

# FUTURE RETAIL

05th December, 2020

To,  
Dept. of Corporate Services (CRD)  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

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

**Scrip Code: 540064**

**Symbol: FRETAIL**

**Scrip Code of Debt : 958809, 958810 & 959518**

Dear Sir / Madam

**Sub: Annual Report for the financial year ended 31st March, 2020 along with Notice of Thirteenth (13th) Annual General Meeting.**

With reference to the above, please note that the Thirteenth (13th) Annual General Meeting ("AGM") of the Company is scheduled on Wednesday, 30th December, 2020, at 2:00 PM (IST) through Video Conferencing / Other Audio Visual Means.

Details of Cut-off date and e-voting is as under:

Cut-off date for e-voting on resolutions proposed at AGM	:	23rd December, 2020
e-voting period	:	e-voting shall start at 9:00 AM on 27th December, 2020 and shall end at 5:00 PM on 29th December, 2020.

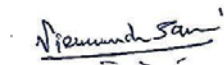
Pursuant to Regulation 30, 34 and all other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report for the financial year ended 31st March, 2020 and the Notice of the AGM which are being sent to the Members through electronic mode.

The aforesaid documents are also made available on the website of the Company at [www.futureretail.co.in](http://www.futureretail.co.in).

You are kindly requested to take the same on you record.

Thanking you,

Yours faithfully,  
For Future Retail Limited



**Virendra Samani**  
Company Secretary

Encl.: as above.

CC:  
**Singapore Exchange Securities Trading Limited**  
2, Shenton Way, #02-02, SGX Centre 1.  
Singapore - 068 804



## Future Retail Limited

Regd. Off.: 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; CIN: L51909MH2007PLC268269  
Website: [www.futureretail.co.in](http://www.futureretail.co.in); E-mail ID: [investorrelations@futureretail.in](mailto:investorrelations@futureretail.in)

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### NOTICE

**NOTICE** is hereby given that the Thirteenth (13th) Annual General Meeting of the Members of Future Retail Limited ("**the Company**") will be held on Wednesday, December 30, 2020 at 2:00 PM (IST) through Video Conferencing / Other Audio Visual Means Facility ("**VC/OAVM**") to transact the following businesses:

#### ORDINARY BUSINESS:

1. **To receive, consider and adopt**
  - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Report of the Board of Directors and the Statutory Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Report of the Statutory Auditors thereon.
2. **To appoint a Director in place of Mr. Rahul Garg (DIN: 06939695), who retires by rotation and being eligible, offers himself for re-appointment.**

#### SPECIAL BUSINESS:

3. **Approval for entering into Party Transaction(s).**

To consider and if thought fit to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in partial modification of the earlier resolution(s) passed by the Members of the Company and pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("**the Act**") read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto ("**SEBI Listing Regulations**"), the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall include the Audit Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), for entering into the Related Party Transaction(s) as entered / to be entered into by the Company during the financial year 2020-21, as set out in the statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalise all issues that may arise in this regard, including without limitation, negotiation, finalising and executing necessary agreements, undertakings, memorandum, deeds, documents and such other papers or writings as may be deemed necessary or expedient in its own discretion and in the best interest of the Company without further referring to the Members of the Company and further authorised to delegate all or any of its powers herein conferred to the Committee and/or any Director(s)/Officer(s) of the Company, to give effect to this resolution."

#### NOTES:

1. The Members of the Company is hereby informed that, due to the outbreak of COVID-19 pandemic, social distancing norms is being followed and the continuing restriction on movement of persons at several places in the Country. Pursuant to the provisions of circular No. 14/2020 dated April 08, 2020, circular No.17/2020 dated April 13, 2020 followed by circular No. 20/2020 dated May 05, 2020 (hereinafter collectively referred to as "**MCA Circular(s)**") issued by the Ministry of Corporate Affairs ("**MCA**") and the circular issued by Securities and Exchange Board of India ("**SEBI**") from time to time and in compliance with the provisions of the Companies Act, 2013 ("**the Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), physical attendance of the Members at the Thirteenth (13th) Annual General Meeting ("**AGM**") is not required and thus the AGM is scheduled to be held through VC/OAVM. Hence, the Members can attend and participate at the ensuing AGM only through VC/OAVM.
2. 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. However, AGM is held pursuant to the said MCA Circular(s), the facility to appoint the proxy by Members under Section 105 of the Act to attend and cast vote

for the Members is not available for this AGM as the physical attendance of Members has been dispensed with. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, pursuant to Section 113 of the Act, the corporate Members are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

3. The Statement pursuant to Section 102 of the Act relating to the Special Business to be transacted at the AGM is annexed hereto. Additional information with respect to Item No. 2 is also annexed hereto.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the Members on "first come first served" basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more of the total number of shares of the Company as on December 23, 2020 ("**Cut-off Date**"), Promoters, Institutional Investors, Directors, Key Managerial Personnels, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee of the Company, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
5. Pursuant to the MCA Circular(s), the Company has enabled a process for the limited purpose of receiving the Company's annual report and AGM Notice (including remote e-voting instructions) electronically and the Members may temporarily update their e-mail address by accessing the link [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html).
6. The requisite Statutory Registers maintained under Sections 170 and 189 the Act and certificate(s) will be available electronically for inspection by the Members during the AGM.
7. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. December 30, 2020. Members seeking to inspect such documents can send an e-mail to [investorrelations@futuresretail.in](mailto:investorrelations@futuresretail.in).
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. In line with the MCA Circular(s), the Notice calling the AGM has been uploaded on the website of the Company at [www.futuresretail.co.in](http://www.futuresretail.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also on the website of National Securities Depository Limited ("**NSDL**") (agency for providing the Remote e-voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. Pursuant to the MCA Circular(s) and circulars issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the Annual Report for financial year 2019-20 and the Notice of the AGM of the Company *inter-alia* indicating the process and manner of remote e-voting, are being sent only by e-mail to the Members. Therefore, those Members, whose e-mail address are not registered with the Company or with their respective Depository Participant(s) and who wish to receive the aforesaid documents and all other communication sent by the Company, from time to time, can get their e-mail address registered by following the steps as given below:
  - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning the folio number, complete address, e-mail address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by e-mail to the Company's Registrar & Transfer Agents ("**R&T Agents**") or at the Company's e-mail address [investorrelations@futuresretail.in](mailto:investorrelations@futuresretail.in).
  - b. For Members holding shares in demat form, please update your e-mail address through your respective Depository Participant/s.
11. The Securities and Exchange Board of India ("**SEBI**") has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ("**ECS**") to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R&T Agents.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R&T Agents in case the shares are held in physical form.
13. Members are requested to send their queries with regard to the Accounts at least 7 (Seven) days in advance to the Company through e-mail at [investorrelations@futuresretail.in](mailto:investorrelations@futuresretail.in).
14. The instructions for Members for remote e-voting are as under:
  - i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI Listing Regulations (as amended), Secretarial Standard on General

Meetings (“SS-2”) issued by The Institute of Company Secretaries of India (“ICSI”) as amended from time to time and the MCA Circular(s), the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting at the AGM will be provided by NSDL.

- II. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote again on such resolution(s).
- III. The remote e-voting period commences on Sunday, December 27, 2020 (9:00 AM) and ends on Tuesday, December 29, 2020 (5:00 PM). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off date of December 23, 2020, may cast their vote through remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- IV. The details of the process and manner for remote e-voting is explained herein below:

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

**Step 1 :** Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

**Step 2 :** Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 is mentioned below:**

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

- A. 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 phone.
- B. Once the home page of e-voting system is launched, click on the icon ‘Login’ which is available under ‘Shareholders’ section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services 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.

- D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your ID is:
a. For Members who hold shares in demat account with NSDL.	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****/2*****.
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your DP ID is 12***** then your user ID is 12*****.
c. For Members holding shares in Physical Form.	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***

- E. Your password details 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 e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your

8 digit client ID for NSDL account or 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 e-mail ID is not registered, please follow steps mentioned below in **process for those Members whose e-mail IDs are not registered**

- F. 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.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- G. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
- H. Now, you will have to click on 'Login' button.
- I. After you click on the 'Login' button, Home page of e-voting will open.

**Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-voting system?**

- A. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- B. After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- C. Select 'EVEN' of the Company.
- D. Now you are ready for e-voting as the Voting page opens.
- E. 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.
- F. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Members**

- Institutional Members (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 authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [kbindushah@gmail.com](mailto:kbindushah@gmail.com) or with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - 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.
  - In case of any queries, you may refer the frequently asked questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or on 022-24994890. Alternatively, Members can contact Mr. Amit Vishal on e-mail ID [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / Ms. Sarita Mote on e-mail ID [saritam@nsdl.co.in](mailto:saritam@nsdl.co.in), of National Securities Depository Limited, Trade World, 'A' Wing, Fourth Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. The Members may note that the designated e-mail address for the grievances connected with the remote e-voting is [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Members may also write to the Company Secretary at the e-mail address: [investorrelations@futureretail.in](mailto:investorrelations@futureretail.in).
- V. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date i.e. December 23, 2020.
  - VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.
  - VII. Ms. Bindu Darshan Shah (Membership No. A-20066 / CP No. 7378), Proprietor M/s. K Bindu & Associates, Practicing Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting process and voting conducted during the AGM through e-voting in a fair and transparent manner.

VIII. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make, not later than 48 (Forty Eight) hours of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him/her in writing, who shall countersign the same and declare the result of the voting.

IX. The Results of voting declared along with the report of the Scrutiniser shall be placed on the website of the Company and on the website of NSDL after the declaration of result by the Chairperson or a person authorised by him/her in writing. The Results shall also be forwarded to Stock Exchanges.

**15. Instructions for the Members for e-voting on the day of the AGM are as under:**

- A. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- B. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast 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.
- C. 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.
- D. For any grievances connected with the facility for e-voting on the day of the AGM, the contact details shall be same as mentioned for remote e-voting.

**16. Instructions for the Members for attending the AGM through VC/OAVM are as under:**

- A. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members 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. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
- B. Members are encouraged to join the Meeting through Laptops for better experience.
- C. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.
- D. 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.
- E. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email address, mobile number at [investorrelations@futuresretail.in](mailto:investorrelations@futuresretail.in). The same will be replied by the Company suitably.

**17. Speaker Registration for the AGM**

- Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 (Seven) days prior to AGM mentioning their name, demat account number/folio number, e-mail address, mobile number at [investorrelations@futuresretail.in](mailto:investorrelations@futuresretail.in).
- Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.
- Members will get confirmation on first cum first served basis.
- Members who are registered as speakers for the event are requested to download and install necessary software as required for attending AGM.
- Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.
- Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to the AGM mentioning their name, demat account number/folio number, e-mail address, mobile number at [investorrelations@futuresretail.in](mailto:investorrelations@futuresretail.in). These queries will be replied to by the Company suitably by e-mail.

18. **Members are requested to send all communications to our R&T Agents at the following address:**

**Link Intime India Private Limited**

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

Tel. No.: +91 22 4918 6270; Fax No.: +91 22 4918 6060.

E-mail ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

19. The requirement to place the matter relating to ratification of appointment of Statutory Auditors by Members at every Annual General Meeting is done away with as per Section 40 of Companies (Amendment) Act, 2017 vide notification dated May 07, 2018 issued by the MCA. Accordingly, no resolution was proposed for ratification of appointment of M/s. NGS & Co. LLP, Chartered Accountants, who are the Statutory Auditors of the Company and were appointed at the Ninth Annual General Meeting held on August 29, 2016. Further, they have confirmed that they are eligible in terms of Section 141 of Act to continue as Statutory Auditors of the Company. The details of remuneration paid to Auditors is provided in the Annual Accounts for the year ended March 31, 2020.
20. In compliance with applicable provisions of the Act read with above mentioned MCA Circular(s), SEBI Listing Regulations and SEBI Circulars, the AGM is being conducted through VC/OAVM. In accordance with the Secretarial Standard-2 on General Meetings issued by ICSI read with Clarification/ Guidance on applicability of Secretarial Standards-1 & 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since AGM will be held through VC/OAVM, the Route Map for the venue of the AGM, is not annexed to the Notice.

By order of the Board of Directors

**For Future Retail Limited**

Place : Mumbai  
Date : November 30, 2020

**Virendra Samani**  
**Company Secretary**

**Registered Office:**

Future Retail Limited  
(CIN: L51909MH2007PLC268269)  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060

## Additional Information relating to the Ordinary Business

### Item No. 2

Mr. Rahul Garg, Non-Executive Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr. Rahul Garg (aged 45 years) is a B.E. (Mechanical) from Delhi College of Engineering (1993-1997) and a Management degree from MDI, Gurugram (1997-1999). Mr. Garg is the Partner and Co-Head India Private Equity strategy of Premji Invest. He leads investments in BFSI and Consumer/Retail sectors.

A brief profile of Mr. Rahul Garg, including nature of his expertise along with related details as required under the provisions of Act, Regulation 26(4), 36 and other applicable provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), is provided in the Annexure - I to this Notice.

Mr. Rahul Garg and his relatives, if any, shall be deemed to be concerned or interested in the resolution to the extent of his appointment and to the extent of their shareholdings, if any, in the Company. None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution.

The Board of Directors recommends the Resolution at Item No. 2 as an Ordinary Resolution for the approval by the Members.

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## Statement pursuant to Section 102 of the Companies Act, 2013

### Item No. 3

The Company enters into related party transaction(s) with Future Enterprises Limited ("FEL") for Purchase/Sale of Goods & Services and Purchase/Sale of Capital Goods. All the related party transaction(s) were entered or to be entered into are at arm's length basis and in the ordinary course of business, in line with the Company's Policy on Related Party Transactions post approval of the Audit Committee and the Board of Directors of the Company.

It is envisaged that the maximum value of the above related party transaction(s) to be entered into individually or taken together with previous transactions during the financial year 2020-21 would exceed ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

Further, the approval of Members is required if as per the provisions of Section 188 (1) of the Act read with relevant rules framed thereunder, the amount of related party transaction(s) exceed the threshold limit provided therein and / or if as per Regulation 23 of SEBI Listing Regulations, the transaction is material. Accordingly, the approval of Members of the Company is required. In terms of provisions of Companies (Meetings of the Board and its Powers) Rules, 2014 as amended, the details in relation to related party transaction(s) are as under:

Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of the Related Party	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms and particulars of the contract or arrangement	Monetary Value of Transactions (₹ in crore)	Any other information relevant or important for the Members to take decision on the proposed resolution
Purchase/Sale of Goods & Services	Future Enterprises Limited	Mr. Kishore Biyani	Related Party	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.	2,500	The transaction have been reviewed and approved by the Audit Committee and Board and an arms' length price has been established. In case of resale by FEL the same is being sold at cost of procurement plus minimum margin for handling as per applicable Regulations.
Purchase/Sale of Capital Goods					50	



Pursuant to Regulation 23 of SEBI Listing Regulations, all entities falling under the definition of "Related Party" shall abstain from voting in respect of the proposed resolution given in the Notice, irrespective of whether the entity is a party to the particular transaction or not.

The Board of Directors recommends the resolution at Item No. 3 as an Ordinary Resolution for the approval by the Members.

Mr. Kishore Biyani and his relatives, if any, shall be deemed to be concerned or interested in the Resolution to the extent of their shareholdings in the Company. None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution.

By order of the Board of Directors  
**For Future Retail Limited**

Place : Mumbai  
Date : November 30, 2020

**Virendra Samani**  
**Company Secretary**

**Registered Office:**

Future Retail Limited  
(CIN: L51909MH2007PLC268269)  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060

## Annexure - I

Information as required pursuant to Regulation 26(4), 36 and other applicable provisions 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 Directors seeking appointment at the Annual General Meeting:

<b>Name of Director</b>	<b>Mr. Rahul Garg</b>
<b>DIN</b>	06939695
<b>Date of Birth</b>	August 18, 1975
<b>Age</b>	45 Years
<b>Date of first Appointment on the Board</b>	August 09, 2018
<b>Qualifications</b>	B.E. (Mechanical) from Delhi College of Engineering and a Management degree from MDI, Gurugram.
<b>Experience and Expertise in Specific Functional Area</b>	Mr. Garg is the Partner and Co-Head India Private Equity strategy of Premji Invest. He leads investments in BFSI (Banking, Financial Services and Insurance) and Consumer / Retail sectors. Prior to Premji Invest, He was also associated with ICICI Bank Limited and worked across the entire financial services spectrum covering private equity, convertibles, investment banking, corporate banking, structured finance, forex and project finance.
<b>Terms and conditions of appointment</b>	As approved by the Board of Directors of the Company
<b>Remuneration last drawn</b>	Not applicable
<b>Number of Board Meetings attended during the year 2019-20</b>	8 (Eight) out of 8 (Eight).
<b>Directorship held in other Listed companies (As on March 31, 2020)</b>	None
<b>Directorship in other Companies (excluding foreign companies &amp; Section 8 companies) (As on March 31, 2020)</b>	<ul style="list-style-type: none"> <li>❖ Shubham Housing Development Finance Company Limited;</li> <li>❖ ID Fresh Food (India) Private Limited;</li> <li>❖ Hygienic Research Institute Private Limited;</li> <li>❖ Financial Software and Systems Private Limited; and</li> <li>❖ Fabindia Overseas Private Limited.</li> </ul>
<b>Chairmanship / Membership of Committees of the Board of Directors of other Companies (As on March 31, 2020)</b>	<ul style="list-style-type: none"> <li>❖ Shubham Housing Development Finance Company Limited <ul style="list-style-type: none"> <li>➤ Audit Committee : Member</li> <li>➤ Risk Committee : Member</li> </ul> </li> <li>❖ Hygienic Research Institute Private Limited <ul style="list-style-type: none"> <li>➤ Audit Committee : Member</li> <li>➤ Remuneration Committee : Member</li> </ul> </li> <li>❖ Financial Software and Systems Private Limited <ul style="list-style-type: none"> <li>➤ Audit Committee : Member</li> <li>➤ Remuneration Committee : Member</li> </ul> </li> <li>❖ Fabindia Overseas Private Limited <ul style="list-style-type: none"> <li>➤ Nomination and Remuneration Committee : Member</li> </ul> </li> </ul>
<b>Shareholding as on March 31, 2020</b>	Nil
<b>Relationship with other Directors / Key Managerial Personnel(s)</b>	Not related to any Director / Key Managerial Personnel(s).

**Note:** For further details related to remuneration, directorship / committee membership, please refer to Directors' Report, Corporate Governance Report forming part of the Annual Report.

By order of the Board of Directors  
**For Future Retail Limited**

Place : Mumbai  
Date : November 30, 2020

**Virendra Samani**  
**Company Secretary**

**Registered Office:**

Future Retail Limited  
(CIN: L51909MH2007PLC268269)  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060

## 13th AGM – Important Dates

Cut-off Date to determine the Members who shall be entitled to vote.



Wednesday,  
December 23, 2020

Commencement of remote e-voting at 9:00 a.m.



Sunday,  
December 27, 2020

End of remote e-voting at 5:00 p.m.



Tuesday,  
December 29, 2020

Date of the AGM.  
Participate and vote during the AGM



Wednesday,  
December 30, 2020

Announcement of voting results



Wednesday,  
December 30, 2020

## NOTES

INTENTIONALLY  
KEPT BLANK

# **FUTURE RETAIL LIMITED**

IN EVERY NEIGHBOURHOOD

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**ANNUAL REPORT**  
**2019-20**

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# Corporate Information

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## BOARD OF DIRECTORS

### **Kishore Biyani**

Chairman

DIN: 00005740

### **Rakesh Biyani**

Managing Director

DIN: 00005806

### **Gagan Singh**

Non-Executive and  
Independent Director

DIN: 01097014

### **Ravindra Dhariwal**

Non-Executive and  
Independent Director

DIN: 00003922

### **Shailendra Bhandari**

Non-Executive and  
Independent Director

DIN: 00317334

### **Sridevi Badiga**

Non-Executive and  
Independent Director

DIN: 02362997

### **Rahul Garg**

Non-Executive Director

DIN: 06939695

## STATUTORY AUDITORS

NGS & CO. LLP.

## CHIEF FINANCIAL OFFICER

C. P. Toshniwal

## COMPANY SECRETARY

Virendra Samani

## SHARE TRANSFER AGENT

Link Intime India Private Limited  
C-101, Embassy 247, LBS Marg,  
Vikhroli (West),

Mumbai - 400 083.

T + 91 22 4918 6270

F + 91 22 4918 6060

W: [www.linkintime.co.in](http://www.linkintime.co.in)

## BANKERS

Axis Bank

Bank of Baroda

Bank of India

Central Bank of India

Cooperative Rabobank U.A

IDBI Bank

Indian Bank

IndusInd Bank

IDFC First Bank

Punjab National Bank

State Bank of India

UCO Bank

Union Bank of India

Yes Bank

## REGISTERED OFFICE

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

T + 91 22 6644 2200

F + 91 22 6644 2201

## WEBSITE

[www.futureretail.co.in](http://www.futureretail.co.in)

## INVESTOR E-MAIL ID

[investorrelations@futureretail.in](mailto:investorrelations@futureretail.in)

## CORPORATE

### IDENTITY NUMBER

L51909MH2007PLC268269

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## MANAGEMENT DISCUSSION AND ANALYSIS

### Indian Retail

Indian retail continues to be one of the largest contributors to our economy, a mass employer and a systemically important sector. Retail industry, estimated at US\$1 trillion, continues to be one of the fastest growing markets in the world.

Organized retail contributed about 11-12% of the overall retail industry in FY20. This share is expected to increase to ~16% over the next 5-6 years, with the organized retail market growing at a CAGR of ~20%. Interestingly, over the last five years, the organized retail market grew at ~19%, increasing its penetration from 7% to around 11%.

All of the FRL formats make for the most loved brands in Indian retail. Across the states in India and income-classes, brands of Big Bazaar and fbb continue to be the most recalled retail brands and have maintained their leadership for the last decade or so. Fiscal year 2020 continued the journey of these brands providing top of the industry customer experience. More & more members signed up for the small formats while Foodhall continued to be the best gourmet retail brand in India.

### Large Format Stores

We added 26 new large stores during the year and closed 37 stores as a part of our strategy of focused execution. Our focus on efficient store expansion has led to the furtherance of a distribution network that is unparalleled in the country.

### Small Format Stores

On Small format stores this year, we maintained dual strategic focus - (a) making the format efficient by rationalizing the loss-making markets & stores (b) faster membership drive with reduced or no freebies thus recruiting higher spenders as members (c) costs rationalization through the second-half of FY 2020.

As an outcome of all these execution focused efforts, the Small Formats achieved break-even in the month of March, 2020. The journey of achieving break-even at this scale, of 858 stores, involved humongous efforts from acquisition integration to fast-paced new stores' opening and large scale membership drive.

For our customers, we continue to drive their experiences to better & higher levels. Services like faster checkouts, sit-down lounges, digital shelf talkers and experience zones with multi sensorial food products giving a world class shopping experience are just some of them. Our stores are designed to be smarter and experiential through use of technology, innovation in services, layouts and filled with digital interfaces. These stores redefine the retailing experience and set new benchmarks for retailing in India.

Customer loyalty remains one of our key pillars of growth and we continue to focus on understanding our customers based on the data collected and analyzed of our frequent shoppers.

### Overview: Operational, Customer and Marketing

Through the two store formats, large format and small format stores, the Company retains its focus on the core categories of Food, Fashion and Home. A common thread across these categories is the advantage of scale to support our quest & delivery of improved quality, better value, higher availability and differentiated products in our stores. Pan-India reach continues to yield strategic edge to the business at large and all incremental space additions make the back-end operations more cost effective.

On marketing, in continuation to previous year's partnerships, the Company was a sponsor to some of India's most coveted events – IPL, fbb Miss India pageant and Kabbaddi in 2019.

### Awards and Recognitions

The Company and its formats received awards in categories like:

#### Big Bazaar

- ❖ Big Bazaar ranked among the most valuable brand by Interbrand;
- ❖ Big Bazaar ranked as one of India's top 50 Brands in ninth edition of Pitch Top 50 brands exchange4media;
- ❖ BigBazaar'sCookAlongWonGoldinExchange4Media: Maddies of the Year 2019 for the use of rich media and interactive content;
- ❖ Big Bazaar's Food YouTube Channel Won : Silver Play Button;
- ❖ Big Bazaar Profit Club wins accolades at the Customer Fest Leadership Awards 2020 for:
  - Best Card based loyalty program in India;
  - Best use of contents / promotions in a loyalty program.
- ❖ Big Bazaar Wins The Universal Design Award For Making Its Stores Accessible For Shoppers With Disability;
- ❖ Big Bazaar Wins the most admired VM of the year (food) at Coca Cola Golden Spoon Awards 2020;
- ❖ Big Bazaar won the most inclusive retail brand of the year for its "Sub Ke Liye Initiative" at ET Now Awards for Global Retail Excellence.

#### fbb (Fashion @ Big Bazaar)

- ❖ Social Samosa – Sammie Award for:
  - National Jeans Day (Best Use of SM to generate leads or drive revenues);
  - 500 Festive Stories (Best Use of Influencers).
- ❖ Afaqs! Foxglove Award for 500 Festive Stories (Best Use of Influencer Marketing);

- ❖ Adgully Digixx Award for:
  - 500 Festive Stories (Best Use of Content Marketing: Retail Sector);
  - World Shorts Day (Best Use of Social Media).
- ❖ IAMA's IDA Award for National Jeans Day (Best Lead Generation Campaign Through Mobile);
- ❖ #PujoPerfect Love Story First brand in the world to create a unique interactive web series on Instagram Stories by Facebook Case Study.

#### Easyday

- ❖ Easyday Club Wins the following awards at Coca Cola Golden Spoon Awards 2020:
  - Most admired small / mid format retailer of the year;
  - Most admired innovation of the year.

#### Foodhall

- ❖ Foodhall @ Linking Road won the award for best store in the food groceries & general merchandise category at ET Now Awards for Global Retail Excellence.

#### Human Resource initiatives

Human Resource is one of the key interfaces the Company has with its customers and hence it is very critical to ensure continuous learning and development of its people resources. FRL employs 31,221 employees located at Head Office, Zonal Offices, Retail Stores, Design houses and Data-Centers across the Country. The Company has attracted best talents from the industry as well as successful in retaining its core team, which has rich experience of last 20 years leading the Company's core retail business. This year we intend to work on two key pillars to transform our People Office, first by transforming our people processes with the help of technology and second by bringing together the synergies of people organisations across the Group.

#### Business Outlook

Future Retail has an unparalleled network of stores under core two formats, spread across pan India. We believe that the network is strategically well placed to capture the growth in organized sector over unorganized as well as give incumbency advantages.

The key business outlook for the current year, FY 2021 is marred by COVID-19 and is difficult to lay the business outlook for the coming year, at this stage. This pandemic has led to huge uncertainties including in the consumption-

- Retail is severely impacted with stores remaining shut and consumers not being able to or not coming due to the pandemic fear;
- Incomes have been affected, leading to down trading and deferral of discretionary consumption;
- Global and local supply chains have been disrupted, further impacting business;

- Inventories have built up, orders cancelled impacting the entire retail ecosystem;
- Retailers have started running out of cash as revenues have declined and losses mounted;
- Several large and marquee brands have announced bankruptcies with many more announcing store closures and large losses.

#### Risks and Threats

External environment factors like COVID-19, resurgence of the second wave, delay in vaccine solution and economics factors such as interest rates, inflation, liquidity, rationalisation of tax structure, job creation continue to be the biggest threats as well as opportunities for the Company. Continued slowdown in the economic activity in the Country, no respite from the job losses or challenged income-levels & hence consumption can severely impact Indian retail and therefore growth of the Company.

#### Internal controls and their adequacy

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

The Audit Committee, comprising of Independent Directors is involved in regular review of financial and risk management policies, significant audit findings, the adequacy of internal controls and compliance with the applicable accounting standards.

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

**Sales:** The Company's Sales and Operating Income has reduced marginally from ₹ 20,164.90 crore in previous financial year to ₹ 20,118.32 crore with Y-o-Y degrowth of -0.2% for the financial year ended March 31, 2020.

**Profit Before tax:** Profit Before Tax of the Company for financial year ended March 31, 2020 stood at ₹ 33.84 crore as compared to ₹ 732.81 crore during the previous financial year.

**Interest:** Interest & Financial charges outflow has increased from ₹ 223.98 crore incurred in previous financial year to ₹ 440.30 (without Impact of IND AS116) crore for financial year ended March 31, 2020 due to increase in debt from ₹ 2,553.98 crore to ₹ 8,762.67 crore as at March 31, 2020.

**Net Profit:** Net Profit of the Company for financial year ended March 31, 2020 stood at ₹ 33.84 crore as compared to ₹ 732.81 crore in the previous financial year.

**Dividend:** In order to conserve resources for future requirements, the Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2020.

**Capital employed:** The capital employed of the Company was ₹ 13,168.29 crore as at March 31, 2020.

**Surplus management:** The Company generated a cash profit of ₹160.20 (without Impact of IND AS116) crore for financial year ended March 31, 2020 as compared to ₹ 833.40 crore in the previous financial year.

**Equity share capital:** The equity share capital of the Company has increased from ₹ 100.52 crore to ₹ 105.48 crore due to ₹ 4.96 crore worth of shares issued against conversion of warrants during the financial year under review.

**Net Debt-Equity:** Net Debt-Equity ratio of the Company has increased to 2.01 as at March 31, 2020 as compared to

0.60 in the previous financial year. This ratio has increased due to increase in debt from ₹ 2,553.98 crore to ₹ 8,762.67 crore as at March 31, 2020.

**Net Worth (excluding Capital Reserve):** The Net worth of the Company has increased from ₹ 3,976.15 crore to ₹ 4,403.06 crore due to Profit for the current year and shares issued during the financial year.

**Cash Earnings Per Share (CEPS):** The Company's CEPS (before exceptional items) has decreased to ₹ 3.15 (without Impact of IND AS116) in current financial year in comparison to ₹ 16.59 in the previous financial year. The Company CEPS has decreased due to increase of Depreciation, Finance Cost and Other Operating Expenses.

**Earnings Per share (EPS):** The Company's EPS (before exceptional items) has decreased from ₹ 14.58 in previous financial year to ₹ 0.67 per share for the financial year ended March 31, 2020. The Company EPS has decreased due to increase of Depreciation, Finance Cost and Other Operating Expenses.

## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present the Thirteenth Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2020.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company is as follows:

(₹ in crore)

Particulars	Standalone		Consolidated	
	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2019-20	Financial Year 2018-19
Revenue from Operations	20,118.32	20,164.90	20,331.72	20,332.58
Other Income	83.60	20.47	86.68	23.14
<b>Total Revenue</b>	<b>20,201.92</b>	<b>20,185.37</b>	<b>20,418.40</b>	<b>20,355.72</b>
Profit / (Loss) before Depreciation and Amortization Expense & Tax expense	1,074.73	833.40	1,112.80	831.22
Less: Depreciation and Amortization expense	1,040.89	100.59	1,098.72	104.02
Profit / (Loss) before Exceptional Item	33.84	732.81	14.08	727.20
Less: Exceptional Item	-	-	-	-
Profit / (Loss) before Tax	33.84	732.81	14.08	727.20
Less: Tax expense	-	-	2.79	0.01
Profit / (Loss) after Tax	33.84	732.81	11.29	727.19
Other Comprehensive Income for the year	(224.45)	5.81	(224.67)	5.85
Total Comprehensive Income for the year	(190.61)	738.62	(213.38)	733.04
Earnings Per Equity Share of Face Value of ₹ 2/- each				
- Basic (in ₹)	0.67	14.58	0.23	14.47
- Diluted (in ₹)	0.65	14.58	0.22	14.47

### REVIEW OF PERFORMANCE

During the year under review, your Company recorded a decrease of 0.23% in the Standalone Revenue from Operations at ₹ 20,118.32 crore as compared to ₹ 20,164.90 crore in the previous financial year. Consolidated Revenue from Operations was reported at ₹ 20,331.72 crore during the year under review. Your Company also reported Net Profit of ₹ 33.84 crore as compared to ₹ 732.81 crore for the previous financial year on standalone basis.

We have a pan India presence with 1,350 stores in 400 cities as of March 31, 2020 and total retail space of approximately 15.90 million sq. ft. for various formats of your Company. As on March 31, 2020, we have 290 Big Bazaar / Hypercity stores, 94 fbb stores, 9 Foodhall stores, 956 small format stores (including 98 WHSmith stores) and 1 eZone store. Our retail format business is supported by various other businesses operated by Group companies and through investee companies of the Group operating in various ventures including branded fashion,

food & FMCG, insurance, warehousing & logistics, media and textiles.

### SCHEME OF ARRANGEMENT

Post March 31, 2020 and on August 29, 2020, the Board of Directors of the Company has considered and approved the amalgamation of the Company along with other transferor companies with Future Enterprises Limited which would be carried out vide a Composite Scheme of Arrangement between the Company along with other transferor companies with Future Enterprises Limited ("Transferee Company" or "FEL") and their respective Shareholders and Creditors ("the Scheme"), in terms of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act").

The proposed Scheme *inter-alia* provides the following:

- ♦ Amalgamation of the Company along with other transferor companies with FEL;
- ♦ 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");

- ♦ 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.

As a consideration for the said amalgamation, FEL will issue 101 (One Hundred One) fully paid up equity shares of ₹ 2/- each to the equity shareholders of the Company as on the Record Date (as may be determined in terms of the Scheme) for every 10 (Ten) fully paid up equity share of ₹ 2/- each of the Company. The said equity shares to be allotted by FEL to the Shareholders of the Company will be listed on BSE Limited and National Stock Exchange of India Limited and shall rank pari passu in all respects with the existing equity shares of the FEL.

The Scheme would be subject to requisite approvals of the National Company Law Tribunal, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India, Competition Commission of India and other statutory / regulatory authorities, including those from the shareholders and creditors of the transferor companies and Transferee Company and applicable contractual approvals.

## SHARE CAPITAL

During the year under review and on April 23, 2019, the Company issued and allotted in aggregate 3,96,03,960 equity warrants at a price of ₹ 505/- per warrant, each convertible into or exchangeable for One (1) equity share of face value of ₹ 2/- each at a premium of ₹ 503/- per share to M/s. Future Coupons Private Limited (f.k.a. Future Coupons Limited) (FCPL), a Promoter Group entity, on preferential basis. The said warrants were allotted to FCPL upon receipt of initial warrant subscription amount of ₹ 500 crore equivalent to 25% of the warrant issue price (i.e. ₹ 126.25 per warrant) as prescribed under provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") for allotment of the equity warrants.

Further, on January 04, 2020 and upon the receipt of request from FCPL for exercising their right to convert 2,48,00,000 equity warrants and also against the receipt of balance of warrant issue price (i.e. ₹ 378.75 per warrant), the Company has considered and allotted 2,48,00,000 equity shares to FCPL.

As on March 31, 2020, FCPL was holding balance 1,48,03,960 warrants (on which 99.8% of share warrant subscription amount has already been received by the Company). Post March 31, 2020 and on receipt of balance amount from FCPL, on May 19, 2020, the Company has

allotted 1,48,03,960 equity shares upon conversion of balance warrants. As on date of this report, FCPL is holding 5,32,70,247 equity shares which are under lock-in as per terms of applicable provisions of SEBI (ICDR) Regulations.

Further, post March 31, 2020 and on September 04, 2020, the Company also allotted 81,680 Equity Shares of ₹ 2/- each to eligible employees of upon exercise of the vested options granted to the said employees under Future Retail Limited Employee Stock Option Plan - 2016 (FRL ESOP - 2016). None of the employee is in receipt of Equity Shares exceeding 1% of Equity Share capital of the Company against the vested options exercised by them under FRL ESOP - 2016.

During the year under review, the Company has not issued any sweat equity shares or bonus shares or equity shares with differential rights.

## IMPACT OF COVID - 19

In the wake of the novel coronavirus (COVID-19) outbreak, most of the stores of the Company, in most of the States, were closed except selling only essential commodities and grocery items as directed by Local and State Government offices. The business of the Company is adversely affected by temporarily shut down of stores, de-growth of revenue, sizable drops in footfalls and selective spending on essentials only by the Customers. Further, the Company's maximum staff except connected with essential services, were working from their respective residence under "work from home policy" implemented by the Company.

The countrywide lockdown began towards the latter half of March, 2020 and continued through the end of May, 2020. During this period, more than half of our stores remained closed for operations due to regulatory instructions and stores that were open, operated for restricted hours. Customer footfalls were significantly lower and as per directives of the authorities.

The Company is also leaving no stone unturned in redefining workplace hygiene. The Company has implemented new standards of safe working with guidelines for social distancing. Face masks were mandatory for all employees and customers visiting our premises. We also ensured regular sanitisation of all our premises and adequate availability of sanitising material. Similar protocols have been created for safe customer engagements. We also commenced servicing our customers through several new channels of delivery to provide them all essential goods through on-line apps.

COVID-19 pandemic and consequent lockdown imposed throughout the country, has had a significant adverse impact on the business operations and the financial results of the Company. The Company has assessed the impact of the lockdown, on its business operations and financial status and has considered all relevant information available



up to the date of approval of these financial results, in determination of the recoverability and carrying value of its financial assets and non-financial assets. The impact of COVID-19 pandemic and consequent global slowdown of business and uncertain overall economic environment may affect the underlying assumptions and estimates used to prepare the Company's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions and to take various precautionary measures to ensure health and safety of its customers, employees and other stakeholders from COVID-19 pandemic.

## **DIVIDEND & RESERVES**

Considering the Company's dividend distribution policy and the uncertainties created by COVID-19 pandemic on the business operations of the Company, the Board has not recommended any dividend for the financial year ended March 31, 2020. Further, no amount is proposed to be transfer to General Reserve.

## **INVESTMENTS & DIVESTMENTS**

During the year under review, the Company has made additional investment in Future 7-India Convenience Limited (f.k.a SHME Food Brands Limited) by subscribing 15,00,000 equity shares of ₹ 10/- each at a premium of ₹ 90/- aggregating to ₹ 15 crore via rights issue.

Further, the Company has not made any divestment during the year under review.

## **PUBLIC DEPOSITS**

In past, your Company has obtained the approval of Members for acceptance of fixed deposits from public and/or Members of the Company. However, the Company has not accepted any fixed deposits during the year under review and accordingly, no amount on account of principal or interest on deposits from public and/or Members were outstanding as at March 31, 2020.

## **DEBENTURES**

During the year under review, the Company raised funds amounting to ₹ 199 crore by issue of Secured Rated Listed Redeemable Non-Convertible Debentures ("NCDs") on private placement basis. Series 1A amounting to ₹ 100 crore and Series 1B amounting to ₹ 99 crore of the said NCDs are listed on the Wholesale Debt Market (WDM) segment of BSE effective from June 12, 2019.

Post March 31, 2020, the Company has further raised funds amounting to ₹ 200 crore by issuing of NCDs on private placement basis. NCDs "Series II" amounting to ₹ 200 crore are also listed on the WDM segment of BSE effective from June 05, 2020.

## **USD DENOMINATED NOTES AND OVERSEAS LISTING**

During the year under review, the Company raised funds amounting to US\$ 500 million by issuing of Senior

Secured Notes due 2025 ("USD Notes"). The said USD Notes are listed on Singapore Stock Exchange ("SGX") effective from January 23, 2020.

## **CORPORATE GOVERNANCE**

The Company's Corporate Governance Report for the year under review, forms part of this Annual Report. A certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of the Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), is annexed to Corporate Governance Report and forms a part of this Report.

## **BUSINESS RESPONSIBILITY REPORT**

Pursuant to SEBI Listing Regulations, a Business Responsibility Report is included and forms part of this Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors**

M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No. 119850W) have been appointed for a period of 5 (Five) years from the conclusion of the Ninth Annual General Meeting till the conclusion of the Fourteenth Annual General Meeting of the Members of the Company.

Pursuant to the notification issued by the Ministry of Corporate Affairs on May 07, 2018, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted. Hence, no resolution was proposed for the ratification of appointment of Statutory Auditors at the ensuing AGM.

The Company has received a written confirmation from the Statutory Auditors confirming that their continued appointment shall be in accordance with the applicable provisions of the Act.

### **Auditors' Report**

The Auditors' Report on the financial statements for the financial year ended March 31, 2020 is issued with unmodified opinion and does not contain any qualifications, reservations or adverse remarks.

### **Secretarial Auditor**

As required under provisions of Section 204 of the Act and Rules made thereunder, Ms. Bindu Darshan Shah (Membership No. A-20066 / CP No. 7378), Proprietor : K Bindu & Associates, Practicing Company Secretaries

was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year 2019-20 is appended as **Annexure - I**, which forms part of this Report. The said Secretarial Audit Report doesn't contain any qualifications, reservations or adverse remarks.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

### **POLICIES & DISCLOSURE REQUIREMENTS**

As required under SEBI Listing Regulations and provisions of the Act, following policies and related code of conduct the Company were already made available on its website:

- Details of programs for familiarization of Independent Directors with the Company are available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- Policy for archival of documents of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- The code of conduct for the Board of Directors and senior management personnel of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/corporate-governance-standards.html>
- Policy on dealing with related party transactions is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- The Remuneration Policy is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- The Dividend distribution policy is given as **Annexure - II** to this Report. The same is also available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

The Company has formulated and disseminated a Whistle Blower Policy to provide Vigil Mechanism for employees

and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of the Act and SEBI Listing Regulations.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)**

During the year under review and based on the recommendation of Nomination and Remuneration Committee ("**NRC**"), the Board of Directors approved the following changes:

- Mr. Kishore Biyani who was appointed as "Chairman & Managing Director" was re-designated as "Executive Chairman" effective from March 05, 2020 till March 31, 2022 and thereafter he will continue as Non-Executive Chairman of the Company in terms of applicable provisions of the SEBI Listing Regulations read with provisions of SEBI Notification dated January 10, 2020.
- Mr. Rakesh Biyani who was appointed as "Jt. Managing Director" was re-designated as "Managing Director" effective from March 05, 2020 till the remainder period of his existing term i.e. upto May 01, 2022.
- Mr. Sanjay Jain who was appointed as Chief Executive Officer (CEO) of the Company with effect from March 05, 2020 has requested the Board for keeping his appointment as CEO in abeyance as he was pre-occupied with his earlier responsibilities within Future Group. Accordingly, the Board of Directors at their meeting held on March 23, 2020 has considered and accepted the said proposal.

The Members of the Company have already approved the matters related to re-designation of Mr. Kishore Biyani as Executive Chairman and Mr. Rakesh Biyani as Managing Director vide special resolution(s) passed through postal ballot dated February 29, 2020 and the result of same was declared on April 06, 2020.

In terms of Section 152 of the Act, Mr. Rahul Garg who is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Company has received necessary disclosure and confirmation from him in connection with his re-appointment.

Additional information as required under Regulation 26(4) and 36 of SEBI Listing Regulations and Secretarial Standards, is given in the Notice convening the ensuing AGM.

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

Further, a confirmation in connection with enrolment in the Data Bank created by Ministry of Corporate Affairs for Independent Directors, has been received from all the Independent Directors of the Company.

### COMMITTEES OF THE BOARD

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

### MEETINGS OF THE BOARD

During the year under review, 8 (Eight) meetings of the Board of Directors of the Company were held. The details of date of above meetings including the attendance of the Directors are given in the Corporate Governance Report which forms part of this Annual Report.

### VIGIL MECHANISM / WHISTLE BLOWER

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

### SUBSIDIARY, JOINT VENTURE, HOLDING COMPANY AND ASSOCIATE COMPANIES

During the year under review, your Company has the following subsidiaries and joint venture:

#### Travel News Services (India) Private Limited ("TNSI")

TNSI is a wholly owned subsidiary of the Company and is mainly into retail trade of confectionery, food, beverages, accessories etc. and it operates at various airports, corporate parks and also at universities in Delhi and NCR region under the brand name "WHSmith". During the year under review, it has reported income from operations amounting to ₹ 167.42 crore and its net loss stood at ₹ 5.91 crore.

#### TNSI Retail Private Limited ("TNSI Retail")

TNSI Retail is subsidiary of TNSI and is mainly into retail trading and operates at Metro stations in Delhi and NCR under the brand name "WHSmith" and also deals in wholesale trading. During the year under review, it has reported income from operations amounting to ₹ 74.19 crore and its net profit stood at ₹ 2.52 crore.

#### Welcome Retail Private Limited ("WRPL")

WRPL is a joint venture of TNSI & Rozeus Retail Private Limited (f.k.a Flemingo Retail Private Limited) and is into business of setting-up, developing, operating, renting and

sub-leasing services for various spaces mainly at airports and metro stations. During the year under review, it has reported income from operations amounting to ₹ 28.73 crore and its net loss stood at ₹ 9.01 crore.

#### Future 7-India Convenience Limited (f.k.a SHME Food Brands Limited) ("Future7-India")

Future7-India is a wholly owned subsidiary of the Company and is into business of operating, developing, maintaining and running of convenience stores and commercial establishments of similar nature. Future7-India and the Company have executed a master franchise agreement with 7-Eleven Inc, to develop and operate 7-Eleven stores within India. During the year under review, there was no income from operations and incurred a net loss of ₹ 9.61 crore.

#### Future Retail LLC ("FRLLC")

FRLLC is a joint venture incorporated in Oman to undertake business to operate "fbb" brand fashion outlets in Oman and across other member states of GCC. For the period ended December 31, 2019, the joint venture has income from operation of ₹ 11.49 crore and incurred a net loss of ₹ 7.53 crore.

### INDIAN ACCOUNTING STANDARD

As Members are aware that the Company has already adopted and following Indian Accounting Standards ("IND AS") from April 01, 2016 with a transition date of April 01, 2015. Accordingly, the financial statement for the year 2019-20 have been prepared in accordance with IND AS, prescribed under Section 133 of the Act, read with the relevant rules issued thereunder and the other recognised accounting practices and policies to the extent applicable.

### CONSOLIDATED FINANCIAL STATEMENT

During the year under review, the Board has reviewed the affairs of subsidiaries and joint venture. The Consolidated Financial Statement of the Company is prepared in accordance with the Act and applicable IND AS along with the relevant documents and Auditors' Report thereon form part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statement of the subsidiaries and joint venture in the prescribed Form AOC-1 is attached to the financial statement, which forms part of this Annual Report.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company containing therein the audited standalone and consolidated financial statement and the audited financial statements of each of the subsidiary companies have been placed on the website of the Company. The audited financial statements in respect of subsidiaries shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the



date of ensuing AGM. The aforesaid documents are also available to Members interested in obtaining the same upon a request made to the Company.

### **PERFORMANCE EVALUATION OF BOARD**

As required by the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually.

Based on guidance note and process set by the NRC, the performance of the Board was evaluated after seeking inputs on all the relevant factors from all the Directors on the basis of criteria such as the Board and Committee composition, structure, effectiveness of board processes, information and functioning etc.

The performance of the Committees were evaluated by the Board after taking input from the respective Committee members on all the relevant factors material for evaluation purpose.

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

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

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

The details of commission to Non-Executive Director, is given in Corporate Governance Report forming part of this Annual Report.

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

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

The Board has delegated responsibility to the Risk Management Committee to monitor and review risk management, assessment and minimisation procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risks which the Company may be exposed to. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Audit Committee and the Board also periodically reviews the risk management assessment and minimisation procedures.

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

### **EMPLOYEES STOCK OPTIONS PLAN**

In past, the Members of the Company have approved the FRL ESOP - 2016 and also approved to offer, issue and allot at any time or to acquire by way of secondary acquisition, to or for the benefit of eligible employees under FRL ESOP - 2016, not exceeding 90,00,000 Equity Shares of ₹2/- each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the NRC and/or People Office.

Pursuant to the applicable provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"), the Company has set up 'Future Retail Limited Employees' Welfare Trust ("Trust") for implementation of the said Scheme.

The applicable disclosures as stipulated under SBEB Regulations as on March 31, 2020 with regard to the FRL ESOP - 2016 are provided in **Annexure - III** to this Report.

The Company has constituted Employees Gratuity Trust in name of "Future Retail Limited – Employees Gratuity Trust" and constituted a Fund through Trust in the name of "Future Retail Employees Superannuation Trust" for benefits of eligible employees of the Company.

### **CREDIT RATING**

The details pertaining to credit rating obtained or assigned during the year under review is given in Corporate Governance Report forming part of this Annual Report.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various training, awareness and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has complied with the provisions relating to Internal Complaints Committee (“ICC”). Further, ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines as provided in the policy. ICC conducts training workshop mainly focusing on investigation skills, basic counselling skills like listening, paraphrasing and dealing with biases through various kind of case studies, role plays activities based on real life examples, role of ICC, critical attitudes of an ICC member and investigation process & report writing, etc.

Information regarding the no. of complaints received/resolved/remained unresolved during the year under review is given in Corporate Governance Report forming part of this Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee (“CSR Committee”). The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report, which forms part of this Annual Report.

The disclosures as per Rule 9 of above mentioned Rules is made in prescribed form which is annexed to this Report as **Annexure - IV**.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of loans granted, guarantee provided and investment made by the Company which are covered under the provisions of Section 186 of the Act, is provided in Notes forming part of financial statement.

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

During the year under review, the transactions entered into by the Company with related parties as defined under the Act and SEBI Listing Regulations, were in the ordinary course of business and on an arm’s length basis.

Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature with related parties. A statement of all such related party transactions was presented before the Audit Committee on periodic and need basis for its review and approval.

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

Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI Listing Regulations and the applicable Accounting Standards have been given in the Notes forming part of the financial statement.

### **DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(5) of the Act, the Board, to the best of its ability confirms that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2020;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts for the financial year ended March 31, 2020 on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises three Independent Directors and Managing Director as its members. Ms. Gagan Singh, Independent Director acting as Chairperson of the Committee. Other Members include Mr. Ravindra Dhariwal, Independent Director, Ms. Sridevi Badiga, Independent Director and Mr. Rakesh Biyani, Managing Director. During the year under review, there were no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

## PARTICULARS OF EMPLOYEES

The information pertaining to the remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as **Annexure - VI** which forms part of this Report.

In terms of the provisions Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report.

In terms of the proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days and Members interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. Such details are also available on Company's website at [www.futureretail.co.in](http://www.futureretail.co.in).

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## EXTRACT OF ANNUAL RETURN

In accordance with provisions of the Act, an extract of annual return in the prescribed Form MGT-9 is given as **Annexure - VIII** which forms part of this Report.

In accordance with provisions of the Act, a copy of the Annual Return for the financial year ended March 31, 2020 shall be available on the website of the Company at <https://www.futureretail.in/investors/annual-reports.html>.

## DETAILS UNDER REGULATION 39(4) OF SEBI LISTING REGULATIONS - UNCLAIMED SUSPENSE ACCOUNT

In accordance with provisions of Regulation 39(4) read with Schedule V of SEBI Listing Regulations, the details pertaining to outstanding shares lying in Unclaimed Suspense Account are given in Corporate Governance Report forming part of this Annual Report. All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The voting rights on these shares shall remain frozen till the rightful owner(s) claim such shares.

## SECRETARIAL STANDARDS

During the year under review and in terms of Section 118(10) of the Act, the Company has complied with Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as issued and amended by The Institute of Company Secretaries of India from time to time.

## AWARDS AND RECOGNITIONS

The Company and its formats received awards in categories like:

### Big Bazaar

- ❖ Big Bazaar ranked among the most valuable brand by Interbrand;
- ❖ Big Bazaar ranked as one of India's top 50 Brands in ninth edition of Pitch Top 50 brands exchange4media;
- ❖ BigBazaar'sCookAlongWonGoldinExchange4Media: Maddies of the Year 2019 for the use of rich media and interactive content;
- ❖ Big Bazaar's Food YouTube Channel Won : Silver Play Button;
- ❖ Big Bazaar Profit Club wins accolades at the Customer Fest Leadership Awards 2020 for:
  - Best Card based loyalty program in India;
  - Best use of contents / promotions in a loyalty program.
- ❖ Big Bazaar Wins The Universal Design Award For Making Its Stores Accessible For Shoppers With Disability;
- ❖ Big Bazaar Wins the most admired VM of the year (food) at Coca Cola Golden Spoon Awards 2020;
- ❖ Big Bazaar won the most inclusive retail brand of the year for its "Sub Ke Liye Initiative" at ET Now Awards for Global Retail Excellence.

### fbf (Fashion @ Big Bazaar)

- ❖ Social Samosa – Sammie Award for:
  - National Jeans Day (Best Use of SM to generate leads or drive revenues);
  - 500 Festive Stories (Best Use of Influencers).
- ❖ Afaqs! Foxglove Award for 500 Festive Stories (Best Use of Influencer Marketing);
- ❖ Adgully Digixx Award for:
  - 500 Festive Stories (Best Use of Content Marketing: Retail Sector);
  - World Shorts Day (Best Use of Social Media).
- ❖ IAMAI's IDA Award for National Jeans Day (Best Lead Generation Campaign Through Mobile);
- ❖ #PujoPerfect Love Story First brand in the world to create a unique interactive web series on Instagram Stories by Facebook Case Study.

## Easyday

- ❖ Easyday Club Wins the following awards at Coca Cola Golden Spoon Awards 2020:
  - Most admired small / mid format retailer of the year;
  - Most admired innovation of the year.

## Foodhall

- ❖ Foodhall @ Linking Road won the award for best store in the food groceries & general merchandise category at ET Now Awards for Global Retail Excellence.

## GENERAL DISCLOSURES

Your Directors state that:

- There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future. Other relevant details are provided in the notes to the financial statements;
- Except as disclosed in this Report, there were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts;
- 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 Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;

- There were no events relating to receipt of any remuneration or commission from any of its subsidiary companies by Chairman / Managing Director of the Company;
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

## ACKNOWLEDGEMENT

The Board of Directors would like to thank and place on record their appreciation for the sustained support and co-operation provided by its Members, Future Group entities and in particular, their employees, regulatory authorities, suppliers, customers and its banks and financial institutions. Your Directors would also like to place on record its sincere appreciation for the efforts put in by employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve all recognitions during the year.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : September 14, 2020

**Kishore Biyani**  
Chairman

## ANNEXURE - I

### FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,  
The Members,  
Future Retail Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Retail Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 and / or the Companies Act, 1956 to the extent applicable ("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 and amended 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;
- v. The following Regulations and Guidelines (as amended from time to time) prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations");
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g. 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;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period); and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable to the Company during the Audit Period).

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

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



We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent / Non-Executive Directors. The changes in the composition of the Board of Directors / Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act and other applicable provisions thereto;
- 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 7 (Seven) days in advance. Further wherever required the conditions for conducting the Meetings at shorter notice was satisfied and a system exists for seeking and obtaining additional 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 and no dissenting views were carried out;
- 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.

We further Report that during the audit period of the Company:

(a) There were instances of:

1. Preferential Issue of Convertible Warrants;
2. Issue and allotment of Non-Convertible Debentures;
3. Allotment of equity shares upon conversion of warrants;
4. Raising of funds through issue of US Denominated Notes and listing of the said Notes on Singapore Stock Exchange;

(b) There were no instances of:

1. De-merger / Restructuring / Scheme of Arrangement;
2. Redemption / Buy-Back of Securities;
3. Foreign Technical Collaborations.

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.

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### **Annexure - I to Secretarial Audit Report**

To,  
The Members,  
Future Retail Limited

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. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For K Bindu & Associates**  
Company Secretaries

Place : Mumbai  
Date : September 04, 2020  
UDIN : A020066B000665029

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

## **ANNEXURE - II**

### **Dividend Distribution Policy**

#### **Company's philosophy:**

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

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

#### **Declaration of Dividend:**

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

#### **Per share basis:**

The dividend will be declared on per share basis only.

#### **Circumstances under which the shareholders of the listed entities may not expect dividend:**

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

#### **Financial parameters considered while declaring dividend:**

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

#### **Internal and external factors considered while declaring dividend:**

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

#### **Internal:**

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

#### **External:**

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

#### **Usage of retained earnings:**

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

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

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors.

## ANNEXURE - III

### Future Retail Limited Employees Stock Option Plan - 2016 (FRL ESOP - 2016) as at March 31, 2020

To encourage ownership of Company's equity by its employees on an ongoing basis as well as to reward employees for their contribution to the successful operation of the Company and also to provide an incentive to continue contributing to the success of the Company, the Company has created, granted and offered options to the Eligible Employees of the Company under Future Retail Limited Employees Stock Option Plan - 2016 (FRL ESOP - 2016) as recommended by the People Office and approved by Nomination and Remuneration Committee.

Sl. No.	Particulars	FRL ESOP - 2016
A.	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 40 in Notes to Financial Statements
B.	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 - Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 39 in Notes to Financial Statements

#### C. Description of ESOS that existed at any time during the year including the general terms and conditions

I.	Date of Shareholders' approval	The Shareholders of the Company had passed necessary resolutions through Postal Ballot dated November 7, 2016 and approved the FRL ESOP - 2016 which <i>inter-alia</i> provides to offer, issue and allot at any time or to acquire by way of secondary acquisition (through Trust Route), to or for the benefit of eligible employees of the Company and/or to the eligible directors/employees of the subsidiary company(ies) of the Company, if any.		
II.	Total number of options approved under FRL ESOP - 2016	90,00,000 (Ninety Lakh) Equity Shares of face value of ₹ 2/- each		
III.	Vesting requirements	<b>Option - I<sup>^</sup></b>	<b>Option - II<sup>#</sup></b>	
			<b>Grant - I</b>	<b>Grant - II</b>
		Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.
IV.	Exercise price or pricing formula	Exercise price for Options granted under the Scheme was ₹ 10/-	Exercise price for Options granted under the Scheme was ₹ 392/-	Exercise price for Options granted under the Scheme was ₹ 300/-
V.	Maximum term of options granted	3 years from the respective date of option granted		
VI.	Source of shares (primary, secondary or combination)	Primary		
VII.	Variation in terms of options	Primary		
VIII.	Method used to account for ESOS	Black Scholes Method		

**D. The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2019-20 would be ₹ 14.72 crore.**



**E. Option movement during the year ended on March 31, 2020**

Sl. No.	Particulars	Details		
		Option – I <sup>^</sup>	Option - II <sup>#</sup>	
			Grant - I	Grant - II
I.	Details Number of options outstanding at the beginning of the year	81,680	11,95,000	1,25,000
II.	Number of options granted during the year	Nil	Nil	Nil
III.	Number of options forfeited / cancelled /lapsed during the year	Nil	75,000	75,000
IV.	Number of options vested during the year	Nil	2,80,000	12,500
V.	Number of options exercised during the year	Nil	Nil	Nil
VI.	Number of shares arising as a result of exercise of options	Nil	Nil	Nil
VII.	Exercise Price (in ₹ per share)	10/-	392/-	300/-
VIII.	Money realised by exercise of options, if scheme is implemented directly by the Company (in ₹)	NA	NA	NA
IX.	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
X.	Total number of options outstanding (in force) at the end of the year	81,680	11,20,000	50,000
XI.	Number of options exercisable at the end of the year	81,680	2,80,000	12,500

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

		Option – I <sup>^</sup>		Option – II <sup>#</sup>	
		Grant on December 06, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 04, 2019
I.	Exercise price equals market price (in ₹)	-	-	-	-
II.	Exercise price is greater than market price (in ₹)	-	-	-	-
III.	Exercise price is less than market price (in ₹)	125.10	127.30	559.38	440.43

**Weighted average Exercise Price of options granted during the year whose:**

		Option – I <sup>^</sup>		Option – II <sup>#</sup>	
		Grant on December 06, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 04, 2019
I.	Exercise price equals market price (₹)	-	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-	-
III.	Exercise price is less than market price (₹)	10	10	392	300

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

		Option – I <sup>^</sup>		Option – II <sup>#</sup>	
		Grant on December 06, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 04, 2019
I.	Exercise price equals market price (₹)	-	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-	-
III.	Exercise price is less than market price (₹)	116.82	119.02	282.39	219.24

**G. Employee-wise details of options granted during the year on March 31, 2020**

I.	Senior Managerial Personnel <b>None – No fresh options were granted during the year ended March 31, 2020</b>
II.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year <b>None – No fresh options were granted during the year ended March 31, 2020</b>
III.	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants <b>None – No fresh options were granted during the year ended March 31, 2020</b>

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

The Company has not granted any options during the year under review. However, the details pertaining to the earlier options are as follows:

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

The assumption used in the model are as follows:

Particulars	Option – I <sup>^</sup>		Option - II <sup>#</sup>	
			Grant - I	Grant - II
	Grant on December 06, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 04, 2019
Risk Free Interest Rate	6.30%	6.30%	7.81%	7.20%
Expected Life (in years)	2.78	2.75	3.65	3.65
Expected Volatility	43.00%	43.00%	33.91%	38.07%
Dividend	0	0	0	0
Price of underlying shares in the market at the time of Option grant (in ₹)	125.10	127.30	559.38	440.43
Stock Price	Average price on BSE Limited on the date of grant has been considered.			
Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period taken into account match the expected life of the option.			
Risk-free rate of return	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities			
Exercise Price	Exercise Price of each specific grant has been considered			
Time to Maturity	Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live			
Expected Dividend Yield	Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.			

(<sup>^</sup>) Option - I referred the employees to whom Options were granted in the Company initially on December 6, 2016 & December 15, 2016 and includes additional Options granted on April 30, 2018 pursuant to other composite scheme of arrangement.

(<sup>#</sup>) Option - II referred the employees to whom Options were granted in the Company on July 05, 2018 (Grant - I) and on February 04, 2019 (Grant - II).

**I. Details of Company's Employees' Welfare Trust:**

The details in connection with transactions made by the Trust meant for the purpose of administering the FRL ESOP - 2016 are as under:

i. General Information of the Trust:

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

ii. Brief details of the transaction in shares by the Trust : None

iii. In case of secondary acquisition of shares by the Trust : None

For and on behalf of the Board of Directors

Place : Mumbai  
Date : September 14, 2020

**Kishore Biyani**  
Chairman

## ANNEXURE - IV

### Corporate Social Responsibility (Pursuant to Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014)

#### A brief outline of the Company's Corporate Social Responsibility Policy ("CSR Policy"):

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The CSR Policy of the Company <i>inter-alia</i> includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act") read with applicable Rules thereto.</p> <p>The Company's CSR Policy is available on the website of the Company at a link: <a href="https://www.futureretail.in/investors/Policies.html">https://www.futureretail.in/investors/Policies.html</a></p> <p>The Company has deployed its CSR Funds through - implementing agency, "Sone Ki Chidiya" Foundation ("SKC Foundation"), to carry out CSR activities.</p>
2.	The Composition of the CSR Committee	<p>The CSR Committee as on March 31, 2020 comprises of :</p> <ul style="list-style-type: none"> <li>● Mr. Kishore Biyani - Chairman</li> <li>● Ms. Gagan Singh - Member</li> <li>● Mr. Rahul Garg - Member</li> </ul>
3.	Average net profit of the Company for last three financial years:	₹ 581.23 crore
4.	Prescribed CSR Expenditure (two percent of the amount as mentioned in Item no. 3 above):	₹ 11.62 crore (excluding unspent amount of ₹ 1.02 crore for the previous financial year).
5.	Details of CSR spent during the financial year 2019-20:	
	(a) Total amount to be spent for the financial year 2019-20:	<p>The amount was transferred to SKC Foundation, which is mandated to deploy this amount for CSR initiatives as directed. There is no amount remain unspent out of the earlier year's pending amount.</p> <p>The SKC Foundation has identified projects for the unspent amount of ₹ 4.29 crore (out of ₹ 11.62 crore) which will be implemented in the course of financial year 2020-21 #</p>
	(b) Amount unspent, if any:	
	(c) Manner in which amount spent during the financial year 2019-20 is detailed below:	
		Refer table given below.

#### Manner in which the CSR amount spent during the financial year 2019-20

SI. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in crore)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads (₹ in crore)	Cumulative Expenditure upto the Reporting period (₹ in crore)	Amount spent direct or through implementing agency
1.	Program 'Odha do Zindagi' undertaken by Goonj	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of water (Activity No. (iv) of Schedule VII of the Act)	<p>District/City: Villapuram</p> <p>State: Tamil Nadu</p>	0.150	0.150	0.150	Through implementing agency - SKC Foundation

**Manner in which the CSR amount spent during the financial year 2019-20**

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in crore)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads (₹ in crore)	Cumulative Expenditure upto the Reporting period (₹ in crore)	Amount spent direct or through implementing agency
2.	Giving access for basic goods to marginalized communities <sup>1</sup>	Measures for Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	Cities/ Districts <sup>2</sup>  States <sup>3</sup>  Union Territories Chandigarh	7.233	7.233	7.233	Through implementing agency - SKC Foundation
3.	Providing access to nutritious food through Responsenet Development Services	Eradicating Hunger (Activity No. (i) of Schedule VII of the Act)	Districts/ Cities: Mumbai, Delhi, Hyderabad, Kolkata, Bengaluru, Ranchi, Pune  States: Maharashtra, Karnataka, NCT of Delhi, Telangana, West Bengal, Jharkhand	0.072	0.072	0.072	Through implementing agency - SKC Foundation
4.	Comprehensive and holistic physical and emotional rehabilitation of paraplegics through Sai Asra Paraplegic Rehab Centre	Promoting health care including preventive health care (Activity No. (i) of Schedule VII of the Act)	District/City: Chandigarh  UT: Chandigarh	0.064	0.064	0.064	Through implementing agency - SKC Foundation
5.	Creating access to clean drinking water and better hygiene	Making available safe drinking water (Activity No. (i) of Schedule VII of the Act)	District/City: Tumkur  State: Karnataka	0.013	0.013	0.013	Through implementing agency - SKC Foundation
6.	Skill Development Training for Disabled Populations	Promoting Livelihood (Activity No. (ii) of Schedule VII of the Act)	Cities/ Districts <sup>5</sup> States <sup>6</sup>	0.722	0.722	0.722	Through implementing agency - SKC Foundation

**Manner in which the CSR amount spent during the financial year 2019-20**

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in crore)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads (₹ in crore)	Cumulative Expenditure upto the Reporting period (₹ in crore)	Amount spent direct or through implementing agency
7.	Sensitization of communities towards People with Disabilities through Sol's Arc	Promoting education including special education (Activity No. (ii) of Schedule VII of the Act)	Cities/ Districts <sup>7</sup> States <sup>8</sup>  UT: Chandigarh	0.045	0.045	0.045	Through implementing agency - SKC Foundation
8.	Capacity building on CSR	Promoting education - (Activity No. (ii) of Schedule VII of the Act)	PAN India	0.054	0.054	0.054	Through implementing agency - SKC Foundation

Note: the above includes the earlier unspent amount ₹ 1.02 crore.

- Partners Not for Profits:** Seva Sahayog Foundation, ActionAid, Navjyoti India Foundation, Responset Development Services, Community Educational Centre Society, The Akshaya Patra Foundation, Goonj, Salaam Balaak Trust, St Jude Church;
- Cities/Districts:** Visakhapatnam, Guwahati, Golaghat, Nagaon, Lakhimpur, Dhemaji, Bongaigaon, Barpeta, Chirang, Purnea, Araria, Madhubani, East Champaran, Darbhanga, Madhepura and Motihari, Delhi, Gurugram, Surat, Rajkot, Kangra, Jammu, Belgaum, Katni, Ujjain, Mumbai, Pune, Thane, Navi Mumbai, Ahmednagar, Nasik, Kolhapur, Dimapur, Bhubaneswar, Puri, Jaipur, Dehradun, Ghaziabad, Kolkata, Siliguri;
- States:** Andhra Pradesh, Assam, Bihar, NCT of Delhi, Gujarat, Himachal Pradesh, Jammu and Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Uttarakhand, Uttar Pradesh, West Bengal;
- Partners Not for Profits:** Blind Peoples Association, Hyderabad Eye Institute (Operating trust of LV Prasad Eye Institute), Mann Centre for Individuals with Special Needs, Sai Swayam Society, Sarthak Educational Trust, Shishu Sarothi, Trust for Retailers and Retail Associates of India (TRRAIN), Voice of Needy Foundation, Youth 4 Jobs Foundation;
- Cities/Districts:** Ahmedabad, Vijayawada, Mumbai, Delhi, Hyderabad, Delhi, Lucknow, Guwahati, Vadodara, Bengaluru, Shimoga, Kolkata, Bhubaneswar, Jaipur, Jamshedpur, Chennai;
- States:** Andhra Pradesh, Assam, NCT of Delhi, Gujarat, Jharkhand, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal;
- Cities/Districts:** Ahmedabad, Jaipur, Pune, Chennai, Bangalore, Hyderabad, Delhi, Kolkata, Guwahati, Jalandhar, Udaipur, Indore, Nagpur, Lucknow, Mumbai;
- States:** Assam, NCT of Delhi, Gujarat, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal.

**Notes:**

- Overheads - Nil;
- SKC Foundation has been set up *inter-alia* with objectives of undertaking the projects and activities for the benefits of various sections of the society within India, supporting economically challenged people to meet their social needs and CSR activities as defined under Schedule VII of the Act. In order to attain the above objectives, SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society.

- The above mentioned projects / activities were carried out along with the support of non-governmental and non-profitable organisations aligned to the vision and mission of the SKC Foundation.
6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

The Company is committed to continually explore new avenues or areas which align to its CSR objectives and create maximum impact and incrementally invest in CSR activities to spend the prescribed amount in the subsequent years.

The unspent amount of ₹ 1.02 crore for the financial year 2018-19 has been spent in the year under review for the projects identified by the CSR Committee.

*(#) As per Section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ 11.62 crore (2019 : ₹ 6.76 crore) on Corporate Social Responsibility (CSR) activities during FY 2019-20 in addition to the arrears of ₹ 1.02 crore for previous financial year. The Company completed its obligation with respect to the amount required to be spent for financial year 2018-19 during the financial year under review and further also spent ₹ 7.33 crore for CSR obligations pertaining to the year under review and further also identified programs to be undertaken in current financial year, for the balance amount to be spend for the year under review.*

#### 7. Responsibility Statement

The responsibility statement of the CSR Committee of the Board of Directors of the Company is stated below:

“The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.”

Place : Mumbai  
Date : September 14, 2020

**Kishore Biyani**  
Chairman

**Gagan Singh**  
Independent Director

## ANNEXURE - V

### FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
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Nil

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

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2020 are as follows:

Name and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in crore)#	Date(s) of approval by the Board, if any*	Amount paid as advances, if any
Future Enterprises Limited ("FEL") (Related Party)	Purchase & Sale of Goods, Products & Services	NA	5,700	March 25, 2019	Refer notes below
	Providing of services as collection & authorised agent for Fixed Deposit Program	NA	10	March 25, 2019	
	Purchase and Sale of Capital Goods	NA	10	March 25, 2019	
	Acquisition of Fixed Assets	NA	4,000	October 12, 2019	
	Providing of Corporate Guarantee in favour of trustees / lenders / bankers of FEL	NA	6,375	May 25, 2016	
Future Consumer Limited ("FCL") (Related Party)	Purchase of Goods & Services	NA	3,000	March 25, 2019	
	Sale of Goods & Services	NA	20	March 25, 2019	
	Services (on either sides)	NA	15	March 25, 2019	
	Purchase/sale of Asset	NA	10	March 25, 2019	
	Deposits/Other Fees/ Charges	NA	15	March 25, 2019	

#### Notes:

(#) enhanced limit as sanctioned / approved by the Shareholders of the Company.

(\*) Necessary approvals of Audit Committee, Board of Directors and Shareholders have been obtained by the Company.

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

For and on behalf of the Board of Directors

Place : Mumbai  
Date : September 14, 2020

**Kishore Biyani**  
Chairman



## ANNEXURE - VI

### Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- I. The ratio of remuneration of each Director to the Median Remuneration of the employees ("MRE") of the Company for the financial year 2019-20 and the percentage (%) increase in remuneration of each Director and Key Managerial Personnel ("KMP's") for the same period are under:

Name of Directors / KMP's and Designation	Remuneration of Director / KMP for Financial Year 2019-20 (₹ in crore) (1)	% increase in Remuneration in the Financial Year 2019-20 (2)	Ratio of Remuneration of each Director / KMP to MRE for Financial Year 2019-20 (3=(1)/MRE)
<b>Chairman/Managing Director</b>			
Mr. Kishore Biyani	3.86	(10.00)	224.88
Mr. Rakesh Biyani	3.94	(5.00)	229.84
<b>Other KMP's:</b>			
Mr. C. P. Toshniwal – Chief Financial Officer	2.53	(10.00)	147.65
Mr. Virendra Samani - Company Secretary	0.44	-	25.36

**Notes:**

- Change in the remuneration of Executive Chairman / Managing Director are shown excluding Commission. Further no commission was paid to the Executive Chairman / Managing Director during the year under review.
- The Non-Executive Independent Directors have voluntarily agreed and decided not to take any amount towards the commission for the financial year under review. The commission of ₹ 0.50 crore for the financial year 2018-19 was paid during the year under review. Further, Mr. Shailendra Bhandari has voluntarily waived part of commission paid during the year under review amounting to ₹ 0.20 crore which is in line with the salary reduction voluntarily accepted by Managing Director / Jt. Managing Director.  
*For the year under review, there was no change in the Sitting fees for attending meetings of the Board and/or Committee thereof to the Non-Executive / Independent Director of the Company.*
- The Company has not paid any amount towards sitting fees/commission to Mr. Rahul Garg, Non-Executive Director, as it was voluntarily waived to receive the sitting fees and commission.

- II. The MRE of the Company during the year was ₹ 1,71,612 and for the previous year it was ₹ 1,47,228/-;
- III. The increase in MRE in the financial Year 2019-20, as compare to financial year 2018-19 was 16.56 %;
- IV. There were 31,221 permanent Employees on the rolls of the Company as on March 31, 2020;
- V. Average percentage increase made in salaries of employees other than the managerial personnel in the financial year i.e. 2019-20 was average 8% in the range of 4 % to 10% whereas there was around 5% to 10% decrease in the managerial remuneration for the same financial year. The remuneration of Executive Chairman / Managing Director is decided based on the individual performance, inflation, prevailing industrial trends and benchmarks.

The Commission of Non-Executive / Independent Director is decided based on various factors such as Director's participation in the Board and the Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule - IV of the Act and SEBI Listing Regulations and such other factors as may deem fit.

- VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : September 14, 2020

**Kishore Biyani**  
Chairman

## ANNEXURE - VII

### Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

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

<b>(A) Conservation of Energy:</b>			
(i) the steps taken or impact on conservation of energy	The operations of the Company are not energy intensive; however adequate necessary measures have been taken to reduce energy consumption, wherever possible through installation of temperature controlled air conditioners, consumption of renewable energy, use of natural lights in offices/stores premises. The Company continued its practice of replacing old lighting fixtures with LED lights at its existing offices and stores.		
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.		
(iii) the capital investment on energy conservation equipments;	Nil		
<b>(B) Technology absorption:</b>			
(i) the efforts made towards technology absorption;	The Company continues to adopt and use the latest technologies to improve the services and products with the help of Future Group's technologies in various areas related to operations and analytics.		
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;			
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) the details of technology imported; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.			NA
(iv) the expenditure incurred on Research and Development.	Nil		
<b>(C) Foreign Exchange Earnings and Outgo:</b>			
	(₹ in crore)		
	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	Total Foreign Exchange Used	212.97	167.18
	Total Foreign Exchange Earned	119.74	80.06

For and on behalf of the Board of Directors

Place : Mumbai  
Date : September 14, 2020

**Kishore Biyani**  
Chairman

## ANNEXURE - VIII

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020  
(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management & Administration) Rules, 2014)

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L51909MH2007PLC268269
ii.	Registration Date	February 07, 2007
iii.	Name of the Company	Future Retail Limited
iv.	Category / Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered office and contact details	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 E-mail: <a href="mailto:investorrelations@futureretail.in">investorrelations@futureretail.in</a> Website: <a href="http://www.futureretail.co.in">www.futureretail.co.in</a>
vi.	Whether listed company, Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C - 101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel No.: +91 22 4918 6270 Fax No.: +91 22 4918 6060 E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

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

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

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1.	Multi Brand Retail Trade	47 (Retail Trade, except of motor vehicles and motorcycles)	100

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

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Travel News Services (India) Private Limited ("TNSI")	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U22212DL2009PTC191681	Subsidiary	100.00	2(87)
2.	TNSI Retail Private Limited ("TNSI Retail")*	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U93000DL2010PTC203645	Subsidiary	100.00	2(87)

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	Welcome Retail Private Limited <sup>^</sup>	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U52602DL2016PTC305343	Subsidiary	51.00	2(87)
4.	Future 7-India Convenience Limited (f.k.a SHME Food Brands Limited)	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74120MH2015PTC267752	Subsidiary	100.00	2(87)
5.	Future Retail LLC	PO Box 19, Postal Code 100, Muscat, Sultanate of Oman	1318920#	Joint Venture	50.00	2(6)

(\*) Subsidiary of TNSI

(<sup>^</sup>) Subsidiary of TNSI Retail

(#) Commercial Registration Certificate issued by Ministry of Commerce and Industry of Oman.

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

##### (i) Category-wise Shareholding#

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoters and Promoter Group</b>									
(1)	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	88,115	-	88,115	0.02	88,115	-	88,115	0.02	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	23,62,19,516	-	23,62,19,516	47.00	21,25,21,241	-	21,25,21,241	40.30	(6.70)
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(1)</b>	<b>23,63,07,631</b>	<b>-</b>	<b>23,63,07,631</b>	<b>47.02</b>	<b>21,26,09,356</b>	<b>-</b>	<b>21,26,09,356</b>	<b>40.31</b>	<b>(6.70)</b>
(2)	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Body Corporates	-	-	-	-	-	-	-	-	0.00
(c)	Bank / Financial Institutions	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>23,63,07,631</b>	<b>-</b>	<b>23,63,07,631</b>	<b>47.02</b>	<b>21,26,09,356</b>	<b>-</b>	<b>21,26,09,356</b>	<b>40.31</b>	<b>(6.70)</b>
<b>(B)</b>	<b>Public shareholding</b>									
(1)	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	3,75,30,966	-	3,75,30,966	7.47	2,63,87,517	-	2,63,87,517	5.00	(2.46)
(b)	Financial Institutions/ Banks	47,52,166	-	47,52,166	0.95	64,55,929	-	64,55,929	1.22	0.28
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Venture Capital Funds	2,31,57,143	-	2,31,57,143	4.61	2,31,57,143	-	2,31,57,143	4.39	(0.22)
(e)	Alternate Investment Funds	1,15,66,453	-	1,15,66,453	2.30	1,18,24,012	-	1,18,24,012	2.24	(0.06)
(f)	Insurance Companies	16,92,788	-	16,92,788	0.34	2,68,751	-	2,68,751	0.05	(0.29)
(g)	Foreign Portfolio Investors	6,75,21,491	-	6,75,21,491	13.43	6,32,85,877	-	6,32,85,877	12.00	(1.43)
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(i)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (B)(1)</b>	<b>14,62,21,007</b>	<b>-</b>	<b>14,62,21,007</b>	<b>29.09</b>	<b>13,13,79,229</b>	<b>-</b>	<b>13,13,79,229</b>	<b>24.91</b>	<b>(4.18)</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	9,77,83,159	3,510	9,77,86,669	19.46	13,95,24,222	2,400	13,95,26,622	26.46	7.00
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	98,59,780	10,13,320	1,08,73,100	2.16	96,91,769	9,70,741	1,06,62,510	2.02	(0.14)
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	61,60,771	-	61,60,771	1.23	81,72,717	-	81,72,717	1.55	0.32
(c)	NBFCs registered with RBI	88,608	-	88,608	0.02	13,64,119	-	13,64,119	0.26	0.24
(d)	Any Other				-				-	
	1. N R I	7,56,270	2,200	7,58,470	0.15	6,62,529	2,200	6,64,729	0.13	(0.02)
	2. Directors & Relatives	8,000	-	8,000	0.00	25,000	-	25,000	0.00	0.00
	3. Clearing Member	22,85,123	-	22,85,123	0.45	2,08,92,887	-	2,08,92,887	3.96	3.51
	4. Trust	2,212	-	2,212	0.00	562	-	562	0.00	0.00
	5. Foreign Portfolio Investor (Individual)	1,600	-	1,600	0.00	1,600	-	1,600	0.00	0.00
	6. Hindu Undivided Family	21,05,147	1	21,05,148	0.42	20,99,007	1	20,99,008	0.40	(0.02)
	7. Others	100	-	100	0.00	100	-	100	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>11,90,50,770</b>	<b>10,19,031</b>	<b>12,00,69,801</b>	<b>23.89</b>	<b>8,24,34,512</b>	<b>9,75,342</b>	<b>18,34,09,854</b>	<b>34.78</b>	<b>10.89</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>26,52,71,777</b>	<b>10,19,031</b>	<b>26,62,90,808</b>	<b>52.98</b>	<b>31,38,13,741</b>	<b>9,75,342</b>	<b>31,47,89,083</b>	<b>59.69</b>	<b>6.70</b>
	<b>TOTAL (A)+(B)</b>	<b>50,15,79,408</b>	<b>10,19,031</b>	<b>50,25,98,439</b>	<b>100.00</b>	<b>52,64,23,097</b>	<b>9,75,342</b>	<b>52,73,98,439</b>	<b>100.00</b>	<b>0.00</b>
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>50,15,79,408</b>	<b>10,19,031</b>	<b>50,25,98,439</b>	<b>100.00</b>	<b>52,64,23,097</b>	<b>9,75,342</b>	<b>52,73,98,439</b>	<b>100.00</b>	<b>0.00</b>

(#) Rounding off to two decimals.

## (ii) Shareholding of Promoters and Promoter Group

Sl. No.	Name	Shareholding at the beginning of year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Mr. Kishore Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
2.	Retail Trust (^)	-	-	-	-	-	-	-
3.	Future Corporate Resources Private Limited (*) (\$)	23,62,18,516	47.00	22.64	17,40,53,954	33.00	32.37	-14.00

Sl. No.	Name	Shareholding at the beginning of year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
4.	Future Coupons Private Limited (formerly known as Future Coupons Limited) (*) (**)	-	-	-	3,84,66,287	7.29	-	7.29
5.	Lifestyle Trust (^)	-	-	-	-	-	-	-
6.	Ryka Commercial Ventures Private Limited (#)	-	-	-	-	-	-	-
7.	Consumer Goods Trust (^)	-	-	-	-	-	-	-
8.	Future Capital Investment Private Limited (#)	-	-	-	-	-	0.00	-
9.	Akar Estate & Finance Private Limited	1,000	0.00	0.00	1,000	0.00	0.00	0.00
10.	Ms. Ashni Biyani	71,147	0.01	0.00	71,147	0.01	0.00	0.00
11.	Mr. Anil Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
12.	Mr. Gopikishan Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
13.	Mr. Laxminaryan Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
14.	Mr. Rakesh Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
15.	Mr. Sunil Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
16.	Mr. Vijay Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
17.	Mr. Vivek Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
<b>Total</b>		<b>23,63,07,631</b>	<b>47.02</b>	<b>22.64</b>	<b>21,26,09,356</b>	<b>40.31</b>	<b>32.37</b>	<b>-6.70</b>

**Notes:**

- (^) As per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the promoter/ PACs.
- (#) Shown as a Promoter / PAC / Promoter Group in Information Memorandum filed by the Company.
- (\*) 1,36,66,287 equity shares held by Future Coupons Private Limited (f/k/a Future Coupons Limited) (FCPL) were inter-se transferred by its holding company viz, Future Corporate Resources Private Limited on December 17, 2019 and December 18, 2019.
- (\*\*) Total of 3,96,03,960 equity warrants have been allotted by the Company to FCPL on 23rd April, 2019 which can be converted into equal no. of equity shares by warrant holder during the period of 18 months from the date of allotment of such warrants in one or more tranches and on such other terms and conditions as applicable. Out of the total holding of 3,96,03,960 equity warrants, FCPL has exercised their right to convert 2,48,00,000 equity warrants and accordingly equal no. of equity shares were allotted on January 04, 2020. Further, as on March 31, 2020, FCPL continue to hold 1,48,03,960 equity warrants convertible into equity shares of the Company.
- (§) Based on disclosures received from Promoter / Promoter Group, certain lenders, who holds non-convertible debentures issued by Promoter company / associates of Promoter company and in whose favour some of the equity shares of the Company held by Promoters, were pledged, have invoked such pledged shares. Post such invocation of the equity shares, the holding of Promoter / Promoter Group in the Company is 21,26,09,356 equity shares representing 40.31% on paid-up equity share capital and 41.94% (on fully diluted basis assuming full conversion of outstanding warrants into equity shares).

**(iii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year</b>	23,63,07,631	47.02	23,63,07,631	47.02
1.	January 04, 2020 - Conversion of Warrants	2,48,00,000	4.70	26,11,07,631	49.51
2.	March 16, 2020 - Market Purchase	7,50,000	0.14	26,18,57,631	49.65
3.	March 20, 2020 - Invocation of pledged shares	(4,22,38,225)	(8.01)	21,96,19,406	41.64

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	March 21, 2020 - Invocation of pledged shares	(66,90,000)	(1.27)	21,29,29,406	40.37
5.	March 25, 2020 - Invocation of pledged shares	(3,20,050)	(0.06)	21,26,09,356	40.31
	<b>At the end of the year</b>			<b>21,26,09,356</b>	<b>40.31</b>

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Bennett, Coleman And Company Limited</b>	2,31,14,741	4.60	2,31,14,741	4.60
	September 20, 2019 - Market Purchase	73,88,852	1.47	3,05,03,593	6.07
	<b>At the end of the year</b>			<b>3,05,03,593</b>	<b>5.78</b>
2.	<b>PI Opportunities Fund I</b>	2,31,57,143	4.61	2,31,57,143	4.61
	<b>At the end of the year</b>			<b>2,31,57,143</b>	<b>4.39</b>
3.	<b>IDBI Capital Markets and Securities Limited</b>	17,850	0.00	17,850	0.00
	April 05, 2019 - Market Sell	(294)	(0.00)	17,556	0.00
	April 12, 2019 - Market Purchase	230	0.00	17,786	0.00
	April 19, 2019 - Market Purchase	74	0.00	17,860	0.00
	April 26, 2019 - Market Purchase	692	0.00	18,552	0.00
	May 03, 2019 - Market Purchase	109	0.00	18,661	0.00
	May 10, 2019 - Market Sell	(139)	(0.00)	18,522	0.00
	May 17, 2019 - Market Sell	(341)	(0.00)	18,181	0.00
	May 24, 2019 - Market Sell	(420)	(0.00)	17,761	0.00
	May 31, 2019 - Market Sell	(100)	(0.00)	17,661	0.00
	June 07, 2019 - Market Purchase	75	0.00	17,736	0.00
	June 14, 2019 - Market Purchase	55	0.00	17,791	0.00
	June 21, 2019 - Market Purchase	494	0.00	18,285	0.00
	June 29, 2019 - Market Sell	(554)	(0.00)	17,731	0.00
	July 05, 2019 - Market Sell	(200)	(0.00)	17,531	0.00
	July 12, 2019 - Market Sell	(7,991)	(0.00)	9,540	0.00
	July 19, 2019 - Market Purchase	1,000	0.00	10,540	0.00
	July 26, 2019 - Market Purchase	11	0.00	10,551	0.00
	August 02, 2019 - Market Sell	(8)	(0.00)	10,543	0.00
	August 16, 2019 - Market Sell	(27)	(0.00)	10,516	0.00
	August 23, 2019 - Market Purchase	98	0.00	10,614	0.00
	August 30, 2019 - Market Sell	(47)	(0.00)	10,567	0.00
	September 06, 2019 - Market Sell	(50)	(0.00)	10,517	0.00
	September 20, 2019 - Market Sell	(150)	(0.00)	10,367	0.00
	September 27, 2019 - Market Sell	(44)	(0.00)	10,323	0.00
	September 30, 2019 - Market Purchase	2	0.00	10,325	0.00
	October 04, 2019 - Market Sell	(10)	(0.00)	10,315	0.00
	October 11, 2019 - Market Sell	(9,589)	(0.00)	726	0.00
	October 18, 2019 - Market Purchase	80	0.00	806	0.00
	October 25, 2019 - Market Sell	(100)	(0.00)	706	0.00
	November 01, 2019 - Market Purchase	100	0.00	806	0.00
	November 08, 2019 - Market Purchase	210	0.00	1,016	0.00



Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	November 15, 2019 - Market Sell	(189)	(0.00)	827	0.00
	November 22, 2019 - Market Sell	(91)	(0.00)	736	0.00
	November 29, 2019 - Market Sell	(10)	(0.00)	726	0.00
	December 06, 2019 - Market Sell	(20)	(0.00)	706	0.00
	December 20, 2019 - Market Purchase	55	0.00	761	0.00
	December 27, 2019 - Market Purchase	195	0.00	956	0.00
	December 31, 2019 - Market Sell	(58)	(0.00)	898	0.00
	January 03, 2020 - Market Sell	(87)	(0.00)	811	0.00
	January 10, 2020 - Market Purchase	3,107	0.00	3,918	0.00
	January 17, 2020 - Market Sell	(3,012)	(0.00)	906	0.00
	January 24, 2020 - Market Purchase	291	0.00	1,197	0.00
	January 31, 2020 - Market Sell	(38)	(0.00)	1,159	0.00
	February 07, 2020 - Market Purchase	167	0.00	1,326	0.00
	February 14, 2020 - Market Purchase	456	0.00	1,782	0.00
	February 21, 2020 - Market Sell	(356)	(0.00)	1,426	0.00
	February 28, 2020 - Market Sell	(396)	(0.00)	1,030	0.00
	March 06, 2020 - Market Purchase	211	0.00	1,241	0.00
	March 13, 2020 - Market Sell	(11)	(0.00)	1,230	0.00
	March 20, 2020 - Market Purchase / Invocation	4,04,17,927	7.66	4,04,19,157	7.66
	March 27, 2020 - Market Sell	(3)	(0.00)	4,04,19,154	7.66
	March 31, 2020 - Market Sell / transfer	(2,00,00,003)	(3.79)	2,04,19,151	3.87
	At the end of the year			2,04,19,151*	3.87
4.	<b>IDBI Trusteeship Services Limited</b>	0	-	-	-
	March 31, 2020 - Market Purchase	2,00,00,000	3.79	2,00,00,000	3.79
	<b>At the end of the year</b>			<b>2,00,00,000</b>	<b>3.79</b>
5.	<b>Heritage Foods Limited</b>	1,78,47,420	3.55	1,78,47,420	3.55
	<b>At the end of the year</b>			<b>1,78,47,420</b>	<b>3.38</b>
6.	<b>Brand Equity Treaties Limited</b>	1,34,61,538	2.68	1,34,61,538	2.68
	<b>At the end of the year</b>			<b>1,34,61,538</b>	<b>2.55</b>
7.	<b>L and T Mutual Fund Trustee Limited - L and T Hybrid Equity Fund</b>	1,76,91,744	3.52	1,76,91,744	3.52
	August 02, 2019 - Market Purchase	30,700	0.01	1,77,22,444	3.53
	August 09, 2019 - Market Purchase	50,000	0.01	1,77,72,444	3.54
	August 16, 2019 - Market Purchase	15,538	0.00	1,77,87,982	3.54
	August 30, 2019 - Market Purchase	1,00,000	0.02	1,78,87,982	3.56
	September 06, 2019 - Market Sell	(2,31,858)	(0.05)	1,76,56,124	3.51
	September 13, 2019 - Market Sell	(7,72,250)	(0.15)	1,68,83,874	3.36
	October 11, 2019 - Market Sell	(90,000)	(0.02)	1,67,93,874	3.34
	October 25, 2019 - Market Sell	(7,957)	(0.00)	1,67,85,917	3.34
	November 01, 2019 - Market Sell	(2,130)	(0.00)	1,67,83,787	3.34
	November 08, 2019 - Market Sell	(9,02,020)	(0.18)	1,58,81,767	3.16
	November 15, 2019 - Market Sell	(73,351)	(0.01)	1,58,08,416	3.15
	November 22, 2019 - Market Sell	(9,26,300)	(0.18)	1,48,82,116	2.97
	November 29, 2019 - Market Sell	(3,37,438)	(0.07)	1,45,44,678	2.90
	December 06, 2019 - Market Sell	(3,02,591)	(0.06)	1,42,42,087	2.84
	December 13, 2019 - Market Sell	(6,29,000)	(0.13)	1,36,13,087	2.71
	December 20, 2019 - Market Sell	(1,30,000)	(0.03)	1,34,83,087	2.68

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	December 27, 2019 - Market Sell	(5,00,000)	(0.10)	1,29,83,087	2.58
	December 31, 2019 - Market Sell	(2,50,000)	(0.05)	1,27,33,087	2.53
	January 03, 2020 - Market Sell	(1,08,128)	(0.02)	1,26,24,959	2.51
	January 10, 2020 - Market Sell	(4,50,000)	(0.09)	1,21,74,959	2.31
	February 14, 2020 - Market Sell	(4,58,484)	(0.09)	1,17,16,475	2.22
	February 21, 2020 - Market Sell	(42,638)	(0.01)	1,16,73,837	2.21
	February 28, 2020 - Market Sell	(1,44,019)	(0.03)	1,15,29,818	2.19
	March 06, 2020 - Market Sell	(5,04,745)	(0.10)	1,10,25,073	2.09
	March 13, 2020 - Market Sell	(4,73,447)	(0.09)	1,05,51,626	2.00
	<b>At the end of the year</b>			<b>1,05,51,626</b>	<b>2.00</b>
8.	<b>Bharti Enterprises (Holding) Private Limited</b>	1,03,37,060	2.06	1,03,37,060	2.06
	<b>At the end of the year</b>			<b>1,03,37,060</b>	<b>1.96</b>
9.	<b>Government Pension Fund Global</b>	61,15,027	1.22	61,15,027	1.22
	April 12, 2019 - Market Purchase	1,29,800	0.03	62,44,827	1.25
	April 19, 2019 - Market Purchase	51,246	0.00	62,96,073	1.25
	June 07, 2019 - Market Purchase	1,54,989	0.03	64,51,062	1.28
	June 29, 2019 - Market Purchase	1,23,085	0.03	65,74,147	1.31
	July 05, 2019 - Market Purchase	34,962	0.00	66,09,109	1.31
	July 12, 2019 - Market Purchase	2,79,750	0.06	68,88,859	1.37
	July 19, 2019 - Market Purchase	18,816	0.00	69,07,675	1.37
	November 22, 2019 - Market Purchase	8,50,000	0.17	77,57,675	1.54
	December 20, 2019 - Market Purchase	3,00,000	0.06	80,57,675	1.60
	January 03, 2020 - Market Purchase	1,00,000	0.02	81,57,675	1.62
	January 10, 2020 - Market Purchase	5,00,000	0.09	86,57,675	1.64
	January 31, 2020 - Market Purchase	4,84,322	0.09	91,41,997	1.73
	March 13, 2020 - Market Purchase	25,000	0.01	91,66,997	1.74
	March 20, 2020 - Market Purchase	65,000	0.01	92,31,997	1.75
	<b>At the end of the year</b>			<b>92,31,997</b>	<b>1.75</b>
10.	<b>IDFC Sterling Value Fund</b>	77,73,401	1.55	77,73,401	1.55
	April 05, 2019 - Market Purchase	45,000	0.01	78,18,401	1.56
	April 12, 2019 - Market Purchase	1,15,000	0.02	79,33,401	1.58
	April 19, 2019 - Market Purchase	20,000	0.00	79,53,401	1.58
	April 26, 2019 - Market Purchase	60,000	0.01	80,13,401	1.59
	May 03, 2019 - Market Purchase	20,000	0.01	80,33,401	1.60
	May 10, 2019 - Market Purchase	20,000	0.00	80,53,401	1.60
	May 24, 2019 - Market Purchase	40,000	0.01	80,93,401	1.61
	June 07, 2019 - Market Purchase	15,123	0.01	81,08,524	1.61
	June 14, 2019 - Market Sell	(25,123)	(0.00)	80,83,401	1.61
	June 21, 2019 - Market Sell	(40,000)	(0.01)	80,43,401	1.60
	July 05, 2019 - Market Purchase	20,794	0.00	80,64,195	1.60
	July 12, 2019 - Market Purchase	25,000	0.01	80,89,195	1.61
	July 19, 2019 - Market Purchase	20,000	0.00	81,09,195	1.61
	July 26, 2019 - Market Purchase	5,000	0.00	81,14,195	1.61
	August 09, 2019 - Market Purchase	16,882	0.01	81,31,077	1.62
	August 16, 2019 - Market Purchase	5,000	0.00	81,36,077	1.62
	September 06, 2019 - Market Purchase	10,000	0.00	81,46,077	1.62
	September 13, 2019 - Market Purchase	30,000	0.01	81,76,077	1.63

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	October 11, 2019 - Market Purchase	15,000	0.00	81,91,077	1.63
	October 18, 2019 - Market Purchase	20,000	0.00	82,11,077	1.63
	November 29, 2019 - Market Sell	(10,000)	(0.00)	82,01,077	1.63
	<b>At the end of the year</b>			<b>82,01,077</b>	<b>1.56</b>

(\*) Includes the shares held under other bodies corporate category.

(v) Shareholding of Directors and Key Managerial Personnel(s)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Kishore Biyani – Executive Chairman#	2,121	0.00	2,121	0.00
	<b>At the end of the year</b>			<b>2,121</b>	<b>0.00</b>
2	Mr. Rakesh Biyani - Managing Director##	2,121	0.00	2,121	0.00
	<b>At the end of the year</b>			<b>2,121</b>	<b>0.00</b>
3	Ms. Gagan Singh - Independent Director	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>			<b>Nil</b>	<b>Nil</b>
4	Mr. Ravindra Dhariwal - Independent Director	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>			<b>Nil</b>	<b>Nil</b>
5	Mr. Shailendra Bhandari - Independent Director^	8,000	0.00	8,000	0.00
	April 01, 2019 - Market Purchase	1,600	0.00	9,600	0.00
	April 02, 2019 - Market Purchase	10,900	0.00	20,500	0.00
	April 03, 2019 - Market Purchase	4,500	0.00	25,000	0.00
	<b>At the end of the year</b>			<b>25,000</b>	<b>0.00</b>
6	Ms. Sridevi Badiga - Independent Director	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>			<b>Nil</b>	<b>Nil</b>
7	Mr. Rahul Garg - Non - Executive Director	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>			<b>Nil</b>	<b>Nil</b>
8(a)	Mr. C. P. Toshniwal - Chief Financial Officer	11,000	0.00	11,000	0.00
	At the end of the year			11,000	0.00
8(b)	Mr. C. P. Toshniwal - Chief Financial Officer (HUF)	20,000	0.00	20,000	0.00
	<b>At the end of the year</b>			<b>20,000</b>	<b>0.00</b>
9	Mr. Virendra Samani - Company Secretary	11,864	0.00	11,864	0.00
	<b>At the end of the year</b>			<b>11,864</b>	<b>0.00</b>

(#) Mr. Kishore Biyani was re-appointed as Chairman & Managing Director for a further term of 3 years with effect from May 02, 2019 till May 01, 2022. Subsequently, Mr. Kishore Biyani was re-designated as Executive Chairman effective from March 05, 2020 till March 31, 2022 and thereafter he will continue as Non-Executive Chairman of the Company in terms of applicable provisions of the SEBI Listing Regulations read with SEBI Notification dated January 10, 2020.

(##) Mr. Rakesh Biyani was re-appointed as Jt. Managing Director for a further term of 3 years with effect from May 02, 2019 till May 01, 2022. Subsequently, Mr. Rakesh Biyani was re-designated as Managing Director effective from March 05, 2020 till the remainder period of his existing term i.e. upto May 01, 2022.

(^) As per the disclosure received.

## V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ ACCRUED BUT NOT DUE FOR PAYMENT

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,657.04	-	-	2,657.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,657.04</b>	<b>-</b>	<b>-</b>	<b>2,657.04</b>
Change in Indebtedness during the financial year				
i) Addition	6,417.87	-	-	6,417.87
ii) Reduction	(124.45)	-	-	(124.45)
<b>Net Change</b>	<b>6,293.43</b>	<b>-</b>	<b>-</b>	<b>6,293.43</b>
Indebtedness at the end of the financial year				
i) Principal Amount	8,889.42	-	-	8,889.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	61.04	-	-	61.04
<b>Total (i+ii+iii)</b>	<b>8,950.46</b>	<b>-</b>	<b>-</b>	<b>8,950.46</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Mr. Kishore Biyani	Mr. Rakesh Biyani	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 <sup>#</sup>	3.44	3.52	6.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 <sup>##</sup>	0.01	0.01	0.02
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify			
5.	Retiral Benefits	0.41	0.41	0.82
	<b>Total (A)</b>	<b>3.86</b>	<b>3.94</b>	<b>7.80</b>
	Ceiling as per the Act	10% profit under Section 198 of the Companies Act, 2013.		

(#) Rounded off to ₹ in crore.

(##) Includes ₹ 39,600 towards value of perquisite for provision of car facility.

### B. Remuneration to other directors:

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of Directors				Total
		Ms. Gagan Singh	Mr. Ravindra Dhariwal	Mr. Shailendra Bhandari <sup>^</sup>	Ms. Sridevi Badiga	
1.	<b>Independent Directors</b>					
	Fees for attending Board / Committee meetings <sup>#</sup>	0.18	0.18	0.11	0.16	0.63
	Commission <sup>*</sup>	0.50	0.50	0.30	0.50	1.80
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>0.68</b>	<b>0.68</b>	<b>0.41</b>	<b>0.66</b>	<b>2.43</b>

Sl. No.	Particulars of Remuneration	Name of Directors	Total
2.	<b>Other Non-Executive Directors</b>	<b>Mr. Rahul Garg</b>	
	Fee for attending Board / Committee meetings	Nil	Nil
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1 + 2)</b>		<b>2.43</b>
	Ceiling as per the Act	1% profit under Section 198 of the Companies Act, 2013.	
	<b>Total Managerial Remuneration (A+B)</b>		<b>10.23</b>
	Overall Ceiling as per the Act	11% profit under Section 198 of the Companies Act, 2013.	

(<sup>1</sup>) During the year under review and in line with the salary reduction voluntarily accepted by the Managing Director / Jt. Managing Director, Mr. Shailendra Bhandari, Independent Director of the Company has also voluntarily waived part of commission paid during the year under review amounting to ₹ 0.20 crore (net of taxes).

(#) Rounded off to ₹ in crore.

(\* ) Commission of ₹ 0.50 crore for the financial year 2018-19 was paid during the year under review.

### C. Remuneration to Key Managerial Personnel(s) Other than MD/ Manager/ WTD

(₹ in crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Mr. C. P. Toshniwal	Mr. Virendra Samani	
1	Gross salary	2.31	0.42	2.73
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 <sup>#</sup>			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 <sup>#</sup>	0.01*	0.01**	0.02
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00
	-others, specify			
5	Retiral Benefits <sup>#</sup>	0.21	0.01	0.22
	<b>Total</b>	<b>2.53</b>	<b>0.44</b>	<b>2.97</b>

#### Notes:

(#) Rounded off to ₹ in crore

(\*) Includes ₹ 39,600 towards value of perquisite for provision of car facility.

(\*\*) Includes ₹ 32,400 towards value of perquisite for provision of car facility.

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2020.

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company as a flagship Company of Future Group believes in effective corporate governance practices which shall constitute the strong foundation on which successful organisation is built to last. We strive to create an organisation working towards sustainable and profitable growth to create long-term value for our people, business partners, customers and shareholders.

Your Company's ongoing efforts encompass financial stewardship in strategic and daily business decisions to ensure accurate financial reporting and effective controls. The Company consistently followed the principles of good corporate governance and strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes/policies, pursuant to the applicable provisions of the Companies Act, 2013 or Companies Act, 1956 as may be applicable read with applicable rules thereto ("**the Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). Further, the Company is also in compliance with the requirements stipulated under Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 read with other applicable provisions of SEBI Listing Regulations, as amended from time to time.

### CODE OF CONDUCT

As required, the Company has already laid down a Code of Conduct for the Board of Directors and Senior Management ("**Code**") of the Company. Further, a code of conduct for Independent Directors as prescribed under Schedule - IV of the Act was also adopted by the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

All the Board Members and concerned Senior Management Personnel have affirmed compliance with this Code. As required a declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website [www.futureretail.co.in](http://www.futureretail.co.in).

### SUCCESSION AT HIGH LEVEL EXECUTIVES

The executives who have requisite qualifications, experience and ability to perform the task and brings greater benefits to the Company are appointed at senior level. The People Office in consultation with Management recommends to Nomination and Remuneration Committee and the Board of Directors for the appointments at senior management. Various steps being taken to identify the successor of senior management at certain key positions and to provide opportunity for other management team members to develop leadership opportunity in line with overall object and vision of the Company. The Nomination and Remuneration Committee have been regular in inter-acting with key people at senior level for business and operations of the Company.

### COMPOSITION OF THE BOARD

The composition of the Board of Directors ("**the Board**") is in compliance with the requirement of the Act and Regulation 17 of SEBI Listing Regulations. As on March 31, 2020, the Board comprises of 7 (Seven) Directors including 2 (Two) Independent Women Directors. The Board consists of a balanced combination of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. None of the Directors of the Company have attained the age of 75 (Seventy Five) years. All Independent Directors of the Company serving in other companies is within the limit as specified in the Act and SEBI Listing Regulations. The maximum no. of directorship held by the Directors of the Company is in compliance with Regulation 17A of SEBI Listing Regulations and Section 165 of the Act. Further, the Company has received a declaration from respective Independent Directors that they meet the criteria of independence as per Regulation 16 of SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder and the same has been taken on record by the Company.

None of the Directors on the Board is a Member of more than 10 (Ten) Committees and/or Chairperson of more than 5 (Five) Committees (as specified in Regulation 26 of SEBI Listing Regulations), across all the public companies in which he/she is a Director. The maximum tenure of Independent Directors is in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder.

The information on composition of the Board, category and their Directorships/Committee Membership across all the Companies in which they are Directors as on March 31, 2020 is as under:

Name of Director & Category	Name of the Listed entities where he/she is a director & (category of directorship)	Date of Appointment as a current designation	No. of Directorships*		No. of Memberships / Chairmanships of Committees in public companies**	
			Public	Private / Non profit	Memberships	Chairmanships
Mr. Kishore Biyani – Executive Chairman (Promoter Group)	<ul style="list-style-type: none"> <li>➤ Future Lifestyle Fashions Limited (Non-Executive);</li> <li>➤ Future Consumer Limited (Non-Executive); and</li> <li>➤ Future Enterprises Limited (Non-Executive).</li> </ul>	March 05, 2020#	6	2	2	1
Mr. Rakesh Biyani - Managing Director (Promoter Group)	<ul style="list-style-type: none"> <li>➤ Future Supply Chain Solutions Limited (Non-Executive); and</li> <li>➤ Future Lifestyle Fashions Limited (Non-Executive).</li> </ul>	March 05, 2020##	5	5	3	-
Ms. Gagan Singh - Independent Director	<ul style="list-style-type: none"> <li>➤ Timex Group India Limited (Independent).</li> </ul>	April 30, 2016	2	-	4	2
Mr. Ravindra Dhariwal - Independent Director	<ul style="list-style-type: none"> <li>➤ Bata India Limited (Independent); and</li> <li>➤ Sheela Foam Limited (Independent).</li> </ul>	April 30, 2016	5	3	6	1
Mr. Shailendra Bhandari - Independent Director	<ul style="list-style-type: none"> <li>➤ Triveni Turbine Limited (Independent).</li> </ul>	April 30, 2016	3	-	2	1
Ms. Sridevi Badiga - Independent Director	<ul style="list-style-type: none"> <li>➤ Praxis Home Retail Limited (Independent).</li> </ul>	April 20, 2017	2	1	2	-
Mr. Rahul Garg - Non-Executive Director	-	August 09, 2018	2	4	2	-

**Notes:**

(\*) No. of Directorships held by the Directors do not include directorships in foreign companies.

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

(#) Mr. Kishore Biyani was re-appointed as Chairman & Managing Director for a further term of 3 years with effect from May 02, 2019 till May 01, 2022. Subsequently, Mr. Kishore Biyani was re-designated as Executive Chairman effective from March 05, 2020 till March 31, 2022 and thereafter he will continue as Non-Executive Chairman of the Company in terms of applicable provisions of the SEBI Listing Regulations read with provisions of SEBI Notification dated January 10, 2020.

(##) Mr. Rakesh Biyani was re-appointed as Jt. Managing Director for a further term of 3 years with effect from May 02, 2019 till May 01, 2022. Subsequently, Mr. Rakesh Biyani was re-designated as Managing Director effective from March 05, 2020 till the remainder period of his existing term i.e. upto May 01, 2022.

We hereby confirm that there is no person appointed as an alternate to the Independent Director as restricted under Regulation 25(1) of SEBI Listing Regulations.

During FY 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of various laws applicable to the Company.



The details of equity shares held by the Directors in the Company as on March 31, 2020 is as follows:

Name of Director	Number of Equity Shares held <sup>#</sup>
Mr. Kishore Biyani	2,121
Mr. Rakesh Biyani	2,121
Ms. Gagan Singh	Nil
Mr. Ravindra Dhariwal	Nil
Mr. Shailendra Bhandari	25,000
Ms. Sridevi Badiga	Nil
Mr. Rahul Garg	Nil

**Notes:**

(#) Apart from the equity shares, the Directors of the Company were not holding any convertible instrument during the year under review.

The details of the familiarization program of the Independent Directors is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>. None of the Directors of the Company is inter-se related to each other.

The Board confirms that in terms of provisions of Regulation 17(10) of SEBI Listing Regulations as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Independent Directors of the Company fulfil the conditions specified in SEBI Listing Regulations and are independent from the management of the Company.

**MATRIX SETTING OUT SKILLS/EXPERTISE/COMPETENCE AS IDENTIFIED BY THE BOARD**

The Skill Matrix sets out the key skills and experience that Directors brings to the Board. This year, the Skill Matrix was reviewed and appended below identifying the skills of entire Board under following broad categories:

- Governance**

The governance skills broadly includes financial and audit review, compliance and risk management, developing good governance practices, assessing strategic opportunities and threats, crisis management, business and policies development etc.

- Personal Leadership Skills**

This category mainly includes skills set of Board members to provide both strategic and innovative thought leadership, analysing issues and making decisions that support the organisation's overarching mission, creating new ideas and providing possible solutions, commitment, ethics and integrity, relationship building etc.

- Industry specific**

This category broadly includes skills relevant to the industry or section in which the Company operates such as understanding of consumer behaviour and customer insights, consumption pattern analysis, introduction of new products, digital/technology upgrade, marketing, supplier management, store operations, communication with customers etc.

The following matrix sets out key skills, expertise and competency of Directors are as follows:

Skills / Expertise / Competence	Mr. Kishore Biyani	Mr. Rakesh Biyani	Ms. Gagan Singh	Mr. Ravindra Dhariwal	Mr. Shailendra Bhandari	Ms. Sridevi Badiga	Mr. Rahul Garg
Financial and Audit	✓	✓	✓	✓	✓	✓	✓
Risk Management and Assessment	✓	✓	✓	✓	✓	✓	✓
Corporate Governance, Legal & Compliance	✓		✓	✓	✓		
Entrepreneurship	✓	✓				✓	✓
Strategic & Innovative	✓	✓		✓			
Technology & Digitisation	✓	✓		✓	✓		
Marketing and Brand Building	✓	✓		✓		✓	✓

Skills / Expertise / Competence	Mr. Kishore Biyani	Mr. Rakesh Biyani	Ms. Gagan Singh	Mr. Ravindra Dhariwal	Mr. Shailendra Bhandari	Ms. Sridevi Badiga	Mr. Rahul Garg
HR Development		✓	✓	✓	✓		✓
Sustainability	✓		✓		✓	✓	
Retail and Industry Knowledge	✓	✓	✓	✓		✓	✓
General Management	✓	✓			✓	✓	✓

## BOARD MEETINGS AND LAST AGM DETAILS

During the year under review, total 8 (Eight) Meetings of Board of Directors were held on May 25, 2019, July 31, 2019, August 12, 2019, October 12, 2019, November 14, 2019, January 04, 2020, February 13, 2020 and March 23, 2020.

The gap between two Meetings did not exceed 120 (One Hundred and Twenty) days as prescribed in the Act and SEBI Listing Regulations. The Twelfth (12th) Annual General Meeting of the Members of the Company was held on Tuesday, July 30, 2019.

As part of good governance practice adopted and followed by the Company, it has recorded the names of all invitees present at the Board Meeting in minutes of respective meetings(s).

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

Name of Directors	No. of Board Meetings held		12th AGM (July 30, 2019)
	Held	Attended	
Mr. Kishore Biyani	8	8	Yes
Mr. Rakesh Biyani	8	8	Yes
Ms. Gagan Singh	8	8	Yes
Mr. Ravindra Dhariwal	8	7	Yes
Mr. Shailendra Bhandari	8	6	Yes
Ms. Sridevi Badiga	8	7	Yes
Mr. Rahul Garg	8	8	No

## AUDIT COMMITTEE

The Audit Committee of the Company comprises of total 4 (Four) Directors out of which 3 (Three) are Independent Directors. Ms. Gagan Singh, Independent Director is Chairperson of the Audit Committee. All the Members of the Audit Committee possess accounting and financial management expertise. We hereby confirm that the Chairperson of the Committee was present at the 12th Annual General Meeting of the Company held on July 30, 2019.

The Company Secretary functions as Secretary to the Committee.

During the year under review, total 8 (Eight) Meetings of the Audit Committee were held on May 25, 2019, July 31, 2019, October 12, 2019, November 14, 2019, November 25, 2019, January 27, 2020, February 13, 2020 and March 23, 2020. Necessary quorum was present for all above Audit Committee Meetings.

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

Name of Directors/Members	Category	Designation	No. of Meetings held	
			Held	Attended
Ms. Gagan Singh	Independent Director	Chairperson	8	8
Mr. Ravindra Dhariwal	Independent Director	Member	8	7
Ms. Sridevi Badiga	Independent Director	Member	8	8
Mr. Rakesh Biyani	Managing Director	Member	8	8

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

## Terms of Reference

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

**Role of the Audit Committee *inter-alia* includes the following:**

- overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties; [Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed];
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
- reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

## Reviewing of the following information

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

The Audit Committee also reviews matters relating to relevant compliance under the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with applicable code thereto along with relevant disclosures made and reports filed there under.

As part of good governance practice adopted and followed by the Company, it has recorded the names of all invitees present at the Audit Committee Meeting in minutes of respective meeting(s).

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of 3 (Three) Non-Executive Directors, out of which 2 (Two) are Independent Directors.

During the year under review, total 5 (Five) Meetings of the Nomination and Remuneration Committee were held on May 25, 2019, June 18, 2019, November 14, 2019, November 25, 2019 and February 13, 2020. Necessary quorum was present for all above Nomination and Remuneration Committee Meetings.

The Composition of Nomination and Remuneration Committee and the attendance details of the Members at the above Committee meetings is as under:

Name of Directors/Members	Category	Designation	No. of Meetings held	
			Held	Attended
Mr. Ravindra Dhariwal	Independent Director	Chairman	5	5
Mr. Shailendra Bhandari	Independent Director	Member	5	5
Mr. Rahul Garg	Non-Executive Director	Member	5	5

## Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated *inter-alia* to comply with the requirements as specified in Part D of the Schedule II of SEBI Listing Regulations including the amendment made through Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the provisions of Section 178 of the Act, Regulation 19 of SEBI Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

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

- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- to formulate the criteria for evaluation of performance of Independent Directors and the Board;
- to devise a policy on Board diversity;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- to establish and from time to time review the policy for ESOP/ESOS as well as issuance of SWEAT equity shares and recommend the grants to be made under ESOP/ESOS; and
- to review Company's remuneration and human resources policy.

## Performance evaluation criteria for Independent Directors

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

## Policy on Directors Appointment and Remuneration

In accordance with provisions of Section 178 of the Act read with Regulation 19(4) of SEBI Listing Regulations and based on the recommendations of the Nomination and Remuneration Committee (“NRC”), the Board has framed a policy on Board Diversity governing the criteria for appointment of Executive, Non-Executive and Independent Directors. The appointment of Directors are made based on merit, apart from compliance of legal and contractual requirements, that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the NRC might consider relevant for the Board to function effectively.

## Remuneration Policy

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

## Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to the Executive Chairman/Managing Director as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Chairman/Managing Director, the NRC *inter-alia* evaluates the remuneration paid by peer organisations, role and responsibility of executive board members, contribution made during past years and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Executive Chairman/ Managing Director as per terms of appointment and based on the performance of the individual as well as the Company. Performance criteria for the Executive Chairman/ Managing Director, entitled for commission or performance bonus are determined by NRC.

## Criteria of making payments to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending Meeting of the Board and Committee(s) of the Board including meeting of Independent Directors, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels as decided from time to time by the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

The Members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the meeting of the CSR Committee. The eligible Non-Executive Directors may be paid commission upto an aggregate maximum of 1% of the net profits of the Company as specifically computed for this purpose and as may be approved by Board and Members of the Company. The criteria of making payments to Non-Executive Directors *inter-alia*, covers the number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management on strategy and operational matters other than at meetings and contribution at the Board/Committee(s) levels.

## Remuneration to Directors

### (a) Executive Chairman / Managing Director

The remuneration paid to Executive Chairman / Managing Director for the year ended March 31, 2020 is as under:

(₹ in crore)

Name	Salary	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites and allowance*	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Kishore Biyani#	3.44	-	0.41	0.01	3.86	Refer note#	6	Nil
Mr. Rakesh Biyani##	3.52	-	0.41	0.01	3.94	Refer note##	6	Nil

(#) Mr. Kishore Biyani was re-appointed as Chairman & Managing Director for a further term of 3 years with effect from May 02, 2019 till May 01, 2022. Subsequently, Mr. Kishore Biyani was re-designated as Executive Chairman effective from March 05, 2020 till March 31, 2022 and thereafter he will continue as Non-Executive Chairman of the Company in terms of applicable provisions of the SEBI Listing Regulations read with provisions of SEBI Notification dated January 10, 2020. Therefore total contractual period is with effect from May 02, 2019 till March 31, 2022.

(##) Mr. Rakesh Biyani was re-appointed as Jt. Managing Director for a further term of 3 years with effect from May 02, 2019 till May 01, 2022. Subsequently, Mr. Rakesh Biyani was re-designated as Managing Director effective from March 05, 2020 till the remainder period of his existing term i.e. upto May 01, 2022. Therefore total contractual period is for 3 years with effect from May 02, 2019 till May 01, 2022.

(\*) Includes ₹ 39,600 towards value of perquisite for provision of car facility.

**Notes:**

1. All the above components of remuneration, except performance bonus/commission, are fixed in nature.
2. There is no separate provision for payment of severance fees.

**(b) Non-Executive / Independent Directors**

The remuneration in form of sitting fees / commission paid to Non-Executive / Independent Directors during the year under review is as under:

(₹ in crore)

Name of Directors <sup>^</sup>	Sitting Fees paid*	Commission	
		Paid for FY 2018-19	Payable for FY 2019-20 <sup>5</sup>
Ms. Gagan Singh	0.18	0.50	Nil
Mr. Ravindra Dhariwal	0.18	0.50	Nil
Mr. Shailendra Bhandari <sup>#</sup>	0.11	0.30	Nil
Ms. Sridevi Badiga	0.16	0.50	Nil

(<sup>^</sup>) During the year under review, the Company has not paid any amount towards sitting fees/commission to Mr. Rahul Garg, Non-Executive Director of the Company as it was voluntarily waived to receive the sitting fees and commission.

(\*) Rounded off to ₹ in crore.

(<sup>5</sup>) The Non-Executive Independent Directors have voluntarily agreed and decided not to take any amount towards the commission for the financial year under review.

(#) During the year under review and in line with the salary reduction voluntarily accepted by the Managing Director / Jt. Managing Director, Mr. Shailendra Bhandari, Independent Director of the Company has also voluntarily waived part of commission paid during the year under review amounting to ₹ 0.20 crore (net of taxes).

Apart from reimbursement of expenses incurred in the discharge of their duties, the payment of sitting fees and commission within the limit for identified Non-Executive Directors as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors and its Senior Management, which in their judgment would affect their independence. None of the Directors of the Company is inter-se related to each other.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Mr. Shailendra Bhandari, Ms. Gagan Singh and Mr. Rahul Garg are members of the Committee. Mr. Shailendra Bhandari, Independent Director is Chairman of the Committee.

**Compliance Officer**

Mr. Virendra Samani - Company Secretary, is the Compliance Officer of the Company.

During the year under review, total 2 (Two) Meetings of Stakeholders' Relationship Committee were held on May 25, 2019 and July 31, 2019. Necessary quorum was present for Stakeholders' Relationship Committee Meetings.

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

Name of Directors/Members	Category	Designation	No. of meetings held	
			Held	Attended
Mr. Shailendra Bhandari	Independent Director	Chairman	2	2
Ms. Gagan Singh	Independent Director	Member	2	2
Mr. Rahul Garg	Non-Executive Director	Member	2	2



## Terms of reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated *inter-alia* to comply with the requirements as specified in Part D of the Schedule II of SEBI Listing Regulations, as amended through Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations.

The role of the Stakeholders' Relationship Committee *inter-alia* includes the following:

- resolving the grievances of the security holders of the listed entity 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.;
- review of measures taken for effective exercise of voting rights by Shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

## Share Transfer Committee

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

## Investors' Grievance Redressal

Details of investor complaints received and resolved during the year under review are as follows:

Opening Balance <sup>#</sup>	Received during the year	Resolved during the year	Closing Balance
1	1	2	-

(#) 1 (One) investor complaint as remained unresolved in the last financial year was resolved during the year under review as per information received from Registrar and Share Transfer Agent of the Company.

## CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS

In terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015 as amended, the Company had adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.

Pursuant to the requirements prescribed under SEBI notification dated December 31, 2018 and provisions of Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons ("**Code for Insider Trading**") was adopted by the Company. The provisions of the Code for Insider Trading are designed *inter-alia* to regulate, monitor and report trades by Designated Person(s) or their immediate relatives in securities of the Company.

## CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, as amended from time to time, the Company had adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Pursuant to the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended, the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Code of Fair Disclosure**") was adopted by the Company which comes into effect from April 1, 2019. The Code of Fair Disclosure is posted on Company's website at the weblink <https://www.futureretail.in/investors/corporate-governance-standards.html>.

## INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on May 25, 2019. The said meeting was attended by all the Independent Directors of the Company.



## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee as on March 31, 2020 comprises of Mr. Kishore Biyani, Executive Chairman, Ms. Gagan Singh, Independent Director and Mr. Rahul Garg, Non-Executive Director as Members of the Committee. During the year under review, 1 (One) Meeting of Corporate Social Responsibility Committee was held on July 31, 2019.

All the members of the Committee attended the Meeting held on July 31, 2019.

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

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

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is appended to the Directors' Report forming part of this Annual Report.

## RISK MANAGEMENT COMMITTEE

During the year under review, the provision relating to the Risk Management Committee under Regulation 21 of SEBI Listing Regulations was applicable to our Company from April 01, 2019. However, for the purpose of better governance, the Company had already constituted aforesaid Committee in the year 2016.

The Risk Management Committee comprised of Mr. Kishore Biyani, Executive Chairman, Mr. Rakesh Biyani, Managing Director and Mr. C. P. Toshniwal, Chief Financial Officer as Members of the Committee.

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

During the year under review, 1 (One) meeting of the Committee was held on January 04, 2020.

## RISK MANAGEMENT

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

Further, the Audit Committee and the Board of Directors periodically reviews the risk assessment and minimisation procedures and ensures that executive management controls risk through means of a properly defined framework and also contributes for the assessing, mitigating, monitoring of various risks associated with the Company .

The risk management framework adopted and updated by the Company from time to time is discussed in the Management Discussion and Analysis forming part of this Annual Report.

## COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Executive Chairman and Mr. Rakesh Biyani, Managing Director as its Members. The main functions of Committee is to handle day-to-day operations and activities of the Company and to ensure smooth functioning and providing authority to executives / signatories for regular operations. The Committee is further authorised to delegate some of its powers to employees/executives of the Company as per authority granted by the Board. During the year under review, total 22 (Twenty Two) Meetings of the Committee were held.

## GENERAL BODY MEETINGS

### Annual General Meeting

The details of the last three Annual General Meetings (AGM) held are as follows:

Year	Day, Date & Time of AGM	Venue	Special Resolutions Passed
2018-19	Tuesday, July 30, 2019 11:30 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	<ul style="list-style-type: none"><li>❖ Approval for payment of remuneration to Mr. Kishore Biyani as Managing Director;</li><li>❖ Approval for re-appointment of Mr. Kishore Biyani as Managing Director of the Company and payment of remuneration thereof;</li><li>❖ Approval for payment of remuneration to Mr. Rakesh Biyani as Jt. Managing Director; and</li><li>❖ Approval for re-appointment of Mr. Rakesh Biyani as Jt. Managing Director of the Company and payment of remuneration thereof.</li></ul>

Year	Day, Date & Time of AGM	Venue	Special Resolutions Passed
2017-18	Wednesday, August 29, 2018 at 09:30 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	<ul style="list-style-type: none"> <li>❖ Approval for revision in remuneration of Mr. Kishore Biyani as Managing Director;</li> <li>❖ Approval for revision in remuneration of Mr. Rakesh Biyani as Jt. Managing Director; and</li> <li>❖ Approval for payment of Commission to Non- Executive / Independent Directors.</li> </ul>
2016-17	Tuesday, August 29, 2017 at 09:30 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	<ul style="list-style-type: none"> <li>❖ Approval for revision in remuneration of Mr. Kishore Biyani as Managing Director;</li> <li>❖ Approval for revision in remuneration of Mr. Rakesh Biyani as Jt. Managing Director; and</li> <li>❖ Increase in the investment limit in Equity Share capital by Registered Foreign Portfolio Investors ("RFPIs") and Foreign Institutional Investors ("FIIs").</li> </ul>

### Extraordinary General Meeting

During the year under review, 1 (One) Extraordinary General Meeting ("EGM") of the Members of the Company was held and the details are as follows:

Day, Date & Time of EGM	Venue	Resolution passed
Friday, November 08, 2019 at 02:00 PM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021	❖ Approval for entering into Material Related Party Transaction(s).

### Postal Ballot

During the year under review, the Company had conducted postal ballot process for 2 (Two) times in order to obtain the approval of its Members through Postal Ballot as per provisions of Section 110 of the Act and rules made thereunder. The approval of Members obtained through Postal Ballot(s) were pertaining to:

Sl. No.	Date of Postal Ballot Notice	Particulars	Date of announcement of Result	Type of resolution(s) Special / Ordinary
1.	November 29, 2019	❖ Creation of charge / security on the assets and/or properties of the Company.	January 02, 2020	Special
2.	February 29, 2020	<ul style="list-style-type: none"> <li>❖ Approval for re-designation of Mr. Kishore Biyani as "Executive Chairman" and payment of remuneration thereof;</li> <li>❖ Approval for re-designation of Mr. Rakesh Biyani as "Managing Director" and payment of remuneration thereof; and</li> <li>❖ Creation of charge/security on the assets and/or properties of the Company.</li> </ul>	April 06, 2020	Special

### Voting Pattern and Procedure for both the above process of Postal Ballot(s)

- i. The Company has appointed Ms. Bindu Darshan Shah, Prop: K Bindu & Associates, Practicing Company Secretaries, as the Scrutiniser for conducting both Postal Ballot(s) voting process;
- ii. Process for the Postal Ballot(s) were carried out in a fair and transparent manner. The Postal Ballot(s) forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot(s) forms;
- iii. All Postal Ballot(s) forms received/receivable up to the close of working hours of the last date(s) and time fixed by the Company for receipt of the forms in the Postal Ballot(s), and further as mentioned in report of Scrutiniser have been considered by Scrutiniser in her scrutiny;
- iv. Envelopes containing Postal Ballot(s) forms received after the date as mentioned in point no. (iii) above and further as details mentioned in report of Scrutiniser for the respective Postal Ballot(s) had not been considered for her scrutiny;

- v. The result of the Postal Ballot dated November 29, 2019 was announced on January 02, 2020 as per Scrutiniser's Report, the details of which are as under:

Resolution Required : (Special)			1 - Creation of charge / security on the assets and/or properties of the Company					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/[1]*100	[4]	[5]	[6]=[4]/[2]*100	[7]=[5]/[2]*100
Promoter and Promoter Group	E-Voting	236307631	236307631	100.0000	236307631	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		236307631	100.0000	236307631	0	100.0000	0.0000
Public Institutions	E-Voting	137407940	109350156	79.5807	101687827	7662329	92.9929	7.0071
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		109350156	79.5807	101687827	7662329	92.9929	7.0071
Public Non Institutions	E-Voting	128882868	84855953	65.8396	84852056	3897	99.9954	0.0046
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		22403	0.0174	22190	213	99.0492	0.9508
	Total		84878356	65.8570	84874246	4110	99.9952	0.0048
<b>Total</b>		<b>502598439</b>	<b>430536143</b>	<b>85.6621</b>	<b>422869704</b>	<b>7666439</b>	<b>98.2193</b>	<b>1.7807</b>

- vi. The result of the Postal Ballot dated February 29, 2020 was announced on April 06, 2020 as per Scrutiniser's Report, the details of which are as under:

Resolution Required : (Special)			1 - Approval for re-designation of Mr. Kishore Biyani as "Executive Chairman" and payment of remuneration thereof.					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/[1]*100	[4]	[5]	[6]=[4]/[2]*100	[7]=[5]/[2]*100
Promoter and Promoter Group	E-Voting	261107631	261028000	99.9695	261028000	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (*)		0	0.0000	0	0	0.0000	0.0000
	Total		261028000	99.9695	261028000	0	100.0000	0.0000
Public Institutions	E-Voting	131678659	95578669	72.5848	88250390	7328279	92.3327	7.6673
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (*)		0	0.0000	0	0	0.0000	0.0000
	Total		95578669	72.5848	88250390	7328279	92.3327	7.6673
Public Non Institutions	E-Voting	134612149	75283903	55.9265	75280890	3013	99.9960	0.0040
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (*)		14045	0.0104	13688	357	97.4582	2.5418
	Total		75297948	55.9369	75294578	3370	99.9955	0.0045
<b>Total</b>		<b>527398439</b>	<b>431904617</b>	<b>81.8934</b>	<b>424572968</b>	<b>7331649</b>	<b>98.3025</b>	<b>1.6975</b>

Resolution Required : (Special)			2 - Approval for re-designation of Mr. Rakesh Biyani as “Managing Director” and payment of remuneration thereof.					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=([2]/[1])*100	[4]	[5]	[6]=([4]/[2])*100	[7]=([5]/[2])*100
Promoter and Promoter Group	E-Voting	261107631	261101268	99.9976	261101268	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (*)		0	0.0000	0	0	0.0000	0.0000
	Total		261101268	99.9976	261101268	0	100.0000	0.0000
Public Institutions	E-Voting	131678659	95578669	72.5848	88029367	7549302	92.1015	7.8985
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (*)		0	0.0000	0	0	0.0000	0.0000
	Total		95578669	72.5848	88029367	7549302	92.1015	7.8985
Public Non Institutions	E-Voting	134612149	75283888	55.9265	75280030	3858	99.9949	0.0051
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (*)		13520	0.0100	13163	357	97.3595	2.6405
	Total		75297408	55.9365	75293193	4215	99.9944	0.0056
<b>Total</b>		<b>527398439</b>	<b>431977345</b>	<b>81.9072</b>	<b>424423828</b>	<b>7553517</b>	<b>98.2514</b>	<b>1.7486</b>

Resolution Required : (Special)			3 - Creation of charge/security on the assets and/or properties of the Company.					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=([2]/[1])*100	[4]	[5]	[6]=([4]/[2])*100	[7]=([5]/[2])*100
Promoter and Promoter Group	E-Voting	261107631	261107631	100.0000	261107631	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot(*)		0	0.0000	0	0	0.0000	0.0000
	Total		261107631	100.0000	261107631	0	100.0000	0.0000
Public Institutions	E-Voting	131678659	95578669	72.5848	51235683	44342986	53.6058	46.3942
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot(*)		0	0.0000	0	0	0.0000	0.0000
	Total		95578669	72.5848	51235683	44342986	53.6058	46.3942
Public Non Institutions	E-Voting	134612149	75283551	55.9263	75278986	4565	99.9939	0.0061
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot(*)		13061	0.0097	12826	235	98.2008	1.7992
	Total		75296612	55.9360	75291812	4800	99.9936	0.0064
<b>Total</b>		<b>527398439</b>	<b>431982912</b>	<b>81.9083</b>	<b>387635126</b>	<b>44347786</b>	<b>89.7339</b>	<b>10.2661</b>

(\*) Votes cast by the Members of the Company by means of the Postal Ballot, if any, from March 21, 2020 till April 05, 2020 are not considered due to complete lockdown situation prevailing in the Mumbai city and in the Country.

## MEANS OF COMMUNICATION

The Company regularly submits quarterly/half yearly/annual financial results to Stock Exchanges, as soon as these are taken on record/approved by the Board. The financial results are published in leading English and Marathi dailies, viz. "The Free Press Journal" (English Newspaper) and "Nav Shakti" (Marathi Newspaper). The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website [www.futureretail.co.in](http://www.futureretail.co.in) and also posted at Stock Exchanges where the securities of the Company are listed through their respective portal. The Company's presentations to institutional investors and analysts are also posted on the Company's website.

The Company sends Annual Report, intimation to Shareholders for various matters, Notices related to General Meetings and Postal Ballot by e-mail to those Shareholders whose e-mail ID are registered with the Company/Depository Participants and in hard copies to those Shareholders whose e-mail ID are not registered.

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

## GENERAL SHAREHOLDERS INFORMATION

### Day, Date, Time and Venue of the Thirteenth (13th) AGM

Wednesday, December 30, 2020 at 2:00 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) Facility.

### Financial Year

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

### Dividend

The Board has not recommended any dividend for the financial year ended March 31, 2020.

### Listing on Stock Exchanges

#### Equity Shares

The Equity Shares of the Company are listed on the following Stock Exchanges:

- ❖ BSE Limited ("BSE")  
P. J. Towers, Dalal Street, Mumbai - 400 001
- ❖ National Stock Exchange of India Limited ("NSE")  
Exchange Plaza, C - 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

### Debt Securities

#### (a) Non-Convertible Debentures:

During the year under review, the Company raised funds amounting to ₹ 199 crore by issuing of Secured Rated Listed Redeemable Non-Convertible Debentures ("NCDs") on private placement basis. Series 1A amounting to ₹ 100 crore and Series 1B amounting to ₹ 99 crore of the said NCDs are listed on the Wholesale Debt Market (WDM) Segment of BSE effective from June 12, 2019.

Post March 31, 2020, the Company has further raised funds amounting to ₹ 200 crore by issuing of NCDs on private placement basis. NCDs "Series II" amounting to ₹ 200 crore are also got listed on the WDM Segment of BSE effective from June 05, 2020.

#### (b) USD-denominated Notes:

During the year under review, the Company raised funds amounting to US\$ 500 million by issuing Senior Secured Notes due 2025 ("Notes"). The said Notes are listed effective from January 23, 2020 on Singapore Stock Exchange ("SGX") having address at 2, Shenton Way, #02-02, SGX Centre 1, Singapore - 068 804.

### Listing Fees

Listing Fees, as prescribed, has been paid to all the Stock Exchanges viz; BSE, NSE and SGX where the securities Debentures / Notes (as applicable) of the Company are listed.

## Debenture Trustees

Series IA and IB	Series II
Vistra ITCL (India) Limited IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. Tel No.: 022 - 2659 3535; Fax No.: 022 - 2653 3297 Website: <a href="http://www.vistraitcl.com">www.vistraitcl.com</a>	Centbank Financial Services Limited Central Bank - MMO Bldg, 3rd Floor (East Wing), 55, MG Road, Fort, Mumbai - 400 001. Tel No.: 022 - 2261 6217; Fax No.: 022 - 2261 6208 Website: <a href="http://www.cfsi.in">www.cfsi.in</a>

## Stock Code

Shares / Debentures	ISIN No.	Stock Code	
		BSE	NSE
Equity Shares	INE752P01024	540064	FRETAIL
Optionally Convertible Warrants	INE752P13011	-	-
10.65% Secured Redeemable Non-Convertible Debentures Series IA	INE752P07013	958809	-
10.65% Secured Redeemable Non-Convertible Debentures Series IB	INE752P07021	958810	-
9.95% Secured Redeemable Non-Convertible Debentures Series II*	INE752P07039	959518	-

(\* ) Listed post March 31, 2020 with effect from June 05, 2020.

USD Notes are listed on SGX with effect from January 23, 2020 under FutureRetailn5.6%250122A and the ISIN code is US36118EAA01 and FutureRetailn5.6%250122R and the ISIN code is USY267BJGT59.

## Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs: L51909MH2007PLC268269.

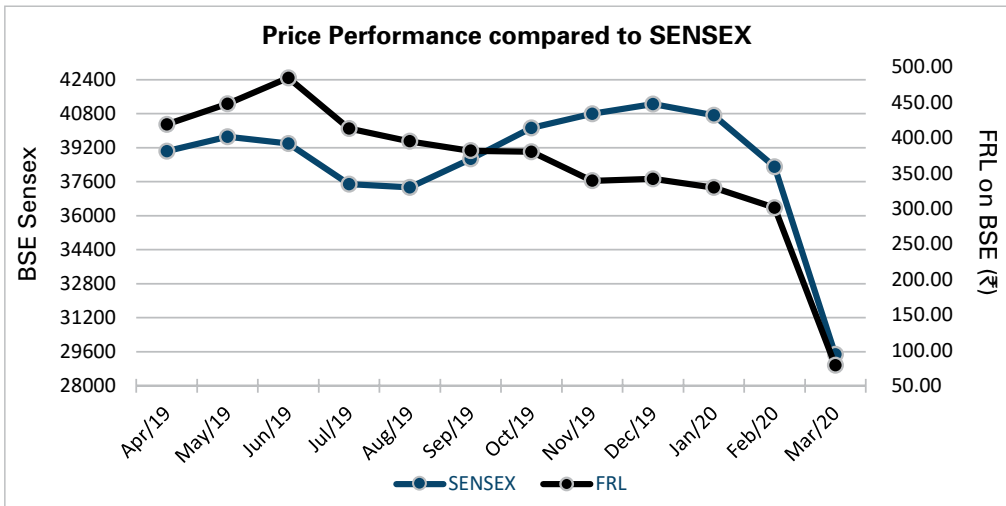
## Stock Performance

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

Months	BSE (in ₹)		NSE (in ₹)	
	High	low	High	Low
Apr-19	473.50	412.00	473.85	412.00
May-19	468.60	399.70	469.00	398.00
Jun-19	489.25	445.20	489.45	446.00
Jul-19	486.95	405.00	488.00	405.00
Aug-19	474.60	375.00	444.00	374.25
Sep-19	415.05	372.10	415.00	372.00
Oct-19	404.00	358.00	404.00	360.50
Nov-19	387.90	323.55	389.40	323.35
Dec-19	378.00	326.10	357.40	325.65
Jan-20	356.95	323.25	357.00	323.20
Feb-20	382.55	283.55	382.30	288.35
Mar-20	313.00	78.75	313.75	78.30

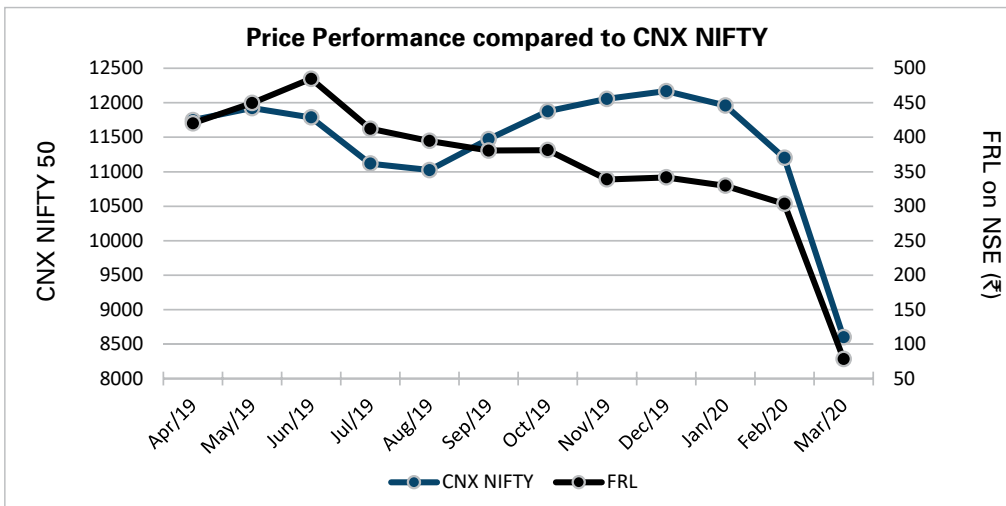
[Source: This information is compiled from the data available from the websites of BSE and NSE respectively]

**Performance of share price of the Company in comparison to the BSE SENSEX**



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

**Performance of share price of the Company in comparison to the NSE CNX NIFTY**



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

**Share Transfer System**

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of 15 (Fifteen) days or such other extended period as permitted by regulatory authorities from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee and Registrar and Share Transfer Agents to approve the transfers of equity shares of the Company.

In terms of Regulation 40 (1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Committee Meeting.

**De-materialisation of shares**

99.82% of the equity shares of the Company have been dematerialised as on March 31, 2020. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited



whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form. Status of Dematerialisation of equity shares as on March 31, 2020 is as under:

Particulars	No. of Shares	% of total Paid-up Capital*
National Securities Depository Limited	44,96,90,878	85.27
Central Depository Services (India) Limited	7,67,32,219	14.55
<b>Total Dematerialised</b>	<b>52,64,23,097</b>	<b>99.82</b>
Physical	9,75,342	0.18
<b>Total</b>	<b>52,73,98,439</b>	<b>100.00</b>

(\*) There is a difference of 1,04,371 equity shares between issued and paid-up Capital of the Company. The reason being said equity shares of ₹ 2/- each of the Company are being kept in abeyance against 95,878 equity shares of ₹ 2/- each and 8,493 Class B (Series I) equity shares of ₹ 2/- each kept in abeyance in Future Enterprises Limited.

#### Distribution of Shareholding of Equity Shares as on March 31, 2020

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	54,138	90.97	37,83,666	0.72
501-1000	3,424	5.75	22,92,252	0.43
1001-2000	861	1.45	12,34,928	0.23
2001-3000	281	0.47	7,10,187	0.13
3001-4000	120	0.20	4,18,800	0.08
4001-5000	98	0.16	4,59,070	0.09
5001-10000	166	0.28	12,54,386	0.24
10001 and above	428	0.72	51,72,45,150	98.08
<b>Total</b>	<b>59,516</b>	<b>100.00</b>	<b>52,73,98,439</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2020

Category	No. of Shares	% of holding
Promoters and Promoter Group*	21,26,09,356	40.31
Bodies Corporate	13,95,26,622	26.46
Foreign Portfolio Investor	6,32,85,877	12.00
Mutual Funds	2,63,87,517	5.00
Venture Capital Funds	2,31,57,143	4.39
Clearing Members	2,08,92,887	3.96
Public (Individual)	1,88,35,227	3.57
Alternate Investment Fund	1,18,24,012	2.24
Banks, Financial Institutions	64,55,929	1.23
Hindu Undivided Family	20,99,008	0.40
NBFCs registered with RBI	13,64,119	0.26
Non Resident Indians	6,64,729	0.13
Insurance Companies	2,68,751	0.05
Directors & their Relatives	25,000	0.00
Foreign Portfolio Investor (Individual)	1,600	0.00
Trust	562	0.00
Others	100	0.00
<b>Total</b>	<b>52,73,98,439</b>	<b>100.00</b>

(\*) Based on disclosures received from Promoter / Promoter Group, certain lenders, who holds non-convertible debentures issued by Promoter company / associates of Promoter company and in whose favour some of the equity shares of the Company held by Promoters, were pledged, have invoked such pledged shares.

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

During the year under review, on April 23, 2019, the Company issued and allotted in aggregate 3,96,03,960 equity warrants at a price of ₹ 505/- per warrant, each convertible into or exchangeable for One (1) equity share of face

value of ₹ 2/- each at a premium of ₹ 503/- per share to M/s. Future Coupons Private Limited (f.k.a. Future Coupons Limited) (FCPL), a Promoter Group entity, on preferential basis. The said warrants were allotted to FCPL upon receipt of initial warrant subscription amount of ₹ 500 crore equivalent to 25% of the warrant issue price (i.e. ₹ 126.25 per warrant) as prescribed under provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") for allotment of the equity warrants.

Warrantholder can exercise options and convert into equity shares at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

Further, on January 04, 2020 and upon the receipt of request from FCPL for exercising their right to convert for 2,48,00,000 equity warrants and against the receipt of balance of warrant issue price (i.e. ₹ 378.75 per warrant), the Company has considered and allotted 2,48,00,000 equity shares to FCPL.

Post conversion of entire warrants held by FCPL the percentage of shareholding of the Promoter and Promoter Group would increase from 40.31% to 41.94% of the paid-up share capital of the Company.

As on March 31, 2020, FCPL was holding 1,48,03,960 warrants (on which 99.8% of share warrant subscription amount has already been received by the Company). Post March 31, 2020 and on receipt of balance amount from FCPL on May 19, 2020, the Company has allotted 1,48,03,960 equity shares upon conversion of balance warrants. As on date of this report, FCPL is holding 5,32,70,247 equity shares which are under lock-in as per terms of applicable provisions of SEBI (ICDR) Regulations.

Except as mentioned above, the Company has not issued any GDR/ADR or any convertible instruments. Further, details related to the options granted to the employees pursuant to FRL ESOP - 2016 is provided in the Directors' Report forming part of this Annual Report.

#### Unclaimed Shares

In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2019	184	1,00,710
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	184	1,00,710

The voting rights on these shares shall remain frozen till the rightful owner(s) claim such shares.

#### Plant Locations

In view of the nature of the Company's business i.e. Multi Brand Retail, the Company operates from various stores on pan India basis.

#### Registered Office

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

#### Address for Investor Correspondence

- For securities held in physical form**  
**Registrar and 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 6270  
 Fax No.: +91 22 4918 6060  
 E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in); Website: [www.linkintime.co.in](http://www.linkintime.co.in)

- **For securities held in demat form**  
Investors' concerned Depository Participant(s) and/or Link Intime India Private Limited
- **For any query on the Annual Report**  
Mr. Virendra Samani, Company Secretary  
Future Retail Limited  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060  
Tel No.: +91 22 6644 2200  
Fax No.: +91 22 6644 2201  
E-mail: [investorrelations@futereretail.in](mailto:investorrelations@futereretail.in); Website: [www.futereretail.co.in](http://www.futereretail.co.in)

### Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The Company does not deal in future and options related to commodities and therefore the disclosure pursuant to SEBI circular dated November 15, 2018 is not required to be given.

The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies. The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk as per guidelines laid down by Risk Management Policy of the Company. Further details you can refer notes to financial statements provided in this report.

### Details of utilisation of funds raised through preferential allotment

During the year under review, the Company raised the funds through (i) issue of warrants convertible into equity shares on preferential basis to promoter group entity; and (ii) issue of Non-Convertible Debentures on Private Placement basis. The funds raised through the respective issues were utilised for the purpose for which it was raised.

### Credit Ratings

The details of credit ratings as on April 01, 2019 along with the details of rating obtained / revision of rating thereto during the year FY 2019-20 are as follows:

Name of the Rating Agency	Type / Facility / Instrument	Rating Assigned / Obtained / Revisions								As on March 31, 2020
		As on April 01, 2019	As on July 23, 2019	As on October 30, 2019	As on December, 12, 2019	As on January 05, 2020	As on January 06, 2020	As on March 25, 2020*	As on March 26, 2020*	
CARE Ratings Limited	Commercial Paper	CARE A1+	CARE A1+	-	-	-	-	-	CARE A1	CARE A1*
	Short Term Bank Facilities	CARE A1+	CARE A1+	-	-	-	-	-	CARE A1	CARE A1*
	Long Term Bank Facilities	CARE AA-(Outlook Stable)	CARE AA-(Outlook Negative)	-	-	-	-	-	CARE A+	CARE A+*
	Proposed Fixed Deposit Programme#	CARE AA-(FD) (Outlook Stable)	CARE AA-(FD) (Outlook Negative)	-	-	-	-	-	CARE A+ (FD)	CARE A+ (FD)*
	Non-Convertible Debentures	CARE AA-(Outlook Stable)	CARE AA-(Outlook Negative)	-	-	-	-	-	CARE A+	CARE A+*
Acuité Ratings & Research Limited	Commercial Paper	ACUITE A1+	-	-	-	-	-	-	-	ACUITE A1+
	Proposed Non-Convertible Debentures#	-	-	ACUITEAA (Outlook Negative)	-	-	-	-	-	ACUITEAA (Outlook Negative)
Brickwork Ratings India Private Limited	Proposed Commercial Paper#	BWR A1+	-	-	-	-	-	-	-	BWR A1+
	Proposed Non-Convertible Debentures#	BWR AA (Outlook Stable)	-	-	BWR AA (Outlook Negative)	-	-	-	-	BWR AA (Outlook Negative)

Name of the Rating Agency	Type / Facility / Instrument	Rating Assigned / Obtained / Revisions								As on March 31, 2020
		As on April 01, 2019	As on July 23, 2019	As on October 30, 2019	As on December, 12, 2019	As on January 05, 2020	As on January 06, 2020	As on March 25, 2020*	As on March 26, 2020*	
S&P Global Inc.	USD-Denominated Notes	-	-	-	-	BB-(Outlook Stable)	-	B-	-	B-*
Fitch Ratings	USD-Denominated Notes	-	-	-	-	-	BB(EXP) (Outlook Positive)	-	-	BB(EXP) (Outlook Positive)

(\* ) Rating as shown above are on Credit Watch with negative implications.

(#) Proposed instruments and were not utilised till March 31, 2020.

### Related Party Transactions

Related party transactions were reviewed/approved by the Audit Committee and were entered into in the ordinary course of business and on an arm's length basis. Except as disclosed during the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in Notes forming part of the financial statements for the year ended March 31, 2020. Policy on dealing with related party transactions is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

### Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards as specified under Section 133 of the Act, in the preparation of its financial statements.

### Management

A Management Discussion and Analysis ("MDA") forms part of the Directors' Report.

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

### CEO/CFO Certification

As required under Regulation 17(8) SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2020.

### Subsidiary Companies

The details of subsidiary companies of the Company has been disclosed in the Directors' Report forming part of this Annual Report. The Company does not have any material subsidiary company as on March 31, 2020. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

### Details of non-compliance

The Company has complied with the requirements of regulatory authorities. During the last 3 (Three) financial years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

However, post March 31, 2020 and due to arisen of Covid-19 pandemic and continued lockdown, there was delay in declaring the financial results for the quarter and year ended March 31, 2020 within the stipulated time. The result for the quarter and year ended March 31, 2020 was declared on September 04, 2020 and the accordingly the Company has paid applicable fine to BSE and NSE and intimated the same as per required process.

### Certificate from Practicing Company Secretary

A certificate has been received from K Bindu & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director in companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The said Certificate is appended to this Report.

## Recommendations of Committees of the Board

During the year under review, there were no instances, where the Board did not accepted any recommendations of any Committees of the Board which were mandatorily required.

## Establishment of Whistle Blower Policy/Vigil Mechanism

The Company has already established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy *inter-alia* provides a direct access to a Whistle Blower to the Chairperson of the Audit Committee. The establishment of Vigil Mechanism is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

## Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year under review, Company has neither declared any dividend nor there are outstanding amount of unclaimed dividends which were liable to be transferred to the IEPF.

## Fees to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity are as follows:

Sl. No.	Particulars	₹ in crore
1.	Statutory Audit Fees	0.95
2.	Certification & Consultation Fees	0.25
	<b>Total</b>	<b>1.20</b>

## Disclosure in relation to Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, the Company had received 5 (Five) complaints and the same have been resolved.

## Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of SEBI Listing Regulations relating to Corporate Governance.

## Discretionary requirements (Part E of Schedule II of SEBI Listing Regulations)

**The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise. Mr. Kishore Biyani will hold position as Executive Chairman till March 31, 2022 and further in line with the requirement of Regulation 17(1B) of SEBI Listing Regulations read with SEBI Notification dated January 10, 2020, he will thereafter hold the position of Non-Executive Chairman of the Company. The same has been intimated to Stock Exchanges where the securities of the Company are listed.

**Shareholders' Rights:** Quarterly and half yearly financial results of the Company are furnished to Stock Exchange(s) and also published in the newspapers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders.

**Modified opinion(s) in audit report:** During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion on financial statements.

**Separate posts of Chairperson and CEO:** As on March 31, 2020, Mr. Kishore Biyani is holding position as Executive Chairman and Mr. Rakesh Biyani is Managing Director of the Company.

**Reporting of Internal Auditor:** Internal Auditors are regularly invited to the meetings of Audit Committee to make presentation to the Committee on their observations and suggestions during the course of their Internal Audit.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Future Retail Limited

We have examined the compliance of conditions of Corporate Governance by Future Retail Limited ("the Company") for the financial year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

Place : Mumbai  
Date : September 04, 2020  
UDIN : 20042472AAAADJ9197

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

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## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,  
The Members of  
Future Retail Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2020.

For Future Retail Limited

Place : Mumbai  
Date : September 14, 2020

**Rakesh 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)

To,  
The Members,  
Future Retail Limited

We have examined the relevant registers, records, forms, returns and disclosures received from Directors of Future Retail Limited having CIN : L51909MH2007PLC268269 and having Registered Office at Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 (hereinafter referred to as 'the Company'), produced before us 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Kishore Biyani	00005740	April 30, 2016
2.	Mr. Rakesh Biyani	00005806	April 30, 2016
3.	Ms. Gagan Singh	01097014	April 30, 2016
4.	Mr. Ravindra Dhariwal	00003922	April 30, 2016
5.	Mr. Shailendra Bhandari	00317334	April 30, 2016
6.	Ms. Sridevi Badiga	02362997	April 20, 2017
7.	Mr. Rahul Garg	06939695	August 9, 2018

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

For **K Bindu & Associates**  
Company Secretaries

Place : Mumbai  
Date : September 04, 2020  
UDIN : A020066B000665031

**Bindu Darshan Shah**  
Proprietor  
Membership No. A-20066 / CP No. 7378



# BUSINESS RESPONSIBILITY REPORT

## Overview

Future Retail Limited (“FRL”/“Company”), is part of Future Group and India’s pioneer in modern organised retail which generally meets the aspirational needs of urban and rural consumers across the country through its large formats (Big Bazaar, fbb (Fashion @ Big Bazaar), Hypercity, Foodhall) as well as Small Store formats (easyday, Heritage, Nilgiris). During the year under review, the Company’s small store formats at various locations and good access points in underserved areas has fueled creation of grass root employment and contributed significantly to social inclusion.

The business through its food, fashion, and home segments works with members in value chain who have a large role to play in the success of the business as well as the ecosystems it operates in.

FRL continue its journey to hold the Group’s sustainability vision “Striving to grow responsibly and achieve our dual goal of a happy environment and society, both of which

are necessary ingredients for business continuity and growth.”

Consequently, the Company’s principles are focused on creating sustained environmental, social and economic value.

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Directors of FRL hereby present the Business Responsibility Report (“BRR”) of the Company for the financial year ended March 31, 2020.

This BRR delineates FRL’s endeavours to conduct business with accountability and responsibility towards its stakeholders while also considering 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 proposed by Securities and Exchange Board of India (“SEBI”).

## Part A: General Information about the Company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L51909MH2007PLC268269
2	Name of the Company	Future Retail Limited
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	<a href="http://www.futureretail.co.in">www.futureretail.co.in</a>
5	E-mail id	<a href="mailto:investorrelations@futureretail.in">investorrelations@futureretail.in</a>
6	Financial Year reported	2019-20
7	Sectors(s) that the Company is engaged in (industrial activity code-wise)	Multi Brand Retail Trade NIC Code: 47 (Retail Trade, except of motor vehicles and motorcycles)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Apparels / Garments; ii. Food and Grocery; and iii. Consumer Durables / Electronics
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	During the year under review and as on March 31, 2020, our joint venture company viz, Future Retail LLC incorporated in Oman was running fashion business through Two (2) fbb stores.
	(b) Number of National Locations	As on March 31, 2020, we have a pan India presence with 1,350 stores in 400 cities covering various formats of the Company
10	Markets served by the Company - Local/ State/ National/International	National / International

## Part B: Financial details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 105.48 crore
2	Total Turnover (INR)	₹ 20,118.32 crore (standalone)
3	Total profit after taxes (INR)	₹ 33.84 crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	<p>With regard to the year under review, the Company was required to spend ₹ 11.62 crore (2019 : ₹ 6.76 crore) on CSR activities, since the average net profits of the Company made during the three immediately preceding financial years was ₹ 581.23 crore.</p> <p>The above is in addition to the arrears of ₹ 1.02 crore for previous financial year. The Company completed its obligation with respect to the amount required to be spent for financial year 2018-19 during the financial year under review and further also spent ₹ 7.33 crore for CSR obligations pertaining to the year under review. The Company has also identified programs to be undertaken in current financial year, for the balance amount to be spend for the year under review.</p>
5	List of activities in which expenditure in 4 above has been incurred	<p>During the year under review, the Company spent it's CSR contribution through SKC Foundation, which in-turn has deployed these funds inter-alia towards:</p> <ul style="list-style-type: none"> <li>• Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare;</li> <li>• Promoting education, including special education and employment enhancing vocational skills among differently abled and livelihood enhancement projects;</li> <li>• Measures for reducing inequalities faced by socially and economically backward groups through access to basic goods and services</li> </ul> <p><i>(For further details, please see the Corporate Social Responsibility Report forming part of Directors' Report)</i></p>

## Part C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/Companies?	Yes, FRL has two subsidiaries and two step down subsidiaries as on March 31, 2020
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 subsidiary companies define their own initiatives specific to their business context whilst having access to information and expertise residing with the Parent 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 Group has duly approved sustainability policies and framework and in coming years will see familiarisation amongst its prominent business partners. Based on discussion with suppliers and distributors, currently less than 30% of other entities participate in BR initiatives of the Company.

## Part D: BR Information

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

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00005740
2	Name	Mr. Kishore Biyani
3	Designation	Executive Chairman
4	Telephone number	022-61190000
5	E-mail ID	investorrelations@futuresretail.in

### 2. Principle-wise BR Policy / Policies (as per NVGs) (Replies in Y – Yes / N – No):

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

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

### BR Policies and coverage of NVG Nine principles:

(a) Details of compliance (Reply in Y/N)										
Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Yes. The policies are based on voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and 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?	Yes – the policies have been approved by the Board and signed by the Chairman / Managing Director								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of policy?	Yes, the Company's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	<a href="http://www.futuresretail.co.in/investors/Policies.html">www.futuresretail.co.in/investors/Policies.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(a) Details of compliance (Reply in Y/N)										
Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	In the upcoming reporting period, FRL will continue its process to evaluate its operations including its suppliers on various parameters - environmental, social, quality and safety norms and compliance requirements vide a self-assessment questionnaire and will verify the declarations by third party on achieving robustness in the process and reporting								
(b)	<b>If answer to the question at serial number 1 against any principle, is 'No', please explain why</b>	Not Applicable								

### 3 Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company and its Committees shall continue to assess various business responsibility initiatives undertaken by the Company annually
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for the year 2019-20 forms part of the Annual Report, which is published and is also available on the website of the Company: <a href="http://www.futureretail.co.in/investors/Policies.html">www.futureretail.co.in/investors/Policies.html</a>

#### Principle 1: Ethics, Transparency & Accountability

##### Business should conduct and govern themselves with ethics, transparency and accountability

FRL's compliance framework embraces the principles of good corporate governance with the objective to create long term sustainable and profitable growth. It strives to enhance the stakeholders' relationship through various initiatives, guidelines and control mechanisms, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

##### Governance

The Company's ongoing efforts encompass' financial stewardship in strategic and daily business decisions to ensure accurate financial reporting and effective controls. The Company's robust governance structure comprises of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee, which address the concerns

with respect to policies and procedures enforced across the Company's business.

The Company's business affairs are required to be conducted in compliance to applicable laws, rules and regulations, as a responsible corporate citizen. Policies including anti-bribery and anti-corruption policy, code of fair disclosure of unpublished price sensitive information, code for prevention of insider trading, intellectual property rights, conflict of interest, POSH and Sustainability Guidelines including Health & Safety provide necessary direction to manage business risks are in place.

The Code of Conduct affirmed by the Director and Senior Management personnel ensures the directors and employees adhere to the highest standards of corporate ethics. The affirmation to the Code of Conduct from company employees is undertaken at the time of employment and renewed during the employment period as and when required.

The upcoming reporting period will see strong sustainability governance framework instituted that will ensure seamless integration, improvement and control mechanisms in business.

**Vigilance Policy**

The Vigil Mechanism and the Whistle Blower Policy provides stringent processes that treat any act of fraud, bribery and corruption or any violation of the Code of Conduct with seriousness and expects its business partners to adopt the same approach. During the reporting period, the Company has adopted the Anti-Corruption and Anti-Bribery Policy to strengthen its governance.

The Company's Vigil mechanism empowers the complainant to bring to the attention of the management, any concerns about suspected misconduct, unethical behaviour, suspected fraud, bribery and corruption or any violation without fear of punishment or unfair treatment by reporting at designated e-mail or contact details.

The Loss Prevention Cell undertakes regular training to sensitize on potential risks of corruption, assess risk, undertake root cause analysis in cause of failures of risk framework and implement corrective measures to strengthen processes.

There were no complaints received by FRL under the Whistle Blower Policy as on March 31, 2020.

**Information Security**

The Company prioritizes the security of its information systems and invests on continuously improving security controls to adapt to online threats. The Company's policies and procedures have adopted the best practices recommended in keeping with ISO 27000 certification process. The IT security team raises awareness among employees vide on-ground system engineers and email communications which contributes significantly to the overall security of the Company's systems and information.

**Customer Privacy**

The Company values the personal information of its customers, employees and partners and understands the need to protect information appropriately to build trust between FRL and its stakeholders. Conscious efforts are in place to ensure sound privacy management that ensure compliance with applicable laws.

The Company's policy provides appropriate information about data collection, storage and processing practices and security measures to protect against unauthorized access, alteration, disclosure or destruction of user's personal information and data stored on online platform. Sensitive and private data exchange between the platform and its users happens over an encryption-based internet security protocol.

**Grievance Redressal Mechanism**

The Company values its stakeholder relationships, and has made grievance mechanisms accessible to inform, assess and address concerns both through online and offline channels.

All grievances and inquires received are routed through specific teams for formal redressal process depending on the nature of the complaint. Stakeholder complaints, concerns and queries are monitored, helping the Company to strengthen its deployment mechanism.

**Employees**

The Company listens to its employees' grievances and helps address issues that negatively impact their wellbeing. Grievance and suggestion box are made available and are accessible at all times at operating sites.

Grievance handling for employees are managed by the Zonal Disciplinary Committee. The Disciplinary Committee comprises of

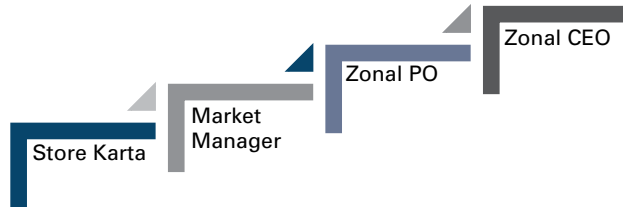
- Zonal CEO
- Zonal People Office
- Zonal Operations Head
- Zonal Legal Head
- Zonal Category Head (Food, Fashion, General Merchandise)

The cases arising from complaints/feedback received from grievance/suggestion box are reported by the Store Manager to the Disciplinary Committee, Market Manager and the Area People Officer following which the Market Manager validate before forwarding their recommendations to the Disciplinary Committee. The escalation matrix depends on the nature of grievance as shown below

**a) Pay and Benefit Related Grievance**



**b) Work and Working Condition Related Grievance**



**c) Performance Related Grievance**



Efforts are made to resolve grievances within 48 hours by the People officer and formal process are undertaken as required by the Loss Prevention Cell (LPC) in cases of theft/Pilferage involving the Market Manager and Chief People Officer.

## POSH

The Company has in place a robust Policy on Prevention of Sexual Harassment (“POSH”) at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment and the reporting and resolution procedure of such complaints.

Issues involving sexual harassment can be addressed by writing to the Internal Complaints Committee (ICC) at - [posh@futuregroup.in](mailto:posh@futuregroup.in). The Chief People Officer along with the appointed third party POSH trainer, the members of the Disciplinary Committee form a part of the Internal Complaints Committee (ICC).

Periodic trainings, inductions, monthly meets, day briefs and communications via notice boards familiarize the employee to the policies and procedures to report grievances. Changes in policies are reflected on the intranet and communicated through mailers.

In stores, attractive posters showcasing the POSH mechanism is displayed in Fun Zones, pantry and rest rooms, in local languages. List of Internal Committee Members with their contact details are displayed at entrances and noticeable places.

During the year under review, awareness raising trainings on POSH and the complaints resolution process were organised by the store and zonal Learning and Development team. The training undertaken were mainly related to : (a) an intensive workshop for the senior management for the deployment of the policy and mechanism; and (b) basic awareness training for employees. (For details on the training content refer to Principle 3)

Format	Number of Participants	Training Man Hours
Small Format	113	271
Foodhall	37	240
Big Bazaar	8,291	13,362
<b>Total</b>	<b>8,441</b>	<b>13,873</b>

The ICC meet regularly to review the effectiveness of the training programs, assess the ongoing enquiries, suggest disciplinary actions and undertake corrective actions to meet statutory compliances.

During the year under review, 5 (five) complaints with allegation of sexual harassment were filed with the Company and the same have been resolved.

## Investors

The Company caters to investor related queries and grievances through its Registrar and Share Transfer Agents (R&T Agent) and the Compliance Officer is responsible for the same. Investors can report complaints or put forward their enquiries vide electronic mail at [investorrelations@futereretail.in](mailto:investorrelations@futereretail.in).

The Stakeholders’ Relationship Committee undertakes responsibility to resolve the investor concerns and provide guidance for any Company related matter.

Total two investor grievances (including one which was pending as on last year end) have been resolved satisfactorily during the year under review.

## Customers

The Company provides a sound customer grievance redressal mechanism for its customers to raise complaint regarding any product or service. The following communication channels can be used to register the complaint

- Electronic mail at [sharewithus@futuregroup.in](mailto:sharewithus@futuregroup.in)
- Contacting the toll free number 1800 266 2255
- Registering complaint in suggestion/complaint book at stores
- Dropping the complaint form into the suggestion box at stores

The service or product complaints obtained through offline and online interfaces are mapped on the CRM database. On receipt of complaint, the customer service manager connects with the concerned team to investigate the complaint. Customers are updated about the actions taken and the customer service team ensures that necessary actions are being taken. The Company endeavours to resolve complaints within 24-48 working hours.

The number of legal cases filed by the consumer during the year under review was 262 in addition to 252 number of cases pending from previous financial year. Out of which 71 cases were resolved and 443 are pending.

## Principle 2: Product Stewardship / Products contributing to Sustainability

**Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

The Company recognizes its responsibility towards the local economy as also the larger environmental impacts across the supply chain, and have hence developed a road-map for deepening supplier interactions in the coming years.

The Company understands that it has a significant responsibility as a food retailer to provide affordable, best-value food, safe and healthier products for customers and their families.

Considering the above, the Company will begin engaging with its suppliers in the coming years to self-assess, comply, adapt and create meaningful programs that meet the Company’s sustainability goals and create impactful outcomes.

These investments would become relevant in new stores and infrastructure.

## Affordable, Healthy and Safe Products

As on year end, FRL operates around 1,350 retail stores across 400 cities. With new stores in small and large formats, FRL supports local economic growth through our investments in stores and infrastructure including manpower.



The Company provides safe, nutritious and organic foods in store including organic products from the Mother Earth brand that are certified by USDA, India Organic and Control Union certifications and are pesticide free. About 20% of pulses, dals, attas and flours sold are organic across the various food and grocery formats.

The stores also provide access to various products like rice, wheat, milk, salt and essential oil fortified with the basic micronutrients and vitamins required. The Company's retail brands Desi Atta Company and Golden Harvest flours, with innovative processing techniques, offers flours that are healthy, wholesome, and nutritious:

- **Desi Atta Company:**
  - Beetroot Wheat Atta
  - Spinach Wheat Atta
  - Ragi Atta
  - Whole Groats Oats Atta

- **Golden Harvest**

9 (Nine) Grain Atta comprising of wheat, oats, chana dal, defatted soya, barley, maize, ragi, jowar and psyllium husk

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 the society like diabetes and cardiovascular diseases.

- Karmiq dry-fruits
  - Roasted Nuts & Berry Mix
  - Trail Mix
  - Berry Mix
  - Roasted & Salted Pumpkin Seeds
  - Kosh oats

Across the specialty gourmet store "Foodhall", over 5% of the overall assortment in these sections are certified organic:

- Staples
- Fresh Fruits and Vegetables
- Meat
- Arqa Spices
- Dry fruits

Similarly, 2% of the assortment in the 'Better For You' section at Foodhall focuses on health oriented products that are low in salt or added sugar.

### **Environment Friendly Products**

The Company does not manufacture any products, but demonstrates responsible procurement in sourcing of products that meet the aspirational needs and addresses customer requirements.

The Company's fashion brands under its Fashion @ Big Bazaar (fbb) portfolio endeavours to put on shelf fashion products made from raw materials sourced from certified sources.

The brands DJ&C (ladies western), Shrishti (ladies ethnic) and Shyla (night wear) source textile that is 100% viscose or blended with Eco Vero certified viscose staple fibres for garmenting purposes.

Further approx. 50% of denim vendors use the ozone bleaching process thus replacing the traditional bleaching process using sodium hypochlorite. The process involves lesser use of water, energy and chemicals while discharging lower volumes of effluent.

### **Consumer goods**

The Company is conscious about customer welfare and environment health and accordingly continues to retail products that are free of harmful chemicals like parabens, sulphates, silicon, formaldehyde releasing preservatives and microbeads.

- CareMate tissue rolls, in the home care category, are made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council.
- Swiss Tempelle hand washers, shower gels, face washes and body lotions pass through good quality management system.

Products such as Swiss Tempelle are subject to a quality management system running throughout the entire process and the group complies strictly with standards set by regulators in the certification usual for the industry certification.

The Company also retails electronics under the brand name 'KORYO', wherein various product ranges include Air Conditioners & Refrigerators, Microwaves, LED TVs, Storage Water Heater, Electric Kettles, Solar Lanterns, Air Purifiers and Air Fryers, that are energy efficient and environment friendly.

Procurement teams at Koryo, source from large vendors who demonstrate compliance to applicable statutory requirements.

### **Packaging**

With the increasing notifications on the ban of single use plastic across the country and changing perception of Indian consumers, the Company witnessed an exponential increase in sale of cotton bags and consumption of bags of roll made of paper and cornstarch.

The Company ensures that any plastics retailed and used at stores comply with the provisions of Plastic Waste Management (Amendment) Rules, 2018. Stores including Foodhall utilize corn bags in the fruit & vegetable section; the fresh bakes & breads use paper and recyclable plastic, thereby reducing the use of single use plastics for packaging.

### **Product Labelling**

Products retailed at stores comply with the applicable regulations such as the Drugs and Cosmetics Act, Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act, Food Safety and Standards (Packaging and Labelling) Regulations, 2011 in addition to local applicable laws.

The Company also ensures compliance of labelling requirements as required to comply E-Waste Management Rules and Plastic Waste Management (Amendment) Rules, 2018.



FRL's private brand Koryo provides clear information on the safe and responsible usage of its products including guidelines for product handling, storage and disposal and makes sure that the same is explicitly visible.

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

### Sustainable Sourcing

FRL endeavours to create minimum environmental impact from logistics and transportation and promotes local entrepreneurship. Over 12% of products are procured locally from nearby farms and in close proximity with minimum required cost borne towards logistics.

The Company provides market linkages for products produced by women small co-operatives and women entrepreneurs in Ahmedabad, Bengaluru and Delhi.

FRL continues to source fruits and vegetables directly from farms and makes available to customers the seasonal produce found at specific geographies at affordable price like strawberries from Mahabaleshwar, oranges from Farmer Producer Companies in Warud and Paratwada in Nagpur, Kinnow orange directly from Abohar in Punjab, apples from Himachal Pradesh and green peas from Solan in Himachal Pradesh.

Due to a challenging business environment, the Company could not begin the roll out of its supplier sustainability awareness raising programs and assessments. The coming reporting period will see a subset of suppliers becoming aware of the Company's sustainability goals and guidelines, assessments will be completed on specific

parameters which inter-alia includes quality, compliances, human rights, health & safety and environment. (Please refer to Principle 4 for more details).

### Principle 3: Employee Welfare

#### Business should promote the well-being of all employees

Future Retail Limited serves over 10 million customers across India. FRL embraces the diversity and richness in local culture across geographies it operates in and this uniqueness is represented in its people, in the food and clothing retailed.

FRL's human resource policies are guided by the inherent values of the Group and are aligned with labour and human rights regulations that are applicable from time to time. The Future Group's values are the guiding principles to growth and development within the organisation (for more details refer to <https://www.futuregroup.in/aboutus>).

The Company aspires to be an employer of choice in Indian retail – offering new possibilities and encouraging people to rise up to new challenges every day.

#### Non-Discrimination in Recruitment and Employment.

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

#### Workforce Profile

The manpower at FRL as on March 31, 2020 was as follows:

Level (Band)	Home Office		Zone		Stores		Grand Total
	Male	Female	Male	Female	Male	Female	
1	25	1	94	32	17,479	5,795	23,426
2	142	40	331	73	4,387	463	5,436
3	204	100	489	48	926	31	1,798
4	112	33	214	17	100		476
5	55	10	19	1			85
<b>Grand Total</b>	<b>538</b>	<b>184</b>	<b>1,147</b>	<b>171</b>	<b>22,892</b>	<b>6,289</b>	<b>31,221</b>

The Company strives towards increasing the efficiency of its operations by optimizing its resources, with the motto "Doing more with less".

### Diversity and Inclusion

Diversity and inclusion is a key agenda for the Company, accordingly for new store openings demography studies are undertaken by the Area People Officer. Through the study employable women and people with disabilities especially from marginalized sections of the society are identified and encouraged to participate in the onboarding process.

Job roles focusing on cashiering, customer service and stock replenishment are allotted on merit basis to people with disabilities at Big Bazaar stores. As of March 31, 2020

around 148 people with disabilities continue to work with Big Bazaar. The Company takes pride in becoming the first retailer to hire three persons with intellectual disability during the reporting period in Chennai.

The Company is striving to improve diversity in the workplace by increasing women's representation in the workforce. FRL currently employs around 21.5% women in their workforce at Company level, and women represent 10.95% of the senior management. The Company promotes diversity through the "Women in Leadership"

Program that aims to identify and groom women having the potential to become a part of the Store Management Cluster”.

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, more than 90% of employees who 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 process. The Company’s campus connect programs with institutions are provided below

- **Future Business Innovator Program (FBI)**

The Company through its Campus Connect program hires management graduates from Welingkar

Institute of Management & Research, IBS, MET, IRMA at Anand, and School of Communications at Manipal. These graduates are placed in a program that ensures learning in a fast paced environment in a general management role for up-to a year. In the reporting year, total 22 FBIs were hired.

- **Future Summer Samurai**

The program provided summer internship to 28 management graduates during the reporting period viz. April-May 2019, wherein they were mentored by Business Heads and get hands on experience.

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 previous reporting period. The Company undertakes a 360 degree appraisal process for senior managers to build confidence in its decisions to promote and increase remuneration.

### Inter Band Promotion

Revised Band ( 2 to 5)	Band Description	2018-19	2019-20
2	Specialist	365	295
3	Mid-Management	189	126
4	Management Advisory	51	42
5	Strategic	11	0
<b>Total</b>		<b>616</b>	<b>463</b>

### Intra Band Promotion

Revised Band (1 to 5)	Band Description	2018-19	2019-20
1	Coordinator	726	843
2	Specialist	299	257
3	Mid-Management	128	92
4	Management Advisory	27	2
5	Strategic	2	0
<b>Total</b>		<b>1,182</b>	<b>1,194</b>

Additionally, the Company also rewards and recognizes the efforts of its employees with target based incentives, festive bonuses.

### Long Stay Recognition

Reward & Certificates are awarded annually on completion of Five year and Ten Year Service milestones.

### Employee growth, training and development

The Company providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Training assessments are conducted on an annual basis for all employees through numerous career development and job-specific training opportunities that cover a range of areas, including but not limited to skill and competence up gradation such as customer service, health and

safety, digital capability, professional development and leadership.

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.

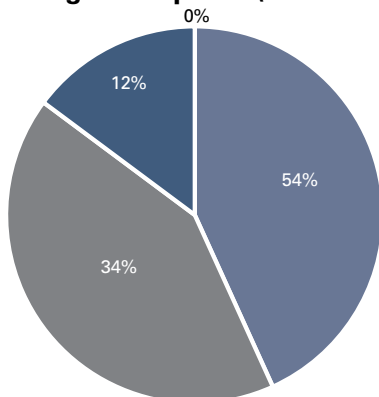
Training needs assessments are conducted at stores, head offices and zonal offices for all employees. The training needs are mapped and such trainings are imparted accordingly based on an annual training calendar.

The annual 360 degree appraisal process helps the Company identify limitations of the employee and nominate them to undertake specific trainings. Some examples of training given are mentioned below:

Name of training	Training Programme	No. of Participants	No. of Training Hours
<b>All Stores</b>			
Prarambh- Big Bazaar	Induction programme for new joinees	838	29,760
Prarambh- Small Format		6,433	1,31,512
Prarambh- Foodhall		101	707
<b>Big Bazaar</b>			
Avatar- Skill Development Training	Assistant manager, assistant stores manager and team leaders undergo training to enable them to achieve their career objectives.	4,819	42,928
Fire Safety	Fire Fighting, Personal Safety, Evacuation Drill, Fire Marshal certification, FirstAid	15,453	20,368
Food Safety	FSSAI training for food handlers	305	2,440
Shankh	Management trainee induction program	85	3,448
Pragathi	Productivity and team building training	52	416
Udaan	Managerial Personality, Goals vs. Aims, Prioritizing of Tasks, Delegation & Mentoring, and Conflict Management	170	1,360
Store Guru	A designated employee is given responsibility of trainer or Guru to the store	480	7,680
STRIDE	Promotional training programme for Assistant Store manager to nurture skills for becoming a Store karta	45	5,400
LEAD	Fast track training programme for existing store kartas who are not STRIDE certified	37	296
EDGE	Training programme for the store/zone level Visual Merchandise team for upgrading their skills and making them ready for next level.	23	808
Tech Associate	A comprehensive training and development program which gives associates an opportunity to learn and master their knowledge on electronic product specifications and technology.	139	2,192
HR Transformation Master Class	Learnings on talent management in the new digital era,	6	96
Buying and Planning	Retail Merchandise Planning master class to build sustained talent and productivity improvements in merchandise teams.	2	16
Trends of 2020	Session on consumer trends for 2020 to plan for a profitable, impactful, new year.	3	24
<b>Foodhall</b>			
Skill Development	<ul style="list-style-type: none"> <li>• Cheese Monger Workshop</li> <li>• Cheese Monger Certification</li> <li>• Meat Certification</li> <li>• Cashier Certification</li> <li>• Sourdough Baking</li> <li>• MS Excel Training</li> </ul>	189	2,318
Soft Skills & People Development	<ul style="list-style-type: none"> <li>• Grooming</li> <li>• Foodhall Etiquettes</li> <li>• Body Language</li> <li>• Personal Hygiene</li> <li>• Complaint Handling</li> <li>• Telephone Etiquettes</li> <li>• Other Soft Skill Trainings</li> </ul>	436	668

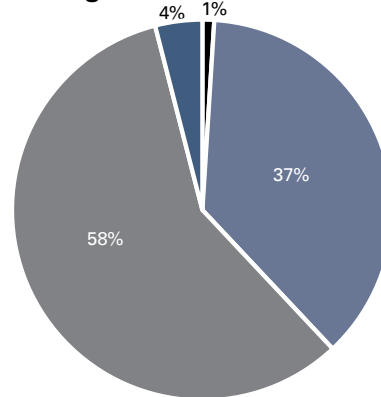
Name of training	Training Programme	No. of Participants	No. of Training Hours
Product Training	<ul style="list-style-type: none"> <li>• New Product Launch/Arrivals</li> <li>• Experience Zone Training</li> </ul>	4,897	7,662
Process Training	<ul style="list-style-type: none"> <li>• Future 360</li> <li>• Foodhall Connoisseurs Club Training- Process, Dashboard, &amp; The Customer Connection</li> <li>• MPOS Training</li> <li>• Food Safety</li> <li>• Fire Safety</li> <li>• Prevention of COVID-19</li> </ul>	870	2,720
<b>Small Format</b>			
Behavioural Training	<ul style="list-style-type: none"> <li>• Team Management</li> <li>• Rising Star- Ownership, Time management, motivation</li> <li>• FG Values Orientation</li> <li>• Saksham</li> </ul>	576	3,901
Functional Training	<ul style="list-style-type: none"> <li>• Business Process and Excellence</li> <li>• Food Safety</li> <li>• Fire Safety</li> </ul>	5,173	18,775
New product/ app training	• Fixed Deposit Scheme	294	1,176
	• Khata & M Coupon	650	2,600
	• OUST Learning- Easyday Picker App	5,759	59,717
	• Online Shopping App Launch + Refresher	233	932
	• JDA software training	36	432
<b>Group Level Training</b>			
LEAP-Big Bazaar	Training intervention defined to developing competencies of managers (Band 4A) to create leadership skills and creating a leadership pool to take up larger responsibilities	59	7,080
POSH-Big Bazaar	Training program for Prevention on sexual Harassment awareness	8,291	13,362
POSH-Foodhall		37	240
POSH-Small Format		113	271
FutuReady	An interactive and engaging induction & orientation program for all new joiners	73	584
Leadership Academy	An intricately curated 10 month intervention to identify employees with leadership potential and strengthen their capacities	42	3,150
Assessors Certification	A training programme of 16 hours must for all senior management and those involved in recruitment interviews and/or promotion panels. .	60	960

**Training Participants (as % Format)**



■ Big Bazaar ■ Small Format ■ Foodhall ■ Other

**Training Man Hours (as % Format)**



■ Big Bazaar ■ Small Format ■ Foodhall ■ Other

### **Khushali program (Employee wellbeing)**

Well-being at workplace plays a central role in creating happiness, increasing competence and satisfaction. Employees and their dependents are benefitted through a plethora of corporate partnerships under the Group's Khushali program focusing on home, health and crèche.

### **Housing Benefits**

The Company continues to provide its 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 Godrej Properties, Rustomjee Developers, Ashray Group, Sheth Creators and others.

### **Health Benefits**

Taking cognizance of the outbreak of the pandemic, COVID-19, the Company has extended its partnership with healthcare institutions and diagnostic centres like DocOnline, to provide free doctor consultation, free ambulance services, discounts on health and dental check-ups, stay at home pathology test and diagnosis and alternative health care packages.

The Company promotes alternative treatments such as Ayurveda and Homeopathy for those interested in partnership with Devaaya and Welcome Cure respectively, all of which can be availed by both employees and their immediate family members.

Insurance policies such as Mediclaim, EDLI and Life security plans are an integral part of remuneration structure for eligible employees.

### **Creche Facilities**

The Company is providing cost effective crèche facilities in partnership with Wonderkidz and the Learning Curve to enable a suitable environment for their children to feel at home while parents are away at work, thus supporting them to take decisions that allow them to pursue career ambitions and meet financial goals.

### **Flexi Time Benefits**

The Company's flexi time policy also provides employees to maintain a healthy work life balance which also takes care of emergency situations faced by the employee through options of regularization of biometric attendance log effected by their respective reporting managers.

More than 90% of the employees who had availed maternal or paternal leaves during the period continue to work with the organization.

### **Promotional incentives for Employees:**

The Company provides special offers for its own staff that can be availed at any stores run under the Future Group banner including Big Bazaar, fbb, Central, Foodhall, easyday, Big Bazaar Gen Next, Nilgiris etc.

This helps meet the daily and aspirational needs of the employees and its dependents in categories such as food, fashion, home care, electronics and personal care.

### **Facilities for employees with special needs**

In the Company's endeavour to be inclusive, investments in creating access to people with disabilities are ongoing.

FRL stores have access to facilities such as ramps, wheelchairs, accessible changing rooms and washrooms. Employees of FRL are trained in sign language, making it comfortable for shoppers with speech and hearing impairment and also allows people with disabilities to easily adapt to their role, if employed.

The Company also creates an enabling work environment for people with autism by implementing the Quiet Hour program during the early hours of store opening every Tuesday at selected locations. (For more details refer to Principle 8)

### **Employee Retention**

An employee assistance plan nurtures employees and assists in adapting to and achieving both personal and professional goals. The Company also encourages employees seeking a change in job role by inviting applications through an Internal Job Postings in other business verticals within the Future Group so as to create new experiences and learnings.

### **Employee Health and Safety**

FRL recognizes that the health and safety of employees is integral to productivity, happiness and quality of life. The health and safety policy extends to the supply chain members and the public whose presence at the stores and offices is intrinsic to conducting business.

The Company implements its policies through a disaster response team across zones and formats comprising of the Chief Executive Officer, Area Managers, HR, Commercial Manger, Operations Manager and Facility Manager.

Each store comprises of a safety committee comprising of the store manager, admin, facilities manager, HR, floor managers, security persons and housekeeping personnel which report to the disaster management response team. The Safety champion represented by the facility manager, admin and HR at every store undertake daily walkthroughs and carry out daily checks. Any deviation from standard processes identified are rectified on real time basis. Audited procedures for control and mitigation measures are in place to prevent incidents from occurring within the Company's premises. Detailed evacuation response plan is also available.

A certified and well trained "Fire Marshals" is employed at each store, who follow the prescribed processes for fire safety & first Aid. The Safety Committee organizes drills for emergency evacuation at least once every quarter in stores and offices through the local fire-fighting department or the security agency. Guided by a written emergency response plan as part of the Safety and Security manual (Foodhall) and the Disaster Management process (Big Bazaar and Small Formats), the Company through adequate employee training and deployment of essential measures including effective incident handling promises a safe evacuation in an emergency situation.

The Company embraces the motto, “Safety is Every Body’s Business” by makes its employees responsible and self-reliant through the following training programs undertaken by the safety champion.

Training Programme	Big Bazaar		Small Format		Foodhall		Total	
	Number of Participants	Training Man Hours	Number of Participants	Training Man Hours	Number of Participants	Training Man Hours	Number of Participants	Training Man Hours
Fire Safety	8,375	11,024	99	396	45	135	8,519	11,555
First Aid	7,078	9,343					7,078	9,343
Prevention of COVID-19					82	82	82	82
Asset / employee safety session and MOCK drill			1,500	4,500			1,500	4,500
<b>Total</b>	<b>15,453</b>	<b>20,367</b>	<b>1,599</b>	<b>4,896</b>	<b>127</b>	<b>217</b>	<b>17,179</b>	<b>25,480</b>

#### Access to safe drinking water, sanitation and hygiene.

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

Employees of all levels have equal access to the facilities without restrictions in movement while at work. Portable drinking water dispensers and coolers are available at the fun zone, food gully and customer service desk. The Company helps employees distinguish between portable and non-portable water through signages in local language.

For select stores under “Sab ke Liye” initiative dedicated washrooms are also made available for employees with disability. The Company is aware of occupational stresses of employees working at stores and have provided regular interventions such as a dedicated fun zone for employees and intervening breaks.

#### POSH Training

The Company is committed towards upholding the fundamental rights of a person to equality and living with dignity. The policy on Prevention of Sexual Harassment (POSH) deters violation of the rights with the objective to create a safe and secure workspace for its employees.

The Company sensitizes new joiners during induction about the POSH policy and procedures in place. The training session conducted create basic awareness on the employer’s responsibilities, aspects of safe working culture, illustrative examples on acts of sexual harassment, fundamental rights of female employees, code of conduct, policy, current scenarios, working etiquette, and disciplinary actions taken against the person/s found guilty.

Intensive workshops are conducted for senior managers and those whose daily functions require contact with large groups of colleagues or customers. The training includes safeguards against sexual harassment, role modelling and its implementation, principles of natural justice, process to conduct POSH enquiry, report writing,

and statutory compliances including amendments and audit procedures.

#### Principle 4: Stakeholder Engagement

**Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

Proactive engagement with stakeholders allow FRL 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.

#### Government and Regulators

The Company interacts with various statutory bodies as and when required, during the course of its business and maintains statutory records and ensure compliances to applicable laws.

#### Investor Engagement

The Board is committed to delivering long term value for its shareholders. Senior management and the investor relations team hosted several meetings with institutional investors to showcase the Company’s performance in past.

The Annual General Meeting provides the shareholders an opportunity to engage directly with the Board of Directors and the Management. Due care is taken while communicating so that no information or news provided to shareholders is considered unpublished price sensitive information and which may have a potential to influence price of securities.

FRL engages with an external public relations (PR) agency, with the objective of informing target audiences of developments so that interested stakeholder communities have access to information. Any information that is shared with media is also filed on the stock exchanges (wherever applicable and required) and is available to all relevant stakeholders. The Company announces financial results and other material events, through statutory filings with the Stock Exchanges, media releases, and vide the Company’s website.



## Employee Engagement

FRL respects and relies on the experience and skills of its employees to contribute to and deliver on key objects 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. These engagements are summarized below

Engagement Programme	Activity	Frequency	Big Bazaar				Small Format	Foodhall
			North Zone	South Zone	West Zone	East Zone		
Earth Day	Plant distribution and plantation drives	April 22, 2019	✓				✓	
Independence Day	Flag hoisting and sweet distribution	August 15, 2019		✓		✓		
Children's Day	Children of employees are encouraged to share their creative thoughts and the same is displayed in store	November 14, 2019						
International Day of Disabilities	Cake cutting, gifting and card distribution sessions amongst people with disabilities	December 3, 2019				✓		
Retail Employee's Day	Cake cutting and snacks distribution.*	December 12, 2019	✓	✓	✓	✓	✓	✓
Republic Day	Flag hoisting and sweet distribution	January 26, 2020		✓		✓		
Women's Day	Cutting and engaging with women employees vide personal development sessions,	March 8, 2020	✓	✓	✓	✓	✓	✓
Ashthami- Durga Puja	Ethnic dress wear competition	As per Calendar				✓		
Makar Sankranti	Kites flying and Chura - Dahi - Tilkut distribution	As per Calendar				✓		
Puja	Ganesh Puja and Vishwakarma Puja	As per Calendar				✓		
Guru Purnima	Felicitating store gurus with shawls by employees	As per calendar				✓		
Easter Celebration	Egg painting competition	As per calendar				✓		
Eid Celebration	Celebrating Eid by distributing sevaiya and biryani	As per calendar	✓			✓		
Dawaat-e-Iftaar	Iftaar party for those who observed Roza	As per calendar				✓		
Blood Donation Camps	Organized at all stores on selective dates	Periodic	✓			✓	✓	
International Yoga Day	Organizing desk yoga sessions	Annually	✓	✓				
Free Dental Check Up	Organized at all stores on selective dates	Periodic	✓		✓		✓	
Free Health Check up	Organized at all stores on selective dates	Periodic			✓		✓	



Engagement Programme	Activity	Frequency	Big Bazaar				Small Format	Foodhall
			North Zone	South Zone	West Zone	East Zone		
Free Eye Checkup	Organized at all stores on selective dates	Annually	✓					
World Cancer Day	Poster making and awareness sessions	Annually				✓		
Chai pe Charcha	Informal meeting between Store manager and employee.	Monthly			✓	✓	✓	
Team Building	Inspiring creativity by representing your team with paper and colours	Monthly				✓		
Outdoor/ Interactive Activity	Photography, drawing, painting and Quiz competitions, Picnics, Rangoli Competition and Theme Painting competitions, Inter store sports and competitions	Annually				✓	✓	✓
New Year Celebration	Organizing cake cutting and team lunch	Annual				✓		
Bandhan	Stores of Big Bazaar in South zone annually organize Utsav Family day for employees and their families to spend time together in cultural programme and lunch. Store/Zonal managers interacts with employees and family members.	Stores-Monthly		✓	✓	✓		
		Zone-Quarterly		✓				
Rewards and Recognitions (Bus Itna Sa Khwab Hai)	Store employees are rewarded and recognized on a monthly basis in categories like Best Cashier, Best Seller.  The best performers are showcased in the prime display window of the store for 5 days in Big Bazaar.	Monthly	✓	✓	✓	✓		
Festival Celebrations		As per Calendar	Various festivals as per various locations and areas covered.					

### Customer Engagement

FRL is committed to creating positive experiences for its customers through various online and offline platforms including promotional offers, community events, social media interactions and in-store activities like competitions on a daily basis.

Through unique activations to promote local festivals at stores in each zone the store staff deepen customer

engagement and invite customers to contribute to social well-being of the community.

The Company undertakes several initiatives at Big Bazaar stores where the customer plays a pivotal role in driving change within the society it resides. Some of the co-branded campaigns and events making a difference to the society and environment are as follows:

Program Name	Program Objective	Program Partners	Location	Engagement Description
Plastic Lao Paise Kamao	Increasing awareness amongst customers to responsibly manage their plastic	Marico Limited, Future Consumers Limited United Nations Development Programme	21 stores in Mumbai, Navi Mumbai, Thane 2 stores in Bhubaneswar	Customers of Big Bazaar returned the empty bottles of products bought at stores as a responsible citizen.
Fun and Learn Camp	To enable children with autism and intellectual disability express their imagination on Children's Day	Kokuyo Camlin	15 stores located across Mumbai, Navi Mumbai, Kolkata, Chennai, Pune, Bengaluru and New Delhi	Children with autism and intellectual disability visited stores geared towards implementing Quiet Hour activities and participated in colouring and clay modeling
Able Hands	Customer Volunteering opportunities with people with disabilities on World Disability Day	Guidestar	Pan India	Customers of Big Bazaar volunteered to shop with a person with disability
Kids Fungama	To instill self-confidence within people with disabilities on World Disability Day	Mattel Inc.	Pan India	Customers with visual disability visited Big Bazaar stores to showcase their passion for cooking despite challenges while children took part in colouring activity and creating structures using blocks
Back to School	Providing customers a channel for donating educational aids/books amongst underprivileged children Extending life of school books and materials.	Not-for-profits Bosconet, Akshaya Patra Foundation, Seva Sahayog Foundation, Action Aid Association, Blind People's Association, Navjyoti Foundation, Sense India, Sai Swayam Society, Samvedana Trust and SPID Society	200 stores across 88 cities <sup>1</sup> Pan India	School going children along with their wards visited Big Bazaar during their Summer holidays to donate used school material to not-for-profits
Help us Help Odisha	Provide humanitarian relief to those displaced by Cyclone Fani in Odisha	Responset Development Services and Community Disaster Relief Network	Pan India	Customers of Big Bazaar PAN India contributed relief kits comprising of dry food and essential oil and also contributed funds for Odisha CM's Relief
Bano Kisi ka Santa	Fulfill a wish of a less fortunate child during Christmas	Responset Development Services	268 stores across 126 cities <sup>2</sup> Pan India	Customers purchased gifts in the form of toys, board games, carrom board, football, cricket kit, school bags, badminton kits, dolls and teddy bears.
Make Someone's Winter Warm	Protect the marginalized community from the extreme cold climate during Winter	Goonj, Responset Development Services	Pan India	Customers contributed warm and reusable clothing like woolen jackets, shawls, sweaters, blankets, footwear
Holi (Add Colour to Someone's Life)	Prevent used garments from ending up in the waste flow.	Goonj	160 stores across Mumbai, Navi Mumbai, Rajasthan, Delhi, NCR, Punjab, Chandigarh, Haryana, Uttar Pradesh, Kolkata, Bihar, and Jharkhand	Customers of Big Bazaar brought back colour stained garments to be re-used or converted into sitting mats and durries for beneficiary families

- 1 *Guntur, Kurnool, Nellore, Tirupathi, Vijayawada, Rajahmundry, Vizag, Dibrugarh, Guwahati, Jorhat, Silchar, Patna, Chandigarh, Raipur, New Delhi, Goa, Ahmedabad, Vadodara, Anand, Bharuch, Gandhidham, Rajkot, Ambala, Faridabad, Gurugram, Jamshedpur, Ranchi, Bengaluru, Belgaum, Bidar, Davangere, Gulbarga, Hassan, Hosur, Hubli, Mandya, Mangalore, Mysore, Shimoga, Udupi, Calicut, Cochin, Kasargod, Palakkad, Thrissur, Kottayam, Trivandrum, Jabalpur, Ujjain, Ahmednagar, Mumbai, Nashik, Navi Mumbai, Nagpur, Pune, Solapur, Thane, Dimapur, Jharsuguda, Bhubaneswar, Puducherry, Kota, Ajmer, Gangtok, Chennai, Coimbatore, Madurai, Tirunelveli, Tirupur, Hyderabad, Agartala, Ghaziabad, Lucknow, Noida, Agra, Asansol, Burdwan, Darjeeling, Durgapur. Haldia, Jalpaiguri, Kharagpur, Kolkata, Krishnagar, Purulia, Siliguri*
- 2 *Guntur, Kurnool, Nellore, Rajahmundry, Tirupati, Vijayawada, Visakhapatnam, Dibrugarh, Guwahati, Jorhat, Silchar, Bihar Sharif, Gaya, Hajipur, Muzaffarpur, Patna, Chandigarh, Bhilai, Bilaspur, Korba, Raipur, Delhi, Goa, Ahmedabad, Anand, Bharuch, Gandhidham, Rajkot, Surat, Vadodara, Vapi, Ambala, Faridabad, Gurugram, Panipat, Yamuna Nagar, Baddi, Kangra, Jammu, Bokaro, Deoghar, Dhanbad, Jamshedpur, Ranchi, Belgaum, Bengaluru, Bidar, Davangere, Gulbarga, Hassan, Hubli, Mandya, Mangaluru, Mysuru, Shimoga, Udupi, Kochi, Kottayam, Kozhikode, Bhopal, Gwalior, Indore, Jabalpur, Katni, Ujjain, Ahmednagar, Aurangabad. Kolhapur, Latur, Mumbai, Nagpur, Nashik, Navi Mumbai, Pune, Solapur, Tarapur, Thane, Dimapur, Bhubaneswar, Cuttack, Jharsuguda, Kendujhar, Puri, Rourkela, Sambalpur, Amritsar, Jalandhar, Ludhiana, Patiala, Zirakpur, Ajmer, Bhiwadi, Jaipur, Jodhpur, Kota, Sri Ganganagar, Udaipur, Gangtok, Chennai, Coimbatore, Madurai, Tirunelveli, Hyderabad, Agarala, Agra, Bareilly, Ghaziabad, Gorakhpur, Kanpur, Lucknow, Mathura, Meerut, Mughal Sarai, Noida, Varanasi, Dehradun, Haldwani, Rudrapur, Asansol, Bardhaman, Durgapur, Haldia, Kharagpur, Kolkata, Siliguri*

### Supplier / Vendor Engagement

FRL understands that building a trusted partnership with its suppliers is critical in delivering quality products in a timely manner, and at best prices to the customers, which allow mutual growth opportunities for itself and the supplier.

The Company interacts with its suppliers on a regular basis and addresses common issues such as Margin improvement opportunities and Tracking progress and sharing supplier scorecard every month with the stakeholders.

In order to institute responsible sourcing practices in its supply chain, the Group endeavours to build capabilities of its suppliers through engagements that sensitize them to the challenges, help set goals/targets and raise standards. The supplier code of conduct to be implemented in the course of the upcoming reporting period defines the Group's commitment to human rights, labour practices, environmental management and worker

safety, these are based on various policies and guidelines issued by national and other conventions:

These supplier code of conduct parallels the supplier audit requirements. In doing so the Group seeks to source products that have also been produced efficiently, responsibly and under environment friendly conditions, where labour and social compliances for employees and workers particularly contract, migrant and women workers are met.

### Media

The Company collaborates with both offline and online media channels to update its stakeholders on key partnerships, associations, activities thus increasing brand credibility and awareness constituents of the latest developments in product offerings, offers and any other event that invites customer participation.

Programmes creating positive social and environmental impact, like Back to School, International Disability Day, Quiet Hour and Make Someone's Winter Warm have been a success due to the effective partnerships with prominent media channels.

Further, Big Bazaar's Sabke Liye programme has been compiled into a case study compendium by Confederation of Indian Industries (CII) in the retail sector with an objective to mainstream inclusion across India.

During the reporting period, various activities of the Company were recognized and appreciated by corporates, not for profits, government bodies and media houses. 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.

### Communities

The Company, strives to build trust with communities in which it operates in partnership with customers, employees and external not-for-profit organizations. The Company has identified the following communities that are disadvantaged, vulnerable and marginalized around the store catchment area, and engages with them.

Community Type	Frequency of Engagement
Persons with Disabilities	Quarterly
Autism	Weekly
Underprivileged Children	Annually
Senior Citizens	Annually
Religious Communities for Festival Celebration	Annually

Community boards at Easyday stores encourage local businesses to thrive in the community. The store outreach efforts undertaken during the reporting period are as follows:

Social Activities	Big Bazaar				Small Format
	West Zone	North Zone	East Zone	South Zone	
Free Health Check Up	Jaipur stores at • Sodala, • Pink Square • CTS	• Gorakhpur - Bank Road • Gorakhpur - Airport Road, • Kanpur-Kidwai Nagar • Varanasi • Lucknow Sahara Mall	• Kolkata-Salt lake	Mysore-Gokulam Road	• Kochi-Eroor • Jawahar Nagar • Chennai-Shenoy Nagar • Chennai-Maduravoyil • Chennai-Tambaram East • Chennai-Pattabiram • Chennai-Kotturpuram • Chennai-Madipakkam • Chennai-Choolaimedu • Bengaluru-Mallesawara • Bengaluru-Vijay Nagar • Foodworld-Bengaluru-White Field • Bengaluru-JP Nagar • Bengaluru-Indiranagar • Bandel • HB Town • Keshtopur
Free Dental Check up		• Lucknow Phoenix • Lucknow Sahara Mall	• Jamshedpur Mango		
Free Eye Check up	Jaipur stores at • Sodala, • Pink Square • CTS	• Mathura		BB-Hebbal	• Kestopur
Blood Donation Camp		• Lucknow Phoenix Mall • Mathura • Agra Sanjay Place • Bareilly Phoenix United Mall	• Jorhat		• Kharar • Rampura • Mohali • Ballabgarh-Sector 3 • Faridabad-Huda Market • Faridabad-Sector 31 • Faridabad-NIT • Faridabad-Dayal Bagh • Faridabad-Sector-86 • Faridabad-Sector 28
World AIDS Day			• Guwahati		
Road Safety, working with traffic police		• Allahabad	• Krishnanagr • Dimapur		
Visiting and donation to old age homes, terminally ill and orphanages		• Gorakhpur-Bank Road • Gorakhpur-Airport Road • Mathura Mukund • Bareilly Phoenix Mall • Allahabad • Singapore Mall, Lucknow	• Asansol Galaxy • Asansol Sentrum • Krishnanagar • Kolkata-Shreerampur • Bokaro • Ranchi- BG Tower • Jamshedpur • Sealdah • Kolkata- VIP Road • Kolkata- Saltlake • Silchar • Biharsharif • Liluah • Gaya		
Annasantharpane (last Friday of every month)		• All Stores of North		Mysore1	

Social Activities	Big Bazaar				Small Format
	West Zone	North Zone	East Zone	South Zone	
Festival celebrations and community seva	<ul style="list-style-type: none"> <li>• All stores in Mumbai</li> <li>• Aurangabad</li> <li>• Solapur</li> <li>• Latur</li> <li>• Jaipur- Pink Square,</li> <li>• Jaipur- Sodala</li> <li>• Ajmer</li> <li>• Baroda - Seven Seas</li> <li>• Ahmedabad</li> </ul>	<ul style="list-style-type: none"> <li>• Lucknow Phoenix Mall</li> <li>• Lucknow- Singapore Mall</li> </ul>	<ul style="list-style-type: none"> <li>• Agartala</li> <li>• Kolkata- Shreebhumi,</li> <li>• Dhanbad Sri Ram Mall</li> <li>• Bokaro</li> <li>• Ranchi, BG Tower,</li> <li>• Jamshedpur</li> <li>• Deoghar</li> <li>• Dimapur</li> <li>• Siliguri Genxt,</li> <li>• Kolkata- Woodsquare</li> <li>• Kolkata- Saltlake</li> <li>• Dibrugarh</li> </ul>		<ul style="list-style-type: none"> <li>• New Delhi-Rafi Complex</li> <li>• New Delhi-Lajpat Nagar</li> </ul>
Cleanliness drives – Swachh Bharat Abhiyan		<ul style="list-style-type: none"> <li>• Bhatinda</li> <li>• Noida-Gip</li> <li>• Faridabad</li> <li>• Noida-Mall Of India</li> <li>• Bhopal-D B Mall</li> <li>• Ambala- Ambala</li> <li>• Lucknow- Gomti Nagar- Riverside Mall</li> <li>• Lucknow- Sahara Mall</li> <li>• Lucknow- Umrao Mall</li> <li>• New Delhi Pacific Mall (Dwarka)</li> <li>• Patiala- Mall Road-Omaxe Mall</li> </ul>	<ul style="list-style-type: none"> <li>• Nagpur-IT Park</li> <li>• Patna Sahib</li> <li>• Patna KP Mall</li> <li>• Patna Bailey</li> <li>• Patna Exhibition Mall</li> </ul>	Santhosh Nagar	<ul style="list-style-type: none"> <li>• New Delhi-Malviya Nagar</li> <li>• New Delhi-Madhuban</li> <li>• Kolkata (All stores)</li> </ul>
Free distribution of jute bags					<ul style="list-style-type: none"> <li>• Bengaluru-Tavarekere</li> <li>• Bengaluru-RR Nagar</li> <li>• Bengaluru-BTM Layout</li> <li>• Bengaluru-Bommanahalli</li> <li>• Bengaluru-Anjanapura</li> <li>• Bengaluru-Kumaraswamy Layout</li> <li>• Ernakulam-Jawahar Nagar</li> <li>• Ernakulam-Muvattupuzha</li> <li>• Ernakulam-Tripunithura</li> <li>• Kochi-Thopumpady</li> <li>• Kochi-Elamakara</li> <li>• Kochi-Kaloor Stadium</li> <li>• Kochi-Palarivattom</li> <li>• Kochi-Aluva</li> <li>• Kochi-Kadavantra</li> <li>• Kochi-Eroor North</li> <li>• Kottayam</li> <li>• Thrissur</li> </ul>
Monsoon health and safety Awareness					<ul style="list-style-type: none"> <li>• All stores in Kolkata</li> </ul>

Social Activities	Big Bazaar				Small Format
	West Zone	North Zone	East Zone	South Zone	
Planting saplings					<ul style="list-style-type: none"> <li>• Kochi-Pallarivottam</li> <li>• Kochi-Elamakkara</li> </ul>
Yoga day with community		<ul style="list-style-type: none"> <li>• All Stores</li> </ul>		<ul style="list-style-type: none"> <li>• Mysore-Gokulam Road</li> </ul>	<ul style="list-style-type: none"> <li>• Mohali</li> </ul>
Young Elders Walkathon	<ul style="list-style-type: none"> <li>• Jaipur- City Square Mall</li> <li>• Jaipur - Pink Square</li> <li>• Jaipur- Vaishali Ngr</li> <li>• Ahmedabad - Kankaria,</li> <li>• Ahmedabad - Agora Mall,</li> <li>• Bharuch- Shalimar Talkies,</li> <li>• Baroda- Seven Seas,</li> <li>• Surat</li> <li>• Pune-Kothrud</li> <li>• Pune- Pimpri</li> <li>• Nashik - College Road,</li> <li>• Latur</li> <li>• Navi Mumbai - Seawoods,</li> <li>• Navi Mumbai - Vashi Inorbit</li> <li>• Mumbai- Malad</li> </ul>	<ul style="list-style-type: none"> <li>• Gorakhpur- Bank Road</li> <li>• Kanpur- Kidwai Nagar</li> <li>• Varanasi Orderly Mall</li> <li>• Lucknow Sahara Mall</li> </ul>	<ul style="list-style-type: none"> <li>• Durgapur</li> <li>• Kolkata- Saltlake</li> <li>• Kolkata- Shreebhumi</li> </ul>	<ul style="list-style-type: none"> <li>• Mysore</li> <li>• Vizaq</li> <li>• Hyderabad- Ameerpet</li> <li>• Tarnaka</li> </ul>	
Store visits for Children including Persons with Disability	<ul style="list-style-type: none"> <li>• Ahmednagar</li> <li>• Aurangabad</li> <li>• Nashik Urban Space,</li> <li>• Nashik- College Road,</li> <li>• Pune- Kothrud,</li> <li>• Jaipur- Pink Square,</li> <li>• Nagpur IT Park</li> </ul>		<ul style="list-style-type: none"> <li>• Ranchi</li> <li>• Kolkata- Esplanade</li> </ul>	<ul style="list-style-type: none"> <li>• Uppal</li> <li>• Rajajinagar</li> <li>• Chennai Exp</li> <li>• Chennai MC</li> <li>• Hebbal</li> <li>• Malleswaram</li> <li>• Pondicherry</li> </ul>	<ul style="list-style-type: none"> <li>• Delhi-Fateh Nagar</li> <li>• Delhi-Chattarpur</li> <li>• New Delhi-Nangal Rai</li> <li>• Delhi-Vikaspuri-M-162</li> <li>• Delhi-Devli Road-Khanpur</li> <li>• New Delhi-Neb Sarai</li> </ul>

## Principle 5: Human Rights

### Business should respect and promote human rights

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

Legally binding work orders, employee contracts, labour contracts or service provider's agreements embrace the human right's policy that recognizes the compliances with reference to the applicable labour laws. 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 its operations. The minimum age as per standard is 18 years. FRL verifies the age of all candidates hired or contracted through scrutiny of essential documents before offering employment.

### No Forced Labour

FRL prohibits forced labour in its operations and ensures no candidate is hired by its third party contractors based on an individual 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. FRL 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. FRL conducts all recruitment activities through a gender neutral job description, with an evaluation process that is consistent, transparent and unbiased towards caste, race, religion or gender.

A sound appraisal process 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 training of managers as part of Assessor's Certification to minimize such risks in evaluation processes.

### Working Hours and Fair Wages

FRL is committed to timely provision of wages that meet employee's needs and economic security and in adherence to local state laws. The Company remunerates its 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 as applicable.

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 off on completing 6 days of work. 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 deploys an open door policy to allow employees to voice their ideas and concerns. A well-defined grievance redressal system allows concerns to be escalated and resolved through a designated channel. The Whistle Blower Policy details out the procedures, confidentiality and the actions to be undertaken while registering the complaint.

### Principle 6: Environment

#### Business should respect, protect and make efforts to restore the environment

Improving resource efficiency is amongst the priorities of the organisation to improve its productivity and create a positive environmental impact. The Company embraces this roadmap in adherence to the Group's sustainability guidelines on Energy and Carbon, Water Stewardship

and Waste to Wealth policies. During the reporting period, the Company has undertaken several measures to understand the impact of its operations, sensitize its employees of its impacts and identify solutions by partnering with technology service providers and not for profit organizations with an endeavour to create a positive environmental impact.

### Energy Efficiency and Climate Stewardship

The Group's Energy and Carbon policy provides guidance towards rational use of energy through the business.

During the reporting period, the Company benchmarked performances against an internal rating standard developed in accordance with the guidelines provided by the Bureau of Energy Efficiency. In an endeavour to meet its internal targets, the Company launched the star rating programme in which standalone Big Bazaar and fbb stores participated.

The rating methodology factored in current energy consumptions per square foot, use of renewable energy, temperature and climate characteristics.

Particular	FY 18-19	FY 19-20
Number of standalone stores	135	148
Electricity Purchased (KWh)	9,50,45,955	8,20,05,687
Electricity generated from Diesel (KWh)	25,62,541	27,22,175
Renewable energy (KWh)	--	8,95,862
<b>Total Electricity Consumed (KWh)</b>	<b>9,76,08,496</b>	<b>8,56,23,724</b>

\*Note: Data Exclusions:

- Electricity from diesel generated (2018-19) of 9 stores
- Electricity from diesel generated (2019-20) of 4 stores

The Company invests in retrofits that support release clauses with landlords or developers and still remains an asset for the Company.

During the reporting period, Big Bazaar partnered with IBM in implementing the IBM Watson platform. This IOT based solution helped the HVAC systems adjust to changes in external climatic conditions and occupancy level of the store whilst meeting the desired set temperature. The platform also rectifies anomalies caused due to changes in operating hours.

The technology has resulted in 8-10% reduction in electricity usage on an average per month per store for 29 Big Bazaar stores. The Company is focusing on increasing the number of stores connected to this centralized consumption management platform and monitoring electricity consumption of this network of connected stores.

Foodhall stores across the country consumed 81,98,824 kwh of electricity during FY 19-20. The specialty retail format undertook the following interventions to conserve electricity.



- Maintaining a defined set temperature for cooling across regions taking into account climatic disparities, temperatures and humidity (Summer: 22°C, Winter: 24°C).
- Use of air curtains.
- Chillers, both closed doors and open deck are stacked appropriately to prevent overloading or blocking of the vents.
- Sensitizing employees on consciously switching off all electrical devices when not in use and use minimum lighting as required for cleaning and any other activity.
- Preventive maintenance of equipment including HVAC viz. condenser coils and filter cleaning of air blowers on weekly basis and full service on quarterly basis.
- Sourcing 8,95,862 KWh. of renewable energy at stores and offices in Mumbai, Pune, Gurugram, Mathura and Solapur resulting in avoided emissions of 815.23 tCO<sub>2</sub>eq.
- Implementation of IOT based technology at 29 Big Bazaar stores at Maharashtra (Mumbai, Pune, Nagpur), Karnataka (Bengaluru, Udupi, Bidar, Mysore), Kerala (Trivandrum, Palakkam, Pattom, , Kottayam, Thrissur), Andhra Pradesh (Kurnool, Rajamundry), Gujarat (Bharuch, Anand, Kankaria), Rajasthan (Jodhpur) and Uttar Pradesh (Mughal Sarai) resulted in avoiding emission of 3320 tCO<sub>2</sub>eq/month
- Diversion of 42,238 kg of surplus food monthly to animal farms and charities resulting in avoided emissions of 52 tCO<sub>2</sub>eq/month.

### Climate Stewardship

The Paris Climate Agreement, a landmark environmental accord adopted by 195 nations including India seeks to limit the global temperature rise by 1.5°C.

The Company has introduced number of measures to optimise energy consumption and has increased reliance on green energy sources in the reporting period .

During the financial year the Company commenced the process of capacity building, setting the scope and boundary for the business in the first phase.

Initiatives undertaken to mitigate climate change impacts are as follows

### Materials and Packaging

By optimizing packaging use, utilizing recyclable materials, and replacing disposable or recyclable items with reusable ones, the Company endeavours to address use of plastic packaging in value chain based on a Reduce-Recycle-Reuse strategy.

The Company is committed to creating awareness and engaging with stakeholders to reduce use of plastic and paper in its operations. During the financial year, Big Bazaar stores have undertaken an activity to understand its plastic footprint at the front-end of business and related impacts.

Material	Packaging Item	FY 18-19	FY 19-20
		Total Weight ( KG)	Total Weight ( KG)
<b>Biodegradable</b>	Bags on Rolls	2,87,719	2,94,668
<b>Cloth</b>	Cloth Bag	8,91,127	9,39,467
<b>Non-Woven</b>	Carry Bag	80,413	77,310
<b>Paper</b>	Carry Bag	1,73,905	2,73,827
	Bags on Rolls	4,96,348	4,87,865
	Gift Wrap	13,024	24,216
	Paper Box	3,662.5	4,500
<b>Plastic</b>	Bags on Rolls	4,10,934	3,99,413
	Carry Bag	4,54,884	1,71,104
	Containers	12,450	13,350
	Cling Film	4,800	5,400
	Tray/Plate	45,220	66,120

### Reducing Use of Plastics

Big Bazaar has positively impacted its plastic footprint within its operations by:

- Increased use 100% cotton cloth bags;
- Replacing plastic bags on rolls used at staples, fruits and vegetables with paper bags;
- Replacing single use plastic cutlery used in food services with products made from bagasse and wooden materials.

Foodhall and Small Format stores have made significant strides in the journey towards eliminating single use plastic at stores and have undertaken the following actions:

## Foodhall

- Use of cotton bags to replace plastic shopping bags
- Introduced and replaced cling wraps made of plastic with biodegradable cling wrap
- Replaced paper bags having plastic lining with oil resistant parchment paper bags in the bakery section
- Encouraged customers to use reusable glass bottles, to package, desserts, fruit juices, honey and saffron
- Use of paper cups and bagasse containers for home deliveries from the cafe

The format has explored the following for its gifting purposes

- Wooden boxes and trays
- jute bags, potlis, linen pouches for saffron, jute cheese platter bags
- Corrugated boxes, for fruit gifting and snack boxes.

## Small Format

- Use of cotton bags procured from various self-help groups and SMEs to replace plastic shopping bags
- Replaced bags on rolls made of plastic with paper and cornstarch bags which are recyclable and decomposable
- Replaced the container used for selling merchandise in stores made of plastic with reusable steel

## Next Steps

FRL is sensitive towards pollution caused due to packaging waste, disposable plastics and its negative impacts on ecosystems. The Company will continue to create awareness and explore the use of recycled, reusable, renewable content in packaging, reduce the use of non-recyclable PVC, polystyrene containers in-store and also encourage customers to re-use check out bags.

The Company will work with experts and stakeholders, including sustainable packaging forums to participate in adoption of recyclable, reusable, eco-friendly packaging materials including food and beverage containers that is recoverable at end-of-life.

The coming years will also examine the back-end plastic footprint and adopt strategies to reduce use of plastic where feasible, explore use of recycled, eco-friendly content in secondary and tertiary packaging and logistics of products.

The upcoming reporting period will measure, monitor and report progress against commitments and evaluate feasibility, review improvement on a periodic basis.

## Accept the Challenge Go Paperless

The Company had initiated this program in the previous financial year and have extended the challenge to reduce paper footprint across operations by 50% by 2021 over the established baseline in 2018-19. During the year under review the Company reduced its A4 paper consumption in identified offices by around 13%.

The Company has also undertaken the following initiatives to achieve its paper reduction targets across formats:

- National rollout of e-receipts across various formats and encouraging customers to not opt for physical bills;
- National rollout of printer server software across various offices to ensure duplex printing and reduce wastage due to unattended prints through pin based printing.

Big Bazaar pro-actively undertook the following initiatives:

- Reduced POS roll core size by 15% resulting in reducing paper wastage from 25% to 5% (approx.);
- Replaced bags on rolls made of paper with biodegradable bags where feasible;
- Eliminating multiple prints for return to vendor (RTV) and home delivery services;
- Centralized visual merchandise (VM) printing.

## Waste to Wealth - The Circular Loop

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 under-utilization of resources and products.

Waste generated at its offices and stores is managed as per applicable norms, is segregated at source and handed over to waste handlers.

Big Bazaar stores actively participate in identifying waste streams in its operations and reduce its waste footprint to landfill through partnerships with not for profits.

## Plastic Recycling Program

The Company's "Plastic Lao Paise Kamao" campaign across 23 Big Bazaar stores in Mumbai, Navi Mumbai, Thane and Bhubaneswar locations in partnership with Marico Limited, Future Consumer Limited and UNDP continue to influence customer behavior.

During the reporting period, the Company's partnership with Marico Limited increased the number of participating brands and awareness levels amongst customers, resulting in increased participation by customers who brought back their plastic bottles, received incentives and entrusted the stores for recycling such plastic responsibly.

## Old Clothes Repurposing Program

The Big Bazaar stores pan India participate in collecting used clothing and facilitate reuse or up-cycling through not for profit partner "Goonj", thus extending the useful life of textile products and materials to create social and environmental value from waste.

Collected garments that are in good condition are packed for reuse or after repair given to persons facing poverty as a part of the "cloth for work" program.

In some cases garments are sent to processing centers to be upcycled, thus creating livelihood opportunities for those involved. The benefits achieved from the program are:

- Offering customers the best collection channel for used clothing, footwear and accessories;
- Provide the best possible use for second hand garments, consequently extending product life;
- Help to finance social and environmental projects.

#### **Excess Food Management**

The Company partnered with various not-for-profits and animal farms in minimizing wastages by contributing surplus food products.

- 7 Big Bazaar and Foodhall stores in Mumbai and Nagpur partnered with Roti Foundation Mumbai to feed surplus breads to the marginalized community
- 10 Big Bazaar stores across Gwalior, Noida, Jaipur and Patna partnered with local animal farms to divert surplus fruits and vegetables for animal feed.

During the reporting period, the Company organized for various awareness creation campaigns to reduce wastage, conserve resources and promote circularity through its recycling programmes and responsible management of wastes

#### **Awareness Creation**

##### **World Environment Week**

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

Children of employees were encouraged to spread awareness on the theme by posting entries in the form of pictures, poems, paintings and videos on how they can improve the environment. Further, the Company tied up with a recycler with pan India capability for responsibly managing waste-paper in the form of loose sheets of paper, newspaper, cardboards, newsprints and old documentation. The campaign rewarded employees with plantable pens made of recycled paper containing seeds which have an inherent property to purify air such as neem and basil (tulsi).

Employees were encouraged to use the pen first, plant it in moist soil to allow it to degrade organically and share photos of the plant as it grows.

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

##### **Waste to Art**

The Waste to Art initiative undertaken on December 20-21, 2019 at various offices sensitized employees on the value of common waste materials, and the need to responsibly managing such waste to increase its potential for reuse, recycle and upcycle into products of value.

The event saw the participation of organizations actively working in the areas of creating products from waste

material such as paper, cardboard, plastics, multi-layered plastics, e-waste, textile wastes and coconut shells and provided a unique gifting opportunity for employees to act as influencers going forward.

In addition to creating environment friendly products, the proceeds from sale also supported livelihoods of underprivileged communities.

#### **Water Wisdom Workshop**

Big Bazaar partnered with Navjyoti India Foundation as a part of the Gurujal initiative, an integrated water management initiative, which aims to address the issues of ground-water depletion, flooding and stagnation in the Gurugram District of Haryana.

The initiative sensitized 80 participants, increased water consciousness and encouraged water conservation through reuse and rainwater harvesting.

#### **Environmental Compliances**

No cautionary / show cause notices were received of non-compliance with regulations or penalties or fines from either of the State Pollution Control Boards (SPCBs)/ Central Pollution Control Board (CPCB) concerning the activities undertaken by the Company's operation during the reporting period.

#### **Principle 7: Public Advocacy**

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

FRL focuses on building excellence in retail, while interacting with key stakeholders. The senior leadership team continue to share invaluable experience to provide incisive insights at various conferences involving industry leaders as knowledge sharing practice.

FRL is committed to public good, however the Company has not actively advocated or lobbied directly with government officials or institutions. FRL actively participates in industry events and is a member of the Retailers Association of India (RAI). 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**

##### **Business should support inclusive growth and equitable development**

Inclusive and sustainable growth through engaging with and addressing stakeholder expectations and concerns are key to achieving 'Happy Communities', hence this pillar forms an integral part of the Company's strategy. The Company's community programs in partnership with not-for-profits make a positive contribution by responding to local and national needs, listening to the voice of the disadvantaged stakeholder and empowering our customers also to participate in this initiatives.

## **Sab ke Liye Big Bazaar : Empowering Persons with Disabilities**

The Company's Sab ke Liye initiative is committed towards making shopping a reality for everyone. Big Bazaar strives to make more stores accessible for its stakeholders who may have cognitive, developmental, intellectual, mental, physical or sensory impairments.

The joy of shopping is a feeling that comes from navigating, bargaining, talking, discovering and shopping like any other shopper. The Company fosters inclusiveness and believes that every customer be it a senior citizen, pregnant women, temporarily disabled & people with disabilities should experience this.

Big Bazaar 'Sab ke Liye' initiative has resulted in 153 Big Bazaar stores having disability friendly trial rooms, accessible washrooms, wheelchair friendly ramps, shopping assistance, sit down billing, free home delivery and priority checkouts for shoppers with special needs. Families with babies can enjoy shopping at Big Bazaar which is now also having diaper changing stations.

This award winning programme has served 115,000 shoppers with disabilities across the country including 15,000 shoppers with autism & intellectual disabilities.

### **Quiet hour**

The quiet hour programme, a sensory friendly initiative for shoppers with autism and intellectual disabilities was expanded to 43 stores across 25 cities and is held every Tuesday.

Quiet Hour provides a low-sensory shopping experience by reducing noise, lighting and distractions, to enable customers who find it challenging to shop in a heightened sensory environment.

At the CanBridge Academy, a Chennai college for youth with developmental disabilities, a visit during Quiet Hour is a part of the regular curriculum. Kavitha Krishnamurthy, Founder of CanBridge Academy says, "We made a pictorial shopping list for the first batch to assist them as they were all non-verbal. We started off by making them look at the things they wanted to buy."

Further, the institute also made visual cards for items the children could not find on the aisles and request for shopping assistance. Today the students at CanBridge Academy are comfortable shopping at Big Bazaar. Kavitha credits the attitude of the staff a great deal for this.

Anupam Vasudeva, a parent of a child with autism and who also runs the Dawn Rehabilitation Centre in Pune for children on the spectrum sees a great surge in the confidence levels in the children in his school. "I have been waiting for a programme like Quiet Hour since 2013 when I started my school. Since it was launched here in Pune, I have not missed a single Quiet Hour. My students are non-verbal and on the extreme end of the spectrum, but they are eager to go because the whole experience makes them feel confident".

"The children eagerly await Tuesdays. They make shopping lists depicted in images in advance, comparing

prices and choosing items. To help them negotiate the many aisles and products, there's a pictorial checklist provided by Big Bazaar".

### **Big Bazaar Major Sales Events**

Big Bazaar has been able to integrate inclusivity as part of their major sales events like "Mahabachat" celebrated on the Independence Day and the "Sabse Saste 5din" celebrated during the Republic Day week.

Arman Ali, Executive Director, National Centre for Promotion of Employment for Disabled People says, "Future Group is looking at people with disabilities as customers. It is not a CSR activity for them. With Quiet Hour they have taken this approach to the next level. This sensibility is rare in a country like India and full credit to Future Group for doing this".

Big Bazaar in its steady commitment to make its shopping space accessible to PWDs, it rolled out a preview day for shoppers with disabilities and senior citizens for these events. Differently-abled citizens were able to enjoy all the 'shopping discounts and offer' one day in advance where they received the benefits of shopping assistance, priority counter billing, home delivery, wheelchair upon request.

Well-known leader from the Maharashtra deaf community Pradeep More believes "Inclusion should happen from top down and that is what Big Bazaar is doing. Other organisations should look at them as a model and make efforts to become inclusive and accessible so that people with disabilities can live without any hassles or discrimination".

Inclusivity as a culture existed in the developed countries but this bold step has never been attempted before, where over 100,000 shoppers with disabilities are expected to participate in the power of shopping on a single day.

### **Fun & learn camp**

On November 12, 2019, as a part of the Children's Day celebration and during Quiet Hour, a Fun and Learn Camp was held at 15 Big Bazaar stores. Children with autism and intellectual disabilities participated in colouring using pastels and clay modeling where they were able to express their thoughts and receive exciting offers in toys and stationary items.

### **Kid's fungama**

On World Disability Day, Big Bazaar took accessible shopping experience #Sabkeliye to another level, from a blind cooking show to kids' activities and there were events for people across different age groups and disability types at select stores.

On December 3, 2019, Big Bazaar Food YouTube channel, presented Cook Along, India's first live digital cooking class "Cooking without Looking" featuring blind chef Mamta Tambe with an objective to celebrate people who are pursuing their passion for good food despite challenges.

Among the other activities planned was a Mattel Colouring Activity and Mattel Mega Block Activity. As a



part of the colouring activity, children were given crayons and sketch pens to colour pre-printed Barbie and Thomas colouring sheets while in the case of the Mega Block activity- children used blocks to create structures.

### **Able Hands**

Big Bazaar partnered with Guide Star India to invite the community to register as volunteers and shop along with a person with disability to sensitize people on the needs of a disabled person on December 7, 2019.

Mumbai resident Rupa Chandel a volunteer to this initiative shares her experience. "I was a little hesitant at first as have never interacted with a disabled person before. I changed my mind when I heard the Big Bazaar staff would guide us. Much credit for the success of Big Bazaar's #Sabke Liye initiative goes to its staff."

### **Retail Internship programme**

This project was initiated by Big Bazaar in Chennai and Gurugram in partnership with V-shesh Learning Services Pvt. Ltd. (V-shesh), Evoluer Solutions, Skill Council for Persons with Disability (SCPwD), and the Department for International Development (DFID) where 50 youth with intellectual disability underwent an extensive essential skills programme directed towards livelihoods and employment.

The programme included sensitization of Big Bazaar employees. Each trainee was assigned a specific task with a buddy to assist and train. Coaches from Evoluer and V-shesh accompanied the candidates to make the learning process easier and act as an interface.

The initiative endeavors to bring down the barriers for people with intellectual disabilities at the workplace.

### **Back to School**

Back to School is a unique initiative across 200 Big Bazaar and Hypercity stores in 88 cities pan India between May 17 and June 30, 2019 undertaken with the purpose of extending life of school material (textbooks, storybooks, tiffin boxes and school water bottles). Summer 2019 saw school going children visit Big Bazaar stores with their wards and donate their used school materials.

During the review period, the Company through its partner not-for-profit organizations Bosconet, Akshaya Patra Foundation, Seva Sahayog Foundation, Action Aid Association, Blind People's Association, Navjyoti Foundation, Sense India, Sai Swayam Society, Samvedana Trust and SPID Society re-distributed the collected school material amongst underprivileged children.

### **Humanitarian Relief**

Disasters amplify human suffering, this demands coordinated, and swift relief efforts. The Company is committed to creating access to food supplies and garments swiftly via the Sone Ki Chidiya Foundation for emergency relief efforts through its network of stores and distribution centres.

The Sone Ki Chidiya Foundation has donated protective clothing to over 14,500 households in Bihar, Assam and

Orissa affected by natural disasters during the reporting period.

### **Help us Help Odisha**

When the recent cyclone Fani created rampant destruction in Odisha, the Company appealed to its customers for contributions to be made to Odisha CM's Relief Fund and for providing relief kits comprising of dry food and essential oil vide its online platform. These relief kits were distributed through its partners Responsenet Development Services and Community Disaster Relief Network.

The Company also created opportunities for the community to withdraw money at Big Bazaar stores in Bhubaneswar owing to the non-functionality of the ATMs.

### **Feeding Initiative**

Participating to achieve Zero Hunger goal of the UNSDGs, in its continued efforts to impact hunger and nutrition, FRL initiated a partnership with Roti Foundation Mumbai, a non-profit, food rescue organisation. The initiative aims to manage surplus food at its stores and bridge the gap between hunger and excess food thus making a large scale social impact beginning December, 2019.

The Feeding Programme began on December 6, 2019 with Foodhall and Big Bazaar stores feeding over 150 people daily across Mumbai and Nagpur. Every morning as per routine a GPRS enabled Roti Bank van visits the stores and collects breads. These breads become a part of the mid-day meal of their beneficiaries. Currently, the programme is being piloted in 7 stores of Foodhall and Big Bazaar in Mumbai and Nagpur with over 6,40,000 breads donated as on March 31, 2020

### **Bano Kisi Ka Santa**

There are many children in this world whose little wishes stay unfulfilled in their lifetime. Bano kisika Santa - a Big Bazaar initiative in association with Responsenet Development Services created opportunities for customers to play Santa and fulfil the wish of a less fortunate child by purchasing a gift be it toys, board games, carrom board, football, cricket kit, school bags, badminton kits, dolls and teddy bears across 252 Big Bazaar stores in 126 cities between December 21, 2019 and January 4, 2020.

### **Make Someone's Winter Warm**

Winters in certain parts of the country witness extreme cold climates. While many people facing poverty are deprived of basic clothing, blankets and quilts during this season. Considering this, Big Bazaar and Fbb encouraged customers to visit their nearest store and donate warm clothes like woolen jackets, shawls, sweaters, blankets, footwear and other items that can be distributed to those in need of it.

The Company contributed warm winter clothing to over 4,000 children across Delhi, NCR (Faridabad, Gurugram, Ghaziabad, Noida), Chandigarh, Jammu, Kangra, Dehradun, Jaipur, Surat, Rajkot, Katni and Ujjain through its network of not-for-profit partners.

## **Add Colour to Someone's Life**

Holi, a festival of colours and happiness is widely celebrated across the country. The community actively participates in the celebrations, resulting in colour stained clothes rendering it unwearable to be used as a waste cloth and resultant disposal at landfills.

With the aim of giving a second life to these colour stained garments, Big Bazaar partnered with "Goonj" to launch the campaign "Add Colour to Someone's Life" across 160 stores in Mumbai and Navi Mumbai, Rajasthan, Delhi, NCR (Faridabad, Gurugram, Ghaziabad, Noida), Punjab, Chandigarh, Haryana, UP, Kolkata, Bihar, Jharkhand. During the campaign, over 2,000 participating customers received incentives on bringing back these garments.

The clothes collected are re-processed and upcycled at Goonj' Processing Centres and converted into sitting mats and quilts to benefit children in schools located in extreme climatic regions, thereby creating a better learning environment, providing comfort and also promoting good hygiene practices.

## **Social Responsibility Programs**

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.

The Company was required to spend ₹ 11.62 crore on Corporate Social Responsibility (CSR) activities during FY 2019-20 in addition to the arrears of ₹ 1.02 crore for previous financial year. The Company completed its obligation with respect to the amount required to be spent for financial year 2018-19 during the financial year under review and further also spent ₹ 7.33 crore for CSR obligations pertaining to the year under review. It has also identified programs to be undertaken in current financial year, for the balance amount to be spend for the year under review.

## **Reducing inequalities faced by socially and economically Backward Groups by providing goods-Humanitarian Relief**

Disasters create devastating human suffering that demand coordinated and swift relief efforts. The Company is committed to creating access to food supplies and garments swiftly via the Sone Ki Chidiya Foundation for emergency relief efforts through its network of stores and distribution centres.

The Sone Ki Chidiya Foundation has donated protective clothing to over 16,500 households in Bihar, Assam, Orissa, Maharashtra and Karnataka affected by natural disasters during the reporting period.

The Company also appealed to its customers for their support through contribution of relief kits comprising of dry food items, oil, spices and essential items via its online platform, which have been distributed through not-for-profit partners, Responsenet Development Services and Community Disaster Relief Network to the communities impacted by Cyclone Fani in Orissa.

The Company provided financial access mechanisms to community members to enable withdrawal of money at Big Bazaar stores in Bhubaneswar owing to the non-functionality of ATMs.

## **Clothing for children**

Clothes were also distributed amongst 20,500 children in 15 states and 1 union territories.

*(For more details, please refer to CSR Report annexed to Directors' Report for the year ended March 31, 2020)*

## **Few Testimonials from our Partners**

*"With the lack of resources with vulnerable families the priority of buying new clothes is a luxury which is mostly the last discretionary purchase. This affects hygiene and most crucially happiness of a child. The ongoing program of SKC Foundation bring the Happiness Quotient which is truly valuable."*

- **Kuldip Nar, Founder –Responsenet Development Services**

*"There is no better approach to challenges than collaborating to address them together. We're incredibly grateful to the Sone Ki Chidiya Foundation for providing the Bhawana community with that one joy that every child gets on receiving new clothes. The generous support will surely help us rewrite the story of India's underprivileged children"*

- **Ujjala Bedi, Director Navjyoti India Foundation**

*"Your initiative to give new clothes to children from struggling communities is really worth appreciating. It brings smiles on the faces of many children who not only cannot afford new clothes but mostly do not have a third pair of clothes. Your gift stimulates their self-esteem which helps them to aspire and achieve something in their lives. I would like to thank Sone Ki Chidiya Foundation for this great opportunity."*

- **Sanjay Hegde, Director of Seva Sahayog Foundation**

*"One act of random kindness can indeed change the whole world. Children are the future of our society and their future depends on how we treat them today. With the lack of financial capacity and low economic status among the marginalised and vulnerable parents, they are unable to purchase new clothes for their children which is one of the happiest moment in a child's life. But, Sone Ki Chidiya Foundation has been filling in this gap with their noble and generous act which has brought happiness and smiles in the face of several children and their parents over the years as well and we look forward to sharing this joy again in the coming days. "*

- **Subonbenba Longkumer, Director CECS**

### Reducing Inequalities through access to nutritious food

The Company donated oats to a large network of children’s homes, shelter homes for the homeless and non-formal education centers across Mumbai, Delhi NCR, Hyderabad, Ranchi, Pune, Kolkata, Bengaluru under the midday meal programs run by Responset Development Services. Through such food assistance, over 14,000 food insecure children were provided nutrition rich meals including breakfast and snacks.

#### Testimonials from our Partners

*“The children have received delicious oats meals and have thoroughly enjoyed. These items were different from the regular homemade food they have in regard to taste and the ingredients. They expressed their happiness and loved the overall experience. The children are very excited to receive these varieties of food items and are grateful to Sone Ki Chidiya Foundation for this sumptuous meal.”*

- **Loreto Homes, Kolkata**

*“It is not the question of food or other support provided but the thought of giving such a high-quality donation and some special snacks to children creates a surprise element and brings happiness to our children.”*

- **Rainbow Homes, Hyderabad**

#### Cloth for Work Program

SKC Foundation has extended support to Goonj in the program “Odha do Zindagi” under the “cloth for work” program at Tamil Nadu. Tamil Nadu has been facing severe drought conditions, which is leading to communities facing acute shortage of water for domestic use.

The groundwater table dependent on rainwater has declined owing to the run off losses and increasing extraction of water from the bore-well.

Communities of Villapuram district identified needs and issues in their locality, Goonj with support of the locals

who volunteered undertook the following initiatives during the reporting period:

- Cleaning and widening of 11 local canals (almost 1.7 kms) that served water for irrigation purposes;
- Cleaning 6,500 sq. meters. local ponds of weeds and shrubs that served their domestic purposes

In exchange communities received kits comprising of garments, blankets, quilts, school materials, vegetable bags, sanitary pads, etc., and the project impacted more than 750 households.

#### Retail Skill Training for Persons with Disability

In India, persons with disabilities suffer from poorer health conditions, lower education achievements, less economic participation and higher rates of poverty than people without disabilities. This is partly because persons with disabilities experience barriers in accessing services that many of us have long taken for granted, including health, education, and employment. Challenges are encountered when looking to develop employable skills and in gaining meaningful employment for persons with disabilities because of the lack of awareness amongst the stakeholders and resource constraints.

The Company has partnered with not-for-profits organisations across 15 cities in 13 states on pan India basis aiming at not only improving vocational training and employment opportunities for persons with disability (including hearing impaired, visually impaired, speech impaired, persons with autism and intellectual disability, and the physically handicapped) but also enhancing the quality of life for these individuals and their families.

Sone Ki Chidiya Foundation and the Company empowering around 500 youth with disabilities in gaining meaningful employment through skills training in retail sales and hospitality in collaboration with these organizations who are affiliated and certified by National Skill Development Council.

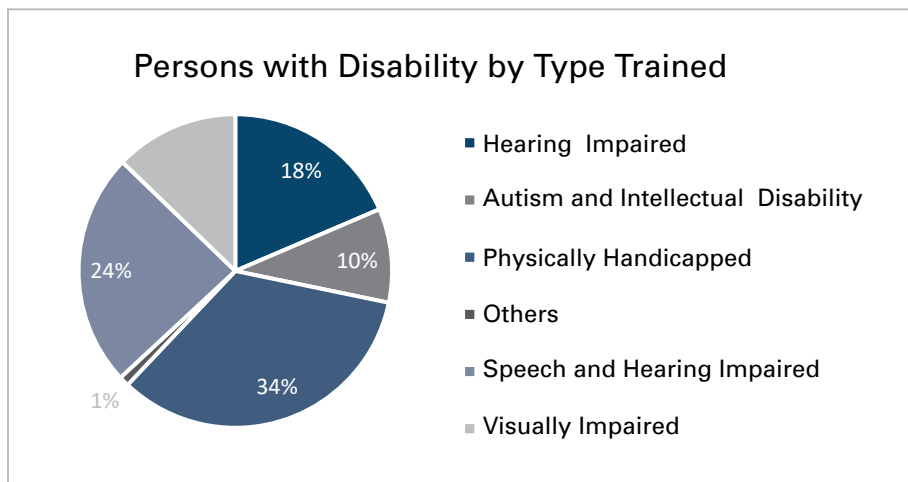
Organisation Name	Number of Beneficiaries	Location	Activities Undertaken
Blind Peoples Association	20	Ahmedabad	<ul style="list-style-type: none"> <li>• Customer care</li> <li>• Cashiering</li> <li>• Communication in English</li> <li>• Microsoft office</li> <li>• Personality Development</li> <li>• Guest lectures</li> <li>• Exposure visits</li> <li>• Job Fair</li> </ul>
LV Prasad Eye Institute	40	Vijayawada	<ul style="list-style-type: none"> <li>• Use of Mobile assistive ‘talkback’ software for navigation &amp; life skills</li> <li>• Universal Orientation and mobility skills to move around independently</li> <li>• Money identification using Notex, the non-optical device</li> <li>• Braille training</li> <li>• Home management training</li> <li>• Retail skills</li> <li>• Personal grooming</li> <li>• Communication in English</li> <li>• Microsoft office</li> <li>• Personality Development</li> <li>• Exposure visits</li> </ul>



<b>Organisation Name</b>	<b>Number of Beneficiaries</b>	<b>Location</b>	<b>Activities Undertaken</b>
Mann Centre for Individuals with Special Needs	40	Mumbai	<ul style="list-style-type: none"> <li>• Use of technology- mobile phones</li> <li>• Operating Microsoft office</li> <li>• Handling transition in relationships</li> <li>• Sorting dirt and clean linen</li> <li>• Crossing the road and travelling by bus</li> <li>• Dry mopping</li> <li>• Bagging according to weight</li> <li>• Stacking according to specification</li> <li>• Setting up a table</li> <li>• Clearing up a table</li> <li>• Vacuuming</li> <li>• Reading the date</li> <li>• Exposure visits</li> </ul>
Sai Swayam Society	30	Delhi	<ul style="list-style-type: none"> <li>• Motivational stories of success</li> <li>• Customer care</li> <li>• Cashiering</li> <li>• Effective team work</li> <li>• Workplace safety and store security</li> <li>• Personal hygiene</li> <li>• Personality presentation</li> <li>• Grooming</li> <li>• Body language and etiquette</li> <li>• Communication in English</li> <li>• Maths</li> <li>• Exposure Visits</li> </ul>
Sarthak Educational Trust	112	Hyderabad, Delhi Lucknow	<ul style="list-style-type: none"> <li>• Life Skills</li> <li>• Communication</li> <li>• Introduction to Organized Retail</li> <li>• Health &amp; Safety Management</li> <li>• Management of Store Security</li> <li>• Cashiering</li> <li>• Personality Development</li> <li>• Customer Relation Building</li> <li>• Promoting a Store- Company</li> <li>• Customer Service</li> <li>• Customer Complaints Handling</li> <li>• Selling Skills</li> <li>• Store Operations Management</li> <li>• Microsoft Office</li> <li>• Guest lectures</li> <li>• Quiz and Painting competition</li> <li>• On the Job Training</li> </ul>
Shishu Sarothi	30	Guwahati	<ul style="list-style-type: none"> <li>• Introduction to Retail</li> <li>• Retail Industry in India</li> <li>• Career in Retail</li> <li>• Customer Service</li> <li>• Types of customers</li> <li>• Customer Complaints</li> <li>• How to calm Upset Customer</li> <li>• Communication</li> <li>• Selling Skills.</li> <li>• Microsoft office</li> <li>• Personal Hygiene.</li> <li>• Exposure visits</li> </ul>
Trust for Retailers and Retail Associates of India (TRRAIN)	51	Vadodara, Bengaluru	<ul style="list-style-type: none"> <li>• Exposure visits</li> <li>• Job Fairs</li> </ul>

Organisation Name	Number of Beneficiaries	Location	Activities Undertaken
Voice of Needy Foundation	25	Shimoga	<ul style="list-style-type: none"> <li>• Introduction to Retail</li> <li>• Retail Industry in India</li> <li>• Career in Retail</li> <li>• Customer Service</li> <li>• Customer Complaints</li> <li>• Retail Maths</li> <li>• Selling Skills.</li> <li>• Microsoft office</li> <li>• Cashiering</li> <li>• Yoga Sessions</li> <li>• Guest lectures</li> <li>• Exposure visits</li> </ul>
Youth 4 Jobs Foundation	150	Kolkata, Mumbai, Bhubaneswar, Jaipur, Ahmedabad, Jamshedpur, Chennai	<ul style="list-style-type: none"> <li>• Communication in English</li> <li>• Basic Computer knowledge,</li> <li>• Sign language Videos and Forwarding messages in Regional languages</li> <li>• Life Skills,</li> <li>• Retail Skills</li> <li>• Alumni meet</li> <li>• Exposure visits</li> <li>• Job Fair</li> </ul>

The diversity of the participants included disabilities as illustrated below:



The program has seen participation of over 50 recruiters, having 68% of the participants employed with average salary offered being ₹ 9,724/month.

To help a newly hired PwD assimilate smoothly into the rigorous work environment of a retail organization Big Bazaar has deployed a buddy system where a person who has been specifically trained is allocated to provide a PwD employee with physical and mental support for a period of 3 to 6 months.

#### Few Testimonial from Partners

*“The impact of vision loss places the person at risk of losing access to any means of livelihood and independent living. We were able to change this for the betterment and show a path for dignified living through the project ‘Retail skills training for the visually impaired’ implemented in our Vijayawada campus through the generous grant*

*support from the ‘Future groups’ and Sone Ki Chidiya Foundation.”*

- **Dr. Beula Christy, Associate Director, LV Prasad Eye Institute**

*“Communication is very important for any job, but giving employment to people with speech and hearing impairment is a big challenge. The persons with speech and hearing impairment communicate through sign language. The non-disabled employee face great difficulty in communicating with persons with hearing impairment at the workplace. Taking up this challenge as a project, Blind People’s Association partnered with Sone Ki Chidiya Foundation to provide placement linked skill development.”*

- **Nandini Rawal , Executive Director- Blind Peoples Association**

*“Discrimination and the existing stigma that perceives the disabled people as a burden to the society lowers the self-esteem of a person with disability.*

*For youth with disabilities, a job is not just a job. It is a means to a life that neither the youth nor his/her family thought was possible for them. It is an opportunity to break away from the vicious cycle of disability and poverty.*

*Future Retail Limited and the Sone Ki Chidiya Foundation donations to our organization has helped the youth in the society through provision of adequate training in retail skills, and ensuring they become self-reliant by conducting interactive sensitisation workshops for their teams, and creating sign language training videos, , making them also our preferred partner for recruitment drives. We thank Sone Ki Chidiya Foundation and leadership members of Future Retail Limited for extending support in our journey.”*

- **Meera Shenoy Founder Youth4Jobs**

### **Sensitization of customer communities towards People with Disabilities**

The population in Indian cities makes outing for entertainment a crowded experience for most persons, people with sensorial processing difficulties including autism which find the bright lights, loud music and crowds of people completely overwhelming, thus = triggering anxiety.

Sone Ki Chidiya Foundation contributed to the efforts of Sols Arc to encourage participation and engagement of over 2,000 children with intellectual disabilities and autism along with their families in activities outside the home/school by creating an enabling environment that supports, such participation and builds self-confidence of these direct beneficiaries.

The programme also sensitized various societies at Bengaluru, Mumbai, Guwahati, Jalandhar, New Delhi, Chandigarh, Jaipur, Kolkata and Pune to enable successful integrate of those with intellectual disabilities into mainstream.

### **Rehabilitation of Paraplegics**

Chandigarh Spinal Rehab, an initiative of Sai Aasra Paraplegic Rehab Centre, is a specialized rehabilitation centre for people suffering with spinal cord (SCI) and brain injuries. The wheelchair accessible spacious campus contains a 20-bed inpatient facility, a fully equipped outpatient clinic and a large therapy area, designed with the help of experts in the field of SCI rehabilitation. These facilities are fitted with the latest equipment, recreation and play areas as well as space for community related skill building.

The Sone Ki Chidiya Foundation enabled independent living and enhancing the quality of life of 12 persons with Spinal Cord Injury and Traumatic Brain Injury.

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

FRL recognizes water as a human right, and its importance as a necessity to living and economic conditions.

The primary groundwater quality issues prevalent areas of Tumkur, Karnataka is fluoride.

The Sone Ki Chidiya Foundation address fluoride contamination in groundwater in Kempanedodderi village at Tumkur, one of the immediate communities at India Foodpark Pvt. Limited (a supplier of the own brands of Future Group). A 50 LPH RO water purifier is now creating access to clean and safe drinking water for 250 households in the village.

### **Seva Initiatives at Store**

The Company dedicates resources to volunteering activities by setting aside a portion of its store promotion budgets.

It also engages with its customers to benefit not for profits through campaigns that drive community participation in creating positive social and environmental impacts. Through such active participation the Company influences customer behavior and aims at creating inclusive communities by facilitating platforms that enable customers to serve the unserved. (For more details on such programs refer to Principle 4)

### **Principle 9: Value to customers and consumers**

#### **Business should engage with and provide value to their customers and consumers in a responsible manner**

Creating customer value is primary to business. To lend credence to its motto ‘Sab Ke Liye’, the Company consistently works to fulfill basic and aspirational desires of its customers, thereby increasing customer loyalty and satisfaction.

The Company is committed to building trust, disclosing information truthfully and factually including the use of cautionary statements and transparent communication. FRL ensures that its marketing & advertising campaigns and other targeted communications do not confuse or mislead or violate any of the principles in these Guidelines. (For more details please refer to Principle 2 Product labelling section)

Customer privacy is zealously guarded – customers who choose to take a membership in our programs are informed at the time of enrolment and make a choice to receive information with regards to offerings and promotional events. If they choose not to receive any communication then the same is honored.

A set of quarterly mystery shopper audits conducted by an external agency for each store has been initiated since FY 2019 - 20. Questions are asked to check overall customer satisfaction. Based on the results every quarter, training or SOP adherence drives are carried out.

Regular trainings are conducted by Learning and Development Teams pan India for store employees including Customer Service Teams at stores to ensure customer service level is improved. These include improving product knowledge, focusing on enhancing salesmanship skills, enhancing soft skills required to have a polite and confident conversations with customers.

FRL has integrated Microsoft CRM with Field Partner CRM for complete transparency and visibility of field service. Training is also conducted to improve knowledge of technology especially the CRM which handles customer grievances and feedback.

### Net Promoter Score

The customer based survey, internally branded as Voice of Customer (VOC) runs on the Net Promoter Score (NPS) platform. The parameters that measure NPS include product quality and availability, store helpfulness and service quality, billing experience, store ambience and services, overall membership program experience. A customer receives an SMS post billing and is requested to provide their feedback.

Parameters	Rating Scale
We request your valuable rating of the overall shopping experience. It will help us work to delight also your family & friends when they visit us	0-10
Product quality and availability	1-5
Store helpfulness & service quality	1-5
Billing experience	1-5
Store ambience & services	1-5
Overall membership program experience	1-5

During the reporting period, the Company saw a marked improvement overall in the NPS score for its Big Bazaar, easyday and Heritage stores and it has set out an internal monthly incremental target going forward.

The Google Ratings as an internal standard rating is 4.0 and the same is been tracked store-wise. For stores

having a rating below 4.0, store managers are empowered to engage and resolve the issues promptly with the concerned customers.

### Customer Grievances

The Company adopts a customer centric approach and pro-actively engages with them. (Please refer to Principle 4 for more details related to customer engagement). The Company has set in place a strong grievance mechanism that is deployed through its customer relationship management (CRM) software.

The customer grievance redressal mechanism is as follows:

- All complaints are tagged in e-CRM
- Call Center contacts customers and confirms the resolution
- Store calls customer to address the issue, and
- Resolution is provided as per nature of complaint:
  - If customer is satisfied with resolution, then the case is closed
  - If the customer is not satisfied with resolution then the case is re-opened and escalated for priority resolution.

The Company endeavours to resolve complaints within 24-48 working hours of receipt of complaint from the customer. Total customer grievances received during the reporting period were 4,26,110 at FRL stores; Out of which 425,941 complaints have been satisfactorily resolved. There are 169 complaints that remain pending.

There are no case filed by any stakeholder against the Company regarding irresponsible advertising and/or anti-competitive behaviour during the reporting period.

## FINANCIAL SUMMARY

### Key Highlights of Financial Position

(₹ in crore)

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Share Capital	105.48	100.52	100.40	94.36	8.70
Reserves & Surplus	4,173.38	3,751.43	2,995.87	2,459.30	1,779.92
Net Worth	4,278.86	3,851.95	3,096.27	2,553.66	1,874.19
Total Borrowings	8,889.43	2,657.04	1,286.41	1,244.13	1,122.40
Capital Employed	13,168.29	6,508.99	4,382.68	3,797.79	2,996.59
Net Block	1,716.93	1,440.82	1,018.56	553.78	260.93
Investments	114.42	104.00	0.01	0.00	-
Inventory	5,232.90	5,065.59	4,417.41	3,735.16	3,297.24

### Key Highlights of Financial Results

(₹ in crore)

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Sales & Operating Income	20,118.32	20,164.90	18,477.97	17,075.09	6,844.96
Total Income	20,201.92	20,185.37	18,489.64	17,098.89	6,860.47
COGS	14,915.39	14,781.08	13,740.68	12,834.35	5,065.12
PBDIT	2,067.94	1,057.38	843.99	605.09	101.06
Interest	993.21	223.98	175.38	204.23	49.75
Depreciation	1,040.89	100.59	53.43	32.58	36.76
Profit Before Tax	33.84	732.81	615.18	368.28	14.55
Profit After Tax	33.84	732.81	11.31	368.28	14.55

### Key Financial Ratios

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
COGS / Sales & Operating Income(%)	74.14%	73.30%	74.36%	75.16%	74.00%
Interest / Total Income (%)	4.92%	1.11%	0.95%	1.19%	0.73%
PBDIT/ Interest (Debt-Service Ratio)	2.08	4.72	4.81	2.96	2.03
PBDIT / Total Income (%)	10.24%	5.24%	4.56%	3.54%	1.48%
PBT / Total Income (%)	0.17%	3.63%	3.33%	2.15%	0.21%
PAT / Total Income (%)	0.17%	3.63%	0.06%	2.15%	0.21%
Basic EPS (₹)	0.67	14.58	0.23	7.81	0.66
Debt Equity Ratio	2.08	0.69	0.42	0.49	0.60

#### Notes:

- The Company's Retail business was realigned in FY 2015-16 pursuant to the scheme of arrangement between Future Retail Limited and Future Enterprises Limited (FEL) and vesting of Retail business of FEL with the Company and transfer of Retail Infrastructure business to FEL.
- In the financial year 2017-18, the Company has a non-cash exceptional item of ₹ 603.87 crore resulting in reduction of profit by the same amount.
- The financial results for the year ended March 31, 2019 are not comparable with previous years, due to effect given to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail Undertaking of Heritage Foods Retail Limited and demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company at different period of times during the previous years and in the financial year March 31, 2019.

## INDEPENDENT AUDITORS' REPORT

To The Members of  
**FUTURE RETAIL LIMITED**

### Report on the Audit of the Standalone financial statements

#### Opinion

We have audited the accompanying standalone financial statements of Future Retail Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with

the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 no.50 of the statement, which describes management's assessment of the impact of the COVID 19 pandemic on the financial results 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 of the current period. 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. We have determined the matter described below to be the key audit matters to be communicated in our report.

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

Sr No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p>	<p><u>Principal Audit Procedures</u></p> <p>We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with new revenue accounting standard.</p> <p>Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system.</p> <p>We performed substantive testing by selecting samples of rebate and discount transactions recorded during the year and comparing the parameters used in the calculation of the rebate and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the rebates and discounts was in accordance with the terms and conditions defined in the corresponding schemes.</p> <p>Performed analytical procedures for reasonableness of revenues.</p>



Sr No	Key Audit Matter	Auditor's Response
2	<p><b>Valuation of Inventory</b></p> <p>We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.</p>	<p><u>Principal Audit Procedures</u></p> <p>Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</p> <p>Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</p> <p>Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</p> <p>Obtained an understanding of management's estimate of business impact of COVID 19 pandemic on provision on inventories.</p> <p>Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</p> <p>Verification of the determination of net realizable value on a representative sample basis</p>
3	<p><b>Implementation of Ind AS 116 - Leases (as described in Note 4a of the Standalone Ind AS Financial Statements)</b></p> <p>On March 30, 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The Company has applied the modified retrospective method to ongoing leases as of April 01, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 4,664.73 Crore of Right of Use asset, lease liability of ₹ 6,059.18 Crore. As at March 31, 2020, the Company has ₹ 1,655.52 Crore of Right of use (RoU) assets and ₹ 2,222.77 Crore of Lease liabilities.</p> <p>Application of Ind AS 116, requires significant judgement and estimate in identification of lease arrangement, determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</p>	<p><u>Principal Audit Procedures</u></p> <p>Assessed the Company's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116.</p> <p>Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116.</p> <p>Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved.</p> <p>Assessed the underlying assumptions and estimates including the applicable discount rates.</p> <p>We also assessed the Company's disclosures made in accordance with the requirements of Ind AS 116.</p>

**Information Other than the Standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.



## Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as 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 financial 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 system 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 the 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 standalone 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matter 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 in terms of Section 143(11) of the Act, we give in "Annexure A" 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 Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the

Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting on the Company's internal financial controls over financial reporting for the reasons stated therein.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. : 119850W

**Ashok A. Trivedi**

Partner

Mumbai  
September 04, 2020

Membership Number: 042472  
UDIN: 20042472AAAADN6139

## Annexure - A to the Auditor's Report

**The Annexure referred to in Independent Auditors' Report to the members of the FUTURE RETAIL LIMITED on the standalone financial statements for the year ended March 31, 2020, we report that:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company have immovable properties of freehold or leasehold land and building as at March 31, 2020. Therefore, paragraph 3(i) (c) of the Order is applicable.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits as during the year from the public as mentioned in the provision of Section 73 to 76 and any other relevant provisions of the Act and rules framed there under apply. Therefore Paragraph 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of

the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues were in arrears as at March 31, 2020, for a period of more than six months from the date they became payable.

However, according to information and explanations given to us, value added tax and Service Tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount (₹ In crore)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	14.01	FY: 2008-09; FY: 2015-16	District Collector of Stamp, Gautambudhnagar, U.P.; Collector of Lucknow; ADM (F & R); The Collector of Stamps Preet Vihar, Delhi
Central Sales Tax Act and Local Sales Tax Act	Central Sales Tax and Local Sales Tax (including Value Added Tax)	23.06	FY: 2011-12; FY: 2013-14; FY: 2014-15; FY: 2015-16; FY: 2016-17; FY: 2017-18.	Dy. Commissioner of Sales Tax; Joint Commissioner of commercial Taxes, Appeal-3; Comm. Tax Circle-P, Jammu; Tribunal
Service Tax Act, 1994	Service Tax	39.72	FY: 2007-2011	Department of Service Tax

- viii. Based on our audit procedures and on the basis information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The company has not taken any loans from Government or any Financial Institution.
- ix. Based on our audit procedure and on the basis information and explanation given by the management, we are of the opinion that money raised by company by way of term loan have been applied for the purpose for which they were raised. The company did not raise any money by way of Initial Public offer or further public offer.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations give to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares during the year in compliance with the requirement of section 42 of the Act and amount raised has been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Ashok A. Trivedi**  
Partner  
Membership Number: 042472  
UDIN: 20042472AAAADN6139

Mumbai  
September 04, 2020

## Annexure - B to the Auditor's Report

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the

assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

### Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

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

**For NGS & Co. LLP**

Chartered Accountants

Firm Registration No. : 119850W

**Ashok A. Trivedi**

Partner

Mumbai  
September 04, 2020

Membership Number: 042472  
UDIN: 20042472AAAADN6139



## BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020	(₹ in crore) As at March 31, 2019
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment	2	1,191.59	862.64
Capital Work-in-Progress	2	4,072.23	147.82
Intangible Assets	3	525.34	578.18
Intangible Assets Under Development	3	23.86	42.36
Right to Use of Assets	49	1,655.52	-
Financial Assets			
Investments	4	114.42	104.00
Deposits	5	447.21	395.32
Other Financial Assets	6	0.39	0.13
Other Non-Current Assets	7	1,586.79	275.14
<b>Total Non-Current Assets</b>		<b>9,617.35</b>	<b>2,405.59</b>
<b>2. Current Assets</b>			
Inventories	8	5,232.90	5,065.59
Financial Assets			
Trade Receivables	9	687.98	316.46
Cash and Cash Equivalents	10	87.28	204.91
Bank Balances Other Than The Above	11	60.85	47.90
Deposits	12	3,943.17	1,540.13
Other Financial Assets	13	46.56	99.84
Other Current Assets	14	1,603.39	847.26
<b>Total Current Assets</b>		<b>11,662.13</b>	<b>8,122.09</b>
<b>Total Assets</b>		<b>21,279.48</b>	<b>10,527.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	105.48	100.52
Other Equity	16	4,173.38	3,751.43
<b>Total Equity</b>		<b>4,278.86</b>	<b>3,851.95</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	17	4,362.75	375.31
Lease Liability	18	1,711.29	-
Provisions	19	72.66	57.76
Other Non-Current Liabilities	20	-	136.99
<b>Total Non-Current Liabilities</b>		<b>6,146.70</b>	<b>570.06</b>
<b>2. Current Liabilities</b>			
Financial Liabilities			
Borrowings	21	4,399.92	2,178.67
Trade Payables			
Due to Micro and Small Enterprises	22	51.63	19.31
Due to Others		5,439.01	3,570.38
Other Financial Liabilities	23	705.83	121.40
Provisions	24	11.14	7.71
Other Current Liabilities	25	246.39	208.20
<b>Total Current Liabilities</b>		<b>10,853.92</b>	<b>6,105.67</b>
<b>Total Equity and Liabilities</b>		<b>21,279.48</b>	<b>10,527.68</b>
The accompanying notes are an integral part of the financial statements.	1-54		

As per our report of even date attached

For and on behalf of Board of Directors

### For NGS & Co. LLP

Chartered Accountants  
Firm Registration No. : 119850W

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

### Ashok A. Trivedi

Partner  
Membership No.: 042472

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

### Mumbai

September 04, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>INCOME</b>			
Revenue From Operations	26	20,118.32	20,164.90
Other Income	27	83.60	20.47
<b>Total Income</b>		<b>20,201.92</b>	<b>20,185.37</b>
<b>EXPENSES</b>			
Purchase of Stock-In-Trade		15,083.28	15,431.85
Change in Inventories of Stock-In-Trade	28	(167.89)	(650.77)
Employee Benefits Expense	29	950.22	1,074.41
Finance Costs	30	993.21	223.98
Depreciation and Amortization Expense	2,3 & 49	1,040.89	100.59
Other Expenses	31	2,268.37	3,272.50
<b>Total Expenses</b>		<b>20,168.08</b>	<b>19,452.56</b>
<b>Profit Before Tax</b>		<b>33.84</b>	<b>732.81</b>
Total Tax Expense	35	-	-
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
<b>Profit For The Year</b>		<b>33.84</b>	<b>732.81</b>
<b>Other Comprehensive Income For The Year</b>		<b>(224.45)</b>	<b>5.81</b>
Fair Value Changes On Investment		(0.01)	0.00
Foreign Exchange (Loss) on Bonds		(209.62)	-
Re-measurement Gains on Defined Benefit Plans		(14.82)	5.81
<b>Total Comprehensive Income For The Year</b>		<b>(190.61)</b>	<b>738.62</b>
<b>Earnings Per Equity Share of Face Value of ₹ 2/- each</b>	39		
Basic		0.67	14.58
Diluted		0.65	14.58
The accompanying notes are an integral part of the financial statements.	1-54		

As per our report of even date attached

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

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472  
**Mumbai**  
September 04, 2020

For and on behalf of Board of Directors

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
<b>(A) EQUITY SHARE CAPITAL</b>		
<b>Opening Balance</b>	100.52	100.40
Issue of Equity Shares Under Employee Stock Option Scheme	-	0.12
Issued Against Conversion of Warrants	4.96	-
<b>Closing Balance</b>	<b>105.48</b>	<b>100.52</b>
<b>(B) OTHER EQUITY</b>		
<b>Retained Earnings</b>		
<b>Opening Balance</b>	626.60	(112.02)
Profit For The Year	33.84	732.81
Transition Impact of Lease (IND AS 116)	(1,394.45)	-
Other Comprehensive Income For The Year		
Fair Value Changes On Investment	(0.01)	0.00
Foreign Exchange (Loss) on Bonds	(209.62)	-
Re-measurement Gain on Defined Benefit Plans	(14.82)	5.81
<b>Closing Balance</b>	<b>(958.46)</b>	<b>626.60</b>
<b>Equity Share Warrants</b>		
<b>Opening Balance</b>	-	-
Amount Received During the Year	1,998.51	-
Issue of Equity Share on Conversion of Share Warrants	(1,252.40)	-
<b>Closing Balance</b>	<b>746.10</b>	-
<b>Capital Reserve</b>		
<b>Opening and Closing Balance</b>	<b>(124.20)</b>	<b>(124.20)</b>
<b>Securities Premium Reserve</b>		
<b>Opening Balance</b>	3,232.61	3,224.69
Issue of Equity Shares	1,247.44	7.92
Share Issue Expenses	(1.25)	-
<b>Closing Balance</b>	<b>4,478.80</b>	<b>3,232.61</b>
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	16.42	7.40
Employee Stock Option Expense	14.72	16.44
Exercise of Stock Options	-	(7.42)
<b>Closing Balance</b>	<b>31.14</b>	<b>16.42</b>
<b>TOTAL OTHER EQUITY</b>	<b>4,173.38</b>	<b>3,751.43</b>

As per our report of even date attached

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. : 119850W

**Ashok A.Trivedi**

Partner  
Membership No.: 042472

**Mumbai**

September 04, 2020

For and on behalf of Board of Directors

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	33.84	732.81
<b>Adjustments For:</b>		
Depreciation and Amortization Expense	1,040.89	100.59
Finance Costs	993.21	223.98
Employee Stock Option Expense	14.72	16.44
Allowance for Credit Losses	8.84	5.55
Loss on Disposal/Discard of Fixed Assets (Net)	92.99	8.51
Provision for Diminution in Investment	4.57	-
Interest Income	(34.11)	(17.70)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,154.95</b>	<b>1,070.18</b>
<b>Adjustments For:</b>		
Trade Receivables	(380.36)	(83.66)
Deposits	(2,454.93)	(355.46)
Other Financial Assets and Other Assets	(1,848.10)	(523.43)
Inventories	(167.31)	(648.18)
Trade Payables	1,900.57	(486.91)
Other Financial Liabilities, Other Liabilities and Provisions	(862.16)	741.02
<b>Cash Generated From Operations</b>	<b>(1,657.36)</b>	<b>(286.43)</b>
Taxes Paid	(179.62)	(15.59)
<b>Net Cash Flows Used in Operating Activities</b>	<b>(1,836.97)</b>	<b>(302.02)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(4,438.67)	(687.99)
Purchase of Investment	(14.99)	(103.99)
Interest Received	34.11	17.70
<b>Net Cash Flow from Investing Activities</b>	<b>(4,419.55)</b>	<b>(774.28)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	1,265.87	0.62
Proceeds from Warrant Application Money	746.10	-
Proceeds from Borrowings	5,999.06	1,329.23
Payment of Lease	(1,431.84)	-
Interest Paid	(440.30)	(223.98)
<b>Net Cash Flow from /(Used In) Financing Activities</b>	<b>6,138.89</b>	<b>1,105.87</b>
<b>Net (Decrease)/Increase In Cash and Cash Equivalents</b>	<b>(117.63)</b>	<b>29.57</b>
<b>Net (Decrease)/Increase In Cash and Cash Equivalents</b>	<b>(117.63)</b>	<b>29.57</b>
Cash and Cash Equivalents (Opening Balance)	204.91	175.34
Cash and Cash Equivalents (Closing Balance)	87.28	204.91

As per our report of even date attached

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. : 119850W

**Ashok A. Trivedi**

Partner  
Membership No.: 042472

**Mumbai**

September 04, 2020

For and on behalf of Board of Directors

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Company Overview and Significant Accounting Policies

#### 1.1 Company Overview

Future Retail Limited ('The Company') is a public Company domiciled in India and incorporated on February 7, 2007. The Company is engaged in the business of retailing of fashion, household and consumer products through departmental and neighbourhood stores under various formats across the country.

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

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on September 04, 2020

#### 1.2 Basis of Preparation of Financial Statements

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

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 'Share-based payment', leasing transactions that are within the scope of Ind AS 17 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets'.

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.

#### 1.3 Use of Estimates

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

#### 1.4 Revenue Recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative-catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Sale of Products

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

### Rendering of Services

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

### Interest Income

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

### Dividend Income

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

## 1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

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

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

Building	:	30 years
Plant and Equipment	:	15 years
Office Equipment*	:	3 to 6 years
Furniture and Fixture	:	10 years
Leasehold Improvement*	:	Lease term or 15 years, whichever is lower
Vehicle	:	8 years

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

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

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1.6 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life not exceeding ten years and assessed for impairment whenever there is an indication that the Intangible assets may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

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

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

### 1.7 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 or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

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 or 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 or 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 recognized 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 18 'Revenue' ("Ind AS 18").

### 1.8 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Buildings (leased stores). The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-to-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

### 1.9 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- Due to be settled within twelve months after the reporting period, or

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

### 1.10 Measurement of Fair Value

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

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

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

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

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

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

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

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

### 1.11 Financial Instruments

#### (i) Initial Recognition and Measurement

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

#### (ii) Subsequent Measurement

##### A Non-Derivative Financial Instruments

##### a Financial Assets Carried at Amortised Cost

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

##### b Financial Assets at Fair Value Through Other Comprehensive Income

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

**c Financial Assets at Fair Value Through Profit or Loss**

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

**d Financial Liabilities**

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

**B Derivative Financial Instruments**

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

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

Derivative financial instruments: The Company uses derivative financial instruments, such as call spread options, interest rate swap etc. forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised as other compressive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

**C Hedge Accounting**

The company designates certain hedging instrument, which includes derivatives and non derivative in respect of foreign currency, interest rate as either cash flow hedge or fair value hedge. Hedge of foreign currency risk on firm commitment are accounted as cash flow hedge. At the inception of hedge relationship, the entity documents the relationship between hedging instruments and hedging items, along with its risk management objectives and its strategy for undertaking various hedge transactions.

**(i) Fair value hedge**

Change in fair value of designated portion of derivatives that qualify as fair value hedges are recognized in the statement of profit and loss account immediately, together with change in fair value of assets / liability that are attributable to hedged risk. Change in fair value of designated portion of hedging instrument and change in the hedged items attributable to hedge risk are recognized in the statement of profit and loss account in the line items relating to hedged instruments.

Hedge accounting is discontinued when the instruments expired or is sold, terminated or exercised or when no longer qualify for hedged accounting.

**(ii) Cash Flow Hedge**

The Effective portion of change in fair value of derivatives that are designated and qualify as cash flow is recognized in other comprehensive income and accumulated under the heading

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of cash flow hedging reserve. The gain or loss relating to ineffective portion is recognised immediately in profit and loss.

Hedge accounting is discontinued when the instruments expired or is sold, terminated or exercised or when no longer qualify for hedged accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and Loss account. When the forecast transaction is no longer expected to be occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

### (iii) Derecognition of Financial Instruments

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

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

### 1.12 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or net realizable value. Cost of inventory, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed on weighted average basis.

### 1.13 Foreign Currency

#### (i) Functional Currency

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

#### (ii) Transactions and Translations

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

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

### 1.14 Borrowing Costs

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

### 1.15 Customer Acquisition Cost

Company has incurred cost for acquisition of customers under Future Pay Wallet Program. The cost incurred on acquisition of customers has been amortized over period of 5 years. The useful life of the customer and method of amortization will be reviewed at the end of each financial year and adjusted prospectively.

### 1.16 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

### Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

### 1.17 Share-Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option 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 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 share options outstanding reserve.

### 1.18 Taxation

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

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

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

### 1.19 Earnings Per Share

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

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

### 1.20 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.

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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Onerous contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

### 1.21 Impairment

#### (i) Financial Assets

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

#### (ii) Non-Financial Assets

##### Intangible Assets and Property, Plant and Equipment

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

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

### 1.22 Share Capital

#### Ordinary Shares

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Property, Plant and Equipment

(₹ in crore)

Cost	Freehold Land	Building	Leasehold Improvements	Plant and Equipments	Office Equipments	Furniture and Fixtures	Vehicles	Total	Capital Work-in-Progress**
<b>As At April 01, 2018</b>	7.94	12.05	111.30	112.56	18.35	241.31	0.09	503.60	24.31
Additions / Transfer	0.13	-	90.88	92.70	10.06	249.47	1.04	444.28	-
Disposals	-	-	6.71	-	0.18	2.60	-	9.49	-
<b>As At March 31, 2019</b>	8.07	12.05	195.47	205.26	28.23	488.18	1.13	938.38	147.82
<b>As At April 01, 2019</b>	8.07	12.05	195.47	205.26	28.23	488.18	1.13	938.38	147.82
Additions / Transfer	-	-	59.10	67.80	22.08	395.74	0.25	544.97	-
Disposals	-	-	32.69	21.15	2.16	62.71	-	118.71	-
<b>As At March 31, 2020</b>	8.07	12.05	221.88	251.91	48.15	821.21	1.38	1,364.65	4,072.23
<b>Depreciation</b>									
<b>As At April 01, 2018</b>	-	0.19	3.06	4.38	2.08	5.26	0.01	14.98	-
Depreciation For The Year	-	1.30	14.94	9.12	4.27	31.68	0.10	61.41	-
Disposals	-	-	0.62	-	-	0.03	-	0.65	-
<b>As At March 31, 2019</b>	-	1.49	17.38	13.50	6.35	36.91	0.11	75.74	-
<b>As At April 01, 2019</b>	-	1.49	17.38	13.50	6.35	36.91	0.11	75.74	-
Depreciation For The Year	-	1.42	21.74	15.72	8.86	64.34	0.13	112.21	-
Disposals	-	-	4.78	1.88	0.26	7.97	-	14.89	-
<b>As At March 31, 2020</b>	-	2.91	34.34	27.34	14.95	93.28	0.24	173.06	-
<b>Net Book Value</b>									
<b>As At March 31, 2020</b>	8.07	9.14	187.54	224.57	33.20	727.93	1.14	1,191.59	4,072.23
As At March 31, 2019	8.07	10.56	178.09	191.76	21.88	451.27	1.02	862.64	147.82

\*\* Refer Note No 51

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3. Intangible Assets

(₹ in crore)

	Computer Software	Brand/ Trademark	Total	Intangible Assets Under Development
<b>Cost</b>				
<b>As At April 01, 2018</b>	464.07	155.03	619.10	9.27
Additions / Transfer	55.95	31.47	87.42	-
Disposals	-	-	-	-
<b>As At March 31, 2019</b>	520.02	186.50	706.52	42.36
<b>As At April 01, 2019</b>	520.02	186.50	706.52	42.36
Additions / Transfer	1.67	-	1.67	-
Disposals	4.79	-	4.79	-
<b>As At March 31, 2020</b>	<b>516.90</b>	<b>186.50</b>	<b>703.40</b>	<b>23.86</b>
<b>Amortization</b>				
<b>As At April 01, 2018</b>	89.16	-	89.16	-
Amortization For The Year	39.18	-	39.18	-
Disposals	-	-	-	-
<b>As At March 31, 2019</b>	128.34	-	128.34	-
<b>As At April 01, 2019</b>	128.34	-	128.34	-
Amortization For The Year	51.47	-	51.47	-
Disposals	1.75	-	1.75	-
<b>As At March 31, 2020</b>	<b>178.06</b>	-	<b>178.06</b>	-
<b>Net Book Value</b>				
<b>As At March 31, 2020</b>	<b>338.84</b>	<b>186.50</b>	<b>525.34</b>	<b>23.86</b>
<b>As At March 31, 2019</b>	391.68	186.50	578.18	42.36

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
<b>4 Non-Current Financial Assets - Investment in</b>		
<b>Equity Instruments</b>		
<b>Fully Paid Up Equity Shares</b>		
<b>Quoted</b>		
100 Equity Shares of Future Supply Chain Solutions Limited of ₹10/- each *	0.00	0.01
<b>Unquoted</b>		
<b>Subsidiary Companies</b>		
41,44,211 Equity Shares of Travel News Services (India) Private Limited of ₹ 10/- each	65.41	65.41
15,10,000 (10,000) Equity Shares of Future 7-India Convenience Limited of ₹ 10/- each (Formerly Known as SHME Food Brands Private Limited)	15.01	0.01
<b>Joint Venture Company</b>		
2,50,000 Equity Shares of Future Retail LLC of RO 1/- each	4.57	4.57
Less : Provision for Diminution in value of investment	(4.57)	-
<b>Fully Paid Up Preference Shares</b>		
<b>Unquoted</b>		
<b>Subsidiary Company</b>		
34,00,000 7% Cumulative Redeemable Preference Shares of Travel News Services (India) Private Limited of ₹ 100/- each	34.00	34.00
	<b>114.42</b>	<b>104.00</b>
<b>Note:</b>		
<b>Investment Carried At Fair Value Through Other Comprehensive Income</b>		
*Aggregate Value of Quoted Investment ₹ 0.00 Cr ( 2019 ₹ 0.01 Cr )		
Aggregate Value of Unquoted Investment ₹ 114.42 Cr ( 2019 ₹ 103.99)		
<b>5 Non-Current Financial Assets - Deposits</b>		
<b>Security Deposits</b>		
Unsecured, Considered Good	447.21	395.32
	<b>447.21</b>	<b>395.32</b>
<b>6 Non-Current Financial Assets - Others</b>		
<b>Bank Balances Other Than Cash and Cash Equivalents</b>		
Deposit With Banks	0.39	0.13
	<b>0.39</b>	<b>0.13</b>
<b>7 Other Non-Current Assets</b>		
<b>Capital Advances</b>		
Unsecured, Considered Good	32.73	56.54
<b>Others</b>		
Others Unsecured, Considered Good*	1,554.06	218.60
	<b>1,586.79</b>	<b>275.14</b>
(*Includes Advance to suppliers, Prepaid Expenses, Statutory Authorities etc.)		



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2020	As at March 31, 2019
<b>8</b>	<b>Inventories</b>		
	Stock-in-Trade	5,231.45	5,063.56
	Goods-in-Transit of ₹ 82.50 crore (2019: ₹ 126.18 crore)		
	Packing Materials And Others	1.45	2.03
		<b>5,232.90</b>	<b>5,065.59</b>
<b>9</b>	<b>Trade Receivables</b>		
	Unsecured, Considered Good (Refer Note No. 32)	687.98	316.46
	Unsecured, Considered Doubtful	8.84	5.55
		<b>696.82</b>	<b>322.01</b>
	Less: Allowance for Credit Losses	8.84	5.55
		<b>687.98</b>	<b>316.46</b>
<b>10</b>	<b>Cash and Cash Equivalents</b>		
	Balances with Banks	51.01	132.49
	Cheques on Hand	0.75	1.37
	Cash on Hand	35.52	71.05
		<b>87.28</b>	<b>204.91</b>
<b>11</b>	<b>Bank Balances Other Than The Above</b>		
	Deposit With Banks*	60.85	47.90
		<b>60.85</b>	<b>47.90</b>
	*Held as margin money or security against the borrowings, guarantees and other commitments		
<b>12</b>	<b>Current Financial Assets - Deposits</b>		
	<b>Security Deposits</b>		
	Unsecured, Considered Good	3,943.17	1,540.13
	Unsecured, Considered Doubtful	-	2.90
		<b>3,943.17</b>	<b>1,543.03</b>
	Less: Provision for Doubtful	-	2.90
		<b>3,943.17</b>	<b>1,540.13</b>
<b>13</b>	<b>Current Financial Assets-Others</b>		
	Others	46.56	99.84
		<b>46.56</b>	<b>99.84</b>
<b>14</b>	<b>Other Current Assets</b>		
	<b>Other Advances#</b>		
	Unsecured, Considered Good	1,603.39	847.26
	Unsecured, Considered Doubtful	-	2.99
		<b>1,603.39</b>	<b>850.25</b>
	Less: Provision for Doubtful	-	2.99
		<b>1,603.39</b>	<b>847.26</b>
	(#Includes Advance to Suppliers, Prepaid Expenses, Statutory Authorities, etc.)		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 15 Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number	(₹ in crore)	Number	(₹ in crore)
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	<b>12,50,00,00,000</b>	<b>2,500.00</b>	12,50,00,00,000	2,500.00
	<b>12,50,00,00,000</b>	<b>2,500.00</b>	12,50,00,00,000	2,500.00
<b>Issued *</b>				
Equity Shares of ₹ 2/- each	<b>52,75,02,810</b>	<b>105.50</b>	50,27,02,810	100.54
	<b>52,75,02,810</b>	<b>105.50</b>	50,27,02,810	100.54
<b>Subscribed and Paid up *</b>				
Equity Shares of ₹ 2/- each	<b>52,73,98,439</b>	<b>105.48</b>	50,25,98,439	100.52
	<b>52,73,98,439</b>	<b>105.48</b>	50,25,98,439	100.52

\* Pursuant to the provisions of the Companies Act, 2013, the issue of 104,371 Equity Shares are kept in abeyance corresponding to their status in Future Enterprises Limited

#### (i) Reconciliation of Number of Equity Shares

Equity Shares of ₹ 2/- each

Particulars	As at March 31, 2020	As at March 31, 2019
	Number of Shares	Number of Shares
<b>Opening Balance</b>	<b>50,25,98,439</b>	50,19,75,154
Add : Shares Issued Under Employee Stock Option Scheme	-	6,23,285
Add : Shares issued against Equity warrants	<b>2,48,00,000</b>	-
<b>Closing Balance</b>	<b>52,73,98,439</b>	50,25,98,439

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

The Company has only one class of Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per share held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the Company. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)	<b>17,40,53,954</b>	<b>33.00</b>	23,62,18,516	47.00
Future Coupons Private Limited	<b>3,84,66,287</b>	<b>7.29</b>	-	-
Bennett, Coleman And Company Limited	<b>3,05,03,593</b>	<b>5.78</b>	-	-

#### Nature and Purpose of Reserves:

##### a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
<b>16 OTHER EQUITY</b>		
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>626.60</b>	(112.02)
Profit For The Year	<b>33.84</b>	732.81
Transition Impact of Lease (IND AS 116)	<b>(1,394.45)</b>	-
Other Comprehensive Income For The Year		
Fair Value Changes On Investment	<b>(0.01)</b>	0.00
Foreign Exchange (Loss) on Bonds	<b>(209.62)</b>	-
Re-measurement Gain on Defined Benefit Plans	<b>(14.82)</b>	5.81
<b>Closing Balance</b>	<b>(958.46)</b>	626.60
<b>Equity Share Warrants</b>		
<b>Opening Balance</b>	-	-
Amount Received During the Year	<b>1,998.51</b>	-
Issue of Equity Share on Conversion of Share Warrants	<b>(1,252.40)</b>	-
<b>Closing Balance</b>	<b>746.10</b>	-
<b>Capital Reserve</b>		
<b>Opening and Closing Balance</b>	<b>(124.20)</b>	(124.20)
<b>Securities Premium Reserve</b>		
<b>Opening Balance</b>	<b>3,232.61</b>	3,224.69
Issue of Equity Shares	<b>1,247.44</b>	7.92
Share Issue Expenses	<b>(1.25)</b>	-
<b>Closing Balance</b>	<b>4,478.80</b>	3,232.61
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	<b>16.42</b>	7.40
Employee Stock Option Expense	<b>14.72</b>	16.44
Exercise of Stock Options	-	(7.42)
<b>Closing Balance</b>	<b>31.14</b>	16.42
<b>TOTAL OTHER EQUITY</b>	<b>4,173.38</b>	3,751.43

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2020	As at March 31, 2019
<b>17</b>	<b>Non-Current Financial Liabilities - Borrowings</b>		
	<b>Secured</b> (Refer Note No. 48)		
	Loan from Banks	394.95	375.31
	Bonds	3,769.30	-
	Non-Convertible Debentures	198.50	-
		<b>4,362.75</b>	<b>375.31</b>
<b>18</b>	<b>Non-Current Financial Liabilities - Others</b>		
	Lease Liabilities	1,711.29	-
		<b>1,711.29</b>	<b>-</b>
<b>19</b>	<b>Non-Current Liabilities - Provisions</b>		
	Provision for Employee Benefits	72.66	57.76
		<b>72.66</b>	<b>57.76</b>
<b>20</b>	<b>Other Non-Current Liabilities</b>		
	Lease Equalisation Account	-	136.99
		<b>-</b>	<b>136.99</b>
<b>21</b>	<b>Current Financial Liabilities - Borrowings</b>		
	<b>Secured</b> (Refer Note No. 48)		
	Loan from Bank	1,079.73	50.00
	Working Capital Loans and Others	3,320.19	2,128.67
		<b>4,399.92</b>	<b>2,178.67</b>
<b>22</b>	<b>Trade Payables</b>		
	Due to Micro and Small Enterprises	51.63	19.31
	Due to Others	5,439.01	3,570.38
		<b>5,490.64</b>	<b>3,589.69</b>
<b>23</b>	<b>Current-Other Financial Liabilities</b>		
	Current Maturities of Long-Term Borrowings	126.76	103.06
	Interest Accrued But Not Due on Borrowings	61.04	-
	Security Deposits	6.44	11.82
	Lease Liability	511.48	-
	Others	0.11	6.52
		<b>705.83</b>	<b>121.40</b>
<b>24</b>	<b>Current Provisions</b>		
	Provision for Employee Benefits	11.14	6.90
	Warranties	-	0.81
		<b>11.14</b>	<b>7.71</b>
<b>25</b>	<b>Other Current Liabilities</b>		
	Lease Equalisation Account	-	2.83
	Advance From Customers	162.23	164.77
	Other Payables	84.16	40.60
		<b>246.39</b>	<b>208.20</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>26 Revenue From Operations</b>		
Sale of Products	21,324.68	21,288.16
Less: Goods and Services Tax	1,910.10	1,892.05
Other Operating Revenue	703.74	768.79
	<b>20,118.32</b>	<b>20,164.90</b>
<b>27 Other Income</b>		
Interest Income	34.11	17.70
Excess Provisions / Liabilities Written Back	2.13	2.02
Miscellaneous Income	47.36	0.75
	<b>83.60</b>	<b>20.47</b>
<b>28 Changes In Inventories of Stock-In-Trade</b>		
<b>Opening Inventories</b>		
Stock-In-Trade	5,063.56	4,412.79
<b>Closing Inventories</b>		
Stock-In-Trade	5,231.45	5,063.56
	<b>(167.89)</b>	<b>(650.77)</b>
<b>29 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	844.81	966.65
Contribution to Provident and Other Funds	64.52	58.83
Employee Stock Option Expense	14.72	16.44
Staff Welfare Expenses	26.17	32.49
	<b>950.22</b>	<b>1,074.41</b>
<b>30 Finance Costs</b>		
Interest Expense	972.88	218.28
Other Borrowing Costs	20.33	5.70
	<b>993.21</b>	<b>223.98</b>
<b>31 Other Expenses</b>		
Power and Fuel	347.67	320.27
Repairs and Maintenance	58.17	54.59
Insurance	16.13	11.64
Rates and Taxes	75.23	43.15
Rent Including Lease Rentals	109.85	1,487.38
Advertisement and Marketing	451.93	379.71
Corporate Social Responsibility Expenses	7.33	6.76
Allowance for Credit Losses	8.84	4.89
Loss on Disposal/Discard of Fixed Assets (Net)	92.99	8.51
Exchange Fluctuation Loss/(Gain) (Net)	0.78	4.35
Provision for Diminution in Investment	4.57	-
Miscellaneous Expenses	1,094.88	951.25
	<b>2,268.37</b>	<b>3,272.50</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 32. Financial Risk Management

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

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

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

#### i Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

#### ii Foreign Currency Risk

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

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

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

	(₹ in crore)	
	2019-20	2018-19
Bonds	3,769.30	-
Trade Payables	13.67	13.87
Trade Receivable	7.98	4.42

#### iii Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 696.82 crore and ₹ 316.46 crore as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by The Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

#### Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model:

	(₹ in crore)	
	2019-20	2018-19
Opening Balance	5.55	2.75
Provided During The Year	8.84	4.89
Amounts Written off	5.55	2.09
<b>Closing Balance</b>	<b>8.84</b>	<b>5.55</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

	(₹ in crore)	
	2019-20	2018-19
Up to 3 Months	208.24	281.29
3 to 6 Months	459.93	22.67
More Than Six Months	28.65	12.50

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

#### iv Liquidity Risk

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

	(₹ in crore)	
	2019-20	2018-19
Short Term Borrowings	4,399.92	2,178.67
Trade Payables	5,490.64	3,589.69
Other Financial Liabilities (Excluding Lease Liability)	194.35	121.40

#### (v) Financial Instruments Valuation

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

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

Fair value measurement hierarchy:

Particulars	As At March 31, 2020			As At March 31, 2019		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	687.98	-	-	316.46	-	-
Cash and Bank Balances	148.13	-	-	252.81	-	-
Deposits	4,390.38	-	-	1,935.44	-	-
Other Financial Assets	46.95	-	-	99.97	-	-
<b>At FVTOCI</b>						
Investments	0.00	0.00	-	0.01	0.01	-
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings	5,120.13	-	-	2,553.98	-	-
Trade Payables	5,490.64	-	-	3,589.69	-	-
Other Financial Liabilities (Exclude Lease Liabilities)	194.35	-	-	121.40	-	-
<b>At FVTOCI</b>						
Borrowings	3,769.30	3,769.30	-	-	-	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

### 33. Capital Management

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

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

(₹ in crore)

Particular	March 31, 2020	March 31, 2019
Gross Debt	8,889.43	2,657.04
Trade Payables	5,490.64	3,589.69
Other Payables	330.19	410.67
Less: Cash and Cash Equivalents	87.28	204.91
<b>Net Debt</b>	<b>14,622.98</b>	<b>6,452.48</b>
Equity	105.48	100.52
Other Equity	4,173.38	3,751.43
<b>Total Capital</b>	<b>4,278.86</b>	<b>3,851.95</b>
<b>Capital and Net Debt</b>	<b>18,901.84</b>	<b>10,304.44</b>
<b>Gearing Ratio</b>	<b>77.36%</b>	<b>62.62%</b>

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

### 34. Employee Benefits - Gratuity

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

i Change in Present Value of Defined Benefit Obligation	(₹ in crore)	
	2019-20	2018-19
Defined Benefit Obligation at the beginning of the year	37.75	37.63
Service Cost	6.17	9.02
Interest Expense	2.67	2.77
Acquisition	-	0.35
Remeasurement-Actuarial (gains)/losses	14.75	(6.00)
Benefits Paid	(10.50)	(6.01)
Defined Benefit Obligation at the end of the year	50.85	37.75

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii	Change in Fair Value of Plan Assets		(₹ in crore)
		<b>2019-20</b>	<b>2018-19</b>
	Fair Value of Plan Assets at the beginning of the year	<b>1.05</b>	5.73
	Remeasurement-Return on plan assets excluding amounts included in Interest Income	<b>0.08</b>	0.44
	Contributions	<b>(1.06)</b>	(4.94)
	Actuarial Gain/ (Loss) on Plan Assets	<b>(0.07)</b>	(0.19)
	Fair Value of Plan Assets at the end of the year	<b>(0.00)</b>	1.05
iii	Net Defined Benefit Liability/(Assets)		(₹ in crore)
		<b>2019-20</b>	<b>2018-19</b>
	Defined Benefit Obligation	<b>50.85</b>	37.75
	Fair Value of Plan Assets	-	(1.05)
	Surplus /(Deficit)	<b>50.85</b>	36.70
	Net Defined Benefit Liability/ (Assets)	<b>50.85</b>	36.70
iv	Total Expenses Recognised in the Statement of Profit and Loss		(₹ in crore)
		<b>2019-20</b>	<b>2018-19</b>
	Current Service cost	<b>6.17</b>	9.02
	Net interest on the net defined benefit liability/asset	<b>2.60</b>	2.33
	Total Expenses Recognised in the Statement of Profit And Loss	<b>8.77</b>	11.35
v	Remeasurement Effects Recognised in Other Comprehensive Income (OCI)		(₹ in crore)
		<b>2019-20</b>	<b>2018-19</b>
	Actuarial (Gains)/ Losses	-	(6.00)
	(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit Liability/ (Asset)	<b>0.07</b>	0.19
	Total (Gain) / Loss included in OCI	<b>0.07</b>	(5.81)
vi	Reconciliation of Amounts in Balance Sheet		(₹ in crore)
		<b>2019-20</b>	<b>2018-19</b>
	Defined Benefit Obligation at the beginning of the year	<b>36.71</b>	31.90
	Acquisitions	-	0.35
	Total expenses recognised in Profit and Loss Account	<b>8.77</b>	11.35
	Total Remeasurement included in OCI	<b>14.82</b>	(5.81)
	Benefits paid	<b>(9.44)</b>	(1.09)
	Defined Benefit Obligation at the end of the year	<b>50.85</b>	36.70

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### vii Reconciliation of Amounts in Statement of Other Comprehensive Income (₹ in crore)

	2019-20	2018-19
OCI Income at the beginning of year	(4.80)	1.01
Total Remeasurement included in OCI	14.82	(5.81)
OCI (Income) / Expense at the end of the year	10.01	(4.80)

### viii Expected Maturity Profile of Defined benefit Obligation (₹ in crore)

	2019-20	2018-19
Year 1	3.53	2.30
Year 2	3.28	2.98
Year 3	3.60	2.97
Year 4	3.65	3.50
Year 5	4.17	3.68
Year 6 - 10	22.07	20.01

### ix Financial Assumptions

	2019-20	2018-19
Discount Rate	6.63%	7.30%
Expected Rate of Salary Increase	0% for first year, 5% thereafter	7 % for First 2 Years and 5 % thereafter

### x Demographic Assumptions

	2019-20	2018-19
Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08) ultimate
Withdrawal Rate	Service < 5 Years :36% Service > 5 Years : 2%	2 % to 10 %
Retirement age	58 Years	58 Years

### xi Sensitivity Analysis (₹ in crore)

	2019-20	2018-19
Discount Rate		
a. Discount Rate -100 basis point	58.14	42.86
b. Discount Rate +100 basis point	44.84	33.52
Salary Increase Rate		
a. Rate -100 basis point	45.48	33.76
b. Rate +100 basis point	57.16	42.40

## 35. Income Tax Expense

### i Reconciliation of Tax Expenses (₹ in crore)

	2019-20	2018-19
Profit Before Tax	33.84	732.81
Applicable tax rate	34.94%	34.94%
Computed expected tax expense	11.83	256.07
Effect of Non-deductible Expense		9.69
Effect of Additional deduction		(17.44)
Carried forward losses utilized	(11.83)	(248.31)
Tax expense charged to the Statement of Profit and Loss	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### ii Amount for Which Deferred Tax Asset is Not Recognised

(₹ in crore)

	2019-20	2018-19
Unused tax losses / depreciation	442.01	260.78
Other items giving rise to temporary differences	29.28	71.46
Accelerated depreciation for tax purpose	(174.07)	(129.58)
Deferred tax asset / (liability)	297.22	202.66

### 36. Segment Reporting

The Company is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment.

### 37. Related Party Disclosures

Disclosure as required by Ind AS 24 and Companies Act, 2013 "Related Party Disclosures" are given below:

#### 1. List of Related Parties

##### A Subsidiary Companies

- Travel News Services (India) Private Limited
- TNSI Retail Private Limited
- Welcome Retail Private Limited
- Future 7-India Convenience Limited (f.k.a SHME Food Brands Limited)

##### B Joint Venture Company

- Future Retail LLC

##### C Enterprises over which Key Managerial Personnel(s) are able to exercise significant influence

- Aadhaar Wholesale Trading And Distribution Limited
- Apollo Design Apparel Parks Limited
- Birthright Games & Entertainment
- Bloom Foods & Beverages Private Limited
- FLFL Travel Retail Bhubaneswar Private Limited
- FLFL Travel Retail Guwahati Private Limited
- FLFL Travel Retail Lucknow Private Limited
- FLFL Travel Retail West Private Limited
- Fonterra Future Dairy Private Limited
- Future Consumer Limited
- Future Coupons Private Limited (f.k.a Future Coupons Limited)
- Future Enterprises Limited
- Future Entertainment Private Limited
- Future Food And Products Limited
- Future Generali India Insurance Company Limited
- Future Generali India Life Insurance Company Limited
- Future Ideas Company Limited
- Future Lifestyle Fashions Limited
- Future Market Networks Limited
- Future Media (India) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Future Sharp Skills Limited
- Future Specialty Retail Limited
- Future Supply Chain Solutions Limited
- Galaxy Cloud Kitchens Limited
- Goldmohur Design & Apparel Park Limited
- Hain Future Natural Products Private Limited
- Holii Accessories Private Limited
- Leanbox Logistics Solutions Private Limited
- Praxis Home Retail Limited
- Rachika Trading Limited
- Retail Light Techniques India Limited
- Riddhi Siddhi Mall Management Private Limited
- Star Shopping Centres Private Limited
- The Nilgiri Dairy Farm Private Limited
- Work Store Limited

### D Entity able to Exercise Significant Influence

- Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited)

### E Key Managerial Personnel(s)

- Mr. Kishore Biyani – Chairman
- Mr. Rakesh Biyani – Managing Director
- Ms. Gagan Singh – Independent Director
- Mr. Ravindra Dhariwal – Independent Director
- Mr. Shailendra Bhandari – Independent Director
- Ms. Sridevi Badiga – Independent Director
- Mr. Rahul Garg - Non Executive Director
- Mr. C. P. Toshniwal – Chief Financial Officer
- Mr. Virendra Samani – Company Secretary

### F Relatives of Key Managerial Personnel(s)

- Mrs. Bhavika Samani

## 2. Transaction with Related Parties

(₹ in crore)					
Nature of Transaction	Subsidiaries	Joint Venture	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	<b>4.36</b>	<b>4.85</b>	<b>251.55</b>	<b>2.64</b>	-
	(1.72)	(4.42)	(421.81)	(0.33)	(-)
Purchase of Goods and Services	<b>0.00</b>	-	<b>7,203.97</b>	<b>68.41</b>	<b>0.02</b>
	(-)	(-)	(4,665.42)	(66.67)	(0.02)
Sale of Fixed Assets	-	-	<b>17.48</b>	-	-
	(-)	(-)	(-)	(-)	(-)
Investments	<b>15.00</b>	-	-	-	-
	(34.00)	(4.57)	(-)	(-)	(-)
Equity Share Warrant	-	-	<b>746.10</b>	-	-
	(-)	(-)	(-)	(-)	(-)
Managerial Remuneration	-	-	-	-	<b>10.77</b>
	(-)	(-)	(-)	(-)	(15.40)
Sitting Fees	-	-	-	-	<b>2.65</b>
	(-)	(-)	(-)	(-)	(2.27)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

Nature of Transaction	Subsidiaries	Joint Venture	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Outstanding Balance as on March 31, 2020					
Receivable	7.42 (1.36)	4.61 (4.42)	2,881.44 (1,120.06)	317.85 (152.16)	- (-)
Payable	- (0.43)	- (-)	990.28 (522.38)	- (-)	- (-)

Note: Previous year figures are given in parenthesis.

### 3. Significant Related Party Transactions

- A Sale of Goods and Services includes Travel News Services (India) Private Limited ₹ 1.07 crore (2019: ₹ 0.70 crore), TNSI Retail Private Limited ₹ 0.67 crore (2019 : ₹ 1.02 crore), Future Retail LLC ₹ 4.94 (2019: ₹ 4.42 crore), Future Lifestyle Fashions Limited ₹ 125.83 (2019 : ₹ 378.42), Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investments Private Limited) ₹ 2.64 crore (2019: ₹ Nil crore), Future Media (India) Limited ₹ 41.26 crore (2019 : ₹ Nil)
- B Purchases of Goods and Services includes Future Enterprises Limited ₹ 3,472.03 crore (2019: ₹ 3,838.14 crore), Future Supply Chain Solutions Limited ₹ 604.37 crore (2019 : ₹ 557.88 crore), Future Consumer Limited ₹ 2,589.16 crore (2019: ₹ 2,467.73 crore), Future Corporate Resources Private Limited ₹ 68.41 crore.
- C. Investment includes Travel New Services India (Private) Limited ₹ Nil crore (2019 : ₹ 34.00 crore), Future 7-India Convenience Limited ₹ 15.01 crore ( 2019 : Nil) and Future Retail LLC ₹ Nil crore (2019 : ₹ 4.57 crore).
- D. Advance given include Future Enterprises Limited ₹ 3,559.68 (2019 : Nil) for Acquisition of fixed Assets.
- E Managerial Remuneration includes Mr. Kishore Biyani ₹ 3.86 crore (2019 : ₹ 5.89 crore), Mr. Rakesh Biyani ₹ 3.94 crore (2019 : ₹ 5.37 crore). Key Managerial Personnel Remuneration includes Mr. Chandra Prakash Toshniwal ₹ 2.53 crore (2019 : ₹ 3.29 crore) , Mr. Virendra Samani ₹ 0.45 crore (2019 : ₹ 0.85 crore)

### 38. Joint Venture Company Information

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on December 31, 2019
1	Future Retail LLC	Equity	Sultanate of Oman	50.00%

Company's Interest in the Joint Venture

(₹ in crore)

S. No.	Name of the Company	As on	Assets	Liabilities	Year ended on	Income	Expenditure
1	Future Retail LLC	December 31, 2019	35.54	33.87	December 31, 2019	11.49	(19.02)

### 39. Earnings Per Share

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

	Units	2019-20	2018-19
Profit attributable to equity holders	(₹ in crore)	33.84	732.81
Weighted average number of Equity Shares for Basic EPS	No. in crore	50.85	50.25
Weighted average number of Equity Shares for Diluted EPS	No. in crore	52.24	50.25
Nominal Value per Equity Share	₹	2	2
Earnings Per Equity Share (Basic)	₹	0.67	14.58
Earnings Per Equity Share (Diluted)	₹	0.65	14.58

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 40. Employee Stock Option Scheme

Originally the Company had received approval of the Board and Shareholders for issuance of 90,00,000 Equity Shares of ₹ 2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (FRL ESOP - 2016). During the year, the Company has not granted any options (in 2018-19 - 14,47,298 options were granted). Out of the total 14,47,298 options granted during the year 2018-19, total 1,50,000 options (in 2018-19 - 92,450 options) were cancelled during the year under review. Post cancellation of 2,42,450 options, now (i) 81,680 options are exercisable at ₹ 10 each, (ii) 11,20,000 option are exercisable at ₹ 392 each, and (iii) 50,000 options are exercisable at ₹ 300 each, plus all applicable taxes as may be levied in this regard. The options granted, would vest over a maximum period of 3 years or such other period as may be decided by the Nomination and Remuneration Committee and / or Human Resources Department from the date of grant based on specified criteria.

Stock Option activity during the previous year

	No of Options	
	2019-20	2018-19
Outstanding at the beginning of the year	14,01,680	6,70,117
Granted during the year	-	14,47,298
Forfeited / cancelled during the year	1,50,000	92,450
Exercised during the year	-	6,23,285
Expired during the year	-	-
Outstanding at the end of the year	12,51,680	14,01,680
Exercisable at the end of the year	3,74,180	81,680

Weighted average fair value of options granted

-On December 6, 2016 : ₹ 116.82

-On December 15, 2016 : ₹ 119.02

-On December 15, 2016 : ₹ 119.03

-On July 05, 2018 : ₹ 282.29

-On February 04, 2019 : ₹ 219.24

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

1. Date of Grant	February 4, 2019	July 5, 2018	December 15, 2016	December 15, 2016	December 6, 2016
2. Risk Free Interest Rate	7.20%	7.81%	6.34%	6.30%	6.30%
3. Expected Life	3.65 Years	3.65 Years	1.50 Years	2.75 Years	2.78 Years
4. Expected Volatility	38.07%	33.91%	43.00%	43.00%	43.00%
5. Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
6. Price of the underlying share in market at the time of the option grant (₹)	440.43	559.38	127.3	127.3	125.1

### 41. Details of dues to Micro, Small and Medium Enterprises Development as defined under the MSMED Act, 2006

	(₹ in crore)	
	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	15.64	8.12
- Interest due on above	0.32	0.21
<b>Total</b>	<b>15.96</b>	<b>8.33</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	March 31, 2020	March 31, 2019
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.21	0.44
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.53	0.66
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	3.07	2.86

### 42. Contingent Liabilities

Claims Against the Company Not Acknowledged as Debts, In respect of Value Added Tax ₹ 23.06 crore (2019: ₹ 18.86 crore), Letter of Credit ₹ 542.93 crore (2019 : ₹ 445.3 crore), Others ₹ 42.27 crore (2019: ₹ 45.46 crore) and Other money for which the Company is Contingently Liable, Bank Guarantee Given ₹ 61.49 crore (2019 : ₹ 90.88 crore) and Corporate Guarantees Given ₹ 1,747.00 crore (2019: ₹ 3,602.63 crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liabilities devolving on the Company. The company has not made any provision in respect of GST input credit disallowance / non payment by suppliers, since same will be recovered from vendors.

43. Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the Company based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order Company has made an aggregate deposit of ₹ 45.89 crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the Company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the Company has not made provision of ₹ 85.61 crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.

44. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

### 45. Capital and Other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 13.46 crore (2019: ₹ 42.74)

### 46. Payment to the Auditor

(₹ in crore)

	2019-20	2018-19
Statutory Audit Fees	0.95	0.95
Certification & Consultation Fees	0.25	0.05
<b>Total</b>	<b>1.20</b>	<b>1.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 47. Expenditure on Corporate Social Responsibilities

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ 11.62 crore (2019 : ₹ 6.76 crore) on Corporate Social Responsibility (CSR) activities during FY 2019-20 in addition to the arrears of ₹ 1.02 crore for previous financial year. The Company completed its obligation with respect to the amount required to be spent for financial year 2018-19 during the financial year under review and further also spent ₹ 7.33 crore for CSR obligations pertaining to the year under review and further also identified programs to be undertaken in current financial year, for the balance amount to be spend for the year under review.

### 48. Security clause in respect to Secured Borrowings

#### A Long Term Borrowings

- i ₹ 119.56 crore (2019 : ₹ 223.33 crore) are secured by First Pari-Passu charge on moveable Fixed Assets of the Company.
  - ii ₹ 150.00 crore (2019: ₹ 150.00) are secured by First Pari-Passu charge on all present and future tangible moveable Fixed Assets of the Company.
  - iii ₹ 103.82 crore (2019: ₹ 107.05) are secured by First Pari-Passu charge on tangible moveable Fixed Assets both present and future of the Company and post dated cheques for instalments due under term loan.
  - iv ₹ 151.18 crore (2019: ₹ Nil) are secured by First Pari-Passu charge on moveable Fixed Assets both current and future of the Company.
  - v Term Loans from Banks of ₹ 301.18 crore are secured by personal guarantee of promoter directors.
  - vi Term Loans from Banks are repayable as follows: ₹ 126.77 crore in FY 2020-21, ₹ 148.25 crore in FY 2021-22, ₹ 89.24 crore in FY 2022-23, ₹ 111.74 crore in FY 2023-24 and ₹ 46.49 crore in FY 2024-25.
  - iv Weighted average rate of Interest on Term Loans is 10.77 % ( 2019: 9.38%).
  - v Company has issued 5.6% US Senior Secured notes 2025 of 500 MN USD to with a maturity period of 5 years. Interest is payable on half yearly basis @ 5.6 %. and are secured by First Pari-Passu on Tangible moveable fixed assets. Security charge creation completed on June 2020.
  - vi ₹ 199.00 crore (2019: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable property and tangible movable fixed assets, carries coupon rate of 10.65% per annum and are redeemable as per terms of issuance in two instalments as ₹ 100.00 crore in FY 2022-23 and ₹ 99.00 crore in FY 2023-24.
  - Vii Instalments falling due in respect of all the above Loans upto 31.03.2021 aggregating ₹ 126.76 crore have been grouped under Current Maturities of Long-Term Borrowings.
- B Short Term Borrowings includes Working Capital Loans and others are secured by (a) First Pari-Passu Charge on Current Assets of the Company (b) Second Pari-Passu Charge on Card Receivables (c) Secured by Corporate Guarantee of Future Enterprises Limited. Average Interest Rate 10.30 % (2019: 9.98%).
- C ₹ 335.00 crore Commercial Paper carries weighted average interest 9.69% p.a.

### 49. Leases

The Company has entered into lease arrangements for its warehouses, office premises etc. These leasing arrangements which are non-cancellable range between 3 to 25 years on an average and are usually renewable by mutual consent on mutually agreeable terms.

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Consequently, the Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31,2020 have not been retrospectively adjusted and therefore will continue to be reported under accounting policies included as part of our Annual Report for the year ended March 31,2020.

On transition, the adoption of the new standard resulted in recognition of 'Right to use' asset of ₹ 4,664.73 Crs. and a lease liability of ₹ 6,059.18 Crs. The cumulative effect of applying the standard, amounting to ₹ 1,394.45 Crs. was debited to retained earnings. The effect of this adoption is insignificant on profit before tax, profit for the period and earnings per share. Ind AS 116 will result in increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Changes in the carrying value of right of use assets with change during the period (net), depreciation and closing balance as on March 31, 2020 amounting to ₹ 1,655.52 crore

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in statement of Profit & Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

(₹ in crore)	
Particulars	Amount
Current lease liabilities	511.48
Non-current lease liabilities	1,711.29
<b>Total</b>	<b>2,222.77</b>

Changes in the carrying value of Lease liability with change during the period (net), Finance cost accrued and Payment of lease liability and its closing balance as on March 31, 2020 amounting to ₹ 2,222.77 crore.

The Company does not face a significant liquidity risk with regards to its lease Liabilities as the current assets are sufficient to meet obligations to lease liabilities as and when they fall due. Rental expense recorded for short-term leases was ₹ 511.48 Crs. for the year ended March 31, 2020 respectively.

Reconciliation for the effects of the transition on Statement of Profit and loss for year ended March 31, 2020 as follows:

(₹ in crore)			
Particulars	Year ended March 31, 2020 Comparable basis	Changes due to Ind-AS 116 Increase / (decrease)	Year ended March 31, 2020 as reported
Other Income	48.00	35.60	83.60
Rent Expenses	1,541.69	(1,431.84)	109.85
Finance Cost	440.30	552.91	993.21
Depreciation and amortisation expense	163.67	877.22	1,040.89
Profit before and tax	(3.47)	37.31	33.84

- 50** The outbreak of Corona virus (COVID-19) pandemic is one of the biggest social, health and economic impacts, faced by India and the World at large. The Government of India declared a national lock down on March 24, 2020, which has severely impacted the business activities of the Company. The nationwide lockdown to curb the spread of the pandemic situation had significantly impacted the Company's operational capabilities, as all the manufacturing were temporarily shut, as per the advisory issued by the respective local authorities /State/ Central Governments, during the lockdown period. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements. The Company has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards due to complete lockdown. The company has laid down the roadmap for New Normal with a strong focus on safeguarding the health and safety of its employees, customers and communities it serves. Various initiatives and SOPs have been rolled out by the Company to safeguard its assets. The Company believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

### 51 Capital Work In Progress

Capital work in progress includes amount paid of ₹ 3,559.68 crore towards acquisition of in-store infrastructure. The same has been acquired in June 2020.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(₹ in crore)

S No.	Name	Relation	Amount as at March 31, 2020 (Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2019 (Including Interest Accrued)	Maximum outstanding during the Previous year
<b>A</b>	<b>Corporate Guarantee Given</b>					
I	Future Enterprises Limited for various borrowing facilities.		1,727.00	Not Applicable	3,582.63	Not Applicable
II	Travel News Services (India) Private Limited for issuing of Bank Guarantee	Subsidiary	18.00		18.00	
III	TNSI Retail Private Limited for issuing of Bank Guarantee	Subsidiary	2.00		2.00	
IV	Future Retail LLC	Joint Venture	OMR 800,000		Nil	
	Refer Note 4 to Notes forming part of the Financial Statements					

### 53. Details of Miscellaneous Expenses

(₹ in crore)

	2019-20	2018-19
Common Area Maintenance Charges	158.40	136.65
Credit Card Charges	73.30	78.99
House Keeping Charges	99.30	93.63
Legal and Professional Charges	119.81	54.93
Security Service Charges	102.53	96.38
Travelling and Conveyance Expenses	31.49	49.68
Other Expenses	510.05	441.00
<b>Total</b>	<b>1,094.88</b>	<b>951.26</b>

### 54. Event Occurred after the Balance sheet date

The Board of Directors of the Company at its meeting held on i.e. on 29th August, 2020 has inter-alia, considered and approved the amalgamation of Future Retail Limited ("FRL" or "the Company") with Future Enterprises Limited. The proposed amalgamation would be carried out vide a Composite Scheme of Arrangement between FRL along with other Transferor Companies with Future Enterprises Limited ("Transferee Company" or "FEL") and their respective Shareholders and Creditors ("The Composite Scheme of Arrangement"/ "Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act").

As per our report of even date attached

For and on behalf of Board of Directors

#### For NGS & Co. LLP

Chartered Accountants  
Firm Registration No. : 119850W

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

#### Ashok A. Trivedi

Partner  
Membership No.: 042472

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

#### Mumbai

September 04, 2020

## INDEPENDENT AUDITORS' REPORT

To The Members of  
**FUTURE RETAIL LIMITED**

### Report on the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of FUTURE RETAIL LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows 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) specified under section 143(10) of the Act (SAs). 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 in accordance

with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 no.45 of the statement, which describes management's assessment of the impact of the COVID 19 pandemic on the financial results 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 consolidated financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements

Sr No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with new revenue accounting standard.</p> <p>Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system.</p> <p>We performed substantive testing by selecting samples of rebate and discount transactions recorded during the year and comparing the parameters used in the calculation of the rebate and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the rebates and discounts was in accordance with the terms and conditions defined in the corresponding schemes.</p> <p>Performed analytical procedures for reasonableness of revenues.</p>

Sr No	Key Audit Matter	Auditor's Response
2	<p><b>Valuation of Inventory</b></p> <p>We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.</p>	<p><u>Principal Audit Procedures</u></p> <p>Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</p> <p>Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</p> <p>Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</p> <p>Obtained an understanding of management's estimate of business impact of COVID 19 pandemic on provision on inventories.</p> <p>Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</p> <p>Verification of the determination of net realizable value on a representative sample basis</p>
3	<p><b>Implementation of Ind AS 116 - Leases (as described in Note 4a of the Consolidated Ind AS Financial Statements)</b></p> <p>On March 30, 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The Company has applied the modified retrospective method to ongoing leases as of April 01, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 4,917.39 Crore of Right of Use asset, lease liability of ₹ 6,379.53 Crore. As at March 31, 2020, the Company has ₹ 1,847.23 Crore of Right of use (RoU) assets and ₹ 2,500.69 Crore of Lease liabilities.</p> <p>Application of Ind AS 116, requires significant judgement and estimate in identification of lease arrangement, determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</p>	<p><u>Principal Audit Procedures</u></p> <p>Assessed the Company's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116.</p> <p>Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116.</p> <p>Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved.</p> <p>Assessed the underlying assumptions and estimates including the applicable discount rates.</p> <p>We also assessed the Company's disclosures made in accordance with the requirements of Ind AS 116.</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.



## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## 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 financial controls 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 and its subsidiary companies and jointly controlled entities which are companies, has adequate internal financial controls system 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 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 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 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 consolidated financial statements of the current period 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 Matters

We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets (net) of ₹ 302.21 crores as at March 31, 2020, total revenues of ₹ 273.40 and net cash inflows amounting to ₹ (0.34) crores for the year ended on that date as considered in the consolidated financial statements. These financial statements and the other financial information have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated results to the extent they have been derived from such financial statements is based solely on the other auditor's report. The consolidated financial statements also include the Group's share of loss after tax of ₹ 3.76 Crores for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and other disclosures included in respect of these subsidiary and jointly controlled entities, is based solely on the reports of their respective auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report

are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiaries and jointly controlled entities and the reports of the statutory auditors of one of its subsidiary company and two jointly controlled entities, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies and jointly controlled entities. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of 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 consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entities.

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

**Ashok A. Trivedi**  
Partner

Mumbai  
September 04, 2020

Membership Number: 042472  
UDIN: 20042472AAAADO5568

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the FUTURE RETAIL LIMITED on the Consolidated financial statements for the year ended March 31, 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programmed of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company have immovable properties of freehold or leasehold land and building as at March 31, 2020. Therefore, paragraph 3(i) (c) of the Order is applicable.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits as during the year from the public as mentioned in the provision of Section 73 to 76 and any other relevant provisions of the Act and rules framed there under apply. Therefore Paragraph 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

However, according to information and explanations given to us, value added tax and Service Tax which have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ In crore)	Pe-riod to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	14.01	FY: 2008-09; FY: 2015-16	District Collec-tor of Stamp, Gautambudh-nagar, U.P.; Collector of Lucknow; ADM (F & R), The Collector of Stamps Preet Vihar, Delhi
Central Sales Tax Act and Local Sales Tax Act	Central Sales Tax and Local Sales Tax (including Value Added Tax)	45.18	FY: 2011-12; FY: 2013-14; FY: 2014-15; FY: 2015-16; FY: 2016-17; FY: 2017-18.	Dy. Commissioner of Sales Tax; Joint Commissioner of commercial Taxes, Appeal-3; Comm. Tax Circle-P, Jammu ; Tribunal
Service Tax Act,1994	Service Tax	39.72	FY:2007-2011	Department of Service Tax

- viii. Based on our audit procedures and on the basis information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The company has not taken any loans from Government or any Financial Institution.
- ix. Based on our audit procedure and on the basis information and explanation given by the management, we are of the opinion that money raised by company by way of term loan have been applied for the purpose for which they were raised. The company did not raise any money by way of Initial Public offer or further public offer.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations give to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the consolidated financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year in compliance with the requirement of section 42 of the Act and amount raised has been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Ashok A. Trivedi**  
Partner

Mumbai  
September 04, 2020

Membership Number: 042472  
UDIN: 20042472AAAADO5568

## Annexure – B to the Auditor’s Report

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

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of FUTURE RETAIL LIMITED (“the Holding Company”) and its subsidiary companies and jointly controlled entities which are companies, as of that date.

### Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and its jointly controlled entities which are companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

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

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

In our opinion and to the best of our information and according to explanation given and based on the consideration of report of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary companies and its jointly controlled entities,

which are companies , have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it

relates to subsidiary companies and jointly controlled entities, is based on the corresponding reports of the auditors of such company.

**For NGS & Co. LLP**

Chartered Accountants

Firm Registration No. : 119850W

**Ashok A. Trivedi**

Partner

Mumbai

September 04, 2020

Membership Number: 042472

UDIN: 20042472AAAADO5568

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020	(₹ in crore) As at March 31, 2019
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment	2	1,198.22	870.94
Capital Work-in-Progress	2	4,072.79	147.90
Goodwill	2	75.37	75.37
Other Intangible Assets	2	525.36	578.30
Intangible Assets Under Development	2	23.86	42.36
Right to Use of Assets	44	1,847.23	-
Financial Assets			
Investments	3	0.00	4.34
Deposits	4	460.76	416.19
Other Financial Assets	5	4.42	0.13
Other Non-Current Assets	6	1,611.98	283.14
<b>Total Non-Current Assets</b>		<b>9,819.99</b>	<b>2,418.67</b>
<b>2. Current Assets</b>			
Inventories	7	5,246.44	5,084.97
Financial Assets			
Trade Receivables	8	695.25	322.47
Cash and Cash Equivalents	9	90.56	207.89
Bank Balances Other Than The Above	10	65.64	47.93
Deposits	11	3,945.41	1,540.70
Other Financial Assets	12	51.37	108.39
Other Current Assets	13	1,623.16	855.78
<b>Total Current Assets</b>		<b>11,717.83</b>	<b>8,168.13</b>
<b>Total Assets</b>		<b>21,537.82</b>	<b>10,586.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	105.48	100.52
Other Equity	15	4,077.75	3,746.13
<b>Total Equity</b>		<b>4,183.23</b>	<b>3,846.65</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	4,362.75	375.31
Lease Liability	44	1,923.62	-
Other Financial Liabilities	17	12.62	9.34
Provisions	18	74.51	58.66
Deffered Tax Liability	33	2.79	-
Other Non-Current Liabilities	19	0.89	138.10
<b>Total Non-Current Liabilities</b>		<b>6,377.18</b>	<b>581.41</b>
<b>2. Current Liabilities</b>			
Financial Liabilities			
Borrowings	20	4,399.91	2,178.67
Trade Payables	21		
Due to Micro and Small Enterprises		52.53	68.73
Due to Others		5,475.60	3,562.47
Other Financial Liabilities	22	786.11	127.36
Provisions	23	13.50	7.93
Other Current Liabilities	24	249.76	213.58
<b>Total Current Liabilities</b>		<b>10,977.41</b>	<b>6,158.74</b>
<b>Total Equity and Liabilities</b>		<b>21,537.82</b>	<b>10,586.80</b>
The accompanying notes are an integral part of the financial statements.		1-45	

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. : 119850W

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**Ashok A. Trivedi**

Partner  
Membership No.: 042472

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

**Mumbai**

September 04, 2020



# STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>INCOME</b>			
Revenue From Operations	25	20,331.72	20,332.58
Other Income	26	86.68	23.14
<b>Total Income</b>		<b>20,418.40</b>	<b>20,355.72</b>
<b>EXPENSES</b>			
Purchase of Stock-In-Trade		15,173.26	15,515.90
Change in Inventories of Stock-in-Trade	27	(161.97)	(655.39)
Employee Benefits Expense	28	977.51	1,090.17
Finance Costs	29	1,025.82	228.12
Depreciation and Amortization Expense	2 & 44	1,098.72	104.02
Other Expenses	30	2,287.22	3,345.46
<b>Total Expenses</b>		<b>20,400.56</b>	<b>19,628.28</b>
<b>Profit Before Share of Loss from Joint Venture</b>		<b>17.84</b>	<b>727.44</b>
Share of Loss From Joint Venture		(3.76)	(0.24)
<b>Profit Before Tax</b>		<b>14.08</b>	<b>727.20</b>
<b>Total Tax Expense</b>			
(1) Current Tax		0.09	0.01
(2) Deferred Tax		2.70	-
<b>Profit For The Year</b>		<b>11.29</b>	<b>727.19</b>
<b>Attributable To :</b>			
Equity Holders of the Parent		11.57	727.03
Non-Controlling Interest		(0.28)	0.16
<b>Other Comprehensive Income For The Year</b>			
Items that will not be reclassified to profit or loss			
Foreign Exchange Gain / (Loss) on Bond		(209.62)	-
Re-measurement Gains on Defined Benefit Plans		(15.05)	5.85
Fair Value Changes On Investment		(0.01)	0.00
<b>Total Other Comprehensive Income For The Year</b>		<b>(224.67)</b>	<b>5.85</b>
<b>Attributable To :</b>			
Equity Holders of The Parent		(224.67)	5.85
<b>Total Comprehensive Income For The Year</b>		<b>(213.38)</b>	<b>733.04</b>
<b>Earnings Per Equity Share of Face Value of ₹ 2/- each</b>			
Basic		0.23	14.47
Diluted		0.22	14.47
The accompanying notes are an integral part of the financial statements.	1-45		

As per our report of even date attached

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

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472  
**Mumbai**  
September 04, 2020

For and on behalf of Board of Directors

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

	As at March 31, 2020	As at March 31, 2019
(₹ in crore)		
<b>(A) EQUITY SHARE CAPITAL</b>		
<b>Opening Balance</b>	100.52	100.40
Issue of Equity Shares Under Employee Stock Option Scheme	4.96	0.12
<b>Closing Balance</b>	<b>105.48</b>	<b>100.52</b>
<b>(B) OTHER EQUITY</b>		
<b>Retained Earnings</b>		
<b>Opening Balance</b>	620.86	(112.02)
Profit For The Year	11.54	727.03
Adjustment on account of subsidiary	0.16	-
Other Comprehensive Income for the Year		
Cash Flow Hedges Reserve	(209.62)	0.00
Re-measurement Gain on Defined Benefit Plans	(15.05)	5.85
Fair Value Changes On Investment	(0.01)	-
Transition Impact of Lease (IND AS 116)	(1,462.14)	-
<b>Closing Balance</b>	<b>(1,054.26)</b>	<b>620.86</b>
<b>Equity Share Warrants</b>		
<b>Opening Balance</b>	-	-
Amount Received During the Year	1,998.50	-
Issue of Equity Share on Conversion of Share Warrants	(1,252.40)	-
<b>Closing Balance</b>	<b>746.10</b>	-
<b>Capital Reserve</b>	<b>(124.20)</b>	<b>(124.20)</b>
<b>Securities Premium Reserve</b>		
<b>Opening Balance</b>	3,232.61	3,224.69
Add : Premium received during the year	1,247.44	7.92
Less : Share issue Expenses	(1.25)	-
<b>Closing Balance</b>	<b>4,478.80</b>	<b>3,232.61</b>
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	16.42	7.40
Employee Stock Option Expense	14.72	16.44
Exercise of Stock Options	-	(7.42)
<b>Closing Balance</b>	<b>31.14</b>	<b>16.42</b>
<b>Capital Reserve on Consolidation</b>	<b>0.16</b>	<b>0.16</b>
<b>Non - Controlling Interest</b>		
<b>Opening Balance</b>	0.28	-
Add : Changes during the year	(0.28)	0.28
<b>Closing Balance</b>	<b>-</b>	<b>0.28</b>
<b>TOTAL OTHER EQUITY</b>	<b>4,077.75</b>	<b>3,746.13</b>

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. : 119850W

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**Ashok A.Trivedi**

Partner  
Membership No.: 042472

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

**Mumbai**

September 04, 2020

# STATEMENT OF THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	17.82	727.44
<b>Adjustments For:</b>		
Depreciation and Amortization Expense	1,098.72	104.02
Expense on Employee Stock Option Scheme	14.72	16.44
Finance Costs	1,025.82	228.12
Loss on Disposal/Discard of Fixed Assets (Net)	92.99	8.53
Interest Income	(36.29)	(19.33)
Dimunition in Value of Investment	0.58	-
Allowance for Credit Losses	8.84	4.98
<b>Operating Profit Before Working Capital Changes</b>	<b>2,223.19</b>	<b>1,070.20</b>
<b>Adjustments For:</b>		
Trade Receivables	(381.62)	(57.35)
Inventories	(161.47)	(667.56)
Deposits	(3,728.90)	(376.90)
Other Financial Assets and Other Assets	(2,061.19)	(542.11)
Trade Payables	1,896.93	(445.40)
Other Financial Liabilities, Other Liabilities and Provisions	636.48	697.10
<b>Cash Generated Used In Operations</b>	<b>(1,576.57)</b>	<b>(322.00)</b>
Share in Loss of Joint Ventures and Associate Company	3.76	0.24
Share in Minority Interest	-	0.28
Taxes Paid	(182.53)	(18.13)
<b>Net Cash Used In Operating Activities</b>	<b>(1,755.33)</b>	<b>(340.10)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(4,441.01)	(775.22)
Purchase of Investment	(0.00)	(4.25)
Interest Received	36.29	19.33
<b>Net Cash Used In Investing Activities</b>	<b>(4,404.72)</b>	<b>(760.13)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds From Issue of Equity Instrument	1,244.76	2.43
Proceeds From Application of Warrant Money	746.10	-
Proceeds From Borrowings	5,999.06	1,390.23
Interest Paid	(442.64)	(228.12)
Payment of Lease Liability	(1,504.54)	-
<b>Net Cash From Financing Activities</b>	<b>6,042.73</b>	<b>1,164.54</b>
<b>Net (Decrease)/Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>(117.33)</b>	<b>64.31</b>
<b>Net (Decrease)/Increase In Cash and Cash Equivalents</b>	<b>(117.33)</b>	<b>64.31</b>
Cash and Cash Equivalents (Opening Balance)	207.89	143.59
Cash and Cash Equivalents (Closing Balance)	90.56	207.89

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. : 119850W

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**Ashok A. Trivedi**

Partner  
Membership No.: 042472

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

**Mumbai**

September 04, 2020

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. Company Overview and Significant Accounting Policies

### 1.1 Company Overview

Future Retail Limited ('The Company') is a public Company domiciled in India and incorporated on February 7, 2007. The Company is engaged in the business of retailing of fashion, household and consumer products through departmental and neighbourhood stores under various formats across the country.

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

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on September 04, 2020

### 1.2 Basis of Preparation of Financial Statements

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

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 'Share-based payment', leasing transactions that are within the scope of Ind AS 17 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets'.

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.

### 1.3 Use of Estimates

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

### 1.4 Revenue Recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative-catchup transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Sale of Products

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

### Rendering of Services

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

### Interest Income

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

### Dividend Income

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

## 1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

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

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

Building	: 30 years
Plant and Equipment	: 15 years
Office Equipment*	: 3 to 6 years
Furniture and Fixture	: 10 years
Leasehold Improvement*	: Lease term or 15 years, whichever is lower
Vehicle	: 8 years

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

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

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

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

## 1.6 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life not exceeding ten years and assessed for impairment whenever there is an indication that the Intangible assets may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

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

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

### 1.7 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 or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

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 or 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 or 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 recognized 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 18 'Revenue' ("Ind AS 18").

### 1.8 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Buildings (leased stores). The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-to-use of asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

### 1.9 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- Due to be settled within twelve months after the reporting period, or

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

### 1.10 Measurement of Fair Value

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

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

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

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

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

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

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

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

### 1.11 Financial Instruments

#### (i) Initial Recognition and Measurement

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

#### (ii) Subsequent Measurement

##### A Non-Derivative Financial Instruments

##### a) Financial Assets Carried at Amortised Cost

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

##### b) Financial Assets at Fair Value Through Other Comprehensive Income

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



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

c) **Financial Assets at Fair Value Through Profit or Loss**

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

d) **Financial Liabilities**

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

**B Derivative Financial Instruments**

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

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

Derivative financial instruments: The Company uses derivative financial instruments, such as call spread options, interest rate swap etc. forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised as other compressive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

**C Hedge Accounting**

The company designates certain hedging instrument, which includes derivatives and non derivative in respect of foreign currency, interest rate as either cash flow hedge or fair value hedge. Hedge of foreign currency risk on firm commitment are accounted as cash flow hedge. At the inception of hedge relationship, the entity documents the relationship between hedging instruments and hedging items, along with its risk management objectives and its strategy for undertaking various hedge transactions.

(i) **Fair value hedge**

Change in fair value of designated portion of derivatives that qualify as fair value hedges are recognized in the statement of profit and loss account immediately, together with change in fair value of assets / liability that are attributable to hedged risk. Change in fair value of designated portion of hedging instrument and change in the hedged items attributable to hedge risk are recognized in the statement of profit and loss account in the line items relating to hedged instruments.

Hedge accounting is discontinued when the instruments expired or is sold, terminated or exercised or when no longer qualify for hedged accounting.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (ii) Cash Flow Hedge

The Effective portion of change in fair value of derivatives that are designated and qualify as cash flow is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to ineffective portion is recognised immediately in profit and loss.

Hedge accounting is discontinued when the instruments expired or is sold, terminated or exercised or when no longer qualify for hedged accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and Loss account. When the forecast transaction is no longer expected to be occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

### (iii) Derecognition of Financial Instruments

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

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

## 1.12 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or net realizable value. Cost of inventory, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed on weighted average basis.

## 1.13 Foreign Currency

### (i) Functional Currency

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

### (ii) Transactions and Translations

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

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

## 1.14 Borrowing Costs

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

## 1.15 Customer Acquisition Cost

Company has incurred cost for acquisition of customers under Future Pay Wallet Program. The cost incurred on acquisition of customers has been amortized over period of 5 years. The useful life of the customer and method of amortization will be reviewed at the end of each financial year and adjusted prospectively.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.16 Employee Benefits

#### Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

#### Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

#### Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

### 1.17 Share-Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option 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 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 share options outstanding reserve.

### 1.18 Taxation

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

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

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

### 1.19 Earnings Per Share

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

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.20 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.

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.

Onerous contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

### 1.21 Impairment

#### (i) Financial Assets

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

#### (ii) Non-Financial Assets

##### Intangible Assets and Property, Plant and Equipment

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

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

### 1.22 Share Capital

#### Ordinary Shares

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. Property, Plant And Equipment

(₹ in crore)

	Freehold Land	Leasehold Improvement	Building	Plant and Equipments	Furniture and Fixtures	Office Equipment	Vehicle	Total	Capital Work-in-Progress
<b>Cost :</b>									
<b>As At April 1st, 2019</b>	8.07	200.69	12.05	207.04	491.42	29.56	1.13	949.95	147.90
Additions / Acquisitions	-	59.78	-	68.25	396.16	22.54	0.25	546.98	-
Disposals / Transfers	-	(32.69)	-	(21.15)	(63.17)	(2.41)	(0.00)	(119.42)	-
<b>As At March 31, 2020</b>	8.07	227.77	12.05	254.14	824.41	49.69	1.38	1,377.51	4,072.79
<b>Accumulated Depreciation :</b>									
<b>As At April 1st, 2019</b>	-	19.16	1.49	13.82	37.61	6.81	0.11	79.01	-
Depreciation Charged For The Year	-	25.10	-	16.07	65.23	9.20	0.13	115.72	-
Disposals / Transfers	-	(4.78)	-	(1.88)	(8.31)	(0.48)	(0.00)	(15.45)	-
<b>As At March 31, 2020</b>	-	39.48	1.49	28.01	94.53	15.53	0.24	179.28	-
Net Book Value									
<b>As At March 31, 2020</b>	8.07	188.29	10.56	226.13	729.88	34.16	1.15	1,198.22	4,072.79
As At March 31, 2019	8.07	181.53	10.56	193.22	453.82	22.74	1.01	870.94	147.90

### Intangible Assets

(₹ in crore)

	Computer Software	Brands/ Trademarks	Goodwill	Total	Intangible Assets under Development
<b>Cost</b>					
<b>As At April 1st, 2019</b>	520.14	186.50	75.37	782.01	42.36
Additions / Acquisitions	1.67	-	-	1.67	-
Disposals / Transfers	(4.79)	-	-	(4.79)	-
<b>As At March 31, 2020</b>	517.02	186.50	75.37	778.89	23.86
<b>Accumulated Amortization</b>					
<b>As At April 1st, 2019</b>	128.34	-	-	128.34	-
Amortization For The Year	51.57	-	-	51.57	-
Disposals / Transfers	(1.75)	-	-	(1.75)	-
<b>As At March 31, 2020</b>	178.16	-	-	178.16	-
Net Book Value					
<b>As At March 31, 2020</b>	338.85	186.50	75.37	600.72	23.86
As At March 31, 2019	391.80	186.50	75.37	653.67	42.36

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2020	As at March 31, 2019
<b>3</b>	<b>Non-Current Financial Assets - Investment in</b>		
	<b>Quoted Fully Paid Up Equity Shares</b>		
	100 Equity Shares of Future Supply Chain Solutions Limited of ₹10/- each *	0.00	0.01
	<b>Joint Venture Company</b>		
	2,50,000 Equity share of Future Retail LLC of RO 1.00 (One Rials Omani) each	-	4.34
		<b>0.00</b>	<b>4.34</b>
	<b>Note:</b>		
	<b>*Investment Carried At Fair Value Through Other Comprehensive Income</b>		
<b>4</b>	<b>Non-Current Financial Assets - Deposits</b>		
	<b>Security Deposits</b>		
	Unsecured, Considered Good	460.76	416.19
		<b>460.76</b>	<b>416.19</b>
<b>5</b>	<b>Non-Current Financial Assets - Others</b>		
	<b>Bank Balances Other Than Cash and Cash Equivalents</b>		
	Deposit With Banks	4.42	0.13
		<b>4.42</b>	<b>0.13</b>
<b>6</b>	<b>Other Non-Current Assets</b>		
	<b>Capital Advances</b>		
	Unsecured, Considered Good	33.05	56.74
	<b>Others</b>		
	Others Unsecured, Considered Good*	1,578.93	226.40
		<b>1,611.98</b>	<b>283.14</b>
	(*Includes Advance to suppliers, Prepaid Expenses, Statutory Authorities etc.)		
<b>7</b>	<b>Inventories</b>		
	Stock-in-Trade	5,244.60	5,082.94
	Packing Materials and Others	1.84	2.03
		<b>5,246.44</b>	<b>5,084.97</b>
<b>8</b>	<b>Trade Receivables</b>		
	Unsecured, Considered Good (Refer Note No 31)	695.25	322.47
	Unsecured, Considered Doubtful	8.84	5.69
	Less: Allowance For Credit Losses	(8.84)	(5.69)
		<b>695.25</b>	<b>322.47</b>
<b>9</b>	<b>Cash and Cash Equivalents</b>		
	Balances with Banks	54.12	134.55
	Cheques on Hand	0.75	1.37
	Cash on Hand	35.69	71.97
		<b>90.56</b>	<b>207.89</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2020	As at March 31, 2019
<b>10</b>	<b>Bank Balance Other Than The Above</b>		
	Deposit With Banks*	65.64	47.93
		<b>65.64</b>	<b>47.93</b>
	*Held as margin money or security against the borrowings, guarantees and other commitments		
<b>11</b>	<b>Current Financial Assets - Deposits</b>		
	<b>Security Deposits</b>		
	Unsecured, Considered Good	3,945.41	1,540.70
	Unsecured, Considered Doubtful	-	2.90
		<b>3,945.41</b>	<b>1,543.60</b>
	Less: Provision for Doubtful	-	2.90
		<b>3,945.41</b>	<b>1,540.70</b>
<b>12</b>	<b>Current Financial Assets-Others</b>		
	Others	51.37	108.39
		<b>51.37</b>	<b>108.39</b>
<b>13</b>	<b>Other Current Assets</b>		
	<b>Other Advances#</b>		
	Unsecured, Considered Good	1,623.16	855.78
	Unsecured, Considered Doubtful	-	2.98
		<b>1,623.16</b>	<b>855.78</b>
	Less: Provision for Doubtful	-	2.98
		<b>1,623.16</b>	<b>855.78</b>
	#Includes advance to suppliers, prepaid expenses, statutory authorities, etc.		



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number	(₹ in crore)	Number	(₹ in crore)
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	12,50,00,00,000	2,500.00	12,50,00,00,000	2,500.00
	12,50,00,00,000	2,500.00	12,50,00,00,000	2,500.00
<b>Issued *</b>				
Equity Shares of ₹ 2/- each	52,75,02,810	105.50	50,27,02,810	100.54
	52,75,02,810	105.50	50,27,02,810	100.54
<b>Subscribed and Paid up *</b>				
Equity Shares of ₹ 2/- each	52,73,98,439	105.48	50,25,98,439	100.52
	52,73,98,439	105.48	50,25,98,439	100.52

\* Pursuant to the provisions of the Companies Act, 2013, the issue of 104,371 Equity Shares are kept in abeyance corresponding to their status in Future Enterprises Limited

#### (i) Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2020	As at March 31, 2019
	Number of Shares	Number of Shares
<b>Opening Balance</b>	50,25,98,439	50,19,75,154
Add : Shares Issued Under Employee Stock Option Scheme	-	6,23,285
Add : Shares issued against warrants	2,48,00,000	-
<b>Closing Balance</b>	52,73,98,439	50,25,98,439

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

The Company has only one class of Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per share held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Future Corporate Resources Private Limited	17,40,53,954	33.00	23,62,18,516	47.00
Future Corporate Resources Private Limited (f/k/a Future Coupons Limited)	3,84,66,287	7.29	-	-
M/s. Bennett, Coleman And Company Limited	3,05,03,593	5.78	-	-

#### Nature and Purpose of Reserves:

##### a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
<b>15 OTHER EQUITY</b>		
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>620.86</b>	(112.02)
Profit For The Year	<b>11.54</b>	727.03
Adjustment on account of subsidiary	<b>0.16</b>	-
Other Comprehensive Income For The Year		
Cash Flow Hedges Reserve	<b>(209.62)</b>	-
Re-measurement Gain on Defined Benefit Plans	<b>(15.05)</b>	5.85
Fair Value Changes On Investment	<b>(0.01)</b>	-
Transition Impact of Lease (IND AS 116)	<b>(1,462.14)</b>	-
<b>Closing Balance</b>	<b>(1,054.26)</b>	620.86
<b>Equity Share Warrants</b>		
<b>Opening Balance</b>	-	-
Amount Received During the Year	<b>1,998.50</b>	-
Issue of Equity Share on Conversion of Share Warrants	<b>(1,252.40)</b>	-
<b>Closing Balance</b>	<b>746.10</b>	-
<b>Capital Reserve</b>	<b>(124.20)</b>	(124.20)
<b>Securities Premium Reserve</b>		
<b>Opening Balance</b>	<b>3,232.61</b>	3,224.69
Issue of Equity Shares	<b>1,247.44</b>	7.92
Share Issue Expenses	<b>(1.25)</b>	-
<b>Closing Balance</b>	<b>4,478.80</b>	3,232.61
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	<b>16.42</b>	7.40
Employee Stock Option Expense	<b>14.72</b>	16.44
Exercise of Stock Options	-	(7.42)
<b>Closing Balance</b>	<b>31.14</b>	16.42
<b>Capital Reserve on Consolidation</b>	<b>0.16</b>	0.16
<b>Non - Controlling Interest</b>		
<b>Opening Balance</b>	<b>0.28</b>	-
Add : Change during the year	<b>(0.28)</b>	0.28
<b>Closing Balance</b>	<b>0.00</b>	0.28
<b>TOTAL OTHER EQUITY</b>	<b>4,077.75</b>	3,746.13

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
<b>16 Non-Current Financial Liabilities - Borrowings</b>		
<b>Secured</b> (Refer Note No 48)		
Loan from Banks	394.95	375.31
Bonds	3,769.30	-
Non-Convertible Debentures	198.50	-
	<b>4,362.75</b>	<b>375.31</b>
<b>17 Non-Current - Other Financial Liabilities</b>		
Deposits Payables	11.01	9.34
Other Payables	1.61	-
	<b>12.62</b>	<b>9.34</b>
<b>18 Non-Current Liabilities - Provisions</b>		
Provision for Employee Benefits	74.51	58.66
	<b>74.51</b>	<b>58.66</b>
<b>19 Other Non-Current Liabilities</b>		
Lease Equalisation Account	-	137.98
Other Payables	0.89	0.12
	<b>0.89</b>	<b>138.10</b>
<b>20 Current Financial Liabilities - Borrowings</b>		
<b>Secured</b> (Refer Note No. 48)		
Loan from Bank	1,079.73	50.00
Working Capital Loans and Others	3,320.18	2,128.67
	<b>4,399.91</b>	<b>2,178.67</b>
<b>21 Trade Payables</b>		
Due to Micro and Small Enterprises	52.53	68.73
Due to Others	5,475.60	3,562.47
	<b>5,528.13</b>	<b>3,631.20</b>
<b>22 Current-Other Financial Liabilities</b>		
Current Maturities of Long-Term Borrowings	126.76	103.06
Interest accrued but not due on borrowings	61.04	-
Lease Liability	577.07	-
Security Deposits	7.25	12.33
Others	13.99	11.97
	<b>786.11</b>	<b>127.36</b>
<b>23 Current Provisions</b>		
Provision For Employee Benefits	13.22	7.12
Warranties	-	0.81
Provision for expenses	0.28	-
	<b>13.50</b>	<b>7.93</b>
<b>24 Other Current Liabilities</b>		
Advance From Customers	162.23	165.76
Lease Equalisation Account	-	4.11
Other Payables	87.53	43.71
	<b>249.76</b>	<b>213.58</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		Year Ended March 31, 2020	Year Ended March 31, 2019
<b>25</b>	<b>Revenue From Operations</b>		
	Sale of Products	21,523.44	21,427.96
	Less : Goods and Service Tax	1,910.10	1,892.05
	Other Operating Revenue	718.38	796.67
		<b>20,331.72</b>	<b>20,332.58</b>
<b>26</b>	<b>Other Income</b>		
	Interest Income	36.29	19.33
	Excess Provisions / Liabilities Written Back	2.13	2.02
	Miscellaneous Income	48.25	1.79
		<b>86.68</b>	<b>23.14</b>
<b>27</b>	<b>Changes In Inventories of Stock-In-Trade</b>		
	<b>Opening Inventories</b>		
	Stock-In-Trade	5,082.63	4,427.55
	<b>Closing Inventories</b>		
	Stock-In-Trade	5,244.60	5,082.94
		<b>(161.97)</b>	<b>(655.39)</b>
<b>28</b>	<b>Employee Benefits Expense</b>		
	Salaries, Wages and Bonus	869.95	981.05
	Contribution to Provident and Other Funds	66.24	59.92
	Employee Stock Option Expense	14.72	16.44
	Staff Welfare Expenses	26.60	32.76
		<b>977.51</b>	<b>1,090.17</b>
<b>29</b>	<b>Finance Costs</b>		
	Interest Expense	1,005.39	219.86
	Other Borrowing Costs	20.43	8.26
		<b>1,025.82</b>	<b>228.12</b>
<b>30</b>	<b>Other Expenses</b>		
	Power and Fuel	350.42	322.60
	Repairs and Maintenance	58.88	55.41
	Insurance	16.28	11.76
	Rates and Taxes	75.34	43.50
	Rent including Lease Rentals	122.21	1,493.83
	Advertisement and Marketing	452.45	380.16
	Corporate Social Responsibility Expenses	7.33	6.76
	Allowance For Credit Losses	8.84	4.98
	Loss on Disposal / Discard of Fixed Assets (Net)	92.99	8.53
	Exchange Fluctuation Loss / (Gain) (Net)	0.78	4.35
	Provision for Diminution of investment	0.56	-
	Miscellaneous Expenses	1,101.14	1,013.58
		<b>2,287.22</b>	<b>3,345.46</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31. Financial Risk Management

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

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

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

#### (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks.

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

#### (ii) Foreign Currency Risk

The Group are exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies. The Group follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

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

	(₹ in crore)	
	2019-20	2018-19
Trade Payables	19.63	20.23
Trade Receivable	7.98	4.42
Bonds	3,769.30	-

#### iii Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 704.09 crore as of March 31, 2020 and ₹ 322.47 crore as of March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grant credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model:

	(₹ in crore)	
	2019-20	2018-19
<b>Opening Balance</b>	<b>5.68</b>	2.90
Provided During The Year	8.84	4.98
Amounts Written off	5.68	2.20
<b>Closing Balance</b>	<b>8.84</b>	<b>5.68</b>

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	2019-20	2018-19
Up to 3 Months	216.32	284.37
3 to 6 Months	461.56	24.92
More Than Six Months	26.20	13.18

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

#### iv Liquidity Risk

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

(₹ in crore)

	2019-20	2018-19
Short-Term Borrowings	4,399.91	2,178.67
Trade Payables	5,528.13	2,978.83
Other Financial Liabilities (excluding Lease Liability)	209.04	127.36

#### (v) Financial Instruments Valuation

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

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

Fair value measurement hierarchy:

(₹ in crore)

Particulars	As At March 31, 2020			As At March 31, 2019		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	695.25	-	-	322.47	-	-
Cash and Bank Balances	156.20	-	-	255.82	-	-
Deposits	4,406.17	-	-	1,956.89	-	-
Other Financial Assets	55.78	-	-	108.52	-	-
<b>At FVTOCI</b>						
Investments	0.00	0.00	-	0.01	0.01	-
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings	4,993.36	-	-	2,553.98	-	-
Trade Payables	5,528.13	-	-	2,978.83	-	-
Other Financial Liabilities (Exclude Lease Liabilities)	221.66	-	-	136.70	-	-
<b>At FVTOCI</b>						
Borrowings	3,769.30	3,769.30	-	-	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

### 32. Capital Management

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

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

(₹ in crore)

Particular	March 31, 2020	March 31, 2019
Gross Debt	8,889.41	2,657.04
Trade Payables	5,528.13	3,631.20
Other Payables	338.65	418.27
Less: Cash and Cash Equivalents	90.56	207.89
<b>Net Debt</b>	<b>14,665.63</b>	<b>6,456.34</b>
Equity	105.48	100.52
Other Equity	4,077.75	3,746.13
<b>Total Capital</b>	<b>4,183.23</b>	<b>3,846.65</b>
<b>Capital and Net Debt</b>	<b>18,848.86</b>	<b>10,302.99</b>
<b>Gearing Ratio</b>	<b>77.80%</b>	<b>62.66%</b>

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

### 33. Income Tax Expense

i Income Tax Expense charged to Profit and Loss:

(₹ in crore)

	March 31, 2020	March 31, 2019
Profit Before Tax	14.06	727.20
Tax Expense	-	-
Current Tax	0.09	0.01
Deferred Tax	2.70	-
Tax Expense charged to Profit and Loss Account	2.79	0.01
<b>Profit After Tax</b>	<b>11.26</b>	<b>727.19</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### ii Amount for Which Deferred Tax Asset is Not Recognised

(₹ in crore)

	March 31, 2020	March 31, 2019
Unused Tax Losses	442.01	265.60
Accelerated Depreciation for Tax Purpose	29.28	74.98
Other items giving rise to temporary differences	(174.07)	(128.53)
Deferred tax asset	297.22	212.05

### 34. Segment Reporting

The Group is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment.

### 35. Related Party Disclosures

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

#### 1. List of Related Parties

##### A Subsidiary Companies

- Travel News Services (India) Private Limited
- TNSI Retail Private Limited
- Welcome Retail Private Limited
- Future 7-India Convenience Limited (f.k.a SHME Food Brands Limited)

##### B Joint Venture Company

- Future Retail LLC

##### C Enterprises over which Key Managerial Personnel(s) are able to exercise significant influence

- Aadhaar Wholesale Trading And Distribution Limited
- Apollo Design Apparel Parks Limited
- Birthright Games & Entertainment
- Bloom Foods & Beverages Private Limited
- FLFL Travel Retail Bhubaneswar Private Limited
- FLFL Travel Retail Guwahati Private Limited
- FLFL Travel Retail Lucknow Private Limited
- FLFL Travel Retail West Private Limited
- Fonterra Future Diary Private Limited
- Future Consumer Limited
- Future Coupons Private Limited (f.k.a Future Coupons Limited)
- Future Enterprises Limited
- Future Entertainment Private Limited
- Future Food And Products Limited
- Future Generali India Insurance Company Limited
- Future Generali India Life Insurance Company Limited
- Future Ideas Company Limited
- Future Lifestyle Fashions Limited
- Future Market Networks Limited
- Future Media (India) Limited
- Future Sharp Skills Limited
- Future Specialty Retail Limited
- Future Supply Chain Solutions Limited
- Galaxy Cloud Kitchens Limited
- Goldmohur Design & Apparel Park Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Hain Future Natural Products Private Limited
- Holii Accessories Private Limited
- Leanbox Logistics Solutions Private Limited
- Praxis Home Retail Limited
- Rachika Trading Limited
- Retail Light Techniques India Limited
- Riddhi Siddhi Mall Management Private Limited
- Star Shopping Centres Private Limited
- The Nilgiri Dairy Farm Private Limited
- Work Store Limited

### D Entity able to Exercise Significant Influence

- Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited)

### E Key Managerial Personnel(s)

- Mr. Kishore Biyani – Chairman
- Mr. Rakesh Biyani – Managing Director
- Ms. Gagan Singh – Independent Director
- Mr. Ravindra Dhariwal – Independent Director
- Mr. Shailendra Bhandari – Independent Director
- Ms. Sridevi Badiga – Independent Director
- Mr. Rahul Garg - Non Executive Director
- Mr. C. P. Toshniwal – Chief Financial Officer
- Mr. Virendra Samani – Company Secretary

### F Relatives of Key Managerial Personnel(s)

- Mrs. Bhavika Samani

## 2. Transaction with Related Parties

(₹ in crore)				
Nature of Transaction	Joint Venture	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	<b>4.85</b>	<b>251.55</b>	<b>2.64</b>	-
	(4.42)	(421.81)	(0.33)	(-)
Purchase of Goods and Services	-	<b>7,203.97</b>	<b>68.41</b>	<b>0.02</b>
	(-)	(4,665.42)	(66.67)	(0.02)
Sale of Fixed Assets	-	<b>17.48</b>	-	-
	(-)	(-)	(-)	(-)
Investments	-	-	-	-
	(4.57)	(-)	(-)	(-)
Share Warrant	-	<b>746.10</b>	-	-
	(-)	(-)	(-)	(-)
Managerial Remuneration	-	-	-	<b>10.77</b>
	(-)	(-)	(-)	(15.40)
Sitting Fees	-	-	-	<b>2.65</b>
	(-)	(-)	(-)	(2.27)
Outstanding Balance as on March 31, 2020				
Receivable	<b>4.61</b>	<b>2,881.44</b>	<b>317.85</b>	-
	(4.42)	(1,120.06)	(152.16)	(-)
Payable	-	<b>990.28</b>	-	-
	(-)	(522.38)	(-)	(-)

Note: Previous year figures are given in parenthesis.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. Significant Related Party Transactions

- A Sale of Goods and Services includes Future Lifestyle Fashions Limited ₹ 125.83 crore (2019 : ₹ 378.42 crore), Future Media (India) Limited ₹ 41.26 crore (2019 : ₹ Nil) , Future Retail LLC ₹ 4.94 (2019 : ₹ 4.42 crore)
- B Purchases of Goods and Services includes Future Enterprises Limited ₹ 3,472.03 crore (2019 : ₹ 3,838.14 crore), Future Supply Chain Solutions Limited ₹ 604.37 crore (2019 : ₹ 557.88 crore), Future Consumer Limited ₹ 2,589.16 crore (2019: ₹ 2,467.73 crore), Future Corporate Resources Private Limited ₹ 68.41 crore.
- C. Investment includes Future Retail LLC ₹ Nil (2019 : ₹ 4.57 crore).
- D. Advance given include Future Enterprises Limited ₹ 3,559.68 (2019 : Nil) for Acquisition of fixed Assets.
- E Managerial Remuneration includes Mr. Kishore Biyani ₹ 3.86 crore (2019 : ₹ 5.89 crore), Mr. Rakesh Biyani ₹ 3.94 crore (2019 : ₹ 5.37 crore), Key Managerial Personnel Remuneration includes Mr. Chandra Prakash Toshniwal ₹ 2.53 crore (2019 : ₹ 3.29 crore) , Mr. Virendra Samani ₹ 0.45 crore (2019 : ₹ 0.85 crore).

### 36. Interest In Other Entities

#### Subsidiary Companies :

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2020	Percentage of Interest as on March 31, 2019
1	Travel News Services (India) Private Limited	Equity	India	100%	100%
2	TNSI Retail Private Limited	Equity	India	100%	100%
3	Welcome Retail Private Limited	Equity	India	51%	51%
4	SHME Food Brands Private Limited	Equity	India	100%	100%

#### Joint Venture Group Information :

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2020	Percentage of Interest as on March 31, 2019
1	Future Retail LLC	Equity	Sultanate of Oman	50%	50%

#### Group's Interest in the Joint Venture:

(₹ in crore)

	As At March 31, 2020	As At March 31, 2019
Assets	35.54	12.18
Liabilities	33.87	8.05
Income	11.49	-
Expenditure	(19.02)	(0.49)

### 37. Earnings Per Share

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

	Units	2019-20	2018-19
Profit attributable to equity holders	(₹ in crore)	11.54	727.03
Weighted average number of Equity Shares for Basic EPS	No. in crore	52.66	50.25
Weighted average number of Equity Shares for Diluted EPS	No. in crore	54.14	50.25
Nominal Value per Equity Share	₹	2.00	2.00
Earnings Per Equity Share (Basic)	₹	0.23	14.47
Earnings Per Equity Share (Diluted)	₹	0.22	14.47

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

		2019-20						
Name of the Entities in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	"Amount (₹ in crore)"	As a % of Consolidated Profit	"Amount (₹ in crore)"	As a % of Consolidated Profit	"Amount (₹ in crore)"	As a % of Consolidated Profit	"Amount (₹ in crore)"
Future Retail Limited	101.59%	4,278.88	1.42	32.63	-99.90%	(224.44)	-95.14%	(191.81)
<b>Subsidiaries</b>								
TNSI News Services (India) Private Limited	-0.15%	(6.16)	(0.91)	(20.96)	-0.07%	(0.16)	-10.47%	(21.12)
TNSI Retail Private Limited	-0.22%	(9.27)	1.27	29.26	-0.03%	(0.07)	14.47%	29.19
Welcome Retail Private Limited	-0.61%	(25.86)	(0.53)	(12.28)	0.00%		-6.09%	(12.28)
SHME Food Brands Private Limited	0.12%	5.16	(0.42)	(9.61)	0.00%		-4.76%	(9.61)
<b>Subtotal</b>		<b>4,242.75</b>		<b>19.04</b>		<b>(224.67)</b>		<b>(205.63)</b>
Intercompany Elimination and Consolidation Adjustments	-0.73%	(30.66)	0.17	4.05	0.00%	-	1.99%	4.05
<b>Total</b>		<b>4,212.09</b>		<b>23.09</b>		<b>(224.67)</b>		<b>(201.58)</b>
Non - Controlling Interest		(24.85)		(11.80)				(11.80)
<b>Joint Ventures (Investment as per Equity Method)</b>								
Future Retail LLC		(4.01)				-		-
<b>Grand Total</b>		<b>4,183.23</b>		<b>11.29</b>		<b>(224.67)</b>		<b>(213.38)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 39. Contingent Liabilities

Claims Against the Group Not Acknowledged as Debts, In respect of Value Added Tax ₹ 45.18 crore (2019 : ₹ 18.86 crore, Letter of Credit ₹ 542.93 crore ( 2019 : ₹ 445.3 crore), Others ₹ 42.27 crore ( 2019 : ₹ 49.49 crore) and Other money for which the Group is Contingently Liable, Bank Guarantee Given ₹ 61.49 crore (2019 : ₹ 104.3) and Corporate Guarantees Given ₹ 1,747.00 crore (2019 : ₹ 3,589.97 crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Group, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Group. The company has not made any provision in respect of GST input credit disallowance / non payment by suppliers, since same will be recovered from vendors.

40. Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the Company based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order Company has made an aggregate deposit of ₹ 45.89 crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the Company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the Company has not made provision of ₹ 85.61 crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.
41. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

### 42. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 13.46 crore (2019 : ₹ 42.74 crore).

### 43. Payment to the Auditor

(₹ in crore)

	2019-20	2018-19
Statutory Audit Fees	0.95	0.95
Certification & Consultation Fees	0.25	0.05
<b>Total</b>	<b>1.20</b>	<b>1.00</b>

### 44. Leases

The Company has entered into lease arrangements for its Stores. These leasing arrangements which are non-cancellable range between 3 to 25 years on an average and are usually renewable by mutual consent on mutually agreeable terms.

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Consequently, the Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2020 have not been retrospectively adjusted and therefore will continue to be reported under accounting policies included as part of our Annual Report for the year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right to use' of asset of ₹ 4,917.39 crore and a lease liability of ₹ 6,379.53 crore. The cumulative effect of applying the standard amounting to ₹ 1,462.14 crore was debited to retained earnings. The effect of this adoption is insignificant on profit before tax, profit for the period and earnings per share. Ind AS 116 will result in increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Changes in the carrying value of right of use assets with change during the period (net), depreciation and closing balance as on March 31, 2020 amounting to ₹ 1,847.23 crore

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in statement of Profit & Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

(₹ in crore)

Particulars	Amount
Current lease liabilities	577.07
Non-current lease liabilities	1,923.62
<b>Total</b>	<b>2,500.69</b>

Changes in the carrying value of Lease liability with change during the period (net), Finance cost accrued and Payment of lease liability and its closing balance as on March 31, 2020 amounting to ₹ 2,500.69 crore.

The Company does not face a significant liquidity risk with regards to its lease Liabilities as the current assets are sufficient to meet obligations to lease liabilities as and when they fall due. Rental expense recorded for short-term leases was ₹ 577.07 Crs. for the year ended March 31, 2020 respectively.

Reconciliation for the effects of the transition on Statement of Profit and loss for year ended March 31, 2020 as follows:

Particulars	Year ended March 31, 2020 Comparable basis	Changes due to Ind-AS 116 Increase / (decrease)	Year ended March 31, 2020 as reported
Other Income	51.08	35.60	86.68
Rent Expenses	1,626.76	(1,504.54)	122.21
Finance Cost	442.64	583.18	1,025.82
Depreciation and amortisation expense	167.30	931.42	1,098.72
Profit before exceptional item and tax	(7.70)	25.54	17.84

- 45** The outbreak of Coronavirus (COVID-19) pandemic is one of the biggest social, health and economic impacts, faced by India and the World at large. The Government of India declared a national lock down on March 24, 2020, which has severely impacted the business activities of the Company. The nationwide lockdown to curb the spread of the pandemic situation had significantly impacted the Company's operational capabilities, as all the manufacturing were temporarily shut, as per the advisory issued by the respective local authorities /State/Central Governments, during the lockdown period. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements. The Company has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards due to complete lockdown. The company has laid down the roadmap for New Normal with a strong focus on safeguarding the health and safety of its employees, customers and communities it serves. Various initiatives and SOPs have been rolled out by the Company to safeguard its assets. The Company believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. : 119850W

**Kishore Biyani**  
Chairman

**Rakesh Biyani**  
Managing Director

**Ashok A. Trivedi**

Partner  
Membership No.: 042472

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

**Mumbai**

September 04, 2020

## FORM AOC - 1

### Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

[Pursuant to first proviso to subsection (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

#### Part "A": Subsidiary companies

(₹ in crore)

Name of the Subsidiaries	Travel News Services (India) Private Limited (TNSI)	TNSI Retail Private Limited*	Welcome Retail Private Limited*	Future 7-India Convenience Limited
Date of Acquisition / becoming subsidiary	May 11, 2018	May 11, 2018	May 11, 2018	February 28, 2019
Reporting period for the subsidiary	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting currency	INR	INR	INR	INR
Share Capital	4.14	18.94	0.05	1.51
Reserves & Surplus	(10.30)	(28.21)	(50.76)	3.65
Total Assets	177.23	29.50	95.48	12.86
Total Liabilities**	183.38	38.77	146.18	7.70
Investments	2.72 <sup>#</sup>	Nil	Nil	Nil
Turnover	167.42	74.19	28.73	0.00
Profit before Taxation	(6.73)	2.52	(6.22)	(9.61)
Provision for Taxation	0.82	0.00	(2.79)	0.00
Profit after Taxation	(5.91)	2.52	(9.01)	(9.61)
Proposed Dividend	Nil	Nil	Nil	Nil
% of Shareholding	100	100	51	100

(\*) Subsidiaries of TNSI

(\*\*) Excluding Share Capital and Reserves & Surplus

(#) Includes investment made in its subsidiary companies.

**Note:** The subsidiaries have commenced their operations and no subsidiary is under liquidation or sold during the year.

#### Part "B": Associates and Joint Ventures

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

(₹ in crore)

Name of Joint Venture	Future Retail LLC
Latest audited Balance Sheet Date	December 31, 2019
Shares of Joint Venture held by the Company on the year end	
• No. of shares	2,50,000
• Amount of investment in Joint Venture	4.57
• Extend of Holding (%)	50
Description of how there is significant influence	Joint Venture / Shareholders Agreement
Reason why the joint venture is not consolidated	Not Applicable
Networth attributable to shareholding as per latest audited Balance Sheet	1.69
Profit/Loss for the year	
• Considered in consolidation	(4.01)
• Not considered in consolidation	(4.01)

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants

Firm Registration No. : 119850W

**Kishore Biyani**

Chairman

**Rakesh Biyani**

Managing Director

**Ashok A. Trivedi**

Partner

Membership No.: 042472

**Mumbai**

September 04, 2020

**C. P. Toshniwal**

Chief Financial Officer

**Virendra Samani**

Company Secretary



# FUTURE RETAIL LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2020.

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

1. Ajay Chablani\*, Head, 46, October 31, 2015, 25, B.Tech, 1,10,48,985, Future Enterprises Ltd.; 2. Ashwin Rajan, Chief of Staff-Chairman's Office, 35, November 1, 2017, 16, Graduate Diploma Legal Practice, 1,27,01,093, Dr. Babasaheb Ambedkar College of Engineering and Research; 3. Behram Kabrajee, Head-Sourcing, Quality Assurance & Technical, 59, October 31, 2015, 33, B.Com, 1,21,48,734, Future Enterprises Ltd.; 4. Bharat Bhikhabhai Manseta\*, Head, 64, July 18, 2016, 25, B.Tech, 38,37,041, Aditya Birla Domestic Textile Ltd.; 5. C. P. Toshniwal, Chief Financial Officer, 54, May 02, 2016, 30, CA & CS, 2,53,37,765, Future Lifestyle Fashions Ltd.; 6. Dhananjay Sengupta, CEO - Small Format, 55, October 31, 2015, 32, MBA, 1,08,75,772, Future Enterprises Ltd.; 7. Gopal R Asthana\*, Head-LOB Beauty & Special Projects, 49, January 14, 2019, 22, MBA, 88,03,792, Shoppers Stop Ltd.; 8. Hardeep Singh\*, Director-Distribution Strategy & Supply Chain, Food - FMCG, 51, June 1, 2018, 26, Master in Management Studies, 35,39,916, Vulcan Express Pvt. Ltd.; 9. Jishnu Sen\*, Head - Marketing, 50, January 16, 2017, 29, B.Com, 1,17,66,396, Essar Group; 10. K Venkateshwar Rao\*, CEO - Andhra & Telengana, 56, October 01, 2016, 30, MBA, 91,67,505, Future Lifestyle Fashions Ltd.; 11. Kishore Biyani, Executive Chairman, 59, May 2, 2016, 39, B.Com & PG Diploma in Management, 3,85,92,634, Future Group CEO; 12. M. Venkateshwar Kumar, CEO-South Future Group, 52, October 31, 2015, 29, MBA, 1,17,49,734, Future Enterprises Ltd.; 13. Manish Agarwal, CEO-East, Future Group, 50, October 31, 2015, 28, CA, 1,21,88,987, Future Enterprises Ltd.; 14. N Mohan\*, Director - Footwear, 60, December 1, 2017, 27, BE Mechanical, 1,47,84,512, Asrosoles Europe; 15. Rajan Malhotra\*, President-Strategy & Convergence, 51, October 31, 2015, 27, B.SC Chemistry & MBA, 2,18,98,140, Future Enterprises Ltd.; 16. Rajesh Seth, Chief Operating Officer-fbb, 48, April 4, 2016, 22, B.E. Mechanical, 1,55,80,652, Future Enterprises Ltd.; 17. Rakesh Biyani, Managing Director, 48, May 2, 2016, 24, B.Com, Advance Management Programme (Harvard Business School), 3,94,44,019, Future Group, 18. Ramesh Menon\*, Head-Small Formats, 54, January 2, 2018, 21, PGDBA, 27,31,746, Hypercity Retail (India) Ltd.; 19. Sadashiv Nayak, CEO-Food Business, Future Group and Interim CEO-Future Consumer Ltd., 49, October 31, 2015, 24, B.E. Electronics & Communications & PGDBM, 2,49,51,302, Future Enterprises Ltd.; 20. Sandeep Dongre\*, Head, 48, July 25, 2019, 23, PGDM - Marketing, 50,41,235, OYO Rooms; 21. Swetank Jain, Group Chief People Officer, 40, August 1, 2017, 21, MS, 1,13,10,404, ICICI Bank Ltd.; 22. Vinay Bhatia, CEO-Group Loyalty & Analytics, 51, April 1, 2018, 26, MMS, 1,45,62,743, Shoppers Stop Ltd.

“\*” Denotes employed for part of the year.

**Notes:**

1. Nature of employment is permanent and terminable by Notice on either side except in case of Directors, which is contractual;
2. The above employees are not related to any other Director of the Company;
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the Equity Shares of the Company;
4. Terms and conditions of employment are as per Company's Rules; and
5. The above remuneration is excluding of the ESOP Perquisites, if any.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : September 14, 2020

**Kishore Biyani**  
Chairman





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