a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The NCDs is redeemable in 17 equal quarterly installments starting from February 2021. Certain installments have been restructured in light of the Covid-19 pandemic (Refer Note 51). Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @ 10.00% p.a. & year 3 @ 11.07% p.a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.	19,915.17	19,882.33
4	<b>4 % CCD Verlinvest SA (Verlinvest) (Converted into equity shares during the year) :</b> The CCDs were unsecured, ranking pari passu with any other unsecured creditors of the Company.	The Company has issued and allotted 1,54,64,238 equity shares upon conversion of 6,962 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to Verlinvest SA and 9,51,362 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs, at a conversion price of ₹ 45.02 per equity share .	-	399.42
5	<b>4 % CCD International Finance Corporation (IFC) (Converted into equity shares during the year) :</b> The CCDs were unsecured, ranking pari passu with any other unsecured creditors of the Company.	The Company has issued and allotted 4,66,45,935 equity shares upon conversion of 21,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to International Finance Corporation and 28,69,664 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs at a conversion price of ₹ 45.02 per equity share .	-	1,204.92
			<b>25,762.88</b>	<b>28,005.08</b>
	Less: Current maturities of long term debt (Refer note 20)		<b>(8,792.35)</b>	<b>(5,684.95)</b>
	<b>Total</b>		<b>16,970.53</b>	<b>22,320.13</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 16. OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Interest accrued but not due	927.04	831.15
<b>Total</b>	<b>927.04</b>	<b>831.15</b>

### 17. PROVISIONS

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 33.2)	287.88	591.25
Provision for Bonus	80.80	113.79
<b>Total</b>	<b>368.68</b>	<b>705.04</b>
<b>Current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 33.2)	64.49	145.82
Provision for compensated absences (Refer note 33.3)	222.95	448.40
Provision for Bonus	469.45	-
<b>Total</b>	<b>756.89</b>	<b>594.22</b>

### 18. CURRENT BORROWINGS

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks	8,666.47	7,913.40
Other loans from bank	20,016.43	21,211.27
	<b>28,682.90</b>	<b>29,124.67</b>
Less :- Unamortised cost	-	(76.63)
	<b>28,682.90</b>	<b>29,048.04</b>
<b>Unsecured - at amortised cost</b>		
Other loans from bank	1,710.19	-
<b>Total</b>	<b>30,393.09</b>	<b>29,048.04</b>

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

Nature of Security	Terms of Interest and repayment
<b>Loans repayable on demand from banks (Cash Credit)</b>	
Loan is secured by	The cash credit is repayable on demand and carries interest at rates varying from 8.65% to 10.50% p.a. Interest on these facilities has been restructured as part of the OTR Scheme (Refer Note 51)
a) First pari passu hypothecation charge on all existing and future current assets of the Company	
b) Second Charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	
<b>Other Loans from Bank (Working capital loan)</b>	
Loan is secured by	The other loans from Bank is repayable on due dates within a period of 1 year and carries interest at rates varying from 7.75% to 10.50% p.a. These facilities have been restructured as part of the OTR Scheme (Refer Note 51).
a) First and/or pari passu charge on all existing and future current assets of the Company	
b) Second charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	

#### Details of terms of interest and repayment for unsecured current borrowings

Other Loans from Bank include bills discounted repayable on due dates within a period of 1 year carrying interest at rates varying from 7.90% to 8.15% p.a. These facilities has been restructured as part of the OTR Scheme (Refer Note 51).



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 19. TRADE PAYABLES

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	2,182.67	2,881.96
Total outstanding dues of trade payables other than micro enterprises and small enterprises (for related party, refer note 36)	14,329.14	24,067.91
<b>Total</b>	<b>16,511.81</b>	<b>26,949.87</b>

### 20. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Current maturities of long term debt (Refer note 15)	8,792.35	5,684.95
Interest accrued but not due on borrowing	1,969.54	427.22
Security and other deposits	13.90	140.10
Payable on purchase of capital goods	74.76	92.01
<b>Total</b>	<b>10,850.55</b>	<b>6,344.28</b>

### 21. OTHER CURRENT LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Statutory dues payable (includes TDS, PF, GST etc)	532.48	658.58
Other liabilities	2.94	10.21
Contract liabilities	19,151.60	123.08
<b>Total</b>	<b>19,687.02</b>	<b>791.87</b>

### 22. REVENUE FROM OPERATIONS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from Contracts with Customers :		
Sale of products	58,615.13	302,218.87
Other operating revenue	128.47	389.95
<b>Total</b>	<b>58,743.60</b>	<b>302,608.82</b>

22.1 Details of revenue from contracts with customers recognised by the Company, net of indirect taxes, in its Statement of Profit and loss. The table below presents disaggregated revenues from contracts with customers.

Type of Goods or Services	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Sale of consumer products	58,615.13	302,218.87
Franchisee fees	-	241.63
Royalty income	18.51	7.79
Scrap sales	46.13	74.20
Miscellaneous Income	63.83	66.33
<b>Total revenue from contracts with customers</b>	<b>58,743.60</b>	<b>302,608.82</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

<b>Revenue based on Geography</b>		(₹ In lakhs)	
Particulars	Year ended 31st March 2021	Year ended 31st March 2020	
India	58,743.60	302,523.49	
Outside India	-	85.33	
<b>Total revenue from contracts with customers</b>	<b>58,743.60</b>	<b>302,608.82</b>	

<b>Timing of revenue recognition</b>		(₹ In lakhs)	
Particulars	Year ended 31st March 2021	Year ended 31st March 2020	
Goods transferred at a point in time	58,661.26	302,293.07	
Services transferred over time	82.34	315.75	
<b>Total revenue from contracts with customers</b>	<b>58,743.60</b>	<b>302,608.82</b>	

22.2 The Company derives its revenue from the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single service line. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 30 on Operating segment information).

### 22.3 Contract balances

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

		(₹ In lakhs)	
Particulars	As at 31st March 2021	As at 31st March 2020	
Trade receivables (Refer note 11)	58,474.22	67,567.49	
Contract assets	-	-	
Contract liabilities (Refer note 21)	19,151.60	123.08	

Trade receivables are non interest bearing and are generally on terms of 7 to 90 days. The Company receives payments from customers based upon contractual billing schedules. Trade receivables are recorded when the right to consideration becomes unconditional.

Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

Set out below is the amount of revenue recognised from:

		(₹ In lakhs)	
Particulars	As at 31st March 2021	As at 31st March 2020	
Amounts included in contract liabilities at the beginning of the year	123.08	107.45	
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	123.08	107.45	
Revenue recognised from performance obligations satisfied in previous years	-	-	

### 22.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

		(₹ In lakhs)	
Particulars	Year ended 31st March 2021	Year ended 31st March 2020	
Revenue as per contracted price	61,372.41	309,729.10	
Less: Discounts, rebates, refunds, credits, price concessions	(2,628.81)	(7,120.28)	
<b>Revenue from contracts with customers</b>	<b>58,743.60</b>	<b>302,608.82</b>	

### 22.5 Performance Obligation

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Company has a material right but either not yet transferred control of a product or performing services over the period of time to customers. Transaction price includes the price agreed with customer, variable consideration and changes in transaction price. The transaction price of order related to unfilled, confirmed customer orders is estimated at each reporting date and payment is generally due within 7 to 90 days from delivery.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Within one year	19,151.60	123.08
More than one year	-	-
Open sales order as on 31 March 2021 is ₹ 4,480.15 lakhs (31 March 2020 is ₹ Nil)		

### 23. OTHER INCOME

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Operating lease rent	3.39	539.43
Gain on Sale of Investment - Non Current	30.00	-
Interest income		
Inter corporate deposits	5,147.52	5,051.92
Others	231.76	233.93
Provision no longer required written back	72.08	-
Gain on termination of Lease Asset	406.09	20.25
Net Profit on foreign currency transactions and translation	-	401.46
Net gain on financial assets measured at FVTPL	279.76	243.89
Net gain on financial guarantees contract	7.26	35.07
Miscellaneous income	0.02	98.73
<b>Total</b>	<b>6,177.88</b>	<b>6,624.68</b>

### 24. COST OF MATERIALS CONSUMED

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Opening stock of raw materials and others (Refer note 10)	757.23	551.83
Add: Purchases	2,463.86	16,362.62
Closing stock of raw materials and others (Refer note 10)	(563.08)	(757.23)
<b>Total</b>	<b>2,658.01</b>	<b>16,157.22</b>

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

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Opening stock:		
Finished goods (Refer note 10)	361.24	79.88
Stock in trade (Refer note 10)	13,163.21	21,248.56
<b>Total (A)</b>	<b>13,524.45</b>	<b>21,328.44</b>
Closing stock:		
Finished goods (Refer note 10)	170.30	361.24
Stock in trade (Refer note 10)	3,694.45	13,163.21
<b>Total (B)</b>	<b>3,864.75</b>	<b>13,524.45</b>
<b>Decrease/ (Increase) during the year (A - B)</b>	<b>9,659.70</b>	<b>7,803.99</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 26. EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Salaries wages & bonus	4,395.58	8,732.01
Contribution to provident and other funds (Refer note 33.1)	165.94	479.26
Expenses / (Reversal) on employee stock option (ESOP) scheme (Refer note 35)	97.87	(39.21)
Staff welfare expenses	76.84	285.04
<b>Total</b>	<b>4,736.23</b>	<b>9,457.10</b>

### 27. FINANCE COSTS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Interest expense on:		
Loans	6,453.26	7,107.39
Lease expenses (Refer note 32)	452.85	710.24
Others	38.64	43.46
Other borrowing costs	57.23	132.36
<b>Total</b>	<b>7,001.98</b>	<b>7,993.45</b>

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

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation of property, plant & equipment	1,811.92	2,156.91
Amortisation of intangible assets	1,459.29	1,457.72
Depreciation of right-of-use assets	823.73	1,497.96
<b>Total</b>	<b>4,094.94</b>	<b>5,112.59</b>

### 29. OTHER EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Rent expenses (Refer note 32)	778.21	1,274.70
Warehousing and distribution expenses	2,980.47	8,060.90
Labour contract charges	833.83	3,552.85
Electricity expenses	168.96	413.35
Advertisement, publicity & selling expenses	497.45	1,852.86
Repairs and maintenance :		
On plant and machinery	37.97	108.14
On buildings	3.50	11.38
On others	49.49	97.04
Legal and professional charges	433.68	1,103.03
Consumables and Packing materials	8.24	46.14
Impairment allowance on trade and other receivables (refer note 11 and 7 respectively)	16,800.67	7,901.42
Rates and taxes	730.57	565.09
Insurance	78.02	131.95
Auditor's remuneration (Refer note 1 below)	90.38	97.55
Directors sitting fees	26.25	27.50
Loss on sale/retirement of property, plant and equipment (Net)	127.32	15.10
Net loss on foreign currency transactions and translation	117.22	-
Brand royalty	47.53	112.34
Corporate social responsibility (Refer note 46)	51.42	64.83
Miscellaneous expenses	2,309.31	3,781.41
<b>Total</b>	<b>26,170.49</b>	<b>29,217.58</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

Note :

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

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Audit fees	49.00	49.00
Tax audit	6.00	6.00
Other services	34.60	37.20
Out of pocket expenses	0.78	5.35
<b>Total</b>	<b>90.38</b>	<b>97.55</b>

## 30. SEGMENT INFORMATION

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment'.

The Chief Operating Decision Maker (CODM) monitors the operating results at the Company level for the purpose of making decisions about resource allocation and performance assessment.

### 30.1 Geographic Information

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from operations from customers within India	58,743.60	302,523.49
Revenue from operations from customers outside India	-	85.33
	<b>58,743.60</b>	<b>302,608.82</b>

### 30.2 Major Customer

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

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Future Retail Limited	31,952.25	263,158.52
Reliance Retail Limited	15,754.97	-

## 31. EARNINGS PER SHARE (EPS)

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Profit for the year attributable to equity holders of Company after exceptional items (₹ in lakhs)	(41,076.02)	(30,565.42)
Profit for the year attributable to equity holders of Company before exceptional item (₹ in lakhs)	(32,581.77)	(1,402.68)
Weighted average number of equity shares outstanding for Basic EPS	1,973,588,086	1,907,741,063
Add : Weighted average number of potential equity shares on account of employee stock options outstanding	-	1,879,954
Weighted average number of equity shares outstanding for diluted EPS	1,973,588,086	1,909,621,017
Earnings per share after exceptional item (₹)		
Basic	(2.08)	(1.60)
Diluted	(2.08)	(1.60)
Earnings per share before exceptional item (₹)		
Basic	(1.65)	(0.07)
Diluted	(1.65)	(0.07)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 32. LEASING ARRANGEMENT

#### Company as a lessee

The Company has lease contracts for various items of plant, machinery, vehicles, warehouse, office premises and buildings used in its operations. Leases of plant and machinery, buildings generally have lease terms between 3 and 9 years, while vehicles and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

32.1 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ In lakhs)				
Particulars	Plant & Machinery	Vehicles	Buildings	Total
As at 1st April 2019	915.33	8.24	5,300.00	6,223.57
Additions/Deletions	-	0.38	1,952.54	1,952.92
Depreciation Expenses	81.34	3.10	1,413.52	1,497.96
<b>As at 31st March 2020</b>	<b>833.99</b>	<b>5.52</b>	<b>5,839.02</b>	<b>6,678.53</b>

(₹ In lakhs)				
Particulars	Plant & Machinery	Vehicles	Buildings	Total
As at 1st April 2020	833.99	5.52	5,839.02	6,678.53
Additions/Deletions	(90.62)	-	(2,790.45)	(2,881.07)
Depreciation Expenses	51.80	2.20	769.73	823.72
<b>As at 31st March 2021</b>	<b>691.57</b>	<b>3.32</b>	<b>2,278.84</b>	<b>2,973.73</b>

32.2 Set out below are the carrying amounts of lease liabilities (on the face of Balance sheet under Financial Liabilities) and the movements during the period:

(₹ In lakhs)		
Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Opening balance	7,613.42	6,913.38
Additions/Deletions	(3,288.08)	1,932.68
Accretion of Interest	452.85	710.24
Payments	919.61	1,942.86
<b>Closing Balance</b>	<b>3,858.57</b>	<b>7,613.42</b>
<b>Current Lease Liabilities</b>	<b>768.55</b>	<b>1,261.81</b>
<b>Non-Current Lease Liabilities</b>	<b>3,090.02</b>	<b>6,351.61</b>

32.3 The maturity analysis of lease liabilities are disclosed as below:

(₹ In lakhs)						
Maturity analysis of contractual undiscounted cash flow	Upto 3 months	3 months to 6 months	6 months to 12 months	12 months to 2 years	2 years to 5 years	more than 5 years
As of 31 March 2021	254.08	254.63	557.35	956.08	1,747.64	4,016.16
As of 31 March 2020	466.48	458.34	1,001.13	1,844.61	3,916.58	5,462.88

Lessee's weighted average incremental borrowing rate for lease liabilities is 11.70%.

32.4 The following are the amounts recognised in statement of profit and loss:

(₹ In lakhs)		
Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation expense of right-of-use assets	823.73	1,497.96
Interest expense on lease liabilities	452.85	710.24
Rent expenses (included in other expenses)	778.21	1,274.70
<b>Total amount recognised in statement of profit and loss</b>	<b>2,054.79</b>	<b>3,482.90</b>

The Company had total cash outflows for leases of INR Rs 466.76 lakhs in 31 March 2021 (Previous Year: Rs 1,232.63 lakhs).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### 32.5 Additional information on termination option

Some leases of building contain termination options exercisable by the Company after the end of the non-cancellable contract period. Where practicable, the Company seeks to include termination options in new leases to provide economic viability. The termination options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the termination options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

## 33. EMPLOYEE BENEFIT PLANS

### 33.1 Defined Contribution Plans

The Company's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statutes and charged to the statement of profit and loss.

The Company's contribution to Provident Fund for the year 2020-2021 aggregating to ₹151.55 lakhs (Previous Year: ₹423.01 lakhs), ₹9.25 lakhs (Previous Year: ₹50.17 lakhs) for ESIC and Rs 3.40 lakhs for New Pension Scheme (Previous year: Rs 5.22 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense. (Refer Note 26).

### 33.2 Defined Benefit Plans

#### Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn basic salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan which is not funded.

The plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

#### Interest rate risk

A decrease in the government bond interest rate will increase the plan liability.

#### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by M/s Universal Actuaries and Benefit Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

#### Principal assumptions

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

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
1. Discount rate	5.89%	6.15%
2. Salary escalation	2% for first year, 6% thereafter	2% for first two years, 6% thereafter
3. Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
4. Withdrawal rate	20%	20%
5. Retirement age	58 years	58 years

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	Balances of defined benefit plan	
	Year ended 31st March 2021	Year ended 31st March 2020
Present value of unfunded defined benefit obligation	352.37	737.07
Fair value of plan assets	-	-
Net liability arising from gratuity	352.37	737.07

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for the year ended 31st March 2021

### Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit and loss, other comprehensive income.

Particulars	₹ In lakhs	
	Year ended 31st March 2021	Year ended 31st March 2020
A. Components of expense recognised in the statement of profit and loss (in employee benefit expenses)		
Current service cost	94.50	111.65
Net interest expenses	40.85	43.53
<b>Total</b>	<b>135.35</b>	<b>155.18</b>

Particulars	₹ In lakhs	
	Year ended 31st March 2021	Year ended 31st March 2020
B. Components of defined benefit costs recognised in other comprehensive income		
Remeasurement on the net defined benefit liability:		
Actuarial (gains) and losses arising from changes in financial assumptions	13.93	(41.16)
Actuarial (gains) and losses arising from experience adjustments	(164.41)	38.28
<b>Total</b>	<b>(150.48)</b>	<b>(2.88)</b>

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

Particulars	₹ In lakhs	
	Year ended 31st March 2021	Year ended 31st March 2020
Opening defined benefit obligation	737.07	683.96
Current service cost	94.50	111.65
Interest cost	40.85	43.53
Remeasurement (gains)/losses:		
Actuarial (Gain) / Loss - Demographic Assumptions	-	(0.02)
Actuarial (Gain) / Loss arising from changes in financial assumptions	13.93	(41.16)
Actuarial (Gain) / Loss arising from experience adjustments	(164.41)	38.28
Benefits paid	(369.57)	(99.17)
<b>Closing defined benefit obligation</b>	<b>352.37</b>	<b>737.07</b>

### Sensitivity analysis:

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

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

Particulars	₹ In lakhs	
	Year ended 31st March 2021	Year ended 31st March 2020
Impact on discount rate for 100 basis points increase in defined benefit obligation of gratuity	338.71	706.40
Impact on discount rate for 100 basis points decrease in defined benefit obligation of gratuity	367.20	770.56
Impact on salary escalation rate for 100 basis points increase in defined benefit obligation of gratuity	366.52	767.71
Impact on salary escalation rate for 100 basis points decrease in defined benefit obligation of gratuity	339.06	708.12

The rate of mortality and attrition do not have a significant impact on the liability, and hence are not considered for the purpose of sensitivity analysis. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in methods and assumptions used in preparing the sensitivity analysis from prior years. The weighted average duration of the gratuity plan is 4.82 years (Previous Year: 4.84 years).

Year	Expected Future Cash Flows	
	Year ended 31st March 2021	Year ended 31st March 2020
Year 1	64.49	143.52
Year 2	58.27	129.54
Year 3	61.82	125.23
Year 4	50.69	97.59
Year 5	44.13	90.54
Year 6 to 10	112.71	244.85
Above 10 years	70.45	142.73

(₹ In lakhs)

33.3 The Company has recognised an expense of ₹ 35.69 lakhs (Previous Year ₹ 173.87 lakhs expense) for long term compensated absences in the statement of profit and loss. Actuarial Assumption for long-term compensated absences are :

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Discounted rate	5.89%	6.15%
Salary increase	2% for first year, 6% thereafter	2% for first two years, 6% thereafter
Attrition rate	20%	20%
Retirement age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

## 34. FINANCIAL INSTRUMENTS AND RISK REVIEW

### 34.1 Capital Management

The Company being in a working capital intensive industry, its objective is to maintain a strong credit rating, healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capex, working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments. The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants.

#### Gearing ratio

The gearing ratio at end of the reporting period was as follows:

Particulars	Year ended	
	31st March 2021	31st March 2020
Debt (i)	60,014.54	64,666.53
Less:- Cash and cash equivalent (iii)	3,535.49	4,094.61
Net debt	56,479.05	60,571.92
Equity (ii)	95,250.06	134,280.45
Net debt to equity ratio	0.59	0.45

(₹ In lakhs)

(i) Debt is defined as long and short-term borrowings including current maturities of long term debt and lease liabilities.

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

(iii) Cash and cash equivalents includes bank deposits with more than 12 months maturity shown under other financial assets.

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for the year ended 31st March 2021

## 34.2 Categories of financial instruments

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
Cash and cash equivalent	3,535.49	4,094.61
Trade receivables	58,474.22	67,567.49
Loans	41,066.45	42,277.51
Other financial assets	7,640.81	8,032.04
Investments	44,966.95	46,159.71
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Investment in preference shares	2,144.86	1,865.10
<b>Financial liabilities</b>		
<b>Measured at Amortised Cost</b>		
Borrowing*	56,155.97	57,053.12
Lease liabilities	3,858.57	7,613.42
Trade payable	16,511.80	26,949.87
Other financial liabilities	2,985.24	1,490.48

\* includes current maturity of long term borrowings

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

### Fair Value Measurement and related disclosures

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Carrying Value / Fair value		Fair value hierarchy
	Year ended 31st March 2021	Year ended 31st March 2020	
	<b>Financial assets at Fair Value Through Profit and Loss (FVTPL)</b>		
1% non cumulative redeemable preference share of The Nilgiris Dairy Farm Limited (Refer note no.5)	2,144.86	1,865.10	Level 2

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

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Level 1 and 2 during the period.

### Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximates their fair values.

The management assessed that carrying values of financial assets and liabilities other than those disclosed above such as trade receivable, loans, finance lease obligations, cash and cash equivalents, other bank balances and trade payables are reasonable approximations of their fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### 34.3 Financial risk management objectives

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

### 34.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade in financial instruments, including derivatives for speculative purposes.

### 34.5 Foreign Currency Risk Management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a Forex policy approved by the Board of Directors.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

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

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

Amount as at 31st March 2021

(Amount in lakhs)

Particulars of transactions	Currency	Foreign Currency	INR
Forward Cover to Purchases USD - Trade Payable	USD	3.90	286.87

There were no forward contracts outstanding as at March 31, 2020

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

(Amount in lakhs)

Particulars	Foreign Currency	As at 31st March 2021		As at 31st March 2020	
		Amount (Foreign Currency)	Amount (INR)	Amount (Foreign Currency)	Amount (INR)
<b>Receivables :</b>					
Loans given (including Interest accrued)	USD	75.45	5,546.19	67.51	5,089.29
<b>Payables :</b>					
Trade payables	USD	-	-	2.54	191.80

#### Foreign exchange risk sensitivity:

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Following is the analysis of change in profit and pre tax equity where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

Foreign currency	(₹ In lakhs)			
	As at 31st March 2021		As at 31st March 2020	
	10% strengthen	10% weakening	10% strengthen	10%weakening
USD	(554.62)	554.62	(489.75)	489.75

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### 34.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides break-up of Company's fixed and floating rate borrowings:

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Variable interest rate borrowings	30,393.09	29,124.67
Fixed interest rate borrowings	25,762.89	28,005.08
<b>Total</b>	<b>56,155.98</b>	<b>57,129.75</b>

Interest rate risk sensitivity:

The sensitivity analyses has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit and pre-tax equity. A positive is increase in profit and negative is decrease in profit.

Particulars	(₹ In lakhs)			
	As at 31st March 2021		As at 31st March 2020	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(151.97)	151.97	(145.62)	145.62

### 34.7 Other price risks

The Company's exposure to other risks arises from investments in preference shares amounting to ₹ 2,144.86 Lakhs (Previous Year ₹1,865.10 Lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis has been determined based on the exposure to price risk at the end of the reporting period. If the prices of the above instruments had been 5% higher/lower, profit for the year ended 31st March 2021 would increase/decrease by ₹ 107.24 Lakhs (Previous year by ₹93.26 Lakhs)

### 34.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, other deposits, other receivables, security deposits and from credit exposures to customers, including outstanding receivables.

The Company has limited credit risk arising from cash and cash equivalents as the deposits are maintained with banks and financial institutions with high credit rating. Further, the loans are given to group entities and they have generally been regular in making the payments as per the loan arrangements. The Company has majority of its security deposits placed with group entities for renting of warehouses and other storage units. The Company has a policy in place whereby it evaluates the recoverability of these financial assets at each quarter ended date and wherever required, a provision is created against the same.

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Since most of Company's transactions are done on credit, the Company is exposed to credit risk on trade and other receivable. Any delay, default or inability on the part of the other party to pay on time will expose the Company to credit risk and can impact profitability. Company's maximum credit exposure is in respect of trade receivables of ₹ 75,999.23 lakhs and ₹ 71,530.17 lakhs as at March 31, 2021 and March 31, 2020, respectively and other receivables of ₹ 7,343.73 lakhs and 8,393.25 lakhs as at March 31, 2021 and March 31, 2020, respectively. The Company adopted an effective receivable management system to control the Days' Sales Outstanding. Refer below note for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables. Apart from Future Retail Limited and Reliance Retail Limited, being the largest customers of the Company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to these two customers did not exceed 95% (Previous Year: One customer- 85%) of gross trade receivable as at the end of reporting period. No other single customer accounted for more than 10% of total trade receivable. The average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

For trade receivables and other receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default and delay rates over the expected life of trade and other receivables and is adjusted for forward-looking estimates.

Age of Trade receivables	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
less than 60 days	20,023.99	64,785.32
61 to 90 days	2,069.66	4,608.28
91 to 180 days	4,221.41	1,326.50
more than 180 days	49,684.17	810.08
Less: Expected credit loss allowance	(17,525.01)	(3,962.68)
<b>Total</b>	<b>58,474.22</b>	<b>67,567.50</b>

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy.

### 34.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

During the year, due to covid-19 pandemic and consequent lockdown, the cash collections from Company's receivables have reduced leading to higher expected credit loss provision being made on trade and other receivables.

The Company has invoked One Time Restructuring (OTR) of loan from banks on November 09, 2020 as per RBI guidelines. The aforesaid OTR has been approved by all the lenders on May 06, 2021. Further, the Company has entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 5, 2021 and May 04, 2021, respectively for deferment of repayments of Non-Convertible Debentures. The One Time Restructuring and Revised Agreement signed with Debenture Trustees will have a positive impact on the liquidity position of the Company.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows before considering the effect of One Time Restructuring & Revised Agreement with Debenture Trustees.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	(₹ In lakhs)
						Carrying amount
<b>As at 31st March 2021</b>						
<u>Variable interest rate borrowings</u>						
Principal	9.57%	30,393.09	-	-	30,393.09	30,393.09
Interest		2,907.90	-	-	2,907.90	349.44
<u>Fixed interest rate borrowings</u>						
Principal	10.65%	8,792.35	16,970.53	-	25,762.89	25,762.89
Interest		3,674.12	3,041.48	-	6,715.60	2,547.00
Lease Liability		1,066.06	2,703.71	4,016.16	7,785.93	3,858.57
Financial guarantee contracts		6,272.79	-	-	6,272.79	-
Non interest bearing (Trade payable, deposits etc.)		16,600.46	-	-	16,600.46	16,600.46

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Particulars						(₹ In lakhs)	
	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount	
<b>As at 31st March 2020</b>							
<u>Variable interest rate borrowings</u>							
Principal	9.87%	29,124.67	-	-	29,124.67	29,124.67	
Interest		2,874.39	-	-	2,874.39	55.27	
<u>Fixed interest rate borrowings</u>							
Principal	10.56%	5,690.81	22,458.53	-	28,149.34	28,005.08	
Interest		2,848.91	5,187.20	-	8,036.11	1,202.43	
Lease liability		1,925.95	5,761.19	5,462.88	13,150.02	7,613.42	
Financial guarantee contracts		12,473.79	-	-	12,473.79	-	
Non interest bearing (Trade payable, deposits etc.)		27,181.98	-	-	27,181.98	27,181.98	

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Company has ₹3,142 Lakhs (Previous Year ₹ 12,375 Lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

## 35. SHARE BASED PAYMENTS

### 35.1 Details of the employee share based plan of the Company

- a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 5,00,00,000 options are covered under the ESOP 2011 for 5,00,00,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

In the previous years, the Nomination and Remuneration / Compensation Committee of the Company has granted 3,45,35,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

- b) The ESOP scheme titled "Future Consumer Enterprise Limited - Employee Stock Option Plan 2014" was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on 12th May 2015 in respect of grant of 3,19,50,000 options under primary route (ESOP 2014-Primary) and 7,98,00,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

In the current year, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 22nd March, 2021, granted 727,793 options under secondary market route (ESOP 2014-Secondary) to certain employees of the Company. The options allotted under ESOP 2014-Secondary are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Company as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

In the previous year, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 12th November 2019, 31st January, 2020 and 25th March, 2020, granted 10,00,000, 18,00,000 and 11,30,000 options respectively under secondary market route (ESOP 2014-Secondary) to certain employees of the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015	} Note-1 below	6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017		Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	08.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.4	21.50	11.42
ESOP 2014-Secondary	1,000,000	12.11.2019		Note-2 below	25.20	5.91
ESOP 2014-Secondary	1,800,000	31.01.2020		Note-2 below	23.95	6.97
ESOP 2014-Secondary	1,130,000	25.03.2020		Note-2 below	8.85	1.19
ESOP 2014-Secondary	727,793	22.03.2021		Note-2 below	6.40	0.91

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

- 35.2 Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year.

Inputs into the model	ESOP 2011	ESOP 2014-Secondary Grant 1	ESOP 2014-Primary	ESOP 2014-Secondary Grant 2	ESOP 2014-Secondary Grant 3	ESOP 2014-Secondary Grant 4	ESOP 2014-Secondary Grant 5	ESOP 2014-Secondary Grant 6	ESOP 2014-Secondary Grant 7
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%	44.08%	47.01%	55.91%	56.50%
Option life (Years)	4-6	4-6	4-6	4-6	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12% - 7.25%	6.43% - 6.64%	6.67% - 6.88%	5.86% - 6.33%	5.94% - 6.38%	5.56% - 6.04%	4.82% - 5.67%

- 35.3 Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the period:

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	-	6.00	200,000	6.00
ESOP 2014 secondary	12,725,000	Refer Note-2 above	11,884,000	Refer Note-2 above
ESOP 2014 primary	3,631,000	21.40	4,078,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	727,793	Refer Note-2 above	3,930,000	Refer Note-2 above
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	5,605,500	Refer Note-2 above	2,525,000	Refer Note-2 above
ESOP 2014 primary	823,500	-	-	-
Exercised during the period				
ESOP 2011	-	6.00	200,000	6.00
ESOP 2014 secondary	-	Refer Note-2 above	543,000	Refer Note-2 above
ESOP 2014 primary	-	21.40	447,000	21.40
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	284,000	-	21,000	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	7,563,293	Refer Note-2 above	12,725,000	Refer Note-2 above
ESOP 2014 primary	2,807,500	21.40	3,631,000	21.40

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 35.4 Share options exercised during the year

No options were exercised during the financial year 2020-21.

### 35.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 813 days (Previous year: 1066 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
ESOP 2014 secondary	5,131,500	5,945,000
ESOP 2014 primary	2,807,500	3,631,000

### 35.6 The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Expenses arising from equity settled share based payment transactions	97.87	(39.21)

(₹ In lakhs)

## 36. RELATED PARTY TRANSACTION

### 36.1 Name of Related Party and Nature of Relationship

#### a) Subsidiary Companies

Aadhaar Wholesale Trading and Distribution Limited  
 Affluence Food Processors Private Limited  
 Appu Nutritions Private Limited  
 Avante Snack Foods Private Limited (w.e.f 18th March 2020)  
 Bloom Foods and Beverages Private Limited  
 Delect Spices and Herbs Private Limited (w.e.f.18th July 2019)  
 FCEL Food Processors Limited  
 FCEL Overseas FZCO  
 FCL Tradevest Private Limited  
 Future Consumer Products Limited  
 Future Food and Products Limited  
 Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)  
 Genoa Rice Mills Private Limited (w.e.f. 27th September 2019)  
 Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)  
 Nilgiri's Mechanised Bakery Private Limited  
 Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)  
 The Nilgiri Dairy Farm Private Limited

#### b) Associates

Sarjena Foods Private Limited (upto 22nd July 2020)  
 Amar Chitra Katha Private Limited



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

- c) **Joint Ventures**  
 Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)  
 Aussee Oats Milling (Private) Limited  
 Fonterra Future Dairy Private Limited  
 Genoa Rice Mills Private Limited (upto 26th September 2019)  
 Hain Future Natural Products Private Limited  
 Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG)  
 Cosmolift Consumer Products Private Limited (Formerly known as Mibelle India Consumer Product Private Limited)  
 MNS Foods Limited (Formerly known as MNS Foods Private Limited)  
 Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)  
 Avante Snack Food Private Limited (upto 17th March 2020)
- d) **Key Management Personnel (KMP) and their relatives**  
**Executive Directors**  
 Mr. Narendra Baheti  
 Ms. Ashni Biyani  
**Non Executive Directors**  
 Mr. Kishore Biyani  
 Mr. Ghyanendra Nath Bajpai  
 Mr. Adhiraj Harish  
 Ms. Neha Bagaria (Appointed w.e.f. 20th March 2019 upto 28th March 2020)  
 Ms. Neelam Chhiber (Appointed w.e.f. 25th June 2020)  
 Mr. Deepak Malik  
 Mr. Fredric De Mevius  
 Mr. K K Rathi  
 Mr. Harminder Sahni  
**Relatives of KMP**  
 Mr. Rajendra Baheti  
 Ms. Archana Baheti  
 Ms. Sunder Devi Baheti
- e) **Entities controlled / having significant influence by KMP and their relatives**  
 Future Corporate Resources Private Limited  
 Future Enterprises Limited  
 Future Ideas Company Limited  
 Future Lifestyle Fashion Limited  
 Future Retail Limited  
 Future Supply Chain Solutions Limited  
 Premium Harvest Limited  
 TDI Textiles Mills Private Limited

### 36.2 Transactions with Related Party

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	₹ In lakhs	
					Entities controlled / having significant influence by KMP and their relatives	
Purchase of property, plant and equipment	-	-	-	-	0.74	
	(-)	(-)	(-)	(-)	(2.68)	
Investment in equity shares	50.44	-	1,050.00	-	-	
	(3,480.14)	(-)	(2,481.27)	(-)	(-)	
Investment in debentures	-	-	300.50	-	-	
	(-)	(-)	(-)	(-)	(-)	
Inter corporate deposits given	2,165.95	-	-	-	-	
	(39,109.77)	(-)	(4,529.08)	(-)	(-)	

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

(₹ In lakhs)					
Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Inter corporate deposits received back	4,628.81	-	10.00	-	-
	(46,548.31)	(150.00)	(4,990.08)	(-)	(-)
Job Work charges	352.17	-	-	-	-
	(882.67)	(-)	(199.67)	(-)	(-)
Corporate guarantees given	-	-	-	-	-
	(-)	(-)	(2,503.86)	(-)	(-)
Sale of products	2,478.53	-	43.78	-	31,981.55
	(11,291.86)	(-)	(94.97)	(-)	(263,535.24)
Royalty income	-	-	-	-	-
	(-)	(-)	(-)	(-)	(2.93)
Interest income	4,453.41	-	740.02	-	-
	(4,255.29)	(10.85)	(843.98)	(-)	(-)
Loan given	-	-	1,392.89	-	-
	(-)	(-)	(-)	(-)	(-)
Rent income	-	-	-	-	-
	(319.70)	(-)	(131.25)	(-)	(-)
Franchise fees income	-	-	-	-	-
	(-)	(-)	(-)	(-)	(241.63)
Recovery of expenses	50.40	-	16.67	-	-
	(137.87)	(-)	(549.18)	(-)	(5,656.00)
Purchase of goods	1,305.05	-	845.06	-	599.88
	(1,719.98)	(68.15)	(3,385.85)	(-)	(9,085.00)
Managerial remuneration*	-	-	-	243.72	-
	(-)	(-)	(-)	(471.00)	(-)
Rent expenses	365.35	-	-	21.83	660.64
	(838.17)	(-)	(-)	(24.56)	(1,002.84)
Reimbursement of expenses	-	-	-	-	-
	(36.97)	(-)	(-)	(-)	(-)
Royalty expenses	-	-	-	-	-
	(1.89)	(-)	(-)	(-)	(-)
Warehousing, distribution and transportation charges	-	-	-	-	1,278.84
	(19.21)	(-)	(-)	(-)	(2,360.84)
Sitting fees	-	-	-	26.25	-
	(-)	(-)	(-)	(27.50)	(-)
Marketing expenses	-	-	-	-	287.67
	(-)	(-)	(-)	(-)	(513.60)
Other expenses	-	-	-	-	16.99
	(64.68)	(-)	(-)	(-)	(7.43)
<b>Balance as at 31st March, 2021</b>					
Trade and other receivable	2,894.11	-	98.85	-	70,086.00
	(3,331.24)	(-)	(141.48)	(-)	(74,101.83)
Advance from customer	-	-	-	-	8.57
	(-)	(-)	(-)	(-)	(-)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

(₹ In lakhs)					
Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Interest receivable	5,549.48	20.98	1,610.56	-	-
	(2,043.03)	(20.98)	(900.56)	(-)	(-)
Prepaid expenses	25.13	-	-	-	-
	(54.27)	(-)	(-)	(-)	(-)
Inter corporate deposits outstanding	33,802.44	-	5,871.12	-	-
	(36,265.30)	-	(6,012.21)	(-)	(-)
Security deposit given outstanding	157.32	-	-	2.50	-
	(157.32)	(-)	(-)	(2.50)	(-)
Loan given outstanding	-	-	1,392.89	-	-
	(-)	(-)	(-)	(-)	(-)
Advances given outstanding	6.12	-	35.66	-	-
	(33.60)	(74.99)	(4.06)	(-)	(-)
Security deposit received outstanding	-	-	-	-	-
	(125.00)	(-)	(-)	(-)	(-)
Trade payables outstanding	745.37	2.62	179.49	13.24	620.40
	(555.36)	(2.62)	(162.88)	(0.40)	(1,248.30)
Payable on purchase of capital goods	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.35)
Standby Letter of Credit outstanding	-	-	882.06	-	-
	(-)	(-)	(904.63)	(-)	(-)
Corporate guarantees outstanding	1,722.06	-	3,013.04	-	-
	(3,971.16)	(-)	(6,713.16)	(-)	(-)

Figures in bracket represent previous year's figures.

### 36.3 Disclosure in respect of Material Transactions with Related Parties

(₹ In lakhs)		
Nature of transactions	2020-21	2019-20
<b>Purchase of property, plant and equipments</b>		
Future Retail Limited	0.74	2.68
<b>Reimbursement of expenses</b>		
FCEL Overseas FZCO	-	36.97
<b>Investment in equity shares</b>		
Aadhaar Wholesale Trading and Distribution Limited	-	2,504.47
FCL Tradevest Private Limited	-	1,075.00
The Nilgiri Dairy Farm Private Limited **	-	(37.20)
Aussee Oats Milling (Private) Limited	-	681.27
Fonterra Future Dairy Private Limited	865.00	1,300.00
Hain Future Nature Product Pvt Ltd	185.00	-
<b>Investment made in debentures</b>		
Hain Future Nature Product Pvt Ltd	300.50	-
<b>Loan given</b>		
Fonterra Future Dairy Private Limited	1,392.89	-
<b>Inter corporate deposits given</b>		
Aadhaar Wholesale Trading and Distribution Limited	1,000.00	12,377.00
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	680.00	14,937.00
The Nilgiri Dairy Farm Private Limited	200.00	7,198.00

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

Nature of transactions	(₹ In lakhs)	
	2020-21	2019-20
<b>Inter corporate deposits received back</b>		
Aadhaar Wholesale Trading and Distribution Limited	2,267.75	14,348.12
Amar Chitra Katha Private Limited	-	150.00
Bloom Foods and Beverages Private Limited	706.00	765.50
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	515.08	11,314.70
Future Food Processing Limited	8.47	6,943.45
The Nilgiri Dairy Farm Private Limited	1,000.51	7,454.00
<b>Job Work charges</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	80.20	44.34
Affluence Food Processors Private Limited	102.87	450.00
Geona Rice Mill Private Limited	169.11	588.00
<b>Corporate guarantees given</b>		
Aussee Oats Milling (Private) Limited	-	753.86
Fonterra Future Dairy Private Limited	-	1,250.00
Hain Future Natural Product Private Limited	-	500.00
<b>Sale of products</b>		
Future Retail Limited	31,952.25	263,158.52
Aadhaar Wholesale Trading and Distribution Limited	411.65	5,526.94
The Nilgiri Dairy Farm Private Limited	2,066.87	5,223.30
<b>Royalty income</b>		
Future Lifestyle Fashions Limited	-	2.93
<b>Interest income</b>		
Aadhaar Wholesale Trading and Distribution Limited	1,227.17	1,298.07
Aussee Oats Milling (Private) Limited	486.38	532.09
Amar Chitra Katha Private Limited	-	10.85
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	1,884.21	1,635.79
The Nilgiri Dairy Farm Private Limited	895.57	805.44
<b>Rent income</b>		
Aadhaar Wholesale Trading and Distribution Limited	-	3.75
Affluence Food Processors Private Limited	-	180.00
Genoa Rice Mills Private Limited	-	267.20
<b>Franchise fees income</b>		
Future Retail Limited	-	241.63
<b>Recovery of expenses</b>		
Future Food and Products Limited	27.72	82.85
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	21.43	51.34
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	8.34	26.41
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	8.34	26.41
Future Corporate Resources Private Limited	-	5,656.00
Cosmolift Consumer Products Private Limited (Formerly known as Mibelle India Consumer Product Private Limited)	-	495.10
Hain Future Natural Product Private Limited	-	1.25
<b>Purchase of goods</b>		
Premium Harvest Limited	599.88	9,085.00
Bloom Foods and Beverages Private Limited	908.76	781.88
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	327.81	1,231.40
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	439.71	1,244.44
The Nilgiri Dairy Farm Private Limited	250.98	602.70

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

	(₹ In lakhs)	
Nature of transactions	2020-21	2019-20
<b>Managerial remuneration</b>		
Ms. Ashni Biyani *	154.23	216.84
Mr. Narendra Baheti *	45.05	150.24
Mr. Rajendra Baheti*	44.44	94.43
<b>Rent expenses</b>		
Future Retail Limited	229.84	579.63
Future Supply Chain Solutions Limited	266.77	113.03
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	365.35	838.17
<b>Royalty expenses</b>		
Future Consumer Products Limited	-	1.89
<b>Warehousing, distribution and transportation charges</b>		
Future Supply Chain Solutions Limited	1,278.84	2,360.84
<b>Sitting fees</b>		
Mr. Ghyanendra Nath Bajpai	4.75	5.50
Mr. Kishore Biyani	3.50	4.50
Mr. Adhiraj Harish	4.50	5.75
Mr. Harminder Sahni	4.25	3.25
Mr. K K Rathi	4.00	4.75
Ms. Neelam Chhiber	2.75	-
<b>Marketing expenses</b>		
Future Retail Limited	287.67	511.10
<b>Other expenses</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	63.35
Premium Harvest Limited	14.85	1.67
Future Enterprises Limited	2.13	5.20
<b>Balance as at 31st March</b>		
	(₹ In lakhs)	
	2021	2020
<b>Trade and other receivable ***</b>		
Aadhaar Wholesale Trading and Distribution Limited	687.08	1,498.55
Future Corporate Resources Private Limited	6,976.59	7,694.43
Future Retail Limited	63,097.41	66,060.64
The Nilgiri Dairy Farm Private Limited	1,796.82	1,337.68
<b>Interest receivable</b>		
Aadhaar Wholesale Trading and Distribution Limited	1,248.11	423.05
The Nilgiri Dairy Farm Private Limited	1,045.45	396.96
Amar Chitra Katha Private Limited	20.98	20.98
Aussee Oats Milling (Private) Limited	1,305.63	825.16
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	265.30	100.88
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	2,708.60	980.60
<b>Prepaid expenses</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	25.13	54.27
<b>Inter corporate deposits outstanding</b>		
Aadhaar Wholesale Trading and Distribution Limited	9,108.63	10,376.38
Aussee Oats Milling (Private) Limited	4,210.92	4,342.01
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	15,101.92	14,937.00
The Nilgiri Dairy Farm Private Limited	6,397.49	7,198.00
<b>Advance from customer</b>		
Future Lifestyle Fashions Ltd	8.57	-
<b>Security deposit given outstanding</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	157.32	157.32

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

	(₹ In lakhs)	
	2021	2020
<b>Advances given outstanding</b>		
Sarjena Foods Private Limited	-	74.99
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	35.66	-
FCEL OVERSEAS FZCO	6.12	-
Bloom Foods and Beverages Private Limited	-	33.60
<b>Security deposit received outstanding</b>		
Genoa Rice Mills Private Limited	-	125.00
<b>Trade payables</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	263.78	278.85
Future Supply Chain Solutions Limited	390.32	1,198.99
Genoa Rice Mills Private Limited	219.01	91.49
Premium Harvest Limited	98.41	15.80
The Nilgiri Dairy Farm Private Limited	133.39	179.45
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	157.58	60.01
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	79.79
<b>Loan given outstanding</b>		
Fonterra Future Dairy Private Limited	1,392.89	-
<b>Payables for purchase of capital goods</b>		
Future Retail Limited	-	0.35
<b>Stand By Letter of Credit outstanding</b>		
Aussee Oats Milling (Private) Limited	882.06	904.63
<b>Corporate guarantees outstanding</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	661.54	1,357.13
Aussee Oats Milling (Private) Limited	1,024.61	3,109.83
Fonterra Future Dairy Private Limited	659.75	1,169.77
The Nilgiri Dairy Farm Private Limited	1,060.51	1,385.03
Hain Future Natural Product Private Limited	877.94	1,280.71
Bloom Foods and Beverages Private Limited	-	1,229.00
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	155.80	816.96
*includes share based payments to managerial personnel.		
** Reversal of investment due to cancelation of ESOPs on resignation by employees		
*** Gross of ECL		

### 36.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has recorded an impairment loss of ₹ 16,177.11 lakhs on receivables relating to amounts owed by related parties (31 March 2020: ₹ 7,710.04 lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 36.5 Loans & Corporate Guarantees to Related Parties

The Company has given loans and corporate guarantees to subsidiaries and relevant joint ventures in the ordinary course of business to meet the working capital requirements of subsidiaries and joint ventures. (Refer note 39 & 45)

### 36.6 Compensation of key management personnel

	(₹ In lakhs)	
Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Short term employee benefits	243.72	471.00

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for Leave Encashment as they are determined on an actuarial basis for the Company as a whole.

### Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price (₹)	Nos o/s as on March 21	Nos o/s as on March 20
12.08.2016	12.08.2022	21.40	2,500,000	2,500,000

## 37. CONTINGENT LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Claims against the company not acknowledged as debt*	101.26	40.16
Disputed income tax demands	-	-
Disputed sales tax and excise matters	248.42	130.03
Stand By Letter of Credit Outstanding	882.06	904.63
Corporate guarantees issued to banks and financial institutions are against credit facilities issued to third parties (Loans outstanding as at 31st March 2021 ₹ 6,272.79 lakhs; Previous Year ₹ 12,473.79 lakhs)	19,216.14	21,260.74
	<b>20,447.88</b>	<b>22,335.56</b>

\* Does not include cases where liability is not ascertainable.

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

## 38. CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2021 is ₹ 2.97 lakhs (Previous Year ₹74.12 lakhs)

## 39. DISCLOSURE REQUIREMENT OF LOANS AND ADVANCES/ INVESTMENTS AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March 2021	As at 31st March 2020	During the year ended 31st March 2021	During the year ended 31st March 2020
	(₹ In lakhs)			
<b>Subsidiaries:</b>				
Aadhaar Wholesale Trading and Distribution Limited	9,108.63	10,376.38	10,376.38	13,853.00
The Nilgiri Dairy Farm Private Limited	6,397.49	7,198.00	7,298.00	8,286.00
Integrated Food Park Limited	15,101.92	14,937.00	15,268.45	15,583.00
Nilgiris Franchisee Limited	44.00	44.00	44.00	84.00
Bloom Foods and Beverages Private Limited	500.00	1,006.00	1,206.00	1,406.00
FCEL Food Processors Limited	11.50	11.50	11.50	17.10

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

Name of the Company	(₹ In lakhs)			
	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March 2021	As at 31st March 2020	During the year ended 31st March 2021	During the year ended 31st March 2020
Future Food Processing Limited	1,375.05	1,359.52	1,383.52	3,085.59
Future Food and Products Limited	780.90	775.90	780.90	1,245.00
FCL Tradevest Private Limited	97.95	41.00	97.95	41.00
FCEL Overseas FZCO	-	-	-	1,182.47
Genoa Rice Mill Pvt Ltd (w.e.f 26th September 2019)	385.00	516.00	516.00	862.00
Affluence Food Processor Private Limited	-	-	-	772.17
<b>Joint ventures:</b>				
Aussee Oats Milling (Private) Limited *	4,210.92	4,342.01	4,342.01	5,550.98
Aussee Oats India Limited *	65.00	75.00	75.00	381.00
Sublime Food Limited*	848.00	848.00	848.00	1,120.00
MNS Food Limited*	747.20	747.20	747.20	988.20
Fonterra Future Dairy Private Limited	1,392.89	-	1,392.89	-
Genoa Rice Mills Private Limited (upto 26th September 2019)	-	-	-	777.40
Cosmolift Consumer Products Private Limited (Formerly known as Mibelle India Consumer Product Private Limited)	-	-	-	402.00
Hain Future Natural Product Limited	-	-	-	375.00
<b>Associate:*</b>				
Amar Chitra Katha Private Limited	-	-	-	150.00
	<b>41,066.45</b>	<b>42,277.51</b>		

\* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

40. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company.

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end*	2,182.67	2,881.96
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	21.33	8.00
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
Interest paid under section 16 of MSMED Act to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	41.81	20.48
Further interest remaining due and payable for earlier periods	20.48	12.48

\* Out of this ₹ 560.75 lakhs (Previous year ₹ 671.43 lakhs) is overdue.

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprise as on the basis of information available with the Company

41. Capital Work In Progress (CWIP) includes packaging plant of ₹ 21.42 lakhs. (Total amount of CWIP as on March 31, 2020: ₹ 654.19 lakhs).



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 42. ASSET HELD FOR SALE

Particulars	(₹ In lakhs)	
	March 31, 2021	March 31, 2020
Investment in Aussee Oats Milling Private Limited (refer Note a)	-	1,626.00
Assets at Dal Mill (refer Note b)	409.08	409.08
<b>Total</b>	<b>409.08</b>	<b>2,035.08</b>

#### Note a

The Company had entered into a definitive agreement of sale with respect to its investments in equity and preference shares of Aussee Oats Milling Private Limited at fair value to FCL Tradevest Private Limited, and these shares were classified as Assets Held for Sale as on March 31, 2020. However, the sale of these shares was not completed, and the same have been reclassified as investment as on March 31, 2021.

#### Note b

The Company intends to sell its Land ₹ 222.42 lakhs, Building ₹ 88.88 lakhs and other Plant & Equipment of ₹ 97.78 lakhs have been classified at cost as non-current assets held for sale.

### 43. EXCEPTIONAL ITEMS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Losses on Force Majeure invoked by Customers (Refer Note 43.1)	3,558.80	-
Impairment of Investments (Refer Note 43.2 to 43.3 & 43.5)	4,219.71	27,625.74
Impairment of Brand (Refer Note 43.4 below)	715.74	400.00
Write off of inter corporate loans (Refer Note 43.5 below)	-	1,137.00
<b>Total</b>	<b>8,494.25</b>	<b>29,162.74</b>

#### 43.1 Losses on Force Majeure invoked by Customers

Due to Covid-19 pandemic and resulting lockdowns, one of the Company's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Company has recognised a loss of ₹3,558.80 lakhs which is included in exceptional items for the year ended March 31, 2021.

#### 43.2 The Nilgiri Dairy Farm Private Limited

The Company has recognized an impairment loss of ₹ 3,876.71 lakhs on its investment in Nilgiri Dairy Farm Private Limited (NDFPL), a wholly owned subsidiary, due to lower business performance and based on the analysis of recoverable value of its subsidiary. The equity value is based on a value in use calculation, which applies revenue multiple of comparative companies in similar business on projected revenue of the NDFPL and considering the Net Asset Value of subsidiaries of The Nilgiri Dairy Farm Private Limited.

#### 43.3 FCL Tradevest Private Limited

Consequent to the impairment in its step-down subsidiaries viz. Sublime Foods Private Limited ₹ 343 lakhs, (Previous Year: Future Food processing Private Limited of ₹ 502 lakhs and Genoa Rice Mills Private Limited of ₹ 125 lakhs) due to lower business performance and based on the analysis of recoverable value of its subsidiaries, the Company has recognized an impairment loss of ₹ 343 lakhs (Previous Year 627 lakhs) on its investment in FCL Tradevest Private Limited, a wholly owned subsidiary.

#### 43.4 Impairment on Brands

##### Brand KARA

Brand "Kara" is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Company indefinitely. The carrying value of brand Kara is determined based on a percentage of royalty method which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a comparable royalty percentage of 3% (Previous year: 3%), discount rate of 12.7% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. Due to lower business performance of this brand and based on an analysis of the recoverable value, the Company has recognized an impairment loss of ₹ 200 lakhs (Previous year ₹ 400 lakhs) on this brand during the year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

## Brand KBFP

KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company had fully impaired its Brand of Rs 515.74 Lakhs during the year ended March 31, 2021 which is included in exceptional items in Statement of Profit and Loss.

## Pertaining only to Previous year ended March 31, 2020

### 43.5 Aadhaar Wholesale Trading and Distribution Limited

During the previous year, the Company has recognized an impairment loss of ₹15,316 lakhs on its investment in Aadhaar Wholesale Trading & Distribution Limited, a wholly owned subsidiary due to lower business performance and based on the analysis of recoverable value of its subsidiary. The Equity Value is based on a value in use calculation which uses cash flow projections based on financial budget approved by the management covering a five year period, discounted at a rate of 16.5% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long-term average growth rate for the entity's business.

## The Nilgiri Dairy Farm Private Limited

During the previous year, the Company has recognized an impairment loss of ₹10,668 lakhs on its investment in The Nilgiri Dairy Farm Private Limited, a wholly owned subsidiary due to lower business performance and based on the analysis of recoverable value of its subsidiary. The Equity Value is based on a value in use calculation which uses cash flow projections based on financial budget approved by the management covering a five year period, discounted at a rate of 16% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long-term average growth rate for the entity's business.

## FCEL Overseas FZCO

During the previous year, the Company has fully impaired its investment in FCEL Overseas FZCO, a subsidiary of ₹11 lakhs based on the management's decision to discontinue its operations in the investee. Further, the inter corporate loan extended to FCEL Overseas FZCO of ₹ 735 lakhs has also been provided.

## Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG)

During the previous year, the Company has fully impaired its investment in Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG), a Joint Venture of ₹ 1,004 lakhs based on the management's decision to discontinue its operations in the investee. Further, the inter corporate loan extended to Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG) of ₹ 402 lakhs has also been written off.

## 44. GOODWILL

Centre of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands. The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 11% per annum. (Previous year 9.51%) Cash flow projections during the budget period are based on the expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

## Pertaining only to Previous year ended March 31, 2020

KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company has fully impaired its Goodwill of ₹ 614.5 Lakhs during the current year which is included in exceptional items in Statement of Profit and Loss.

The carrying value of Brand KBFP which was ₹1,288.83 lacs as on March 31, 2019 is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 13.52% per annum. The cash flows beyond that five-year period have been extrapolated using a steady 0.25% per annum growth rate which is the expected growth rate for the convenience stores. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company has recognized an impairment loss of ₹400 lacs on this brand during the year, included in exceptional items for the year in the Statement of Profit and Loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 45. PARTICULARS OF LOANS GIVEN/ INVESTMENTS MADE/ GUARANTEES GIVEN AS REQUIRED BY CLAUSE (4) OF SECTION 186 OF THE COMPANIES ACT, 2013

(₹ In lakhs)				
Nature	Amount	Period	Interest Rate	Purpose
Loans given	3,558.84 (43,638.85)	365-1825 days	5.45% to 12.5%	General corporate purpose
Investment made*	1,400.94 (6,056.28)	Not applicable	Not applicable	Not applicable
Guarantees given	NIL (2,503.86)	Not applicable	Not applicable	Availment of term loan / working capital

Figures in brackets relate to previous year

\*Investment made includes ₹300.5 lakhs (previous year ₹ Nil) in 8.10% Compulsory Convertible Debentures (CCDs) of Hain Future Natural Products Limited. The same would be converted into ordinary equity shares at expiry of 20 years from date of issue of CCDs.

### 46. DETAILS OF CSR EXPENDITURE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
a. Gross amount required to be spent during the year	51.42	64.81
b. Amount spent in cash during the year ended on 31st March, 2021:		
Construction / acquisition of any asset	-	-
Others	51.42	64.83
<b>Total</b>	<b>51.42</b>	<b>64.83</b>
c. Amount unspent in cash and provided during the year ended on 31st March, 2021	-	-
Construction / acquisition of any asset	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 47. CAPITAL REDUCTION (PERTAINING TO PREVIOUS YEAR)

The Company had filed a Scheme for Reduction of Share Capital with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") for utilisation of amount of ₹ 28,690.41 lakhs out of the amount of ₹ 31,427.82 lakhs standing to the credit of Securities Premium Account as on 31st December, 2017, for writing off the accumulated losses to the extent of ₹ 28,690.41 lakhs. During the previous year, the Hon'ble NCLT has approved the said Scheme vide its order dated July 25, 2019. Consequently, the Company has utilised an amount of ₹ 28,690.41 lakhs from Securities Premium account to write off its accumulated losses.

### 48. COVID NOTE

The COVID-19 pandemic is unprecedented, and the Company has experienced its adverse impact. The Company has faced issues in supply chain, warehousing, packing centres, administrative offices, etc. which has adversely affected the operations of the Company including its ability to be consistent with supplies and sales and which in turn has also impacted liquidity position of the Company. While the Company continues to work very closely with all the stakeholders, the situation continues to be still evolving.

The Company has incurred loss before tax during the year ended March 31, 2021 primarily owing to the lower volumes, finance costs, depreciation, expected credit loss provision and impairment provision. Due to Covid-19 pandemic and resulting lockdowns, one of the Company's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Company has recognised a loss of ₹ 3,558.80 lakhs which is included in exceptional items for the year ended March 31, 2021 (previous year ₹ Nil).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

The Company has adopted several cost reductions measures to address the liquidity crunch to maintain sufficient operational cash flows. The Company has invoked One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines which has been approved by all the lenders on May 06, 2021; and entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 05, 2021 and May 04, 2021, respectively, for deferment of repayments of Non-Convertible Debentures.

The Company, as at the date of approval of these financial statements, has relied on available internal and external sources of information and indicators of economic forecasts, including the impact of Covid-19 while assessing the carrying amounts of current and non-current assets and its repayment obligations on a timely basis up to the date of approval of these financial results. However, the future impact of the global health pandemic and other events may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

## 49. UPDATE ON COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Company at its meeting held on August 29, 2020 approved the Composite Scheme of Arrangement ("the Scheme") which involves: (i) merger of Future Consumer Limited ("the Company"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The combination contemplated under the Scheme has been approved by Competition Commission of India on November 20, 2020. Further stock exchanges have issued observation letter without any adverse observation on January 20, 2021. Pursuant to this, the Scheme has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021.

Amazon.com Investment Holdings LLC. (Amazon) has initiated arbitration against Future Retail Limited (FRL, a party to the Scheme) and its promoters on October 5, 2020 before Singapore International Arbitration Centre (SIAC). Emergency Arbitrator (EA) has passed an interim order on October 25, 2020 (EA Order) inter alia restraining FRL and promoters to take any steps in furtherance of the resolution passed on August 29, 2020.

Both, FRL and Amazon have filed suit/challenged each other's position relating to the Scheme/EA Order in various courts of India and the matter is sub-judice and currently pending with Indian Courts for disposal. Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 5, 2021 and FRL has filed two applications before the Tribunal, first being an application challenging the jurisdiction of the Tribunal; and second being an Application for vacation of the EA Order. As per the schedule finalised by the Tribunal, hearing for both the application would commence on the July 12, 2021.

NCLT has heard the application relating to the Scheme and the intervention application filed by Amazon and has reserved the order on the said application filed by Amazon.

## 50. ASSESSMENT OF FINANCIAL IMPACT OF SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code of Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 51. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Company has invoked One Time Restructuring (OTR) of loan from banks on November 09, 2020 as per RBI guidelines vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on 'Resolution Framework for COVID-19 related stress' and follow on circular vide DOR.No.BP.BC/13/21.04.048/2020-21 dated September 7, 2020 on 'Resolution Framework for COVID-19-related Stress – Financial Parameters'. The aforesaid OTR has been approved by all the lenders on May 06, 2021. Accordingly, the repayment of loans is extended, bills discounted have been converted into working capital term loan, penal interest is waived, and interest accrued has been converted into loan.

Further, the Company has entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 05, 2021 and May 04, 2021, respectively for deferment of repayments of Non-Convertible Debentures.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2021

Accordingly, the approval of One Time Restructuring and signing of agreement with debenture trustees has the following impact on the Company's working capital position:

- Limits of Short-Term Borrowings (Working Capital Demand Loan and Cash Credit) to continue as per existing limits;
- Interest moratorium on all facilities with lenders participating in the OTR till September 2021 and creation of funded interest term loan on the same along with any unpaid interest as on the date of implementation;
- Outstanding bills discounted as at November 09, 2020 have been converted into Working Capital Term Loan repayable from June 2022 onwards;
- Extension of tenure of term loans by up to 24 months and moratorium of principal repayment till February 2023;
- NCDs due of Rs. 2,000 lakhs along with interest thereon repayable in instalments up to June 2021;
- Principal and interest due on remaining NCDs till August 2021 repayable in instalments till May 2022.

### 52. PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

The accompanying notes are an integral part of the financial statements

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As per our report of even date

For **S R B C & COLLP**  
Chartered Accountants  
ICAI Firm Registration number : 324982E/E300003

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

Place : Mumbai  
Date : 26 June 2021

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

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

**G.N.Bajpai**  
Chairman

**Manoj Gagvani**  
Company Secretary & Head - Legal

Place : Mumbai  
Date : 26 June 2021

**Ashni Biyani**  
Managing Director

**Sailesh Kedawat**  
Chief Financial Officer

# CONSOLIDATED FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Future Consumer Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associate, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our

audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matter

We draw attention to Note 51 of the consolidated financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and recoverability of assets. The estimates as at the date of approval of these consolidated financial statements may differ based on the ongoing impact of the pandemic, improvement in the economy and the business of the Group. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment of Investments</b> (as described in Note 44 of the Consolidated financial statements)</p> <p>During the year, impairment indicators were identified by the management on certain investments wherein net worth of the investee company is negative or the Carrying value of the investments is higher than the Group's share in net worth. As a result, an impairment assessment was required to be performed by the Group by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment loss was required to be recognised.</p> <p>For the purpose of the above impairment assessment, recoverable value has been determined by forecasting and discounting future cash flows or by using revenue multiple of comparable companies to future sales, as appropriate to the respective investment.</p> <p>Furthermore, the recoverable value is highly sensitive to changes in some of the inputs used for forecasting the future cash flows/enterprise value. The determination of the recoverable amount of the investments involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.</p> <p>Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Group has in relation to impairment assessment processes;</li> <li>• We assessed the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of Group's internal and external specialists involved in the process;</li> <li>• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 19 pandemic and its effect on business and terminal growth rates used;</li> <li>• We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts;</li> <li>• We involved our experts to assess the Group's valuation methodology and assumptions around the key drivers of the cash flow forecasts used in determining the recoverable amount;</li> <li>• We assessed the adequacy of disclosures made in the consolidated financial statements as per Ind AS 36.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<b>Related Party Transactions</b> (Refer Note 38 of the consolidated financial statements)	
<p>The Group has significant transactions with Related Parties which includes sale of products, services, rent, loans and advances given and interest income.</p> <p>Group's top customer which is a related party contributes about 40% of the total revenue of the Group.</p> <p>Considering the high volume of transactions with related parties, judgement involved in determination of arm's length price, related party transaction has been considered as a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls in relation to related party transactions with respect to approval of transactions by the Board of Directors of the Holding Company, entering into agreements/contracts and recording in books of account;</li> <li>• We read contracts and agreements with related parties to understand the nature of the transactions;</li> <li>• We read the related party transaction report as prepared by third party consultant to assess whether the transactions are at arm's length;</li> <li>• We read the inputs used in the related party transaction report as prepared by third party consultant and also read the evaluation performed in determining arm's length price of related party transactions;</li> <li>• We assessed the objectivity and competence of the Group's external specialists involved;</li> <li>• We assessed the adequacy of disclosures made in the consolidated financial statements as per Ind AS 24.</li> </ul>
<b>Recognition of Deferred Tax Assets</b> (as described in Note 8 of the consolidated financial statements)	
<p>As per Ind AS 12 – Income taxes, deferred tax is to be recognized for all deductible temporary differences between the tax bases of assets and liabilities and their carrying amount and any unused tax losses.</p> <p>As at March 31, 2021, the Group has recognized deferred tax asset to the extent it is reasonably certain that sufficient taxable profits will be available in the future against which such deferred tax asset can be utilized. Significant judgments and estimates are involved in making this assessment.</p> <p>The estimate of future taxable profits is based on the future business plans. The recognition of deferred tax asset is therefore sensitive to changes in the business plan and hence there is inherent uncertainty involved in projecting future profits.</p> <p>This assessment requires the management to make assumptions to be used in the forecasts of future taxable profits, including expectations for future revenue and margin developments and overall market and economic conditions.</p> <p>This area was important to our audit due to the significance of judgment and estimates involved in management's assessment of the likelihood and magnitude of forecasting future taxable profits. Accordingly, recognition of deferred tax asset was determined to be a key audit matter in an audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Holding Company has in relation to budget review processes;</li> <li>• We evaluated the management's assumptions on the projected forecasts keeping in view the current economic environment. In making this assessment we evaluated key assumptions related to expected growth rates, impact of the Covid 19 pandemic and its effect on business;</li> <li>• We assessed the historical accuracy of management's assumptions and estimation process by comparing the actual financials against previously forecasted financials;</li> <li>• We assessed the adequacy of disclosures made in the consolidated financial statements as per Ind AS 12.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<b>Impairment assessment of Goodwill and other Intangible assets</b> (as described in Note 45 of the consolidated financial statements)	
<p>The Group is required to, at least annually, perform impairment assessments of goodwill and intangible assets with indefinite useful life recognized in books.</p> <p>The Group performs an annual impairment assessment of goodwill and intangible assets with indefinite useful life to determine whether the recoverable value is below the carrying amount.</p> <p>We focused on this area as the assessments made by management for determination of future cash flows involved significant estimates and judgments, including estimates for revenue growth rates, gross profit margin, net profit margin, and terminal growth rate used to estimate future cash flows and discount rates/ sales multiples of comparable companies to future sales applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates/ sales multiples of comparable companies to future sales applied.</p> <p>The current economic climate also increases the complexity of forecasting. Accordingly, the impairment test of goodwill and intangible assets with indefinite useful life is considered to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Holding Company has in relation to impairment review processes;</li> <li>• We assessed the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of Group's internal specialists involved in the process;</li> <li>• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates/ sales multiples of comparable companies to future sales, expected growth rates, impact of the Covid 19 pandemic and its effect on business and terminal growth rates used;</li> <li>• We discussed with the management changes in key drivers as compared to the previous year to evaluate the reasonableness of the inputs and assumptions used in the cash flow forecasts;</li> <li>• We involved our experts to assess the Group's valuation methodology and assumptions around the key drivers of the cash flow forecasts used in determining the recoverable amount;</li> <li>• We assessed the adequacy of disclosures made in the consolidated financial statements as per Ind AS 36.</li> </ul>
<b>Carrying Value of Trade and Other Receivables</b> (as described in Note 12 and Note 7 of the consolidated financial statements)	
<p>As at March 31, 2021, Trade and Other Receivables constitutes approximately 35% of total assets of the Group. The Group is required to regularly assess the recoverability of its Trade and Other receivables.</p> <p>Recoverability of Trade and Other receivables was significant to our audit due to the value of amounts which also represents significant portion of the Group's working capital.</p> <p>Considering the adverse impact of the coronavirus outbreak on the operations of all major industries, there is a significant amount of judgment required in making provision of expected credit loss on trade and other receivables.</p> <p>Creation of expected credit loss involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.</p> <p>Accordingly, the recoverability of Trade and Other Receivables is a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls that the Company has for review of credit loss allowance process;</li> <li>• We evaluated the Management's assessment of the financial circumstances and ability to pay of relevant entities with receivable balances. These considerations include whether there are regular receipts from the customers, past collection history as well as an assessment of the customers' credit ability to make payments;</li> <li>• We tested the aging of trade and other receivables and receipts subsequent to the year-end;</li> <li>• We assessed the Group's Expected Credit Loss model applied in determining the recoverable amount;</li> <li>• For samples selected for testing, we obtained direct confirmation for the receivable balances and performed alternate procedure for confirmation not received;</li> <li>• We assessed the adequacy of Group's disclosures in relation to Trade and Other receivables included in the consolidated financial statements as per Ind AS 109.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<b>Evaluation of Going Concern assumption of accounting</b> (as described in Note 2.1 and Note 3 of consolidated financial statements)	
<p>The Group incurred a loss before tax of ₹ 46,213.19 lakhs during the year and having accumulated losses of ₹ 1,00,631.04 Lakhs as at March 31, 2021. As at March 31, 2021, the current liabilities of the Group exceeded its current assets by ₹ 15,345.12 Lakhs. Further, the Group had defaulted in repayment of borrowing (principal and interest) which was due during the year ended March 31, 2021 which got subsequently restructured.</p> <p>Management has prepared future cash flow forecasts considering current economic scenario which involves judgement and estimation of key variables and market conditions including impact of prevailing global health pandemic COVID-19 and after considering the One Time Restructuring plan of borrowings (Refer Note 54 of consolidated financial statements) and recent arrangements with vendors and customer.</p> <p>The Group is confident that the projected net cash inflows will provide sufficient liquidity to meet its financial obligation as they fall due during the next twelve months. Hence, these financial statements have been prepared following the going concern assumption.</p> <p>Considering judgements involved in estimation of future cash flows of the Group which may be affected by unexpected changes in future market or economic conditions and considering the current economic climate impacted on account of prevailing global health pandemic COVID-19 also increases the complexity of forecasting, we have identified the assessment of going concern assumption of accounting to be a key audit matter in our audit of the consolidated financial statements</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained the going concern assessment made by the management including assumptions and estimates used by the management to estimate future cash flows;</li> <li>• We tested the assumptions and inputs used by the management in the cash flow forecast against historical performance, budgets, publicly available information, the Group's strategic plans and benchmarking of key market related conditions including the impact of prevailing pandemic COVID-19;</li> <li>• Based on cash flow forecast we evaluated whether the Group has sufficient cash flow to meet its repayment obligations due in next twelve months from the balance sheet date;</li> <li>• We analysed the key solvency, liquidity and profitability ratios to assess the financial position and performance of the Group;</li> <li>• We read the One-Time Restructuring (OTR) plan approved by lenders subsequent to the balance sheet date for deferment of repayment of loans and interest thereon to evaluate its impact on consolidated financial position;</li> <li>• We examined the recent arrangements with vendors and customer to evaluate its impact on the operations of the Group;</li> <li>• We assessed the disclosures made in the consolidated financial statements in this regard.</li> </ul>

### Other Information

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

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

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

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the

Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which

we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

- (a) We did not audit the financial statements and other financial information, in respect of 12 subsidiaries, whose financial statements include total assets ₹ 40,866.57 lakhs as at March 31, 2021, and total revenues of ₹ 57,948.87 lakhs and net cash outflows of ₹ 504.12 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 1,883.97 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 5 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the report(s) of such other auditors.
- (b) The consolidated financial statements also include the Group's share of net loss of ₹ Nil for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of an associate and 2 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these joint ventures and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint

ventures and associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, [based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associate and joint ventures, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associate and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint ventures, as noted in the 'Other matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated financial statements – Refer Note 39 to the consolidated financial statements;
  - ii. The Group, its associate and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures, incorporated in India during the year ended March 31, 2021.

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

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497  
UDIN: 21105497AAAABD4792

Place of Signature: Mumbai  
Date: June 26, 2021

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of Future Consumer Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures, which are companies incorporated in India, as of that date.

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

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

#### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

#### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility

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

**Opinion**

In our opinion, the Group, its associate and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference

to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 13 subsidiaries and 3 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint ventures incorporated in India.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna

Partner

Membership Number: 105497

UDIN: 21105497AAAABD4792

Place of Signature: Mumbai

Date: June 26, 2021

# CONSOLIDATED BALANCE SHEET

as at 31st March 2021

Particulars	Note	(₹ In lakhs)	
		As at 31st March 2021	As at 31st March 2020
<b>Assets</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	4	32,785.96	37,480.79
(b) Capital work-in-progress		915.81	3,604.09
(c) Investment property	4	685.30	693.56
(d) Goodwill	4	6,911.02	6,911.02
(e) Other intangible assets	4	17,144.39	19,449.33
(f) Right-of-use assets	4	10,179.96	13,679.46
(g) Financial assets			
(i) Investments	5	6,476.17	6,583.71
(ii) Loans	6	7,264.01	452.29
(iii) Other financial assets	7	2,054.06	919.51
(h) Deferred tax assets (net)	8	4.12	2,281.59
(i) Other assets	9	3,352.54	4,274.02
<b>Total non-current assets</b>		<b>87,773.34</b>	<b>96,329.37</b>
<b>2 Current assets</b>			
(a) Inventories	10	5,693.02	16,620.12
(b) Financial assets			
(i) Investments	11	1.82	1.50
(ii) Trade receivables	12	62,838.49	76,287.36
(iii) Cash and cash equivalents	13	3,690.86	4,828.98
(iv) Bank balances other than (iii) above	13	1,057.18	1,075.08
(v) Loans	6	481.02	6,037.90
(vi) Other financial assets	7	1,487.69	7,965.18
(c) Other assets	9	2,587.63	2,614.53
		<b>77,837.71</b>	<b>115,430.65</b>
<b>Assets held for sale</b>	43	<b>15,735.32</b>	<b>11,992.07</b>
<b>Total current assets</b>		<b>93,573.03</b>	<b>127,422.72</b>
<b>Total assets</b>		<b>181,346.37</b>	<b>223,752.09</b>
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	118,415.29	114,459.41
(b) Other equity	15	(59,219.96)	(9,036.45)
Equity attributable to owners of the Group		<b>59,195.33</b>	<b>105,422.96</b>
(c) Non-controlling interests	16	(0.83)	1.26
<b>Total equity</b>		<b>59,194.50</b>	<b>105,424.22</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	16,970.53	22,381.67
(ii) Lease Liabilities		3,696.46	7,063.63
(iii) Other financial liabilities	18	1,002.21	873.86
(b) Provisions	19	404.25	782.70
(c) Deferred tax liabilities (net)	8	3,460.70	3,462.87
(d) Other non-current liabilities	20	3,434.89	3,425.44
<b>Total non-current liabilities</b>		<b>28,969.04</b>	<b>37,990.17</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	32,127.50	31,537.01
(ii) Lease Liabilities		731.24	1,409.64
(iii) Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		2,418.40	3,236.93
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		17,519.43	27,663.70
(iv) Other financial liabilities	18	13,304.44	10,313.50
(b) Provisions	19	1,010.42	833.46
(c) Other current liabilities	20	26,071.40	5,343.46
<b>Total current liabilities</b>		<b>93,182.83</b>	<b>80,337.70</b>
<b>Total equity and liabilities</b>		<b>181,346.37</b>	<b>223,752.09</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1 - 55		

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration number: 324982E/E300003

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

**G.N. Bajpai**  
Chairman

**Ashni Biyani**  
Managing Director

per **Pramod Kumar Bapna**  
Partner

Membership No: 105497

Place: Mumbai

Date: 26 June 2021

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

**Manoj Gagvani**  
Company Secretary & Head - Legal

**Sailesh Kedawat**  
Chief Financial Officer

Place: Mumbai

Date: 26 June 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2021

Particulars	Note	(₹ In lakhs)	
		Year ended 31st March 2021	Year ended 31st March 2020
<b>1. Revenue</b>			
(a) Revenue from operations	23	118,451.32	404,033.02
(b) Other income	24	2,117.95	2,608.49
<b>Total income</b>		<b>120,569.27</b>	<b>406,641.51</b>
<b>2. Expenses</b>			
(a) Cost of materials consumed	25	4,055.96	22,658.00
(b) Purchase of stock-in-trade (traded goods)		94,279.90	320,739.85
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	10,293.37	8,546.64
(d) Employee benefits expenses	27	6,304.42	11,962.45
(e) Finance costs	28	7,229.50	8,705.12
(f) Depreciation and Amortisation expenses	29	5,821.67	7,045.05
(g) Other expenses	30	32,063.68	35,586.97
<b>Total expense</b>		<b>160,048.50</b>	<b>415,244.08</b>
<b>3. (Loss) / Profit before share of profit / (loss) of an Associate/ Joint Ventures and exceptional items and tax (1-2)</b>		<b>(39,479.23)</b>	<b>(8,602.57)</b>
<b>4. Share of Loss in Associate Company and Joint Ventures</b>		<b>(2,459.42)</b>	<b>(4,697.13)</b>
<b>5. Loss before exceptional items and tax (3+4)</b>		<b>(41,938.65)</b>	<b>(13,299.70)</b>
<b>6. Exceptional items</b>	44	<b>(4,274.54)</b>	<b>(8,533.14)</b>
<b>7. Loss before tax (5+6)</b>		<b>(46,213.19)</b>	<b>(21,832.84)</b>
<b>8. Tax expense / (benefit)</b>			
(a) Current tax		24.06	229.56
(b) Tax relating to prior years		(143.91)	76.17
(c) Deferred tax	8	2,237.43	(488.29)
<b>Net tax expense / (benefit)</b>		<b>2,117.58</b>	<b>(182.56)</b>
<b>9. Loss for the period (7-8)</b>		<b>(48,330.77)</b>	<b>(21,650.28)</b>
<b>10. Other comprehensive income (OCI)</b>			
(a) (i) Items that will not be reclassified to statement of profit and loss			
Remeasurement (loss) / gain on defined benefit plans		173.80	(3.80)
Share of other comprehensive income in Associate Company and Joint Ventures		14.05	1.21
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(37.87)	(0.72)
(b) (i) Items that will be reclassified to statement of profit and loss			
Exchange differences in translating the financial statements of 'foreign operations		22.39	(63.65)
<b>Total other comprehensive income</b>		<b>172.37</b>	<b>(66.96)</b>
<b>11. Total comprehensive income (9+10)</b>		<b>(48,158.40)</b>	<b>(21,717.24)</b>
<b>12. Loss for the year attributable to:</b>			
Owners of the Group		(48,330.32)	(21,582.77)
Non-controlling interests		(0.45)	(67.51)
		<b>(48,330.77)</b>	<b>(21,650.28)</b>
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the Group		172.36	(43.33)
Non-controlling interests		0.01	(23.63)
		<b>172.37</b>	<b>(66.96)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Group		(48,157.96)	(21,626.10)
Non-controlling interests		(0.44)	(91.14)
		<b>(48,158.40)</b>	<b>(21,717.24)</b>
<b>Earnings per share after exceptional item attributable to owners of the Group (Face Value ₹ 6 each)</b>	32		
(a) Basic (₹)		(2.45)	(1.13)
(b) Diluted (₹)		(2.45)	(1.13)
<b>Earnings per share before exceptional item attributable to owners of the Group (Face Value ₹ 6 each)</b>	32		
(a) Basic (₹)		(2.23)	(0.68)
(b) Diluted (₹)		(2.23)	(0.68)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1-55		

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number: 324982E/E300003

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

**G.N.Bajpai**  
Chairman

**Ashni Biyani**  
Managing Director

per **Pramod Kumar Bapna**  
Partner

Membership No: 105497

Place: Mumbai

Date: 26 June 2021

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

**Manoj Gagvani**  
Company Secretary & Head - Legal

**Sailesh Kedawat**  
Chief Financial Officer

Place: Mumbai

Date: 26 June 2021



# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2021

a. Equity Share Capital (Refer note 14)												
Particulars	(₹ In Lakhs)											
	Amount											
Balance as at 31st March 2019	114,428.54											
Changes in Equity Share capital during the Year												
Issue of Equity shares under Employee Share Option Plan (ESOP) (Refer note 37)	38.82											
Shares purchased (net) by ESOP trust treated as treasury Shares	(7.95)											
As at 31st March 2020	114,459.41											
Changes in Equity Share capital during the Year												
Equity shares issued and allotted during the year	3,955.88											
As at 31st March 2021	118,415.29											
b. Other Equity (Refer note 15)												
Particulars	Equity Component of compound financial instruments	Capital Reserve for bargain purchase business combinations	Securities Premium Account	Reserves & Surplus			Money received against share warrants	Foreign Currency translation reserve	Other Comprehensive Income	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
				General Reserve	Share Options Outstanding Account	Capital redemption reserve						
Balance at 31st March 2019	-	314.94	42,638.62	0.59	2,107.81	5.20	-	(16.11)	(217.08)	(15,407.47)	(240.02)	(15,647.49)
Effect of adoption of Ind AS 116 (Refer note 3.1)	-	-	-	-	-	-	-	-	-	(503.88)	-	(503.88)
Balance at 1st April 2019 (Adjusted)	-	314.94	42,638.62	0.59	2,107.81	5.20	-	(16.11)	(217.08)	(15,911.35)	(240.02)	(16,151.37)
Loss for the year	-	-	-	-	-	-	-	-	-	(21,582.77)	(67.51)	(21,650.28)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(40.02)	(3.31)	(43.33)	(23.63)	(66.96)
Total comprehensive income for the year	-	-	-	-	-	-	-	(40.02)	(3.31)	(21,626.10)	(91.14)	(21,717.24)
Recognition of share-based payments	-	-	-	-	51.76	-	-	-	-	51.76	-	51.76
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	(55.81)	-	-	-	(55.81)	-	(55.81)
Transfer to securities premium on exercise of ESOP	-	-	95.55	-	(95.55)	-	-	-	-	-	-	-
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(39.87)	-	-	-	-	-	-	-
Issue of compulsory convertible debentures	26,253.16	-	-	-	-	-	-	-	-	26,253.16	-	26,253.16
Transfer to retained earnings as per capital reduction order (Refer note 50)	-	-	(28,690.41)	-	-	-	-	-	-	-	-	-
Issue of Share Warrants	-	-	-	-	-	-	1,750.00	-	-	1,750.00	-	1,750.00
Issue of Shares	-	-	68.84	-	-	-	-	-	-	68.84	-	68.84
On account of acquisition of Subsidiary	-	-	-	-	-	(0.44)	-	-	-	(0.44)	15.38	14.94
Effect on account of Deferred Tax on issue expenses and interest on compulsorily convertible debentures (Refer note 8)	-	-	-	-	-	-	-	-	-	433.49	-	433.49
NCI written off of a Subsidiary	-	-	-	-	-	-	-	-	-	-	317.04	317.04
As at 31st March 2020	26,253.16	314.94	14,112.60	0.59	2,024.15	5.20	1,750.00	(56.13)	(220.39)	(9,036.45)	1.26	(9,035.19)

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2021

Particulars	Equity Component of compound financial instruments	Reserves & Surplus				Retained Earnings	Money received against share warrants	Foreign Currency translation reserve	Other Comprehensive Income	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account							
Loss for the year	-	-	-	-	(48,330.32)	-	-	-	(48,330.32)	(0.45)	(48,330.77)	
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	14.38	157.98	172.36	0.01	172.37	
<b>Total comprehensive income for the year</b>	-	-	-	-	(48,330.32)	-	<b>14.38</b>	<b>157.98</b>	<b>(48,157.96)</b>	<b>(0.44)</b>	<b>(48,158.40)</b>	
Recognition of share-based payments	-	-	-	210.38	-	-	-	-	210.38	-	210.38	
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	(0.25)	-	-	-	(0.25)	-	(0.25)	
Transfer to retained earnings on exercise of ESOP	-	-	-	(920.13)	920.13	-	-	-	-	-	-	
Share warrants lapsed	-	1,750.00	-	-	-	-	-	-	-	-	-	
Issue of Shares (26,253.16)	-	-	24,017.52	-	-	(1,750.00)	-	-	(2,235.64)	-	(2,235.64)	
On account of acquisition of Subsidiary	-	-	-	-	(0.04)	-	-	-	(0.04)	0.04	-	
NCI written back of a Subsidiary	-	-	-	-	-	-	-	-	-	(1.69)	(1.69)	
<b>As at 31st March 2021</b>	-	<b>2,064.94</b>	<b>36,130.12</b>	<b>0.59</b>	<b>1,314.40</b>	<b>5.20</b>	<b>(41.75)</b>	<b>(62.41)</b>	<b>(59,219.96)</b>	<b>(0.83)</b>	<b>(59,220.79)</b>	

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the consolidated financial statements (Refer note 1 - 55)

As per our report of even date

For S R B C & COLLP

Chartered Accountants

ICAI Firm Registration number: 324982E/E300003

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

**G.N.Bajpai**  
Chairman

**Ashni Blyani**  
Managing Director

per **Pramod Kumar Bapna**

Partner

Membership No: 105497

Place: Mumbai

Date: 26 June 2021

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

**Manoj Gagvani**  
Company Secretary & Head - Legal

**Sailesh Kedawat**  
Chief Financial Officer

Place: Mumbai

Date: 26 June 2021

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2021

	(₹ in lakhs)	
Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Cash flows from operating activities</b>		
Net loss before tax as per the Statement of Profit and Loss	(46,213.19)	(21,832.84)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Exceptional items (Refer note 44)	4,274.54	8,533.14
Finance costs (including fair value change in financial instruments)	7,229.50	8,705.12
Finance income (including fair value change in financial instruments)	(919.08)	(1,178.90)
Interest on income tax refund	(96.77)	(66.48)
Share of loss of associate and joint ventures	2,459.42	4,697.13
Gain on Sale of Investments	(29.90)	-
Income from Investment Property	(11.20)	(10.72)
Provision no longer required written back	(72.08)	(26.00)
Net loss / (gain) on disposal of property, plant and equipment	214.99	195.98
Net loss / (gain) on financial assets measured at fair value through profit or loss	(0.43)	2.06
Net unrealised exchange (gain) / loss	22.69	(64.59)
Expected Credit Loss on trade and other receivable and advances written off	19,358.74	8,605.20
Depreciation and Impairment of Property, Plant & Equipment, CWIP & Right-of-Use Assets	4,380.38	5,431.82
Amortization of intangible Assets	1,606.66	1,613.23
Share-based payment expenses	320.72	(262.03)
Gain on termination / revaluation of Lease Assets	(558.69)	(86.15)
Amortisation of Government Grant	(284.80)	(281.49)
Goodwill written off	0.04	-
	<b>37,894.73</b>	<b>35,807.32</b>
	<b>(8,318.46)</b>	<b>13,974.48</b>
<b>Working capital adjustments:</b>		
(Increase) / Decrease in trade and other receivables	(3,757.58)	(17,518.18)
(Increase) / Decrease in inventories	10,927.09	8,064.68
(Increase) / Decrease in other assets	754.67	413.11
Increase / (Decrease) in trade payables	(9,396.62)	543.85
Increase / (Decrease) in provisions	(27.69)	(493.24)
Increase / (Decrease) in other liabilities	19,011.53	(780.68)
	<b>17,511.40</b>	<b>(9,770.46)</b>
<b>Cash flow from operations</b>	<b>9,192.94</b>	<b>4,204.02</b>
Income taxes (paid) / refund	318.96	(890.45)
<b>Net cash flow from operating activities</b>	<b>9,511.90</b>	<b>3,313.57</b>
<b>Cash flows from investing activities</b>		
Purchase of investments in financial assets	(1,350.50)	(1,550.02)
Proceeds on sale of investments in financial assets	30.00	-
Income from Investment Property	11.20	10.72
Loans given	(1,392.88)	(4,408.08)
Loans refunded	138.04	3,327.58
Interest received	268.88	973.97
Purchase of property, plant and equipment including CWIP	(557.83)	(1,932.04)
Proceeds from sale of property, plant and equipment	197.55	403.15
Purchase of intangible assets	(3.00)	(28.16)
Advance Received Against Assets Held for Sale	1,084.25	1,111.00
<b>Net cash flow used in investing activities</b>	<b>(1,574.29)</b>	<b>(2,091.88)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2021

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity instruments	-	107.66
Proceeds from issue of share warrants	-	1,750.00
Purchase of treasury shares	-	(179.44)
Proceeds on exercise of ESOP out of treasury shares	-	115.67
Proceeds from issue of equity component of convertible debentures (Net of expenses)	-	26,253.16
Proceeds from issue of debt component of convertible debentures (Net of expenses)	-	1,453.60
Repayment of long term borrowings	(1,482.45)	(5,526.62)
Repayment of Lease Liabilities	(555.24)	(1,158.86)
Proceeds from short term borrowings (net)	(2,233.11)	(16,709.80)
Interest paid	(4,854.93)	(8,169.59)
Government Grant Received	50.00	-
<b>Net cash flow used in financing activities</b>	<b>(9,075.73)</b>	<b>(2,064.22)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,138.12)</b>	<b>(842.53)</b>
Cash and cash equivalents at the beginning of the year	4,828.98	5,582.98
Add: Upon addition of Subsidiary	-	88.53
<b>Cash and cash equivalents at the end of the year (Refer note 13)</b>	<b>3,690.86</b>	<b>4,828.98</b>

Non-cash investing and financing activities (Refer note 13)

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the consolidated financial statements (1 - 55)

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

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

**G.N.Bajpai**  
Chairman

**Ashni Biyani**  
Managing Director

per **Pramod Kumar Bapna**  
Partner  
Membership No: 105497  
Place: Mumbai  
Date: 26 June 2021  
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**Manoj Gagvani**  
Company Secretary & Head - Legal

**Sailesh Kedawat**  
Chief Financial Officer

Place: Mumbai  
Date: 26 June 2021

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## 1. GENERAL INFORMATION ABOUT THE COMPANY

The consolidated financial statements comprise financial statements of the parent Future Consumer Limited ('the Company' or 'Holding Company') and its subsidiaries (collectively, the Group) for the year ended 31 March, 2021. The Company was incorporated in India on 10<sup>th</sup> July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9<sup>th</sup> August 2007 and it became a Public Limited Company with effect from 7<sup>th</sup> September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10<sup>th</sup> May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30<sup>th</sup> September 2013 and then to "Future Consumer Limited" effective from 13<sup>th</sup> October 2016.

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060.

The Group is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier, the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21<sup>st</sup> July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on 26<sup>th</sup> June 2021.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value.

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

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

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

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

The principal accounting policies are set out below.

The financial statements are presented in INR, which is the functional currency of the Company and all values are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

### 2.2 Basis of measurement

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

### 2.3 Current versus non-current classification

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## 2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included

in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries

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are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

### Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The consolidated financial statement of the Group comprises financial statement of Future Consumer Limited and the following companies:

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at	As at
		31st March 2021	31st March 2020
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	100.00%	100.00%
Bloom Foods and Beverages Private Limited	Subsidiary	100.00%	100.00%
Future Consumer Products Limited	Subsidiary	100.00%	90.00%
FCEL Overseas FZCO	Subsidiary	60.00%	60.00%
FCEL Food Processors Limited	Subsidiary	100.00%	100.00%
The Nilgiri Dairy Farm Private Limited ("NDF")	Subsidiary	100.00%	100.00%
Appu Nutritions Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)	NDF Subsidiary	100.00%	100.00%
FCL Tradevest Private Limited ("FCL TPL")	Subsidiary	100.00%	100.00%
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	Subsidiary of FCL TPL	100.00%	100.00%
Future Food and Products Limited	Subsidiary of FCL TPL	100.00%	100.00%
Affluence Food Processors Private Limited	Subsidiary of FCL TPL	100.00%	100.00%

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Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at	As at
		31st March 2021	31st March 2020
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	Subsidiary of FCL TPL	99.93%	99.93%
Delect Spices and Herbs Private Limited	Subsidiary of FCL TPL	99.82%	99.82%
Genoa Rice Mills Private Limited (Subsidiary w.e.f. 30 September 2019)	Subsidiary of FCL TPL	100%	50%
Avante Snack Foods Private Limited (Subsidiary of FCL Tradevest Pvt Ltd w.e.f. 31 March 2019)	Subsidiary of FCL TPL	100%	67.03%
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited) ("SFPL")	Joint Venture (Held by FCL TPL)	51%	51%
Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG)	Joint Venture	50%	50%
Cosmolift Consumer Products Private Limited (Formerly known as Mibelle India Consumer Product Private Limited)	Joint Venture	50%	50%
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	Joint Venture	50% + 1 Share	50% + 1 Share
Aussee Oats Milling (Private) Limited	Joint Venture	50% + 1 Share	50% + 1 Share
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	Joint Venture	50.01%	50.01%
Hain Future Natural Products Private Limited	Joint Venture	50%	50%
Fonterra Future Dairy Private Limited	Joint Venture	50%	50%
Sarjena Foods Private Limited (upto 22 July 2020)	Associate	-	19.59%
Amar Chitra Katha Private Limited (Refer Note 33.2)	Associate	-	-

## 2.5 Business combinations

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

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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

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

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



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initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 'Revenue' ("Ind AS 115").

## 2.6 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business. Goodwill is initially measured at cost (refer note 2.4). After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any.

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

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The date of annual impairment assessment of goodwill considered by the Company is March 31, 2021. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

## 2.7 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 'Property, Plant and Equipment' ("Ind AS 16") requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit and loss in the period in which the property is derecognised.

### Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying values of its investment properties measured as per the previous GAAP and use that carrying value as their deemed cost at transition date.

## 2.8 Revenue from contract with customers

The group recognises revenue from the following major sources:

- Sale of consumer product

- Other operating revenue

### **Sale of consumer product**

The group sells fast moving consumer goods ("FMCG"), Food and Processed Food Products.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue was reduced for estimated customer returns, rebates and similar allowances, if any. Revenue from sale of goods was recognised when the goods were delivered and titles have passed. i.e. the group had transferred to the buyer the significant risks and rewards of ownership of goods; the group retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue could be measured reliably; it was probable that the economic benefits associated with the transaction would flow to the group; and the costs incurred or to be incurred in respect of the transaction could be measured reliably.

The group recognizes revenue on the sale of goods, net of discounts, sales incentives and rebates granted, if any, when control of the goods is transferred to the customer.

### **Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)**

The group recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the terms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the group warehouse). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

At inception of the contract, group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the group determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

The group provides volume discount and rebate schemes to its customers on certain goods purchased by the customer once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Volume discount and rebate schemes give rise to variable consideration. To estimate the

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for the year ended 31st March 2021

variable consideration to which it will be entitled, the group considers that either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

In case where the customer gives non-cash consideration for the goods and services transferred or where customer provides the group certain materials, equipment, etc. for carrying out the scope of work and the group obtains control of those contributed goods or service, the fair value of such non-cash consideration given /materials supplied by customer is considered as part of the transaction price.

For allocating the transaction price, the group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

## Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service (monthly basis)

## Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the group when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 0 to 90 days.

## Dividend and Interest income

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

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

## 2.9 Government grants

Government Grants are recognised where there is reasonable assurance that the grants will be received and all attached conditions will be complied with. When the grants relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to

compensate, are expensed. Government grants related to assets are accounted in the consolidated balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in the consolidated statement of profit and loss on a systematic basis over the average useful life of the asset.

## 2.10 Leasing

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### a) Leases

#### Policy applicable from 1<sup>st</sup> April 2019

##### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3 to 15 years
- Plant and machinery 3 to 15 years
- Vehicles 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.18 Impairment of non-financial assets.

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also

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include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group lease liabilities are disclosed on the face of Balance sheet under Financial Liabilities.

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 2.11 Foreign currency transactions and translation

The management of the Group has determined Indian rupee ("INR") as the functional currency of the Group. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are

retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

### Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

### 2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for

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their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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

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

## 2.13 Employee benefits

### Post-employment benefits

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

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

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

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

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

### Short-term and other long-term employee benefits

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

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

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

## 2.14 Earnings per share

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

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

## 2.15 Share-based payment arrangements

### Share-based payment transactions of the Group

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

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

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## 2.16 Taxation

### Current tax

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

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing consolidated financial statements, temporary differences are calculated using the carrying amount as per consolidated financial statements and tax bases as determined by reference to the method of tax computation (i.e. taken from individual entities in the group).

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

In addition, deferred tax liabilities are not recognised for followings:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 2.17 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on property, plant and equipment has been provided on straight line method using the rates arrived at based on the useful lives estimated by the management, which are equal to or lower than lives as prescribed under Schedule II of the Companies Act,

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2013. The Group's has used the following useful life to provide depreciation on its Property, Plant & Equipment:

Asset	Useful Life	Asset	Useful Life
Buildings	10 to 60 years	Vehicles	8 to 10 years
Plant and equipment	1 to 15 years	Signage's	3 years
Leasehold improvements	Lease term	Road	3 to 10 years
Moulds	2 years	Electrical installations	10 years
Computers	1 to 5 years	Hydraulic Works and pipelines	15 years
Furniture and fixture	1 to 10 years	General Lab Equipment	10 years
Office equipment	1 to 5 years		

The Group, based on technical assessment, depreciates certain items of Property, Plant & Equipment over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

#### Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

## 2.18 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

#### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal

proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the asset is derecognised.

#### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand	10 Years
Software	3 – 6 Years	Brand Usage Rights	25 Years

The Group, based on technical assessment, depreciates certain items of Intangible Assets over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

#### Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

## 2.19 Impairment of non - financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss.

## 2.20 Inventories

Inventories are stated at the lower of cost and net realisable value. Raw material goods are stated at cost. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.21 Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.22 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit and loss.

## 2.23 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in consolidated statement of profit and loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to consolidated statement of profit and loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

All other financial assets are subsequently measured at fair value.

## Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit and loss and is included in the "Other Income" line item.

## Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to consolidated statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

## Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated statement of profit and loss. The net gain or loss recognised in consolidated statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

## Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

## Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.24 Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### Compound instruments

The component parts of compound instruments (convertible debentures) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in consolidated statement of profit and loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' / 'Other expenses'.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## 2.25 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately. Group does not designate the derivative instrument as a hedging instrument.

## 2.26 Treasury Shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

## 2.27 Contingent liabilities

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:-
  - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

## 2.28 Operating segment

The management views the Group's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

## 2.29 Asset held for sale

The Group classifies Assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.
- Property, plant and equipment and intangible assets are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

## 2.30 Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 3. Key sources of estimation uncertainty and critical accounting judgements

#### Significant Estimates

##### Going Concern

Considering the uncertainties caused due to Covid-19, the Group has prepared future cash flow forecasts taking into cognizance the developments such as One Time Restructuring plan of borrowings (Refer Note 54 of consolidated financial statements) and Composite scheme of arrangement ('the scheme') for merger of the Holding Company along with other Transferor Companies with Future Enterprises Limited ('FEL') and their respective Shareholders and Creditors (Refer Note 52 of consolidated financial statements) which involves judgement and estimation of key variables and market conditions including future economic conditions on account of prevailing global pandemic COVID-19. Based on such an analysis, the Group continues to prepare its financial statements on a going concern basis.

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

##### Key sources of estimation uncertainty

#### a) Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management. Refer Note 4 for further disclosure.

#### b) Impairment of property, plant and equipment and intangible assets

Determining whether the property, plant and equipment and intangible assets are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise. Refer Note 4 for further disclosure.

#### c) Impairment of investments in joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. In certain cases, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill. Refer Note 4 and 5 for further disclosure.

#### d) Provisions, liabilities and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Refer Note 39 for further disclosure.

#### e) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 8 for further disclosure.

#### f) Share based payments

The Group initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Refer Note 37 for further disclosure.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## g) Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer Note 35 for further disclosure.

## h) Lease

The application of Ind AS 116 requires Group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, we must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

## i) Impairment of Financial Assets:

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimated impairment allowance on financial assets is based on the aging of the receivable balances and historical experience. Individual receivable balances are written off when management deems them not to be collectible. The information about the impairment provision on the Group's trade and other receivables is disclosed in Note 36.8.

## Critical accounting judgements

Refer note 33 for the judgement exercised by the Group in establishing significant influence over Sarjena Foods Private Limited and Amar Chitra Katha Private Limited.

The group own and operates an integrated food park. Group earns rental income by way of leasing the underlying land at food-park to various food processors. Business model of the food park is to develop and maintain the infrastructure and common facilities related to food processing at a single place and provide it to food processor along with space in the food park. Considering the business model of the food park, it is not classified as an investment property.

## 3.1 Change in Accounting policies and disclosures

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

- (i) Ind AS 103 – Business Combinations
- (ii) Ind AS 107 – Financial Instruments: Disclosures
- (iii) Ind AS 109 – Financial Instruments
- (iv) Ind AS 116 – Leases

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation					Net Block	
	As at 1st April 2020	Additions	Deletions	Loss/(Gain) on foreign currency exchange differences	As at 31st March 2021	For the Period	Deletions	Impairment	Gain/(Loss) on foreign currency exchange differences	As at 31st March 2021	As at 31st March 2021	
<b>A. Property, plant and equipment</b>												
Freehold land (Refer note ii)	3,804.36	-	2,235.86	-	1,568.50	-	-	-	-	-	1,568.50	
Building	15,866.98	565.61	-	8.29	16,424.30	446.60	-	-	-	2,252.09	14,172.21	
Office equipments	1,415.93	63.20	148.46	-	1,330.67	177.92	124.51	-	-	921.40	409.27	
Computers	1,449.79	9.95	91.43	-	1,368.31	137.05	85.89	-	-	1,214.29	154.02	
Furniture & fixtures	4,333.53	9.04	606.54	0.24	3,735.79	393.72	430.03	-	0.10	1,779.86	1,955.93	
Vehicles	128.18	-	29.78	-	98.40	5.84	25.18	-	-	79.69	18.71	
Plant & machinery	22,226.96	592.70	2,460.20	6.56	20,352.90	1,771.65	2,332.28	100.00	-	8,263.48	12,089.42	
Leasehold improvements	2,641.25	145.88	274.04	-	2,513.09	300.73	206.10	-	-	784.43	1,728.66	
Signage	233.39	-	68.84	-	164.55	14.38	62.76	-	-	152.80	11.75	
Hydraulic works and pipelines	720.98	42.52	-	0.93	762.57	48.35	-	-	-	260.68	501.89	
Roads	1,069.34	7.36	-	-	1,076.70	70.53	-	-	-	901.10	175.60	
<b>Subtotal (A)</b>	<b>53,890.69</b>	<b>1,436.26</b>	<b>5,915.15</b>	<b>16.02</b>	<b>49,395.78</b>	<b>3,366.77</b>	<b>3,266.75</b>	<b>100.00</b>	<b>0.10</b>	<b>16,609.82</b>	<b>32,785.96</b>	
<b>B. Other intangible assets</b>												
Brands, brand usage rights and trademarks (Refer note no. iii)	23,651.46	-	-	-	23,651.46	963.72	-	715.74	-	7,788.14	15,863.32	
Software	3,840.51	17.47	0.31	-	3,857.67	642.95	0.31	-	-	2,576.60	1,281.07	
<b>Subtotal (B)</b>	<b>27,491.97</b>	<b>17.47</b>	<b>0.31</b>	<b>-</b>	<b>27,509.13</b>	<b>1,606.67</b>	<b>0.31</b>	<b>715.74</b>	<b>-</b>	<b>10,364.74</b>	<b>17,144.39</b>	
<b>C. Goodwill (Refer Notes 44 &amp; 45)</b>	<b>17,407.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>10,496.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>	
<b>Subtotal (C)</b>	<b>17,407.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>10,496.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>	
<b>D. Investment property</b>												
Freehold land	236.36	-	-	-	236.36	-	-	-	-	-	236.36	
Building	490.16	-	-	-	490.16	8.26	-	-	-	41.22	448.94	
<b>Subtotal (D)</b>	<b>726.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726.52</b>	<b>8.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.22</b>	<b>685.30</b>	
<b>E. Right-of-use assets</b>												
Land	6,503.12	-	0.15	-	6,502.97	3.36	-	-	-	6.70	6,496.27	
Building	7,667.37	1,339.59	5,162.18	-	3,844.78	768.03	1,070.65	-	-	997.43	2,847.35	
Vehicles (Refer note iv)	8.61	-	-	-	8.61	3.09	-	-	-	5.30	3.31	
Plant and Machinery	873.44	579.87	561.74	-	891.57	66.39	74.43	-	-	58.54	833.03	
<b>Subtotal (E)</b>	<b>15,052.54</b>	<b>1,919.46</b>	<b>5,724.07</b>	<b>-</b>	<b>11,247.93</b>	<b>839.97</b>	<b>1,145.08</b>	<b>-</b>	<b>-</b>	<b>1,067.97</b>	<b>10,179.96</b>	
<b>Total (A+B+C+D+E)</b>	<b>114,568.99</b>	<b>3,373.19</b>	<b>11,639.53</b>	<b>16.02</b>	<b>106,286.63</b>	<b>5,821.67</b>	<b>4,412.14</b>	<b>815.74</b>	<b>0.10</b>	<b>38,580.00</b>	<b>67,706.63</b>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

Description of Assets	Gross Block (At cost / deemed cost)										Depreciation / Amortisation		Net Block		
	As at 1st April 2019	Adjustment on transition to Ind AS 116 (Refer note 34)	Acquisition through Business Combination (Refer note 50)	Additions	Deletions	Loss/(Gain) on foreign currency exchange differences	As at 31st March 2020	As at 1st April 2019	Acquisition through Business Combination	For the Period	Deletions	Impairment (Refer note 44)	Gain/(Loss) on foreign currency exchange differences	As at 31st March 2020	As at 31st March 2020
<b>A. Property, plant and equipment</b>															
Freehold land	14,78,744	-	-	-	10,983.08	-	3,804.36	-	-	-	-	-	-	-	3,804.36
Leasehold land (Refer note v)	6,461.21	-	-	-	6,461.21	-	-	-	-	-	-	-	-	-	-
Building	16,072.69	-	-	411.61	712.06	(94.74)	15,866.98	1,401.94	-	498.19	94.64	-	-	1,805.49	14,061.49
Office equipments	1,416.09	-	2.97	89.18	92.31	-	1,415.93	708.53	0.86	227.73	69.13	-	-	867.99	547.94
Computers	1,623.55	-	2.46	94.77	270.99	-	1,449.79	1,224.07	1.79	197.31	260.04	-	-	1,163.13	286.66
Furniture & fixtures	4,254.54	-	1.13	324.87	247.90	(0.89)	4,333.53	1,617.95	0.27	388.05	190.03	-	(0.03)	1,816.27	2,517.26
Vehicles	142.03	-	-	-	13.85	-	128.18	101.57	-	7.40	9.94	-	-	99.03	29.15
Plant & machinery	21,314.39	-	8.17	895.55	65.12	(73.97)	22,226.96	6,363.93	1.80	2,156.16	47.78	250.00	-	8,724.11	13,502.85
Leasehold improvements	3,124.95	-	-	103.66	587.36	-	2,641.25	612.53	-	213.28	136.01	-	-	689.80	1,951.45
Signage	277.33	-	-	17.48	61.42	-	233.39	221.55	-	24.00	44.37	-	-	201.18	32.21
Hydraulic works and pipelines	691.54	-	-	19.00	-	(10.44)	720.98	164.86	-	47.47	-	-	-	212.33	508.65
Roads	1,034.40	-	-	26.66	-	(8.28)	1,069.34	612.71	-	217.86	-	-	-	830.57	238.77
<b>Subtotal (A)</b>	<b>71,200.16</b>	<b>-</b>	<b>14.73</b>	<b>1,982.78</b>	<b>19,495.30</b>	<b>(188.32)</b>	<b>53,890.69</b>	<b>13,029.64</b>	<b>4.72</b>	<b>3,977.45</b>	<b>851.94</b>	<b>250.00</b>	<b>(0.03)</b>	<b>16,409.90</b>	<b>37,480.79</b>
<b>B. Other intangible assets</b>															
Brands, brand usage rights and trademarks (Refer note no. iii)	23,651.46	-	-	-	-	-	23,651.46	4,744.96	-	963.72	-	400.00	-	6,108.68	17,542.78
Software	3,812.50	-	0.47	28.17	0.63	-	3,840.51	1,284.68	0.40	649.51	0.63	-	-	1,933.96	1,906.55
<b>Subtotal (B)</b>	<b>27,463.96</b>	<b>-</b>	<b>0.47</b>	<b>28.17</b>	<b>0.63</b>	<b>-</b>	<b>27,491.97</b>	<b>6,029.64</b>	<b>0.40</b>	<b>1,613.23</b>	<b>0.63</b>	<b>400.00</b>	<b>-</b>	<b>8,042.64</b>	<b>19,449.33</b>
<b>C. Goodwill (Refer Notes 44 &amp; 45)</b>	<b>16,905.13</b>	<b>-</b>	<b>-</b>	<b>502.14</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>2,670.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,825.77</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>
<b>Subtotal (C)</b>	<b>16,905.13</b>	<b>-</b>	<b>-</b>	<b>502.14</b>	<b>-</b>	<b>-</b>	<b>17,407.27</b>	<b>2,670.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,825.77</b>	<b>-</b>	<b>10,496.25</b>	<b>6,911.02</b>
<b>D. Investment property</b>															
Freehold land	236.36	-	-	-	-	-	236.36	-	-	-	-	-	-	-	236.36
Building	490.16	-	-	-	-	-	490.16	24.70	-	8.26	-	-	-	32.96	457.20
<b>Subtotal (D)</b>	<b>726.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726.52</b>	<b>24.70</b>	<b>-</b>	<b>8.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.96</b>	<b>693.56</b>
<b>E. Right-of-use assets</b>															
Land	-	41.91	-	6,461.21	-	-	6,503.12	-	-	3.36	-	-	-	3.36	6,499.76
Building	-	5,015.83	-	3,250.17	598.63	-	7,667.37	-	-	1,336.61	36.56	-	-	1,300.05	6,367.32
Vehicles (Refer note iv)	-	267.56	-	23.10	282.05	-	8.61	-	-	39.56	36.47	-	-	3.09	5.52
Plant and Machinery	-	873.44	-	-	-	-	873.44	-	-	66.58	-	-	-	66.58	806.86
<b>Subtotal (E)</b>	<b>-</b>	<b>6,198.74</b>	<b>-</b>	<b>9,734.48</b>	<b>880.68</b>	<b>-</b>	<b>15,052.54</b>	<b>-</b>	<b>-</b>	<b>1,446.11</b>	<b>73.03</b>	<b>-</b>	<b>-</b>	<b>1,373.08</b>	<b>13,679.46</b>
<b>Total (A+B+C+D+E)</b>	<b>116,295.77</b>	<b>6,198.74</b>	<b>15.20</b>	<b>12,247.57</b>	<b>20,376.61</b>	<b>(188.32)</b>	<b>114,568.99</b>	<b>21,754.46</b>	<b>5.12</b>	<b>7,045.05</b>	<b>925.60</b>	<b>8,475.77</b>	<b>(0.03)</b>	<b>36,354.83</b>	<b>78,214.16</b>

### Notes:

- For Property, plant and equipment, other intangible assets, investment property and Right-of-use assets pledged as security (Refer note 17 & 21)
- Includes Freehold Land transferred to Assets Held for Sale (Refer note 43)
- Includes Kara brand of ₹ 609 lakhs (Previous Year: ₹ 809 lakhs) and Nilgiris brand of ₹ 7,038 lakhs (Previous Year: ₹ 7,038 lakhs) with indefinite useful life (Refer note 44)
- Vehicle taken on lease is secured by hypothecation created under said lease
- Transfer of Leasehold land from property, plant and equipment to right-of-use assets as per Ind AS 116.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 5. NON CURRENT INVESTMENTS

Particulars	(₹ In lakhs)			
	Number of Units		Amount	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
<b>(a) Investment in Associate</b>				
(i) Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method) Sarjena Foods Private Limited (Refer note 33)	-	324,675	-	-
(ii) Investment in debentures (unquoted, fully paid up, at cost) 0.001% Compulsorily Convertible Debentures of Amar Chitra Katha Private Limited	4,977	4,977	4,976.91	4,976.91
<b>(b) Investment in Joint Ventures</b>				
(i) Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method) Aussee Oats India Limited (formerly known as Aussee Oats India Private Limited)	500,001	500,001	10.20	28.47
Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG) (a company incorporated in Switzerland, face value CHF 1000 each)	400	400	-	-
Hain Future Natural Products Private Limited	21,345,000	19,495,000	434.76	824.53
(ii) Investment in preference shares - (unquoted, fully paid up, at FVTPL) Cumulative redeemable preference shares of Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each)	11,380,155	11,380,155	453.79	453.79
(iii) Investment in preference shares - (unquoted, fully paid up, at cost) 12.5% Non-cumulative, optionally convertible redeemable preference shares of Sublime Foods Limited (formerly known as Sublime Foods Private Limited)	3,000,000	3,000,000	300.00	300.00
(iv) Investment in debentures (unquoted, fully paid up, at cost) 8.10% Compulsory Convertible Debentures of Hain Fututure Natural Products Private Limited	3,005,000	-	300.50	-
<b>(c) Other investments</b>				
(i) Investment in equity shares - (unquoted, fully paid up, at cost) Saraswat Co-Operative Bank Limited	50	50	0.01	0.01
<b>Total</b>	<b>39,235,583</b>	<b>34,705,258</b>	<b>6,476.17</b>	<b>6,583.71</b>

### 6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Loans to related parties (Refer Note 38)	7,264.01	452.29
<b>Total</b>	<b>7,264.01</b>	<b>452.29</b>
<b>Current</b>		
Loans to related parties (Refer Note 38)	-	5,559.92
Inter-corporate deposits	481.02	477.98
<b>Total</b>	<b>481.02</b>	<b>6,037.90</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 7. OTHER FINANCIAL ASSETS (UNSECURED)

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Considered good:		
Security deposits	366.27	462.02
Other deposits	37.16	68.27
Interest accrued on deposits	1,601.33	96.06
Operating Lease receivables	-	246.52
Bank deposits with more than 12 months maturity	49.30	46.64
Considered doubtful:		
Security and other deposits which have significant increase in credit risk	23.46	23.46
Impairment allowance		
Less: Deposits which have significant increase in credit risk	(23.46)	(23.46)
<b>Total</b>	<b>2,054.06</b>	<b>919.51</b>
<b>Current</b>		
Considered good:		
Security deposits	901.34	948.02
Other deposits	8.15	8.15
Interest accrued on deposits and others	229.99	1,085.06
Operating Lease receivables	-	57.49
Others receivables (for related party, refer note 38)	348.21	5,866.46
Considered doubtful:		
Other receivables which have significant increase in credit risk (for related party, refer note 38)	8,103.62	3,981.62
	9,591.31	11,946.80
Impairment allowance		
Less: Other Receivables which have significant increase in credit risk (refer note 30)	(8,103.62)	(3,981.62)
<b>Total</b>	<b>1,487.69</b>	<b>7,965.18</b>

### 8. DEFERRED TAX BALANCES

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Deferred tax assets (DTA) (Net)	2,257.86	4,907.55
Deferred tax liabilities (DTL) (Net)	(5,714.44)	(6,088.83)
<b>Net</b>	<b>(3,456.58)</b>	<b>(1,181.28)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 8.1 Deferred tax liabilities:

(₹ In lakhs)

Particulars	As at	
	31st March 2021	31st March 2020
Accelerated depreciation for tax purposes	4,921.63	5,229.47
Government Grants	763.97	804.07
Taxable temporary differences on financial liability measured at amortised cost	28.84	55.29
<b>Total deferred tax liabilities (A)</b>	<b>5,714.44</b>	<b>6,088.83</b>
<b>Deferred tax assets:</b>		
Provision for doubtful debts	1,884.36	1,999.42
Provisions for employee benefits	297.78	331.77
Taxable temporary differences on lease accounting	75.72	144.09
Debt Component on Compulsory Convertible Debentures	-	158.17
Losses available for offsetting against future taxable income	-	2,274.10
<b>Total deferred tax assets (B)</b>	<b>2,257.86</b>	<b>4,907.55</b>
<b>Net Deferred Tax Liability / (Asset) (A-B)</b>	<b>3,456.58</b>	<b>1,181.28</b>

### 8.2 Movement of Deferred Tax

(₹ In lakhs)

Particulars	For the year ended	
	31st March 2021	31st March 2020
Deferred tax asset / (liability) at the start of the year	(1,181.28)	(2,233.73)
(Charge) / Credit to the Statement of Profit and Loss	(2,237.43)	488.29
(Charge) / Credit to Other Equity	-	564.88
(Charge) / Credit to Other Comprehensive Income	(37.87)	(0.72)
<b>Deferred tax asset / (liability) at the end of the year</b>	<b>(3,456.58)</b>	<b>(1,181.28)</b>

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

(₹ In lakhs)

Particulars	As at	
	31st March 2021	31st March 2020
Tax losses (revenue in nature)	53,935.84	63,261.73
Tax losses (capital in nature)	12,521.69	13,608.62
Other Temporary differences	17,258.44	-
<b>Total</b>	<b>83,715.97</b>	<b>76,870.35</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 9. OTHER ASSETS

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Capital advances	176.34	372.34
Deferred lease asset	4.41	5.39
Balances with government authorities	0.69	50.80
Advance taxes (net)	3,156.03	3,830.34
Other advances	15.07	15.15
<b>Total</b>	<b>3,352.54</b>	<b>4,274.02</b>
<b>Current</b>		
Advances to employees	15.39	20.80
Advances given to suppliers	828.75	953.81
Balances with government authorities	1,056.68	1,382.99
Deferred lease asset	0.87	1.25
Advance Taxes	571.96	-
Other advances	113.98	241.37
Others	-	14.31
<b>Total</b>	<b>2,587.63</b>	<b>2,614.53</b>

### 10. INVENTORIES (At lower of cost and net realisable value)

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Raw materials (at cost)	453.86	1,006.07
Finished goods (at lower of cost and net realisable value)	216.21	801.16
Stock - in - trade (at lower of cost and net realisable value)	4,643.00	14,351.42
Packing material (at cost)	295.50	386.70
Stores, spares and Others (at cost)	84.45	74.77
<b>Total</b>	<b>5,693.02</b>	<b>16,620.12</b>

Notes:

- i) For Inventory hypothecated as security, refer note 21
- ii) The amount of write down of inventories recognised as an expense during the year is ₹ 514.76 lakhs (Previous year: ₹ 470.89 lakhs)

### 11. CURRENT INVESTMENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Investment in Government Security (At Cost)</b>		
National savings certificate (lodged with Sales Tax Authorities)	0.45	0.45
<b>Investments in equity shares (quoted, fully paid up, At FVTPL)</b>		
Karnataka Bank Limited	1.37	1.05
<b>Total</b>	<b>1.82</b>	<b>1.50</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 12. TRADE RECEIVABLES (UNSECURED)

(₹ In lakhs)

Particulars	As at	As at
	31st March 2021	31st March 2020
Considered good (for related party, refer note 38)	62,838.49	76,287.36
Receivables which have significant increase in credit risk (for related party, refer note 38)	19,998.87	5,003.12
	<b>82,837.36</b>	<b>81,290.48</b>
Impairment Allowance		
Less: Receivables which have significant increase in credit risk (refer note 30)	(19,998.87)	(5,003.12)
<b>Total</b>	<b>62,838.49</b>	<b>76,287.36</b>

Note : For trade receivables hypothecated as security (Refer note 17 & 21)

### 13. CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at	As at
	31st March 2021	31st March 2020
<b>Cash and cash equivalents</b>		
On current accounts	1,895.63	2,007.29
In fixed deposit accounts	1,790.77	1,781.43
Cash and cheques on hand	4.46	1,040.26
<b>Total</b>	<b>3,690.86</b>	<b>4,828.98</b>
<b>Bank balances other than Cash and cash equivalents</b>		
As margin money	1,057.18	1,075.08
<b>Total</b>	<b>1,057.18</b>	<b>1,075.08</b>

#### Changes in liability due to financial activities

(₹ In lakhs)

Particulars	As at	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	As at
	31st March 2020				31st March 2021
Current Borrowings (Refer Note 21)	31,537.01	(2,233.11)	-	2,823.60	32,127.50
Non- current borrowings, including current maturities (Refer Note 17)	29,544.29	(1,482.45)	144.36	(2,381.78)	25,824.42
Lease Liabilities (Refer note 34)	8,473.27	(555.24)	(3,490.33)	-	4,427.70
<b>Total</b>	<b>69,554.57</b>	<b>(4,270.80)</b>	<b>(3,345.97)</b>	<b>441.82</b>	<b>62,379.62</b>

(₹ In lakhs)

Particulars	As at	Cash flows	Changes in fair value of financial instruments	Financial Liabilities Reclassified	Upon addition of Subsidiary	As at
	31st March 2019					31st March 2020
Current Borrowings (Refer Note 21)	48,172.92	(16,709.80)	-	-	73.89	31,537.01
Non- current borrowings, including current maturities (Refer Note 17)	33,193.89	(4,073.02)	423.42	-	-	29,544.29
Lease Liabilities (Refer note 34)	-	(1,158.86)	86.93	9,545.20	-	8,473.27
<b>Total</b>	<b>81,366.81</b>	<b>(21,941.68)</b>	<b>510.35</b>	<b>9,545.20</b>	<b>73.89</b>	<b>69,554.57</b>

During the current year the Group entered into non-cash investment activity of converting inter corporate deposit amounting to ₹ Nil (previous year ₹ 681.27 lakhs) into investments and acquisition of ROU Assets of ₹ 1,919.46 lakhs (Previous Year ₹ 9,734.48 lakhs) These are not reflected in the statement of cash flows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## 14. EQUITY SHARE CAPITAL

### a) Share Capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Amount (₹ In lakhs)	No. of shares	Amount (₹ In lakhs)
<b>Authorised</b>				
Equity shares of ₹ 6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹ 10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
<b>Total</b>		<b>506,000.00</b>		<b>506,000.00</b>
<b>Issued, subscribed &amp; fully paid-up capital</b>				
Equity shares of ₹ 6 each	1,987,040,879	119,222.46	1,921,109,680	115,266.58
Less: Shares held by ESOP trust treated as treasury shares	(13,452,793)	(807.17)	(13,452,793)	(807.17)
<b>Total</b>	<b>1,973,588,086</b>	<b>118,415.29</b>	<b>1,907,656,887</b>	<b>114,459.41</b>

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount (₹ In lakhs)	No. of Shares	Amount (₹ In lakhs)
Equity shares at the beginning of the year	1,907,656,887	114,459.41	1,907,142,387	114,428.54
Add: Equity shares issued and allotted during the year	65,931,199	3,955.88	-	-
Add: Allotment pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	-	-	200,000	12.00
Add: Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	-	-	447,000	26.82
Less : Shares purchased (net) by ESOP trust treated as treasury shares	-	-	(132,500)	(7.95)
<b>Equity shares at the end of the year</b>	<b>1,973,588,086</b>	<b>118,415.29</b>	<b>1,907,656,887</b>	<b>114,459.41</b>

### c) Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vistra ITCL India Limited	447,239,338	22.51	-	-
Future Capital Investment Private Limited	243,544,041	12.26	826,612,246	43.03
Verlinvest SA	156,929,569	7.90	140,513,969	7.31
Black River Food 2 Pte. Ltd	146,283,195	7.36	146,283,195	7.61
International Finance Corporation	107,819,921	5.43	58,304,322	3.03
Arisaig India Fund Limited	-	-	134,331,586	6.99

### d) Share options granted under the Holding Company's employee share option plan

Share options granted under the Holding Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note no. 37

### e) Rights, Preferences and Restrictions attached to equity shares:

- The Holding Company has one class of equity shares having a par value of ₹ 6 per share. Each holder of equity share is entitled to one vote per share.
- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the Holding Company holding equity shares has a right to attend the General Meeting of the Holding Company and has a right to vote in proportion to his share of the paid-up capital of the Holding Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

- f) During the financial year 2020-21:
- i) The Holding Company has forfeited 7,000 warrants having face value of ₹ 1,00,000/- each issued to Illusie Produkt Private Limited, being a member of the Promoter group of the Company ("Illusie") due to non receipt of balance 75% of the total consideration amount from Illusie.
  - ii) The Holding Company has issued and allotted 4,66,45,935 equity shares upon conversion of 21,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to International Finance Corporation and 28,69,664 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs at a conversion price of ₹ 45.02 per equity share .
  - iii) The Holding Company has issued and allotted 1,54,64,238 equity shares upon conversion of 6,962 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to Verlinvest SA and 9,51,362 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs, at a conversion price of ₹ 45.02 per equity share .
- g) As at 31st March, 2021, 28,07,500 equity shares (Previous Year: 36,31,000 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 37) for ESOP Primary Scheme.
- h) In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 15. OTHER EQUITY (EXCLUDING NON-CONTROLLING INTERESTS)

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Capital reserve	2,064.94	314.94
Securities premium account	38,130.12	14,112.60
General reserve	0.59	0.59
Share options outstanding account	1,314.40	2,024.15
Capital redemption reserve	5.20	5.20
Equity component of compound financial instruments	-	26,253.16
Money received against share warrants	-	1,750.00
Retained earnings	(100,631.05)	(53,220.57)
Foreign Currency Translation reserve	(41.75)	(56.13)
Other comprehensive income	(62.41)	(220.39)
<b>Total</b>	<b>(59,219.96)</b>	<b>(9,036.45)</b>

#### Description of reserves

##### Capital reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

##### Securities premium account

Where the Group issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

##### General reserve

General Reserve is created out of profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

##### Share options outstanding account

This reserve relates to share options granted by the Group to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## Capital redemption reserve

As per the provisions of the Companies Act, 2013 capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years. The reserve can be utilized for issuing fully paid up equity shares.

## Equity component of compound financial instruments

The Group had issued Compulsory Convertible Debentures ("CCD") with each CCD being compulsorily convertible into equity shares of the Group at a fixed conversion price appropriately adjusted for corporate events.

The instrument is a compound instrument and therefore total proceeds is divided into 'equity' and 'liability'. The equity portion is recorded under this reserve.

## Money received against share warrants

A share warrant is a financial instrument which gives the holder the right to acquire equity shares. A disclosure of the money received against share warrants is to be made since shares are yet to be allotted against the share warrants.

## Retained earnings

This represents the surplus/ (deficit) of the statement of profit or loss. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the separate financial statements of the Group and also considering the requirements of the Companies Act, 2013.

## Foreign Currency Translation reserve

When preparing consolidated financial statements, differences arising on translation of the financial statements of foreign operations (with a functional currency different from that of the consolidating entity) is transferred to the Foreign Currency Translation Reserve (FCTR), which forms part of Other Comprehensive Income. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

## Other Comprehensive Income

This relates to the remeasurement impact of defined benefit plans, exchange differences in translating the financial statements of foreign operations and income tax effect of the same.

## 16. NON-CONTROLLING INTERESTS ("NCI")

Particulars	₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Balance at the end of the year *	(0.83)	1.26
<b>Total</b>	<b>(0.83)</b>	<b>1.26</b>

\* Refer statement of changes in equity

## 17. NON CURRENT BORROWINGS

Particulars	₹ In lakhs)			
	As at 31st March 2021		As at 31st March 2020	
	Non-Current	Current (Refer note 18)	Non-Current	Current (Refer note 18)
<b>Secured - at amortised cost</b>				
Term loans from banks:				
Term Loan Facility	2,937.71	971.54	3,675.81	2,387.67
Debentures:				
9.95% redeemable non convertible debentures of ₹ 1 lakh each	-	2,000.00	-	1,994.14
11.07% redeemable non convertible debentures of ₹ 10 lakh each	14,032.82	5,882.35	18,705.86	1,176.47
<b>Unsecured - at amortised cost</b>				
4 % Compulsorily Convertible Debentures of ₹ 1 lakh each				
Verlinvest SA	-	-	-	399.42
International Finance Corporation	-	-	-	1,204.92
<b>Total</b>	<b>16,970.53</b>	<b>8,853.89</b>	<b>22,381.67</b>	<b>7,162.62</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

(₹ In lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2021	As at 31st March 2020
1	<b>Term loan from banks:</b>			
(i)	<p>a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing.</p> <p>b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering facility amount.</p> <p>d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.</p>	The facility has been restructured as part of the OTR Scheme (Refer Note 54). The next quarterly instalment is due in May 2021. Interest of 10.50% p.a.	3,847.71	4,524.27
(ii)	<p>a) Secured by first executive charge on all the immovable fixed assets of Integrated Food Park Limited, existing as well as future.</p> <p>b) Corporate Guarantee of Future Consumer Limited</p> <p>c) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p>	The final instalment of this loan was due in September 2020. Outstanding amount of ₹ 661.54 lakhs has been regrouped to Current Borrowings as on March 31, 2021.	-	1,354.59
(iii)	<p>a) Secured by first exclusive Charge on the current assets of and all the movable assets of the Nilgiris Dairy Farm Pvt Ltd (including capex for cookie project &amp; other capex), existing as well as future.</p> <p>b) Unconditional and irrevocable Personal Guarantee of Mr. Kishore Biyani</p> <p>c) Unconditional and irrevocable Corporate Guarantee of Future Consumer Limited</p> <p>d) Subordination of preference share capital and undertaking from Future Consumer Limited that unsecured loan of ₹ 6,397.49 Lakhs as on 31st March 2021 (previous year ₹ 7,198 Lakhs) would be retained in the Company's business till the facilities are availed from the bank.</p>	The Loan is repayable in 13 quarterly instalment (next instalment due in June 2021). Interest: 1 year MCLR + 2.05% i.e. presently 11.80% p.a.	61.54	184.62
2	<b>9.95% NCD:</b>			
	<p>a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing.</p> <p>b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee</p>	<p>Series C of ₹ 2,000 Lakhs was due in September 2020, and has been restructured for repayment (Refer Note 54).</p> <p>Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited</p>	2,000.00	1,994.14

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

(₹ In lakhs)				
Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2021	As at 31st March 2020
3	<b>11.07 % NCD:</b> a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The NCDs is redeemable in 17 equal quarterly installments starting from February 2021. Certain installments have been restructured in light of the Covid-19 pandemic (Refer Note 54). Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @10.00% p.a. & year 3 @ 11.07% p a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.	19,915.17	19,882.33
4	<b>4 % CCD Verinvest SA (Verinvest)</b> <b>(Converted into equity shares during the year):</b> The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company.	The Company has issued and allotted 1,54,64,238 equity shares upon conversion of 6,962 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to Verinvest SA and 9,51,362 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs, at a conversion price of ₹ 45.02 per equity share .	-	399.42
5	<b>4 % CCD International Finance Corporation (IFC)</b> <b>(Converted into equity shares during the year):</b> The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company.	The Company has issued and allotted 4,66,45,935 equity shares upon conversion of 21,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 1,00,000/- each issued to International Finance Corporation and 28,69,664 equity shares pursuant to conversion of unpaid outstanding coupons on CCDs at a conversion price of ₹ 45.02 per equity share .	-	1,204.92
			<b>25,824.42</b>	<b>29,544.29</b>
	Less: Current maturities of long term debt (Refer note 18)		(8,853.89)	(7,162.62)
	<b>Total</b>		<b>16,970.53</b>	<b>22,381.67</b>

### 18. OTHER FINANCIAL LIABILITIES

(₹ In lakhs)		
Particulars	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Interest accrued but not due	927.04	831.15
Deposits received from customers	16.27	13.86
Security deposits received	58.90	28.85
<b>Total</b>	<b>1,002.21</b>	<b>873.86</b>
<b>Current</b>		
Current maturities of long term debt (refer note 17)	8,853.89	7,162.62
Interest accrued but not due & due	1,992.93	475.42
Security and other deposits received	770.60	764.22
Payable on purchase of capital goods	1,687.02	1,911.24
<b>Total</b>	<b>13,304.44</b>	<b>10,313.50</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 19. PROVISIONS

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Non-current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	317.49	668.91
Provision for bonus, incentives and others	86.76	113.79
<b>Total</b>	<b>404.25</b>	<b>782.70</b>
<b>Current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	70.62	150.28
Provision for compensated absences (Refer note 35)	300.75	542.99
Provision for bonus, incentives and others	600.05	87.19
Provision for claims and contingencies	39.00	53.00
<b>Total</b>	<b>1,010.42</b>	<b>833.46</b>

Particulars	(₹ In lakhs)	
	Amount	
<b>Balance as at 31st March 2019</b>	<b>75.00</b>	
Provisions (utilised) / written back during the year	(22.00)	
<b>Balance as at 31st March 2020</b>	<b>53.00</b>	
Provisions (utilised) / written back during the year	(14.00)	
<b>Balance as at 31st March 2021</b>	<b>39.00</b>	

The provision for claims and contingencies relates to the estimated amount to be paid for claims raised on the Group in lieu of legal disputes for commercial matters and for various tax authorities under indirect tax laws. These amounts have not been discounted for the purposes of measuring the provision because the effect is not material.

### 20. OTHER LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Other non-current liabilities</b>		
Contract liabilities	511.20	259.86
Deferred lease payables	13.79	16.70
Deferred revenue arising from government grant	2,909.90	3,148.88
<b>Total</b>	<b>3,434.89</b>	<b>3,425.44</b>
<b>Other current liabilities</b>		
Statutory dues payable	652.94	986.98
Deferred lease payables	2.90	2.90
Deferred revenue arising from government grant	285.66	281.49
Contract liabilities	19,495.30	509.08
Capital advance received towards assets held for sale (Refer Note 43)	2,195.25	1,111.00
Other liabilities	3,439.35	2,452.01
<b>Total</b>	<b>26,071.40</b>	<b>5,343.46</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 21. CURRENT BORROWINGS

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks	9,665.43	9,328.48
Other loans from bank	20,677.98	22,211.27
	<u>30,343.41</u>	<u>31,539.75</u>
Less :- Unamortised cost	-	(76.64)
	<u>30,343.41</u>	<u>31,463.11</u>
<b>Unsecured - at amortised cost</b>		
Inter Corporate Deposits from Related Party (Refer Note 38)	73.90	73.90
Other loans from bank	1,710.19	-
<b>Total</b>	<b>32,127.50</b>	<b>31,537.01</b>

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

Nature of Security	Terms of Interest and repayment
<b>Loans repayable on demand from banks (Cash Credit)</b>	
Loan is secured by	The cash credit is repayable on demand and carries interest at rates varying from 8.65% to 10.50% p.a. Interest on facilities availed by the Holding Company has been restructured as part of the OTR Scheme (Refer Note 54)
a) First pari passu hypothecation charge on all existing and future current assets of the company	
b) Second Charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	
<b>Other Loans from Bank (Working capital loan)</b>	
Loan is secured by	The other loans from Bank is repayable on due dates within a period of 1 year and carries interest at rates varying from 7.75% to 10.50% p.a. Facilities availed by the Holding Company have been restructured as part of the OTR Scheme (Refer Note 54).
a) First and/or pari passu charge on all existing and future current assets of the Company	
b) Second charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	
Outstanding amount of ₹ 661.54 lakhs on Secured Term Loans from bank has been regrouped to Current Borrowings as on March 31, 2021. (Refer Note 17)	

#### Details of terms of interest and repayment for unsecured current borrowings

Inter Corporate Deposits to be repayable within 365 days and carries interest @ 12.5%
Other Loans from Bank include bills discounted repayable on due dates within a period of 1 year carrying interest at rates varying from 7.90% to 8.15% p.a. These facilities have been restructured as part of the OTR Scheme (Refer Note 54).

### 22. TRADE PAYABLES

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note 42)	2,418.40	3,236.93
Total outstanding dues of trade payables other than micro enterprises and small enterprises (for related party, refer note 38)	17,519.43	27,663.70
<b>Total</b>	<b>19,937.83</b>	<b>30,900.63</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 23. REVENUE FROM OPERATIONS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from Contracts with Customers :		
Sales of products	116,619.88	402,143.95
Sales of services	774.59	194.41
Other operating revenue	1,056.85	1,694.66
<b>Total</b>	<b>118,451.32</b>	<b>404,033.02</b>

23.1 Details of revenue from contracts with customers recognised by the Group, net of indirect taxes, in its Statement of Profit and Loss. The table below presents disaggregated revenues from contracts with customers.

Type of Goods or Services	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Sale of consumer products	116,619.88	402,143.95
Leasing Income	774.59	189.09
Franchisee fees	761.40	1,244.07
Royalty income	130.27	249.68
Scrap sales	47.44	76.99
Miscellaneous Income	117.74	129.24
<b>Total revenue from contracts with customers</b>	<b>118,451.32</b>	<b>404,033.02</b>

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
India	118,451.32	403,947.69
Outside India	-	85.33
<b>Total revenue from contracts with customers</b>	<b>118,451.32</b>	<b>404,033.02</b>

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Goods transferred at a point in time	116,667.32	402,220.94
Services transferred over time	1,784.00	1,812.08
<b>Total revenue from contracts with customers</b>	<b>118,451.32</b>	<b>404,033.02</b>

23.2 The Group derives its revenue from the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single service line. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 31 on Operating segment information.)

#### 23.3 Contract balances

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

Particulars	(₹ In lakhs)	
	As at 31st March 2021	As at 31st March 2020
Trade receivables (Refer note 12)	62,838.49	76,287.36
Contract assets	78.13	113.80
Contract liabilities (Refer note 20)	20,006.50	768.94

Trade receivables are non interest bearing and are generally on terms of 0 to 90 days. The Group receives payments from customers based upon contractual billing schedules. Trade receivables are recorded when the right to consideration becomes unconditional.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

Set out below is the amount of revenue recognised from:

(₹ In lakhs)

Particulars	As at	
	31st March 2021	31st March 2020
Amounts included in contract liabilities at the beginning of the year	768.94	798.42
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	768.94	798.42
Revenue recognised from performance obligations satisfied in previous years	-	-

### 23.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ In lakhs)

Particulars	Year ended	
	31st March 2021	31st March 2020
Revenue as per contracted price	121,304.52	411,930.76
Less: Discounts, rebates, refunds, credits, price concessions	(2,853.20)	(7,897.74)
<b>Revenue from contracts with customers</b>	<b>118,451.32</b>	<b>404,033.02</b>

### 23.5 Performance Obligation

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Group has a material right but either not yet transferred control of a product or performing services over the period of time to customers. Transaction price includes the price agreed with customer, variable consideration and changes in transaction price. The transaction price of order related to unfilled, confirmed customer orders is estimated at each reporting date and payment is generally due within 7 to 90 days from delivery.

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

(₹ In lakhs)

Particulars	As at	
	31st March 2021	31st March 2020
Within one year	20,006.50	768.94
More than one year	-	-

Open sales order as on 31 March 2021 is ₹ 4,480.15 lakhs (Previous year is ₹ Nil).

## 24. OTHER INCOME

(₹ In lakhs)

Particulars	Year ended	
	31st March 2021	31st March 2020
Amortisation of government grant	284.80	281.49
Operating lease rent income	22.18	235.60
Gain on sale of investment - non current	29.90	-
Interest income on:		
Inter corporate deposits	748.51	944.77
Others	281.29	300.61
Provision no longer required written back (net)	72.08	26.00
Gain on termination of Lease Asset	541.44	86.15
Net Profit on foreign currency transactions and translation	-	440.15
Net gain on financial assets measured at FVTPL	0.43	-
Miscellaneous income	137.32	293.72
<b>Total</b>	<b>2,117.95</b>	<b>2,608.49</b>

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for the year ended 31st March 2021

### 25. COST OF MATERIALS CONSUMED

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Opening stock of raw materials and others (Refer note 10)	1,467.54	985.58
Add: Purchases	3,422.23	23,139.96
Less: Closing stock of raw materials and others (Refer note 10)	(833.81)	(1,467.54)
<b>Total</b>	<b>4,055.96</b>	<b>22,658.00</b>

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Opening stock of finished goods (Refer note 10)	801.16	273.69
Less: Closing stock of finished goods (Refer note 10)	(216.21)	(801.16)
<b>Total (A)</b>	<b>584.95</b>	<b>(527.47)</b>
Opening stock of traded goods (Refer note 10)	14,351.42	23,425.53
Less: Closing stock of traded goods (Refer note 10)	(4,643.00)	(14,351.42)
<b>Total (B)</b>	<b>9,708.42</b>	<b>9,074.11</b>
<b>Decrease/ (Increase) during the year (A - B)</b>	<b>10,293.37</b>	<b>8,546.64</b>

### 27. EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Salaries wages & bonus	5,641.09	11,234.76
Contribution to provident and other funds	223.60	623.04
(Reversal) / Expenses on Employee Stock Option (ESOP) scheme (Refer note no. 37)	320.72	(262.03)
Staff welfare expenses	119.01	366.68
<b>Total</b>	<b>6,304.42</b>	<b>11,962.45</b>

### 28. FINANCE COSTS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Interest expenses on:		
Loans	6,647.76	7,654.57
Lease expenses (Refer note 34)	511.20	807.82
Others	13.31	92.67
Other borrowing costs	57.23	150.06
<b>Total</b>	<b>7,229.50</b>	<b>8,705.12</b>

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for the year ended 31st March 2021

### 29. DEPRECIATION AND AMORTISATION EXPENSES (REFER NOTE 4)

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation of property, plant and equipment	3,366.77	3,977.45
Depreciation of investment property	8.26	8.26
Amortisation of intangible assets	1,606.67	1,613.23
Depreciation of right-of-use assets	839.97	1,446.11
<b>Total</b>	<b>5,821.67</b>	<b>7,045.05</b>

### 30. OTHER EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Rent expenses (Refer note 34)	701.14	599.29
Consumables and packing material	63.09	161.36
Warehousing and distribution expenses	4,204.15	10,063.11
Electricity expenses	558.88	1,106.08
Advertisement, publicity and selling expenses	548.93	1,965.37
Labour contract charges	861.85	4,241.01
Repairs and maintenance :		
On plant and machinery	43.19	176.11
On buildings	4.02	21.66
On others	107.07	184.98
Legal and professional charges	878.67	2,046.24
Rates & taxes	940.66	679.08
Insurance	107.45	155.73
Auditor's remuneration	166.63	185.84
Directors sitting fees	36.58	37.27
Loss on sale/retirement of property plant and equipment (Net)	214.99	195.98
Impairment of PPE/CWIP	165.37	-
Net loss on foreign currency transactions and translation	147.71	-
Corporate social responsibility (Refer note 47)	60.72	64.83
Brand royalty	47.53	111.81
Impairment allowance on trade and other receivable and advances written off (refer note 12 and 7 respectively)	19,358.74	8,605.20
Miscellaneous expenses	2,846.31	4,986.02
<b>Total</b>	<b>32,063.68</b>	<b>35,586.97</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 31. SEGMENT INFORMATION

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment'.

The Chief Operating Decision Maker (CODM) monitors the operating results at the Group level for the purpose of making decisions about resource allocation and performance assessment.

#### 31.1 Geographic Information

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from operations from customers within India	118,451.32	403,947.70
Revenue from operations from customers outside India	-	85.32
	118,451.32	404,033.02

#### 31.2 Major Customer

Top customer which individually contribute more than 10% of Group's total revenue.

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Future Retail Limited	47,478.70	291,908.28
Reliance Retail Limited	15,754.97	-

### 32. EARNING PER SHARE

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Profit/(Loss) for the year after adjusting non-controlling interest (₹ in lakhs)	(48,330.32)	(21,582.77)
Profit/(Loss) for the year before exceptional item after adjusting non-controlling interest (₹ in lakhs)	(44,055.78)	(13,049.63)
Weighted average number of equity shares outstanding for basic EPS	1,973,588,086	1,907,741,063
Add : Weighted average number of potential equity shares on account of Employee Stock Options Outstanding	-	1,879,954
Weighted average number of equity shares outstanding for diluted EPS	1,973,588,086	1,909,621,017
Earnings per share after exceptional item (₹)		
Basic	(2.45)	(1.13)
Diluted	(2.45)	(1.13)
Earnings per share before exceptional item (₹)		
Basic	(2.23)	(0.68)
Diluted	(2.23)	(0.68)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 33. DETAILS OF THE SUBSIDIARIES

33.1 Details of the subsidiaries at the end of the reporting period are as follows:

Name of the subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31st March 2021	As at 31st March 2020
Aadhaar Wholesale Trading and Distribution Limited	Rural retailing	India	100.00%	100.00%
Affluence Food Processors Private Limited (w.e.f 6th November 2018)	Manufacturing and distribution	India	100.00%	100.00%
Appu Nutritions Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Avante Snack Foods Private Limited (w.e.f 18th March 2020)	Manufacturing and distribution	India	100.00%	67.03%
Bloom Foods and Beverages Private Limited	Distribution	India	100.00%	100.00%
Delect Spices and Herbs Private Limited (w.e.f.18th July 2019)	Food processing	India	99.82%	99.82%
FCL Tradevest Private Limited	Manufacturing and distribution	India	100.00%	100.00%
FCEL Overseas FZCO	Distribution	UAE	60.00%	60.00%
FCEL Food Processors Limited	Food processing	India	100.00%	100.00%
Future Consumer Products Limited	Branding	India	100.00%	100.00%
Future Food and Products Limited	Food processing	India	100.00%	100.00%
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	Food processing	India	100.00%	100.00%
Genoa Rice Mills Private Limited (w.e.f. 27th September 2019)	Food processing	India	100.00%	100.00%
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	Operation and maintenance of food park	India	99.93%	99.93%
Nilgiri's Mechanised Bakery Private Limited	Distribution	India	100.00%	100.00%
Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)	Back end Support	India	100.00%	100.00%
The Nilgiri Dairy Farm Private Limited	Manufacturing and distribution	India	100.00%	100.00%

#### 33.2 Investments in associate

The details of proportion of ownership interest held by the Group in Associates are disclosed in Note 2.3 of the consolidated financial statement.

The Group owned 19.59% ownership interest in Sarjena Foods Private Limited ("SFPL") an associate and it had significant influence over SFPL by virtue of its contractual right to appoint one out of three directors to the board of directors of that company. During the year, it had sold its ownership interest in SFPL on July 22, 2020. The Group's share of total comprehensive income is NIL for the year (Previous year NIL) and the aggregate carrying amount of the Group's interest in the associate is NIL (Previous year NIL).

Due to the significant influence exercised by the Group on Amar Chitra Katha Private Limited (ACK) as per the terms of the Shareholders and Debenture Holders agreement, the Group has identified ACK as an associate entity. Accordingly, the investment in CCDs of ACK are held at cost. Further, since the Group does not currently hold any equity shares of ACK, the Group has not recognized any share of profit or loss of ACK under the equity method.

#### 33.3 Investments in Joint Ventures

The details of proportion of ownership interest held by the Group in Joint Venture are disclosed in Note 2.3 of the consolidated financial statement.

##### Aggregate information of Joint Ventures that are not individually material

Particulars	(₹ in lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
The Group's share of loss from continuing operations	(2,459.42)	(4,697.13)
The Group's share of other comprehensive income	14.05	1.21
The Group's share of total comprehensive income	(2,445.37)	(4,695.92)



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for the year ended 31st March 2021

(₹ In lakhs)

Particulars	As at	As at
	31st March 2021	31st March 2020
Aggregate carrying amount of the Group's interests in these Joint Ventures (excluding preference shares held)	444.96	853.00

For the previous period ended March 2020, apart from change in Group's ownership interest in Genoa Rice Mills Private Limited that became subsidiary w.e.f. 27th September 2019, there were no changes in the Group's ownership interest in Joint Ventures during the year. There are no significant restrictions on the ability of Joint Ventures to transfer funds to the Group in the form of cash, dividends, or to repay loans or advances made by the Group.

### 34. LEASING ARRANGEMENTS

The Group has lease contracts for various items of plant, machinery, vehicles, warehouse, office premises and buildings used in its operations. Leases of plant and machinery generally have lease terms between 3 and 15 years, while vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ In lakhs)

Particulars	Plant & Machinery	Vehicles	Land	Buildings	Total
As at 1st April 2020	806.86	5.52	6,499.76	6,367.32	13,679.46
Additions/(Deletions)	92.56	-	(0.15)	(2,751.94)	(2,659.53)
Depreciation	66.39	2.21	3.34	768.03	839.97
As at 31st March 2021	833.03	3.31	6,496.27	2,847.35	10,179.96

(₹ In lakhs)

Particulars	Plant & Machinery	Vehicles	Land	Buildings	Total
As at 1st April 2019	873.44	267.56	41.91	5,015.83	6,198.74
Additions/(Deletions)	-	(222.48)	6,461.21	2,688.10	8,926.83
Depreciation	66.58	39.56	3.36	1,336.61	1,446.11
As at 31st March 2020	806.86	5.52	6,499.76	6,367.32	13,679.46

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ In lakhs)

Particulars	Year ended	Year ended
	31st March 2021	31st March 2020
Opening balance	8,473.27	10,570.58
Less: Additions/Deletions	4,478.05	2,143.59
Add: Accretion of Interest	780.21	1,130.02
Less: Payments	1,376.90	2,502.53
Add: Elimination	1,029.17	2,868.39
<b>Closing Balance</b>	<b>4,427.70</b>	<b>8,473.27</b>
<b>Current Lease Liabilities</b>	<b>731.24</b>	<b>1,409.64</b>
<b>Non-Current Lease Liabilities</b>	<b>3,696.46</b>	<b>7,063.63</b>

The maturity analysis of lease liabilities are disclosed as below:

(₹ In lakhs)

Maturity analysis of contractual undiscounted cash flow	Upto 3 months	3 months to 6 months	6 months to 12 months	12 months to 2 years	2 years to 5 years	more than 5 years
As of 31 March 2021	346.62	347.20	740.21	1,385.88	2,756.86	6,145.92
As of 31 March 2020	720.50	604.80	1,300.59	2,443.39	5,461.81	9,106.85

The Group's effective interest rate for lease liabilities is ranging between 11.70%-12.50%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

The following are the amounts recognised in profit or loss:

Particulars	(₹ In lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	839.97	1,446.11
Interest expense on lease liabilities	511.20	807.82
Rent Expenses (included in other expenses)	701.14	599.29
<b>Total amount recognised in statement of profit and loss</b>	<b>2,052.31</b>	<b>2,853.22</b>

The Group had total cash outflows for leases of ₹ 555.24 lakhs in 31 March 2021 (Previous Year: ₹ 1,158.86 lakhs).

### Additional information on termination option

Some leases of building contain termination options exercisable by the company after the end of the non-cancellable contract period. Where practicable, the company seeks to include termination options in new leases to provide economic viability. The termination options held are exercisable only by the company and not by the lessors. The company assesses at lease commencement whether it is reasonably certain to exercise the termination options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

One of the subsidiaries of the Group has acquired land allotted by Government of Karnataka on lease Cum sale basis for construction of Mega Food Park wherein the land would be transferred to the subsidiary during the period of the agreement or on completion of the conditions mentioned in the agreement or at the end of 25 years or extended period. The said land has been disclosed in note 4 - Property, plant and equipment as lease hold land, the amount of lease cost incurred during the year is ₹ 5.15 lakhs ( Previous Year: ₹ 4.34 lakhs).

### Lease as a Lessor

One of the subsidiaries of the Group has entered into agreements with customers in respect of lease of infrastructure wherein the leases are non-cancellable as per the terms mentioned in the agreement during the lockin period. The future minimum lease payments receivable under non-cancellable period of operating leases in the aggregate and for each of the following periods.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
Not later than one year	1,083.80	1,436.96
Later than one year and not later than five years	3,801.09	4,789.97
Later than five years	68,615.90	69,144.62

Lease income for the year 2020-21 is ₹ 916.44 lakhs (Previous Year: ₹ 1,421.64 lakhs)

## 35. EMPLOYEE BENEFIT PLANS

### Defined Contribution Plan

The Group's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statute and charged to the Consolidated Statement of Profit and Loss.

The Group contribution to Provident Fund for the year 2020-2021 aggregating to ₹196.63 Lakhs (Previous Year: ₹ 525.64 lakhs), ₹ 13.49 lakhs (Previous Year: ₹ 65.82 lakhs ) for ESIC and ₹ 11.63 lakhs for New Pension Scheme (Previous year: ₹ 30.58 lakhs) has been recognised in the Statement of profit or loss under the head employee benefits expense.

### Defined Benefit Plans

#### Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit Plan which is not funded except for few subsidiaries where it is funded.

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

### Interest rate risk

A decrease in the bond interest rate will increase the plan liability; however this will be partially offset by an increase in the return on the plan's debt investments.

### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### Principal assumptions

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

Particulars	As at	As at
	31st March 2021	31st March 2020
1. Discount rate	5.89% - 6.95%	6.15% - 7.7%
2. Salary escalation	2% - 10%	2% - 10%
3. Mortality rate	Indian Assured Lives Mortality Ultimate	Indian Assured Lives Mortality Ultimate
4. Withdrawal rate	20% to 1% Age based	20% to 1% Age based
5. Retirement age	58 years	58 years

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

### Balances of defined benefit plan

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
Present value of defined benefit obligation	466.89	995.84
Fair value of plan assets	(78.78)	(105.75)
<b>Net liability arising from gratuity</b>	<b>388.11</b>	<b>890.09</b>

### Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in Consolidated Statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>A. Components of expense recognised in the Consolidated Statement of Profit and Loss (in employee benefit expenses)</b>		
Current service cost	119.96	143.55
Expected return on plan assets	(4.81)	(5.07)
Net interest expenses	50.52	56.15
<b>Total (A)</b>	<b>165.67</b>	<b>194.63</b>
<b>B. Components of defined benefit costs recognised in other comprehensive income</b>		
Actuarial gains and losses arising from changes in financial assumptions	12.51	(38.72)
Actuarial gains and losses arising from experience adjustments	(189.58)	42.35
<b>Total (B)</b>	<b>(177.07)</b>	<b>3.63</b>

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for the year ended 31st March 2021

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>C. Movements in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	995.84	976.60
Current service cost	119.96	143.55
Interest cost	50.52	56.15
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	(0.06)
Actuarial gains and losses arising from changes in financial assumptions	12.51	(38.72)
Actuarial gains and losses arising from experience adjustments	(189.58)	42.36
Benefits paid	(522.36)	(184.04)
<b>Closing defined benefit obligation (C)</b>	<b>466.89</b>	<b>995.84</b>
<b>D. Movements in the fair value of the plan assets</b>		
Opening fair value of plan assets	105.75	100.52
Interest income	4.81	5.07
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.60	0.16
Benefits paid	(32.38)	-
<b>Closing fair value of plan assets (D)</b>	<b>78.78</b>	<b>105.75</b>

### Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particular	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
Insurer managed funds	78.78	105.75

## 36. FINANCIAL INSTRUMENTS AND RISK REVIEW

### 36.1 Capital Management

The Group being in a working capital intensive industry, its objective is to maintain a strong credit rating healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capex, working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements except financial covenant agreed with lenders.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments. The Group manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
Debt (i)	62,379.63	69,554.57
Cash and bank balances (iii)	4,797.35	5,950.70
Net debt	57,582.28	63,603.87
Equity (ii)	59,195.33	105,422.97
Net debt to equity ratio	0.97	0.60

(i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt and lease liabilities.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

(iii) Cash and bank balances includes bank deposits with more than 12 months maturity shown under other financial assets.

### 36.2 Categories of financial instruments

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
Cash and bank balances	4,797.35	5,950.70
Investments in certificate of deposits and others	0.45	0.45
Trade receivables	62,838.49	76,287.36
Loans	7,745.03	6,490.19
Other financial assets	3,492.45	8,838.05
Investments in debentures	5,277.41	4,976.91
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Investment in preference shares	753.79	753.79
Investments in equity shares	1.37	1.05
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowing*	57,951.93	61,081.30
Lease liabilities	4,427.70	8,473.27
Trade payable	19,937.83	30,900.63
Other financial liabilities	5,452.76	4,024.74

\* Includes current maturity of long term borrowings

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such Financial assets.

### Fair Value Measurement and related disclosures

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Financial assets	Carrying / Fair value as at		(₹ in lakhs)
	31st March 2021	31st March 2020	Fair value hierarchy
<b>Financial assets at Fair Value Through Profit and Loss (FVTPL)</b>			
0% Non cumulative redeemable preference share (Refer note 5)	753.79	753.79	Level 2
Equity investment in Karnataka Bank Limited (Refer note 11)	1.37	1.05	Level 1

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

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Level 1 and 2 during the period.

#### Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

The management assessed that carrying values of financial assets and liabilities other than those disclosed above such as trade receivable, loans, finance lease obligations, cash and cash equivalents, other bank balances and trade payables are reasonable approximations of their fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 36.3 Financial risk management objectives

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

### 36.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade in financial instruments, including derivatives for speculative purposes.

### 36.5 Foreign Currency Risk Management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a Forex policy approved by the Board of Directors.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

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

Amount as at 31st March 2021		(Amount in lakhs)	
Particulars of transactions	Currency	Foreign Currency	INR
Forward Cover to Purchases USD - Trade Payable	USD	3.90	286.87

There were no forward contracts outstanding as at March 31, 2020

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

Particulars	Foreign Currency	As at 31st March 2021		As at 31st March 2020	
		Amount in Foreign Currency	Amount Rupees	Amount in Foreign Currency	Amount Rupees
		<b>Receivables :</b>			
Loans given (including Interest accrued)	USD	75.45	5,546.19	67.51	5,089.29
<b>Payables :</b>					
Trade payables	USD	-	-	4.11	310.09
	CAD	-	-	0.35	16.93
Borrowings	USD	9.00	661.54	18.00	1,356.95
<b>Total Payables</b>			<b>661.54</b>		<b>1,683.97</b>

**Foreign exchange risk sensitivity:**

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit.

Following is the analysis of change in profit and pre tax equity where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

Foreign currency	(₹ In lakhs)			
	As at 31st March 2021		As at 31st March 2020	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(488.46)	488.46	(342.21)	342.21
CAD	-	-	(1.69)	1.69

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

A subsidiary of the Company has long term foreign currency borrowings as on 31st March 2021 which have been utilised for the purchase of Property Plant and Equipments. The Company has opted for the exemption given in paragraph 13AA of Appendix D to IND AS 101 and has adjusted the foreign exchange difference on such borrowings to the cost of Property Plant and Equipments. Accordingly, the Exchange Gain/(Loss) on such borrowings of ₹ 15.81 lakhs (Previous Year ₹ 187.84 lakhs) have been included in the cost of Property Plant and Equipments and depreciation of ₹ 0.60 lakhs (Previous Year ₹ 11.70 lakhs) have been provided on the same.

### 36.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

The following table provides unhedged break-up of Group's fixed and floating rate borrowings:

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
Variable interest rate borrowings	32,115.15	32,894.34
Fixed interest rate borrowings	25,836.79	28,189.69
<b>Total</b>	<b>57,951.94</b>	<b>61,084.03</b>

### Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit and pre-tax equity. A positive is increase in profit and negative is decrease in profit.

Particular	(₹ in lakhs)			
	As at 31st March 2021		As at 31st March 2020	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(160.58)	160.58	(164.47)	164.47

### 36.7 Other price risks

The Group's exposure to other risks arises from investments in preference shares amounting to ₹ 753.79 lakhs (Previous Year: ₹ 753.79 lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis has been determined based on the exposure to price risk at the end of the reporting period. If the price of the above instrument had been 5% higher / lower, profit for the year ended 31st March 2021 would increase/decrease by ₹ 37.69 lakhs (Previous year by ₹ 37.69 lakhs)

### 36.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, other deposits, other receivables, security deposits and from credit exposures to customers, including outstanding receivables.

The Group has limited credit risk arising from cash and cash equivalents as the deposits are maintained with banks and financial institutions with high credit rating. Further, the loans are given to group entities and they have generally been regular in making the payments as per the loan arrangements. The Group has majority of its security deposits placed with group entities for renting of warehouses and other storage units. The Group has a policy in place whereby it evaluates the recoverability of these financial assets at each quarter ended date and wherever required, a provision is created against the same.

Since most of Group's transactions are done on credit, the Group is exposed to credit risk on trade and other receivable. Any delay, default or inability on the part of the other party to pay on time will expose the Group to credit risk and can impact profitability. Group's maximum credit exposure is in respect of trade receivables of ₹ 62,838.49 lakhs and ₹ 76,287.36 lakhs as at March 31, 2021 and March 31, 2020, respectively and other receivables of ₹ 8,451.83 lakhs and ₹ 9,848.08 lakhs as at March 31, 2021 and March 31, 2020, respectively.

The Group adopted an effective receivable management system to control the Days' Sales Outstanding. Refer below note for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables. Apart from Future Retail Limited and Reliance Retail Limited, being the largest customer of the Group, the Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to these two customers did not exceed 94% (Previous Year: One customer - 88%) of gross trade receivable as at the end of reporting period. No other single customer accounted for more than 10% of total trade receivable.

The average credit period on sales of goods is 0 to 90 days. No interest is charged on trade receivables.

For trade receivables and other receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default and delay rates over the expected life of trade and other receivables and is adjusted for forward-looking estimates.



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Age of Trade receivables		(₹ in lakhs)	
Particulars	As at		
	31st March 2021	31st March 2020	
less than 60 days	26,224.29	74,091.90	
61 to 90 days	2,410.86	4,969.05	
91 to 180 days	4,679.69	1,947.80	
more than 180 days	52,946.77	3,907.08	
Less: Expected credit loss allowance	(19,999.77)	(5,003.12)	
Less :- Inter company elimination	(3,423.35)	(3,625.35)	
<b>Total</b>	<b>62,838.49</b>	<b>76,287.36</b>	

Credit risk from balances with banks is managed by treasury in accordance with the Board approved policy.

### 36.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

During the year, due to covid-19 pandemic and consequent lockdown, the cash collections from Group's receivables have reduced leading to higher expected credit loss provision being made on trade and other receivables.

The Holding Company has invoked One Time Restructuring (OTR) of loan from banks on November 09, 2020 as per RBI guidelines. The aforesaid OTR has been approved by all the lenders on May 06, 2021. Further, the Holding Company has entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 5, 2021 and May 04, 2021, respectively for deferment of repayments of Non-Convertible Debentures. The One Time Restructuring and Revised Agreement signed with Debenture Trustees will have a positive impact on the liquidity position of the Holding Company.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	(₹ in lakhs)
						Carrying amount
<b>As at 31st March 2021</b>						
<u>Variable interest rate borrowings</u>						
Principal	9.53%	32,115.15	-	-	32,115.15	32,115.15
Interest		3,059.95	-	-	3,059.95	
<u>Fixed interest rate borrowings</u>						
Principal	11.58%	8,866.25	16,970.53	-	25,836.78	25,836.78
Interest		3,683.36	3,041.48	-	6,724.84	-
Lease Liability		1,434.03	4,142.74	6,145.92	11,722.69	4,427.70
Financial guarantee contracts		4,550.73			4,550.73	
Non interest bearing (Trade payable, deposits etc.)		22,454.36			22,454.36	

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Particulars	Weighted average effective interest rate				₹ in lakhs	
		Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
<b>As at 31st March 2020</b>						
<b>Variable interest rate instruments</b>						
Principal	9.53%	32,894.34	-	-	32,894.34	32,894.34
Interest		3,134.99			3,134.99	
<b>Fixed interest rate instruments</b>						
Principal	10.57%	5,813.89	22,520.07	-	28,333.95	28,189.69
Interest		2,864.97	5,189.67	-	8,054.63	
Lease liability		2,625.89	7,905.20	9,106.85	19,637.93	
Financial guarantee contracts		8,054.63	-	-	8,054.63	
Non interest bearing (trade payable, deposits etc.)		33,604.95	-	-	33,604.95	

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group has ₹ 3,164 Lakhs (Previous Year ₹ 12,660 Lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

## 37. SHARE BASED PAYMENTS

### 37.1 Details of the employee share based plan of the Group

- a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 5,00,00,000 options are covered under the ESOP 2011 for 5,00,00,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

In the previous years, the Nomination and Remuneration / Compensation Committee of the Company has granted 3,45,35,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

- b) The ESOP scheme titled "Future Consumer Enterprise Limited - Employee Stock Option Plan 2014" was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on 12th May 2015 in respect of grant of 3,19,50,000 options under primary route (ESOP 2014-Primary) and 7,98,00,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

In the current year, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 22nd March, 2021, granted 727,793 options under secondary market route (ESOP 2014-Secondary) to certain employees of the Company. The options allotted under ESOP 2014-Secondary are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Company as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

In the previous year, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 12th November 2019, 31st January, 2020 and 25th March, 2020, granted 10,00,000, 18,00,000 and 11,30,000 options respectively under secondary market route (ESOP 2014-Secondary) to certain employees of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	No. of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015	Note-1 below	6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017		Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	08.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.4	21.50	11.42
ESOP 2014-Secondary	1,000,000	12.11.2019		Note-2 below	25.20	5.91
ESOP 2014-Secondary	1,800,000	31.01.2020		Note-2 below	23.95	6.97
ESOP 2014-Secondary	1,130,000	25.03.2020		Note-2 below	8.85	1.19
ESOP 2014-Secondary	727,793	22.03.2021		Note-2 below	6.40	0.91

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Group as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

37.2 Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year.

Inputs into the model	ESOP 2011	ESOP 2014-Secondary Grant 1	ESOP 2014-Primary	ESOP 2014-Secondary Grant 2	ESOP 2014-Secondary Grant 3	ESOP 2014-Secondary Grant 4	ESOP 2014-Secondary Grant 5	ESOP 2014-Secondary Grant 6	ESOP 2014-Secondary Grant 7
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%	44.08%	47.01%	55.91%	56.50%
Option life (Years)	4-6	4-6	4-6	4-6	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12% - 7.25%	6.43% to 6.64%	6.67% to 6.88%	5.86% - 6.33%	5.94% - 6.38%	5.56% - 6.04%	4.82% - 5.67%

### 37.3 Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the period:

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	-	6.00	200,000	6.00
ESOP 2014 secondary	12,725,000	Refer Note-2 above	11,884,000	Refer Note-2 above
ESOP 2014 primary	3,631,000	21.40	4,078,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	727,793	Refer Note-2 above	3,930,000	Refer Note-2 above
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	5,605,500	Refer Note-2 above	2,525,000	Refer Note-2 above
ESOP 2014 primary	823,500	Refer Note-2 above	-	-
Exercised during the period				
ESOP 2011	-	-	200,000	6.00
ESOP 2014 secondary	-	-	543,000	Refer Note-2 above
ESOP 2014 primary	-	-	447,000	21.40

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Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	284,000	-	21,000	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	-	6.00	-	6.00
ESOP 2014 secondary	7,563,293	Refer Note-2 above	12,725,000	Refer Note-2 above
ESOP 2014 primary	2,807,500	21.40	3,631,000	21.40

### 37.4 Share options exercised during the year

No options were exercised during the financial year 2020-21.

### 37.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 813 days (Previous year: 1066 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
ESOP 2014 secondary	5,131,500	5,945,000
ESOP 2014 primary	2,807,500	3,631,000

### 37.6 The expense recognised for employee services received during the year is shown in the following table:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Expenses arising from equity settled share based payment transactions	320.72	(262.03)

## 38. RELATED PARTY DISCLOSURES

### 38.1 Name of Related Party and Nature of Relationship

#### a) Associates

Sarjena Foods Private Limited (upto 22nd July 2020)

Amar Chitra Katha Private Limited

#### b) Joint Ventures

Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)

Aussee Oats Milling (Private) Limited

Fonterra Future Dairy Private Limited

Genoa Rice Mills Private Limited (upto 26th September 2019)

Hain Future Natural Products Private Limited

Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG)

Cosmolift Consumer Products Private Limited (Formerly known as Mibelle India Consumer Product Private Limited)

MNS Foods Limited (Formerly known as MNS Foods Private Limited)

Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)

Avante Snack Food Private Limited (Upto 17th March 2020)

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for the year ended 31st March 2021

### c) Key Management Personnel (KMP) and their relatives

#### Executive Directors

Mr. Narendra Baheti

Ms. Ashni Biyani

#### Non Executive Directors

Mr. Kishore Biyani

Mr. Ghyanendra Nath Bajpai

Mr. Adhiraj Harish

Ms. Neha Bagaria (Appointed w.e.f. 20th March 2019 upto 28th March 2020)

Ms. Neelam Chhiber (Appointed w.e.f. 25th June 2020)

Mr. Deepak Malik

Mr. Fredric De Mevius

Mr. K K Rathi

Mr. Harminder Sahni

#### Relatives of KMP

Mr. Rajendra Baheti

Ms. Archana Baheti

Ms. Sunder Devi Baheti

### d) Entities controlled / having significant influence by KMP and their relatives

Future Corporate Resources Private Limited

Future Enterprises Limited

Future Ideas Company Limited

Future Lifestyle Fashion Limited

Future Retail Limited

Future Supply Chain Solutions Limited

Premium Harvest Limited

TDI Textiles Mills Private Limited

### 38.2 Transactions with Related Party

Nature of transactions	(₹ in lakhs)				
	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives	
Purchase of property, plant and equipment	-	-	-	-	0.74
	(-)	(-)	(-)	(-)	(2.68)
Sale of property, plant and equipment	-	-	-	-	-
	(-)	(0.43)	(-)	(-)	(-)
Inter corporate deposits given	-	-	-	-	-
	(-)	(4,529.08)	(-)	(-)	(-)
Inter corporate deposits received back	-	10.00	-	-	-
	(150.00)	(4,990.08)	(-)	(-)	(-)
Investments in debentures	-	300.50	-	-	-
	(-)	(-)	(-)	(-)	(-)
Investments in equity shares	-	1,050.00	-	-	-
	(-)	(2,481.27)	(-)	(-)	(-)
Loan given	-	1,392.89	-	-	-
	(-)	(-)	(-)	(-)	(-)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

Nature of transactions	(₹ in lakhs)			
	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Reimbursement of expenses	-	-	-	0.90
	(-)	(-)	(-)	(30.05)
Job Work charges	-	-	-	-
	(-)	(199.67)	(-)	(-)
Corporate guarantees given	-	-	-	-
	(-)	(2,503.86)	(-)	(-)
Sale of products	-	2,345.01	-	47,508.01
	(-)	(1,862.35)	(-)	(292,285.01)
Sale of services	-	256.23	-	-
	(-)	(260.20)	(-)	(-)
Royalty income	-	-	-	-
	(-)	(-)	(-)	(2.93)
Interest income	-	740.02	-	-
	(10.85)	(843.98)	(-)	(-)
Rent income	-	-	-	-
	(-)	(231.47)	(-)	(-)
Franchise fees income	-	-	-	190.36
	(-)	(-)	(-)	(595.93)
Recovery of expenses	-	16.67	-	-
	(-)	(549.48)	(-)	(6,316.84)
Purchase of goods	-	3,137.99	-	599.88
	(68.15)	(5,131.27)	(-)	(9,851.34)
Managerial remuneration*	-	-	243.72	-
	(-)	(-)	(471.00)	(-)
Rent expenses	-	-	22.30	669.90
	(-)	(-)	(24.56)	(1,029.05)
Finance cost	-	2.44	-	-
	(-)	(3.13)	(-)	(-)
Warehousing, distribution and transportation charges	-	-	-	1,353.59
	(-)	(-)	(-)	(2,524.88)
Sitting fees	-	-	27.05	-
	(-)	(-)	(28.00)	(-)
Marketing expenses	-	-	-	330.71
	(-)	(-)	(-)	(515.60)
Other income	-	-	-	-
	(-)	(107.71)	(-)	(-)
Other expenses	-	112.34	-	20.96
	(-)	(3.81)	(-)	(7.69)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

Balance as at 31st March, 2021

Nature of transactions	(₹ in lakhs)			
	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Trade and other receivable	-	2,805.94	-	74,612.66
	(-)	(1,416.76)	(-)	(80,400.76)
Interest receivable	20.98	1,610.56	-	-
	(20.98)	(900.56)	(-)	(-)
Inter corporate deposits outstanding	-	5,871.12	-	-
	(-)	(6,012.21)	(-)	(-)
Inter corporate deposits received outstanding	-	73.90	-	-
	(-)	( 73.90)	(-)	(-)
Security deposit given outstanding	-	-	2.50	-
	(-)	-	(2.50)	(-)
Loan given outstanding	-	1,392.89	-	-
	(-)	(-)	(-)	(-)
Advances given outstanding	-	35.66	-	-
	(74.99)	(4.06)	(-)	(-)
Advances rent received	-	45.40	-	-
	(-)	(-)	(-)	(-)
Advance received from customer	-	-	-	8.57
	(-)	(-)	(-)	(-)
Security deposit received outstanding	-	53.00	-	-
	(-)	(28.71)	(-)	(-)
Trade and other payables	2.62	2,422.29	13.78	774.39
	(2.62)	(1,211.99)	(0.40)	(1,486.58)
Payable on purchase of capital goods	-	-	-	-
	(-)	(-)	(-)	(0.35)
Standby Letter of Credit outstanding	-	882.06	-	-
	(-)	(904.63)	(-)	(-)
Corporate guarantees outstanding	-	3,013.04	-	-
	(-)	(6,713.16)	(-)	(-)

Figures in bracket represent previous year's figures.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 38.3 Disclosure in respect of Material Transactions with Related Parties

	(₹ in lakhs)	
Nature of Transactions	2020-21	2019-20
<b>Purchase of property, plant and equipments</b>		
Future Retail Limited	0.74	2.68
<b>Reimbursement of expenses</b>		
Future Corporate Resources Private Limited	-	20.63
Future Supply Chain Solutions Limited	-	3.71
Future Retail Limited	0.90	5.72
<b>Investment in equity shares</b>		
Aussee Oats Milling (Private) Limited	-	681.27
Fonterra Future Dairy Private Limited	865.00	1,300.00
Hain Future Natural Product Private Limited	185.00	500.00
<b>Investments in debentures</b>		
Hain Future Natural Product Private Limited	300.50	-
<b>Inter corporate deposits given</b>		
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	75.00
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	747.20
Aussee Oats Milling (Private) Limited	-	2,422.88
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	848.00
<b>Inter corporate deposits received back</b>		
Amar Chitra Katha Private Limited	-	150.00
Aussee Oats India Limited	10.00	723.00
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	1,207.51
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	658.50
Aussee Oats Milling (Private) Limited	-	1,594.67
<b>Sale of assets</b>		
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	0.20
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	0.23
<b>Corporate guarantees given</b>		
Hain Future Natural Product Private Limited	-	500.00
Aussee Oats Milling (Private) Limited	-	753.86
Fonterra Future Dairy Private Limited	-	1,250.00
<b>Loan given</b>		
Fonterra Future Dairy Private Limited	1,392.89	-
<b>Sale of products</b>		
Future Retail Limited	47,478.70	291,908.28
Premium Harvest Limited	29.30	168.17
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	4.62	52.92
<b>Sale of services</b>		
Hain Future Natural Product Private Limited	83.08	78.96
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	87.59	97.70
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	85.57	83.54
<b>Other income</b>		
Hain Future Natural Product Private Limited	-	30.06
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	40.29
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	37.36



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

	(₹ in lakhs)	
Nature of Transactions	2020-21	2019-20
<b>Royalty income</b>		
Future Lifestyle Fashions Ltd	-	2.93
<b>Interest income</b>		
Amar Chitra Katha Private Limited	-	10.85
Aussee Oats Milling (Private) Limited	486.38	532.09
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	93.40	95.49
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	106.00	97.40
<b>Rent income</b>		
Genoa Rice Mills Private Limited	-	231.47
<b>Job Work charges</b>		
Genoa Rice Mills Private Limited	-	199.67
<b>Franchise fees income</b>		
Future Retail Limited	190.36	595.93
<b>Recovery of expenses</b>		
Future Corporate Resources Private Limited	-	6,316.84
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	8.34	26.41
Hain Future Natural Products Private Limited	-	1.25
Cosmolift Consumer Products Private Limited (Formerly known as Mibelle India Consumer Product Private Limited)	-	495.10
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	8.34	26.72
<b>Purchase of goods</b>		
Aussee Oats Milling (Private) Limited	1,674.69	1,332.58
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	614.47	573.22
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	440.34	1,244.44
Premium Harvest Limited	599.88	9,085.00
<b>Finance cost</b>		
Hain Future Natural Product Private Limited	1.13	0.58
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	1.21	1.07
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	0.11	1.48
<b>Managerial remuneration</b>		
Ms. Ashni Biyani *	154.23	216.84
Mr. Narendra Baheti *	45.05	150.24
Mr. Rajendra Baheti*	44.44	94.43
<b>Rent expenses</b>		
Future Retail Limited	238.10	597.02
Future Enterprises Limited	11.08	129.75
Future Supply Chain Solutions Limited	266.77	113.03
Premium Harvest Limited	88.92	95.04
Archana Baheti	11.60	12.88
<b>Warehousing, distribution and transportation charges</b>		
Future Supply Chain Solutions Limited	1,353.59	2,524.88
<b>Sitting fees</b>		
Mr. Ghyanendra Nath Bajpai	4.75	5.50
Mr. Kishore Biyani	3.50	4.50
Mr. Harminder Sahni	4.25	3.25
Mr. Adhiraj Harish	4.90	5.95
Mr. K K Rathi	4.00	4.75

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

	(₹ in lakhs)	
Nature of Transactions	2020-21	2019-20
Ms. Neelam Chhiber	2.75	-
<b>Marketing expenses</b>		
Future Retail Limited	330.71	513.10
<b>Other expenses</b>		
Future Enterprises Limited	2.13	5.20
Hain Future Natural Product Private Limited	34.20	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	38.93	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	39.20	3.81
Premium Harvest Limited	14.85	1.67

	(₹ In lakhs)	
Balance as at 31st March	2021	2020
<b>Trade and other receivable ***</b>		
Future Retail Limited	66,534.96	70,967.89
Future Corporate Resources Private Limited	8,065.71	9,086.11
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	189.69	163.76
<b>Interest receivable</b>		
Amar Chitra Katha Private Limited	20.98	20.98
Aussee Oats Milling (Private) Limited	1,305.63	825.16
<b>Inter corporate deposits received outstanding</b>		
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	73.90	73.90
<b>Inter corporate deposits outstanding</b>		
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	747.20	747.20
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	848.00	848.00
Aussee Oats Milling (Private) Limited	4,210.92	4,342.01
<b>Advances received from customers</b>		
Future Lifestyle Fashion Limited	8.57	-
<b>Advances rent received</b>		
Hain Future Natural Product Private Limited	13.76	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	21.71	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	9.93	-
<b>Advances given Outstanding</b>		
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	35.66	-
Sarjena Foods Private Limited	-	74.99
<b>Security deposit received outstanding</b>		
Hain Future Natural Product Private Limited	15.75	5.20
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	26.55	11.09
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	10.70	12.42
<b>Loan given outstanding</b>		
Fonterra Future Dairy Private Limited	1,392.89	-
<b>Trade and other payables</b>		
Future Retail Limited	16.53	62.90
Aussee Oats India Limited	945.03	520.36
Future Supply Chain Solutions Limited	506.25	1,362.97
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	0.09	85.54
Aussee Oats Milling (Private) Limited	1,303.86	497.75
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	157.58	83.78

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

	(₹ In lakhs)	
Balance as at 31st March	2021	2020
Premium Harvest Limited	98.41	15.80
<b>Stand By Letter of Credit outstanding</b>		
Aussee Oats Milling (Private) Limited	882.06	904.63
<b>Corporate guarantees outstanding</b>		
Hain Future Natural Product Private Limited	877.94	1,280.71
Fonterra Future Dairy Private Limited	659.75	1,169.77
Aussee Oats Milling (Private) Limited	1,024.61	3,109.83
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	155.80	816.96
<b>Payable on purchase of capital goods</b>		
Future Retail Limited	-	0.35
<b>Security deposit given outstanding</b>		
Mrs.Archana Baheti	1.50	-
Mr. Narendra Baheti	1.00	-

\*includes share based payments to managerial personnel.

\*\*\* Gross of ECL

### 38.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Group has recorded an impairment loss of ₹ 15,671.76 lakhs on receivables relating to amounts owed by related parties (Previous Year: ₹ 7,710.04 lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 38.5 Loans & Advances to Related Parties

The Group has given loans and advances to relevant joint ventures and associates in the ordinary course of business to meet the working capital requirements. (Refer note 41).

### 38.6 Compensation of key management personnel

	(₹ in lakhs)	
Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Short Term Employee Benefits	243.72	471.00

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for leave encashment as they are determined on an actuarial basis for the Group as a whole.

### Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price	Nos o/s as on 31st March 2021	Nos o/s as on 31st March 2020
12.08.2016	12.08.2022	21.40	2,500,000	2,500,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 39. CONTINGENT LIABILITIES

Particulars	(₹ in lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Claims against the Group not acknowledged as debt*	143.26	84.16
Disputed Income Tax Demands	5,709.18	5,141.86
Disputed Sales Tax and Excise Matters	387.54	505.64
Stand By Letter of Credit outstanding	882.06	904.63
Corporate guarantees issued to banks and financial institutions are against credit facilities issued to third parties (Loans outstanding as at 31st March 2021 ₹ 4,550.73 lakhs; Previous Year ₹ 10,684.32 lakhs)	13,278.50	21,260.80
	<b>20,400.53</b>	<b>27,897.09</b>

\* Does not include cases where liability is not ascertainable

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

### 40. CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2021 is ₹ 1086.45 lakhs (Previous Year ₹ 1,213.73 lakhs)

### 41. DISCLOSURE REQUIREMENT OF LOANS AND ADVANCES/ INVESTMENTS AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

Name of the Company	(₹ in lakhs)			
	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March, 2021	As at 31st March, 2020	During the year ended 31st March, 2021	During the year ended 31st March, 2020
<b>Joint ventures:</b>				
Aussee Oats Milling (Private) Limited *	4,210.92	4,342.01	4,342.01	5,550.98
Aussee Oats India Limited *	65.00	75.00	75.00	381.00
Sublime Food Limited*	848.00	848.00	848.00	1,120.00
MNS Food Limited*	747.20	747.20	747.20	988.20
Fonterra Future Dairy Private Limited	1,392.89	-	1,392.89	-
Genoa Rice Mills Private Limited (upto 26th September 2019)	-	-	-	777.40
Cosmolift Consumer Products Private Limited (Formerly known as Mibelle India Consumer Product Private Limited)	-	-	-	402.00
Hain Future Natural Product Limited	-	-	-	375.00
<b>Associates:*</b>				
Amar Chitra Katha Private Limited	-	-	-	150.00
	<b>7,264.01</b>	<b>6,012.21</b>		

\* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 42. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Group.

Particulars	(₹ In lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end*	2,418.40	3,236.93
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	30.78	12.60
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
Interest paid under section 16 of MSMED Act to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	55.23	26.26
Further interest remaining due and payable for earlier periods	24.45	13.66

\* Out of this ₹ 560.75 lakhs is overdue (Previous year ₹ 671 lakhs)

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprise as on the basis of information available with the Group.

### 43. ASSETS HELD FOR SALE

Particulars	(₹ In lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Land and Building at Dairy Plant (Refer Note a)	11,582.99	11,582.99
Land at Nagpur (Refer Note b)	3,743.25	-
Assets at Dal Mill (Refer Note c)	409.08	409.08
<b>Total</b>	<b>15,735.32</b>	<b>11,992.07</b>

#### Note a

The Group has entered into a Memorandum of Understanding (MoU) for sale of the Land at Bommasandra, Bangalore along with the Building thereon, which was being used as a Dairy Plant by the Group. Accordingly, Freehold Land ₹ 10,983.08 lakhs and Freehold Building ₹ 599.91 lakhs have been classified at cost as non-current assets held for sale by the Group. Further, the Group has received a capital advance of ₹ 2,095.25 lakhs as per terms of the above MoU, which has been classified as Advance received against assets held for sale.

#### Note b

The group has entered into a Memorandum of Understanding (MoU) for sale of land at Nagpur, which was being developed by the Group as a Food Park. Accordingly, Freehold Land of ₹ 2,235.86 lakhs and Capital Work in Progress of ₹ 1,507.39 lakhs have been classified at cost as non-current assets held for sales by the Group as on March 31, 2021. Further, the Group has received a capital advance of ₹ 100 lakhs as per terms of the above MoU, which has been classified as Advance received against assets held for sale.

#### Note c

The Group intends to sell its Land ₹ 222.42 lakhs, Building ₹ 88.88 lakhs and other Plant & Equipment of ₹ 97.78 lakhs have been classified at cost as non-current assets held for sale.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## 44. EXCEPTIONAL ITEMS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
Impairment of Goodwill (Refer Note a below)	-	7,825.77
Losses on Force Majeure invoked by Customers (Refer Note b below)	3,558.80	-
Impairment of Brand (Refer Note c below)	715.74	400.00
Write off of Non-Controlling interest (Refer Note d below)	-	317.04
Impairment of Plant and Machinery (Refer Note e below)	-	250.00
Fair value gain on acquisition of subsidiary (Refer Note f below)	-	(259.67)
<b>Total</b>	<b>4,274.54</b>	<b>8,533.14</b>

**a Impairment of Goodwill majorly includes:**

**Nilgiri Dairy Farm Private Limited**

During the previous year, the Group has recognized an impairment loss of ₹ 7,324.82 lakhs in the year ended March 31, 2020 on its Goodwill relating to Nilgiri Dairy Farm Private Limited due to lower business performance and based on the analysis of recoverable value of the underlying business. The business value is determined based on a value in use calculation which uses cash flow projections based on financial budget approved by the management covering a five year period, discounted at a rate of 16% per annum, which is the weighted average cost of capital. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long-term average growth rate for the business.

**Genoa Rice Mills Private Limited**

During the previous year, the Group recognized goodwill of ₹ 487.08 lakhs in the year ended March 31, 2020 on acquisition of additional 50% stake in Genoa Rice Mills Private Limited ('Genoa'), a subsidiary company. The accumulated loss of the subsidiary company has substantially eroded its net worth. Based on a business valuation, the Group has fully impaired its goodwill of ₹ 487.08 lakhs, included in the exceptional items during the year in the Consolidated Statement of Profit and Loss.

**b Losses on Force Majeure invoked by customers**

Due to Covid-19 pandemic and resulting lockdowns, one of the Group's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Group has recognised a loss of ₹ 3,558.80 lakhs which is included in exceptional items for the year ended March 31, 2021.

**c Impairment of Brands**

**Brand KARA**

Brand "Kara" is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Group indefinitely. The carrying value of brand Kara is determined based on a percentage of royalty method which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a comparable royalty percentage of 3% (Previous year: 3%), discount rate of 12.7% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. Due to lower business performance of this brand and based on an analysis of the recoverable value, the Group has recognized an impairment loss of ₹ 200 lakhs (Year ended March 31 2020: ₹ 400 lakhs) on this brand during the year.

**Brand KBFP**

KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company had fully impaired its Brand of ₹ 515.74 Lakhs during the year ended March 31, 2021 which is included in exceptional items in Statement of Profit and Loss.

**d FCEL Overseas FZCO**

During the previous year, the Group decided to discontinue its operations in FCEL Overseas FZCO due to continued losses being incurred in the subsidiary. The non-controlling interest of ₹ 317.04 lakhs was recoverable from the other investors in FCEL Overseas FZCO. However, based on the expectation of non-recoverability of the non-controlling interest, the Group has provided the same and charged to Statement of Profit and Loss in the year ended March 31, 2020.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### e Nilgiri Dairy Farm Private Limited

During the previous year the Management has carried out impairment testing for plant and machinery and concluded that the value in use of plant and machinery is lower than carrying value of assets. As a result of this analysis, Management has recognised an impairment charge of ₹ 250.00 lakhs in the year ended March 31, 2020 against the plant and machinery, previously carried at ₹ 1,119.13 lakhs. The impairment charge is recorded in the Statement of Profit and Loss as an exceptional item.

### f Genoa Rice Mills Private Limited

During the previous year, FCL Tradevest Private Limited acquired balance 50% stake in Genoa Rice Mills Private Limited ('Genoa'). On acquisition, Genoa became a subsidiary and the retained interest of FCL Tradevest Private Limited was fair valued. The Group recognized a fair value gain of ₹ 259.67 lakhs in the year ended March 31, 2020, being the reversal of excess loss absorbed in the investee Company upto the date of acquisition i.e September 30, 2019.

## 45. THE CARRYING AMOUNT OF GOODWILL IS AS FOLLOWS

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
a) The Nilgiris Dairy Farm Limited	3,547.14	3,547.14
b) Centre of Plate	2,951.82	2,951.82
c) Others	412.06	412.06
<b>Total</b>	<b>6,911.02</b>	<b>6,911.02</b>

Centre of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands.

### Goodwill

The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management, and a discount rate based on the respective Weighted Average Cost of Capital of the respective cash-generating unit. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that budget period have been extrapolated using a steady growth rate based on the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the respective cash-generating unit.

### Key assumptions used for valuation of Goodwill are as follows :

Particulars	COP	Nilgiri	Others
Discount rate	11.00%	17.70%	11.97%-13.48%
Terminal value growth rate	5.00%	5.00%	5.00%
Period of cash flow projections	5	5	5

## 46. INVESTMENT PROPERTY

The fair value of the Group's investment properties as at 31st March 2021 has been arrived at on the basis of a valuation carried out on the respective dates by independent valuers not related to the Group. The fair value of land was determined based on the market approach and fair value of building was determined on cost based approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. However, one subsidiary company has not carried out fair valuation of the property as at 31st March 2021 & 31st March 2020 as the management believes that there is no significant change in fair valuation of investment property based on valuation performed on 31st March, 2019.

### Details with regards to fair value is given as under :

Particulars	(₹ in lakhs)	
	As at 31st March 2021	As at 31st March 2020
Rent Income	11.20	23.29
Expenses incurred for maintenance of investment property	3.38	1.33
Fair value of Investment Property - Land and Building	1,561.50	1,506.50

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## 47. DETAILS OF CSR EXPENDITURE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
a. Gross amount required to be spent during the year	60.72	64.81
b. Amount spent in cash during the year ended on 31st March, 2021:		
Construction / acquisition of any asset	-	-
Others	60.72	64.83
<b>Total</b>	<b>60.72</b>	<b>64.83</b>
c. Amount unspent in cash and provided during the year ended on 31st March, 2021		
Construction / acquisition of any asset	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 48. Additional information as required by Paragraph 2 of general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entities	(₹ in lakhs)							
	Net assets, i.e. total assets minus total liabilities As at 31st March 2021		Share in Total comprehensive income (loss) For the year ended 31st March 2021		Net assets, i.e. total assets minus total liabilities As at 31st March 2020		Share in Total comprehensive income (loss) For the year ended 31st March 2020	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
Future Consumer Limited	127.64%	75,554.83	(85.76%)	(41,299.23)	97.78%	103,084.11	(96.31%)	(20,915.20)
<b>Subsidiaries</b>								
<b>Indian</b>								
Aadhaar Wholesale Trading and Distribution Limited	(38.81%)	(22,973.99)	(2.91%)	(1,401.75)	(13.35%)	(14,077.22)	17.59%	3,820.17
Future Food and Products Limited	3.61%	2,137.71	0.09%	41.58	2.09%	2,202.74	0.26%	56.11
Future Consumer Products Limited	0.25%	148.68	0.01%	6.76	0.13%	140.04	(0.01%)	(3.11)
FCEL Food Processors Limited	(0.02%)	(12.80)	(0.00%)	(1.51)	(0.01%)	(10.06)	(0.01%)	(2.20)
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	(0.91%)	(539.03)	(0.00%)	(1.66)	(0.32%)	(334.72)	(0.02%)	(4.83)
Avante Snack Foods Pvt Ltd	(0.01%)	(3.45)	(0.01%)	(3.49)	(0.00%)	(0.00)	(0.00%)	(0.00)
Affluence Food Processor Pvt. Ltd.	(0.11%)	(65.58)	(0.07%)	(34.46)	(0.27%)	(289.09)	(0.96%)	(209.25)
Genoa Rice Mills private limited	0.10%	57.26	(0.10%)	(49.31)	(0.03%)	(34.60)	(0.16%)	(34.60)
Delect Spices and Herbs Private Limited	(0.21%)	(125.71)	(0.24%)	(115.92)	(0.01%)	(9.79)	(0.05%)	(10.99)
The Nilgiri Dairy Farm Private Limited and subsidiaries	26.31%	15,573.79	(0.87%)	(420.93)	20.45%	21,563.98	10.19%	2,213.42
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	(9.36%)	(5,541.53)	(2.92%)	(1,404.57)	(3.57%)	(3,761.65)	(9.54%)	(2,071.54)
FCL Tradevest Private Limited	(2.41%)	(1,426.35)	(0.38%)	(183.15)	(0.63%)	(661.07)	1.54%	333.40
Bloom Foods and Beverages Private Limited	1.07%	630.95	(1.88%)	(904.35)	0.78%	825.09	(0.04%)	(9.46)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

Name of the entities	(₹ in lakhs)							
	Net assets, i.e. total assets minus total liabilities As at 31st March 2021		Share in Total comprehensive income (loss) For the year ended 31st March 2021		Net assets, i.e. total assets minus total liabilities As at 31st March 2020		Share in Total comprehensive income (loss) For the year ended 31st March 2020	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
<b>Foreign</b>								
FCEL Overseas FZCO	(1.32%)	(780.12)	0.12%	59.38	(0.72%)	(762.79)	(0.42%)	(92.10)
<b>Minority Interest in all subsidiaries</b>								
<b>Indian</b>								
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	(0.00%)	(1.62)	(0.00%)	(1.87)	0.00%	0.27	(0.01%)	(1.28)
Avante Snack Foods Pvt Ltd	-	-	(0.00%)	(0.04)	0.00%	0.01	(0.00%)	(0.00)
Delect Spices and Herbs Private Limited	0.00%	0.78	(0.00%)	(0.21)	0.00%	0.98	(0.00%)	(0.00)
Future Consumer Products Limited	-	-	-	-	-	-	(0.00%)	(0.42)
<b>Foreign</b>								
FCEL Overseas FZCO	-	-	0.00%	1.69	0.00%	-	(0.41%)	(89.44)
<b>Joint Ventures</b>								
<b>Indian</b>								
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	(0.73%)	(433.87)	(0.50%)	(238.58)	(0.00)	(195.29)	(0.90%)	(195.29)
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	(1.14%)	(676.81)	(0.39%)	(187.51)	(0.00)	(489.30)	(1.76%)	(381.41)
Genoa Rice Mills Private Limited	-	-	-	-	-	-	(0.77%)	(166.45)
Hain Future Natural Products Private Limited	-	-	(1.19%)	(574.77)	-	-	(3.71%)	(806.64)
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	-	(0.04%)	(18.26)	-	-	0.06%	12.94
Fonterra Future Dairy Private Limited	(2.63%)	(1,555.90)	(2.97%)	(1,430.17)	(0.01)	(990.76)	(8.94%)	(1,941.53)
<b>Foreign</b>								
Aussee Oats Milling (Private) Limited	(1.31%)	(772.73)	0.01%	3.93	(0.01)	(776.66)	(3.72%)	(808.37)
Illusie Trading Company (Formerly known as Mibelle Future Consumer Products AG)	-	-	-	-	-	-	(1.88%)	(409.17)
	<b>100.00%</b>	<b>59,194.50</b>	<b>100.00%</b>	<b>(48,158.40)</b>	<b>100.00%</b>	<b>105,424.22</b>	<b>100.00%</b>	<b>(21,717.24)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

### 49. BUSINESS COMBINATION

#### a. Acquisition of additional interest in Avante Snack Foods Private Limited

On 20 July 2020, the Group acquired an additional 32.97% interest in the voting shares of Avante Snack Foods Private Limited, increasing its ownership interest to 100%. Cash consideration of ₹ 0.01 Lakhs was paid to the non-controlling shareholders. The carrying value of the net assets of Avante Snack Foods Private Limited (excluding goodwill on the original acquisition) was ₹ 0.02 Lakhs. The carrying value of the additional interest acquired at the date of acquisition was ₹ (0.03) lakhs. Following is a schedule of additional interest acquired in Avante Snack Foods Private Limited :

		(₹ in lakhs)
Particulars		Amount
Cash consideration paid to non-controlling shareholders		0.01
Carrying value of the additional interest in Avante Snack Foods Private Ltd		0.03
<b>Goodwill</b>		<b>0.04</b>

#### b. Acquisition during the year ended March 31, 2020

Name of acquiree	Principal Activity	Acquisition date	% of voting interest	Consideration paid in cash (₹)
Genoa Rice Mills Limited	A leading company undertaking the business of manufacturing and distribution of rice, Genoa is engaged in the business manufacturing, marketing and distribution of various rice qualities and has set up its Rice Mill at India Food Park, Tumkur.	27-Sep-19	100% *	100
Delect Spices and Herbs Private Limited	The Company is engaged in the business of operating and maintaining spice mills. The operations are yet to commence.	18-Jul-19	99.82%	55,000,000
Avante Snack Foods Private Limited	The Company is engaged in the business of manufacturing chips and roasted almonds. The operations of the Company are restricted to a single geographical area i.e. India	18-Mar-20	67.03%	1,000

\* Additional 50% has been acquired on 27th September 2019.

Above subsidiaries were acquired so as to continue the expansion of the Group's activities in the FMCG sector. Assets acquired and liabilities recognized at fair value on the date of acquisition are given below:

		(₹ in lakhs)
Particulars		Amount
<b>Current Assets</b>		
Genoa Rice Mills Limited		558.62
Delect Spices and Herbs Private Limited		184.91
Avante Snack Foods Private Limited		94.91
<b>Non-current Assets</b>		
Genoa Rice Mills Limited		10.52
Delect Spices and Herbs Private Limited		363.26
Avante Snack Foods Private Limited		-
<b>Current Liabilities</b>		
Genoa Rice Mills Limited		1,056.22
Delect Spices and Herbs Private Limited		9.36
Avante Snack Foods Private Limited		94.89
<b>Non-current Liabilities</b>		
Genoa Rice Mills Limited		-
Delect Spices and Herbs Private Limited		-
Avante Snack Foods Private Limited		-
<b>Net Assets acquired</b>		<b>51.75</b>

Acquisition related costs amounting to ₹ 8.53 lakhs have been excluded from the consideration transferred and have been recognized as expense in profit or loss in the year of acquisition, within the 'Other Expenses' line item. Goodwill arose in the acquisition amounting to ₹ 488.27 lakhs because of expected synergies arising from acquisition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

Net cash outflow on acquisition of business		(₹ in lakhs)
Particulars	Amount	
Consideration paid in cash	550.01	
Less: Cash and cash equivalent balances acquired	202.23	
<b>Net cash outflow</b>	<b>347.78</b>	

### 50. CAPITAL REDUCTION (PERTAINING TO PREVIOUS YEAR)

The Company had filed a Scheme for Reduction of Share Capital with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") for utilisation of amount of ₹ 28,690.41 lakhs out of the amount of ₹ 31,427.82 lakhs standing to the credit of Securities Premium Account as on 31st December, 2017, for writing off the accumulated losses to the extent of ₹ 28,690.41 lakhs. During the previous year, the Hon'ble NCLT has approved the said Scheme vide its order dated July 25, 2019. Consequently, the Company has utilised an amount of ₹ 28,690.41 lakhs from Securities Premium account to write off its accumulated losses.

### 51. COVID NOTE

The COVID-19 pandemic is unprecedented, and the Group has experienced its adverse impact. The Group has faced issues in supply chain, warehousing, packing centres, administrative offices, etc. which has adversely affected the operations of the Group including its ability to be consistent with supplies and sales and which in turn has also impacted liquidity position of the Group. While the Group continues to work very closely with all the stakeholders, the situation continues to be still evolving.

The Group has incurred loss before tax during the year ended March 31, 2021 primarily owing to the lower volumes, finance costs, depreciation, expected credit loss provision and impairment provision. Due to Covid-19 pandemic and resulting lockdowns, one of the Group's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Group has recognised a loss of ₹ 3,558.80 lakhs which is included in exceptional items for the year ended March 31, 2021 (previous year ₹ Nil).

The Group has adopted several cost reductions measures to address the liquidity crunch to maintain sufficient operational cash flows. The Holding Company has invoked One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines which has been approved by all the lenders on May 06, 2021; and entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 05, 2021 and May 04, 2021, respectively, for deferment of repayments of Non-Convertible Debentures.

The Group, as at the date of approval of these financial statements, has relied on available internal and external sources of information and indicators of economic forecasts, including the impact of Covid-19 while assessing the carrying amounts of current and non-current assets and its repayment obligations on a timely basis up to the date of approval of these financial results. However, the future impact of the global health pandemic and other events may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

### 52. UPDATE ON COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Holding Company at its meeting held on August 29, 2020 approved the Composite Scheme of Arrangement ("the Scheme") which involves: (i) merger of Future Consumer Limited, and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The combination contemplated under the Scheme has been approved by Competition Commission of India on November 20, 2020. Further stock exchanges have issued observation letter without any adverse observation on January 20, 2021. Pursuant to this, the Scheme has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021.

Amazon.com Investment Holdings LLC. (Amazon) has initiated arbitration against Future Retail Limited (FRL, a party to the Scheme) and its promoters on October 5, 2020 before Singapore International Arbitration Centre (SIAC). Emergency Arbitrator (EA) has passed an interim order on October 25, 2020 (EA Order) inter alia restraining FRL and promoters to take any steps in furtherance of the resolution passed on August 29, 2020.

Both, FRL and Amazon have filed suit/challenged each other's position relating to the Scheme/EA Order in various courts of India and the matter is sub-judice and currently pending with Indian Courts for disposal. Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 5, 2021 and FRL has filed two applications before the Tribunal, first being an application challenging the jurisdiction of the Tribunal; and second being an Application for vacation of the EA Order. As per the schedule finalised by the Tribunal, hearing for both the application would commence on the July 12, 2021.

NCLT has heard the application relating to the Scheme and the intervention application filed by Amazon and has reserved the order on the said application filed by Amazon.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## 53. ASSESSMENT OF FINANCIAL IMPACT OF SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code of Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 54. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Holding Company has invoked One Time Restructuring (OTR) of loan from banks on November 09, 2020 as per RBI guidelines vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on 'Resolution Framework for COVID-19 related stress' and follow on circular vide DOR.No.BP.BC/13/21.04.048/2020-21 dated September 7, 2020 on 'Resolution Framework for COVID-19-related Stress – Financial Parameters'. The aforesaid OTR has been approved by all the lenders on May 06, 2021. Accordingly, the repayment of loans is extended, bills discounted have been converted into working capital term loan, penal interest is waived, and interest accrued has been converted into loan.

Further, the Holding Company has entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 05, 2021 and May 04, 2021, respectively for deferment of repayments of Non-Convertible Debentures

Accordingly, the approval of One Time Restructuring and signing of agreement with debenture trustees has the following impact on the working capital position:

- Limits of Short-Term Borrowings (Working Capital Demand Loan and Cash Credit) to continue as per existing limits;
- Interest moratorium on all facilities with lenders participating in the OTR till September 2021 and creation of funded interest term loan on the same along with any unpaid interest as on date of implementation;
- Outstanding bills discounted as at November 09, 2020 have been converted into Working Capital Term Loan repayable from June 2022 onwards;
- Extension of tenure of term loans by up to 24 months and moratorium of principal repayment till February 2023;
- NCDs due of ₹ 2,000 lakhs along with interest thereon repayable in four instalments up to June 2021;
- Principal and interest due on remaining NCDs till August 2021 repayable in instalments till May 2022.

## 55. PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

Summary of significant accounting policies	2
See accompanying Notes to the consolidated financial statements	1-55

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

per **Pramod Kumar Bapna**  
Partner  
Membership No: 105497  
Place: Mumbai  
Date: 26 June 2021  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

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

**G.N.Bajpai**  
Chairman

**Manoj Gagvani**  
Company Secretary & Head - Legal

Place: Mumbai  
Date: 26 June 2021

**Ashni Biyani**  
Managing Director

**Sailesh Kedawat**  
Chief Financial Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## FORM AOC-1 (Pursuant to first proviso to sub-section (3) of Sec on 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures Financial information with respect of Subsidiary Companies for the Year Ended 31st March 2021

Sr. No	Name of the Company	Date since when subsidiary was acquired	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover	Profit/(loss) Before taxation	Provision for Taxation/Deferred Tax	Profit/(loss) After Taxation	Proposed Dividend	% of Share Holding
1	Aadhaar Wholesale Trading and Distribution Limited	27.03.2008	7,740.00	(13,687.57)	7,711.88	7,711.88	-	21,548.05	(3,113.52)	-	(3,113.52)	-	100%
2	FCL Tradevest Private Limited ("FCL Tradevest")	24.12.2018	12,768.60	(1,320.11)	11,708.22	11,708.22	-	114.42	(419.96)	-	(419.96)	-	100%
3	Aussee Oats India Limited (Subsidiary of FCL Tradevest)	19.02.2016	100.00	(79.98)	1,642.21	1,642.21	-	2,765.23	(9.44)	(2.92)	(36.52)	-	50% + 1 Share
4	Future Food and Products Limited (Subsidiary of FCL Tradevest)	02.08.2010	313.00	2,151.24	3,615.66	3,615.66	-	-	(55.55)	-	(55.55)	-	100%
5	Future Food Processing Limited (Subsidiary of FCL Tradevest)	21.10.2014	201.00	(714.10)	1,180.25	1,180.25	-	-	(172.91)	-	(172.91)	-	100%
6	Integrated Food Park Limited (Subsidiary of FCL Tradevest)	05.02.2015	4,481.30	(6,674.49)	25,102.30	25,102.30	-	1,787.05	(2,751.98)	(57.45)	(2,694.53)	-	99.83%
7	MNS Foods Limited (Subsidiary of FCL Tradevest)	04.08.2015	240.00	(1,312.43)	1,818.17	1,818.17	-	1,200.44	(481.24)	(1.05)	(480.19)	-	50.01%
8	Sublime Foods Limited (Subsidiary of FCL Tradevest)	18.02.2015	437.23	(1,886.02)	1,321.72	1,321.72	-	674.04	(370.93)	(0.45)	(370.49)	-	51%
9	Avante Snacks Foods Private Limited (Subsidiary of FCL Tradevest)	01.09.2016	89.60	(93.10)	79.12	79.12	-	-	(3.53)	-	(3.53)	-	100%
10	Affluence Food Processors Private Limited (Subsidiary of FCL Tradevest)	06.11.2018	148.01	(365.03)	18.30	18.30	-	102.87	35.15	-	35.15	-	100.00%
11	Genoa Rice Mills Private Limited	27.09.2019	243.89	(591.96)	244.22	244.22	-	169.11	32.43	-	32.43	-	100.00%
12	Delect Spices and Herbs Private Limited	18.07.2019	542.47	(119.78)	432.16	432.16	-	-	(116.13)	-	(116.13)	-	99.82%
13	Aussee Oats Milling (Private) Limited**	16.09.2014	5,000.98	21.98	14,809.34	14,809.34	-	6,352.71	(88.25)	(98.87)	10.63	-	50% + 1 Share
14	Bloom Foods and Beverages Private Limited	15.01.2016	100.00	1,425.60	2,380.78	2,380.78	-	34,341.80	66.15	24.39	41.76	-	100%
15	Future Consumer Products Limited	29.06.2010	100.00	(150.67)	79.78	79.78	-	-	(11.16)	(3.95)	(7.22)	-	100%
16	FCEL Food Processors Limited	27.04.2016	14.00	(24.74)	3.99	3.99	-	-	(2.94)	-	(2.94)	-	100%
17	FCEL Overseas FZCO***	30.07.2014	19.94	(788.77)	25.31	25.31	-	-	(3.44)	-	(3.44)	-	60%
18	The Nilgiri Dairy Farm Private Limited ("NDPFL")	20.11.2014	241.44	(939.43)	17,211.16	17,211.16	-	6,110.45	(3,294.36)	-	(3,294.36)	-	100%
19	Appu Nutritions Private Limited (Subsidiary of NDPFL)	20.11.2014	10.00	1,559.31	1,695.10	1,695.10	-	30.00	(14.51)	-	(14.51)	-	100%
20	Nigris Franchise Limited (Subsidiary of NDPFL)	20.11.2014	425.00	(427.22)	147.84	147.84	-	59.68	21.77	-	21.77	-	100%
21	Nigris Mechanised Bakery Private Limited (Subsidiary of NDPFL)	20.11.2014	14.14	69.77	365.27	365.27	1.37	108.26	(0.20)	-	(0.20)	-	100%

\*\* Converted into Indian Rupees at the exchange rate USD 1 = ₹ 73.2475

\*\*\* Converted into Indian Rupees at the exchange rate AED 1 = ₹ 19.935

Note :- 1. The reporting period for all the subsidiaries is 31st March 2021

Note :- 2. Reporting currency of all entities is Indian Rupee Except Aussee Oats Milling (Private) Limited (Reporting Currency USD) & FCEL Overseas FZCO (Reporting Currency AED)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2021

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In lakhs except % of share holding)

Name of Associate/Joint Venture	Fonterra Future Dairy Private Limited	Hain Future Natural Products Private Limited
1. Latest audited Balance Sheet Date	31st March'2021	31st March'2021
2. Date on which the Associate or Joint Venture was associated or acquired	01.10.2018	20.06.2017
3. Shares of Associate/Joint Ventures held by the Company on the Year end		
No.	2,41,50,000	2,13,45,000
Amount of Investment in Associates or Joint Venture	₹ 2,415.00	₹ 2,134.50
Extent of Holding %	50%	50%
4. Description of how there is significant influence	Shareholders Agreement	Shareholders Agreement
5. Reason why the associate/joint venture is not Consolidated	NA	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	(1,579.71)	554.20
7. Profit / Loss for the year (₹ In lakhs)		
i. Considered in Consolidation (₹ In lakhs)	(1,430.17)	(574.77)
ii. Not Considered in Consolidation		-

Note : Amar Chitra Katha Private Limited (ACK) have been considered as associates in terms of Ind AS 109. (Refer Note 33.2).

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

**G.N.Bajpai**  
Chairman

**Ashni Biyani**  
Managing Director

Place : Mumbai  
Date : 26th June 2021

**Manoj Gagvani**  
Company Secretary & Head-Legal

**Sailesh Kedawat**  
Chief Financial Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

**Information in terms Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31<sup>st</sup> March,2021.**

**Details of Employees (including Top Ten Employees) in alphabetical order**

**Sr. No, Name, Designation, Age, Qualification, Experience (in Years), Date of Commencement of employment, Remuneration (in ₹) Last Employment**

1. Anand Ramaswamy, Chief - Supply Chain, 43, BE & PGDM - Management, 21, 15-May-19, 64,20,135, Mondelez India (P) Foods Limited, 2. Ashni Biyani, Managing Director, 36, Graduate in Textile Designing, 14, 15- Nov-2014, 1,54,23,222, Future Corporate Resources Limited, 3. Govind Baheti<sup>^</sup>, Business Head- South, 49, B.Com, C.F.A, 22, 13-Apr-05, 48,63,635, Self Employed, 4. Joyeeta Chatterjee, Chief-People Office, 50, Masters in Personnel Management, 26, 15-Apr-19, 67,03,536, Punj Lyod Group, 5. Jude Linhares, Director Manufacturing, 55, B Tech, 33, 15-Nov-18, 1,74,74,897, Dabur International Ltd, 6. Manoj Gagvani, Company Secretary & Head- Legal, 54, C.S, LL.B, 35, 23-Jun-08, 72,88,267, Pidilite Industries Limited, 7. Narendra Baheti, Executive Director, 53, B.Com, 31, 13-Apr-05, 45,04,900, Self-Employed, 8. Rajendra Baheti<sup>^</sup>, Head – Operations, 55, B.Com, C.A. Intermediate 32, 13-Apr-05, 44,44,176, Self Employed, 9. Rajnikant Tirumala Sabnavis<sup>^</sup>, Chief Executive Officer, 55, B.E -Mechanical & MBA, 31, 1-Jan-20, 1,18,32,635, Jyothy Labs Limited, 10. Sailesh Kedawat\*, Chief Financial Officer, 47, B.Com, C.A, 23, 1-Apr-2018, 64,47,932, Integrated Food Park Limited.

<sup>^</sup> employed for part of the year

\* appointed as Chief Financial Officer w.e.f 10<sup>th</sup> April,2020

**Note:**

1. All appointments are contractual and can be terminated by notice on either side.
2. None of the employees mentioned above are related to any Director of the Company save and except Ms. Ashni Biyani and Mr. Rajendra Baheti. Ms. Ashni Biyani is daughter of Mr. Kishore Biyani and Mr. Rajendra Baheti is brother of Mr. Narendra Baheti.

# NOTES

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Knowledge House, Shyam Nagar  
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[www.futureconsumer.in](http://www.futureconsumer.in)

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.