September 1, 2021

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

To,
Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051

Scrip Codes: 540798, 958280, 958281

Scrip Symbol: FSC

Ref.: Reg. 30 & 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Sub.: Notice of 16th Annual General Meeting and Annual Report for the year 2020-21

Pursuant to the above referred Regulations, please find enclosed herewith a Notice of the 16th Annual General Meeting of the Company to be held on September 24, 2021 through Video Conferencing ["**VC**"]/ Other Audio Visual Means ["**OAVM**"] (the "**AGM**") together with the Annual Report for the financial year 2020-21.

Please further take note of below relevant details of AGM:

Day & Date of AGM	:	Friday, September 24, 2021
Time of AGM	:	2:30 p.m.
Mode of holding AGM	:	Through VC/OAVM
Cut-off date for e-voting on resolutions proposed at AGM	:	September 17, 2021
E-voting period	:	E-voting shall start at 9:00 a.m. on September 21, 2021 and shall end at 5:00 p.m. on September 23, 2021

Please be further informed that the above Notice of the AGM and Annual Report shall also be available on the website of the Company www.futuresupplychains.com

Kindly take the above information on your records.

Yours faithfully,
For **Future Supply Chain Solutions Limited**

Vimal K Dhruve
Company Secretary

Future Supply Chain Solutions Ltd.

Encl.: As above

Science of Supply Chain. DELIVERED

Future Supply Chain Solutions Limited

Registered Office: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060
Tel.: +91 22 66442200 • **Fax:** +91 22 66442201 • **CIN:** L63030MH2006PLC160376
Website: www.futuresupplychains.com • Email: investorrelations@futuresupplychains.com

NOTICE TO MEMBERS

Notice is hereby given that the 16th Annual General Meeting of the members of Future Supply Chain Solutions Limited will be held on Friday, the September 24, 2021 at 2:30 pm **("AGM")** through video conferencing **("VC")** / other audio visual means **("OAVM")** to transact the following business **("AGM Notice")**:

ORDINARY BUSINESS

1. To receive, consider and adopt:

    a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and

    b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Rakesh Biyani (DIN: 00005806) who retires by rotation and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS

3. **To approve/ authorize to transact with related party/ material entity**

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

    "RESOLVED THAT Regulation 23(4) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (including any amendments thereto from time to time or any re-enactment thereof for the time being in force) (the **"Listing Regulations")**, applicable provisions of the Companies Act, 2013 including any rules framed thereunder (the **"Act"**), in terms of the policy approved by the Board for dealing/ transacting with related parties for the time being in force **("Policy")** and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors (including any empowered committee thereof or any Director or official of the Company authorised in this behalf) to enter into transactions with Future Retail Limited **("Related Party")**, either individually or taken together with previous transactions, on arms' length basis and in ordinary course of business activities, for an aggregate amount up to ₹300,00,00,000/- (Rupees Three Hundred crore only) during the financial year 2021-22.

    RESOLVED FURTHER THAT the Board (which term shall include its duly authorized committee or directors or officials of the Company), be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with Related Parties and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution."

4. **To appoint Mr. Shinichi Kakiyama as a Director**

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

    "RESOLVED THAT pursuant to the provisions of section 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**), the Companies (Appointment and Qualification of Directors) Rules, 2014 (the **"Rules"**), regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**), including any statutory modification(s) to the Act, the Rules or the Listing Regulations from time to time or any re-enactment thereof for the time being in force, in accordance with the Articles of Association of the Company, Mr. Shinichi Kakiyama (DIN: 0009193850) who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice under section 160 of the Act from a member proposing the candidature of Mr. Shinichi Kakiyama for the office of Director, be and is hereby appointed as a Director of the Company (termed as a "Non-Executive Non-Independent Director") whose office be liable to the determination of retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall include any empowered or authorised committee thereof) be and is hereby authorised to do all such acts, deeds, things and matters and take all requisite steps and actions as may be necessary, proper and expedite to give effect to this resolution."

By order of the Board of Directors of
Future Supply Chain Solutions Limited

Vimal K Dhruve
Company Secretary
Mumbai, August 10, 2021

Notes & Instructions:

1. A statement pursuant to Section 102 of the Companies Act, 2013 (the **"Act"**) setting out material facts concerning the special business under item Nos. 3 and 4 of the AGM Notice is annexed herewith.
2. The Ministry of Corporate Affairs **("MCA")** has, vide General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021 and No.10/2021 dated June 23, 2021 (collectively **"MCA Circulars"**), permitted the companies to hold the general meetings (including AGMs) through video conferencing or other audio visual means and pass the necessary resolutions thereat. Accordingly, the AGM of the Company is being convened and conducted through two-way video conference, in compliance with MCA Circulars and requirements of physical attendance of the members has been dispensed with.
3. In line with the MCA Circulars, the AGM Notice along with the Annual Report for 2020-21 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice will also be available on (i) the Company's website at https://www.futuresupplychains.com/annual-reports.php (ii) websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively; and (iii) on the website of National Securities Depository Limited **("NSDL")** at www.evoting.nsdl.com.
4. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form, by writing to the Company's Registrar and Share Transfer Agent - Link Intime India Private Limited.
5. Pursuant to the MCA Circulars, 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, the members may temporarily update their email address by accessing the link https://linkintime.co.in/emailreg/email_register.html.
6. The Company has engaged NSDL to provide the facility to the members for attending the AGM from their respective locations through video conferencing and other audio-visual means. Detailed procedure as how to attend the AGM, are given separately.
7. The Company has availed a facility from NSDL to enable members to vote online during the remote e-voting period as well as during the AGM. Detailed procedure as how to vote electronically, are given separately.
8. As required under regulation 26(4) and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** and Secretarial Standards on General Meetings **("SS-II")**, requisite details of the Directors seeking appointment/ re-appointment at the AGM are provided in an annexure to this AGM Notice.
9. Pursuant to MCA Circulars and relaxation granted by the Securities and Exchange Board of India **("SEBI")** vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 **("SEBI Circular")**, facility to the members

to appoint a proxy on his/ her stead, will not be available for the AGM. In view of the same, the Form of Proxy is not annexed to this AGM Notice. However, Institutional shareholders intending to be present through their authorised representatives to attend the AGM are requested to send by email, a certified copy of the resolution of appropriate authority to (i) the Company Secretary at investorrelations@futuresupplychains.com; (ii) Scrutinizer at kbindudshah@gmail.com with a copy mark to evoting@nsdl.co.in, authorizing them to attend and vote on their behalf at the AGM.

10. Register of Directors and KMPs maintained under section 170 of the Act, Certificate from the Statutory Auditors relating to the Company's Stock Options Plan under SEBI (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection by the members during the AGM. Members seeking to inspect such documents can send such intent through an email at investorrelations@futuresupplychains.com

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investorrelations@futuresupplychains.com.

12. As the AGM is to be held through VC/ OAVM, the route map is not annexed to this AGM Notice.

13. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent (R & T Agent) at the following address:

    Link Intime India Private Limited

    C-101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai 400083
    Phone No. (022) 49186270; Fax No. (022) 49186060; E-mail: rnt.helpdesk@linkintime.co.in

14. Members are requested to send their queries with regard to the Annual Report at least seven days in advance to the Company through an e-mail at investorrelations@futuresupplychains.com

15. The Company has fixed a period commencing at 9:00 a.m. on September 21, 2021 till 5:00 p.m. on September 23, 2021 for remote e-voting on resolutions proposed at the AGM. The Company has fixed September 17, 2021 as the date on which a person holding equity share(s) is entitled to vote through remote e-voting ("Cut-off date"). A member who has exercised his/ her vote during this period, is also entitled to attend the AGM but shall not be entitled to cast vote again. The remote e-voting module shall be disabled by NSDL immediately after 5:00 p.m. on September 23, 2021. However, a facility to vote during the AGM shall also be available to those members who have not cast their vote during remote e-voting period. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the Special Business matters mentioned in the AGM Notice:

Special Business Item 3 – Approval of Material Transactions with Related Party

The Company derives its substantial portion of the revenues from Future Retail Limited **("Related Party")** in ordinary course of its business. The Audit Committee, wholly comprising Independent Directors, also approved to enter into transactions with the Related Party. It is expected that the value of transactions specified under the proposed resolution and consisting of providing logistics and warehousing services, sale/ purchase of fixed assets and certain payments towards the rent and expenses, entered / to be entered into with the Related Party, whether considered individually and/or taken together with previous transactions during the year 2021-22, would exceed the stipulated threshold of 10% of the consolidated turnover of the Company as per the latest audited financial statements i.e. F.Y. 2020-21 **("Material Transactions")**. Pursuant to the regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**, Material Transactions require approval of the shareholders. Shareholders belonging to the Promoter Group are requested to note that they shall not be able to vote on the proposed resolution to approve it, as required under regulation 23(4) of the Listing Regulations.

The Material Transactions are/ would be conducted on arms' length basis and in ordinary course of business. Accordingly, provisions of section 188(1) of the Companies Act, 2013 do not apply. However, as required under rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, members may take note of the below information:

- **Nature of Transactions:** Providing logistics, warehousing and distribution services, sale/ purchase of fixed assets and certain payment towards rent and other expenses on arms' length basis;
- **Name of the entity:** Future Retail Limited;
- **Name of the Director or Key Management Personnel who is related, if any:** None
- **Nature of Relationship:** Material entity/ Related Party/ Group entity;
- **Nature, Material Terms, Monetary value and particulars of the contract or arrangement:** Up to an aggregate amount of ₹ 300.00 crore in one or more tranches and on terms and conditions as may be mutually agreed from time to time but subject to the provisions of the applicable laws and on arms' length basis;
- **Any other relevant or important Information:** The transactions covered under the resolution have been reviewed and approved by the Audit Committee wholly comprising the Independent Directors.

In view of the expected volume involved in the Material Transactions, your Directors recommend the resolution for your approval as an Ordinary resolution.

None of the Directors, Key Management Personnel of the Company and their respective relatives shall be considered to be interested in the proposed resolution except, if so, as a member of any of the entities covered in the proposed resolution.

Special Business Item 4 – Appointment of Shinichi Kakiyama as a Director

The Company has entered into agreements with Nippon Express (South Asia & Oceania) Pte. Ltd. **("Nippon")** with respect to the investment made by Nippon in the Company **("Agreement")**. Pursuant to the Agreement and Articles of Association of the Company, Nippon has right to nominate a person on the Board of the Company. Members are requested to note that Nippon had earlier nominated Hiroyuki Tanaka as a Director which nomination was withdrawn by Nippon and proposed the appointment of Shinichi Kakiyama. Accordingly, subsequent to the selection and recommendation by the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company (the **"Board"**) vide its resolution dated June 24, 2021 appointed Shinichi Kakiyama as an Additional Director of the Company.

Members are requested to refer to the Annexure given to this Notice for profile of Shinichi Kakiyama. Shinichi Kakiyama neither holds any directorship in any body corporate in India nor any securities of the Company. His appointment shall be subject to the determination of retirement by rotation in accordance with the applicable provisions of the Act and Articles of Association of the Company. Further, Shinichi Kakiyama is not related to any other Director(s) / Key Managerial Personnel(s) of the Company.

Pursuant to provisions of section 152(2) of Act, appointment of any Directo r needs to be approved by the members. Therefore, consent of the members is being sought by way an ordinary resolution to appoint Shinichi Kakiyama as a Director of the Company. Your Directors recommend the resolution for your approval as an Ordinary Resolution.

Shinichi Kakiyama shall be deemed to be concerned or interested to the extent of the benefits and entitlements as a Director in the Company in accordance with the applicable laws. Although, no remuneration is proposed to be paid to him as a Director, he shall be entitled to receive fees to attend meetings of the Board/ Committee in which he may be a member and claim other incidental expenses for attending such meetings. No other Directors or Key Managerial Personnel of the Company including any of their relatives shall be deemed to be concerned or interested in the proposed resolution.

By order of the Board of Directors of
Future Supply Chain Solutions Limited

Vimal K Dhruve
Company Secretary

Mumbai, August 10, 2021

Annexure to the Notice of 16th Annual General Meeting

Information as required pursuant to regulation 26(4) and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2), in respect of Directors seeking appointment/ re-appointment at the AGM.

Particular	**Name of the Directors**	
	Rakesh Biyani	**Shinichi Kakiyama**
Date of Birth	April 5, 1972	December 26, 1963
Nationality	Indian	Foreign
Brief Profile	He holds a bachelor's degree in Commerce from University of Bombay and has attended the Advanced Management Program from Harvard Business School. He has over 25 years of experience in the retail, supply chain and logistics, and fashion industries. He was awarded (i) an appreciation award by Datamatics Global Services Limited for outstanding contribution to leadership development initiative of Datamatics Global Services Limited; and (ii) an appreciation award by the Clothing Manufacturers Association of India at the CMAI Fashion Retail Summit on May 8, 2013.	He is Executive Officer and General Manager of Overseas Business Administration Division at Nippon Express Co. Ltd. ("Nippon") and presently stationed at Tokyo, Japan. He is faculty of Literature from Seinan Gakuin University, Japan. He holds over 34 years of experience at various corporate positions and associated with Nippon since 1986. During his long association with Nippon, he gained expertise in the field of Air Cargo business, logistics business and held various managerial positions for the domestic and international business divisions. From the year 2019 to 2021, he held the position of vice president and Regional General Manager for Nippon's business in entire Europe. Presently, he is in charge of Overseas Business Administration and Development.
Expertise in specific functional areas	Strategies & Planning, technology and business management	Business planning and development
Any relationships between directors inter-se	None	None
No. of shares held	Nil	Nil
Terms and conditions of appointment	Liable to retire by rotation	Liable to retire by rotation
Remuneration sought to be paid	Nil	Nil
Date of first appointment	July 13, 2007	June 24, 2021
Directorships held in other companies	Future Retail Limited; Turtle Limited; Futurebazaar India Limited; Future Lifestyle Fashions Limited; Shree Balaji Umber Properties Private Limited; Shree Balaji Parvat View Properties Private Limited; Celio Future Fashion Private Limited; Ryka Commercial Ventures Private Limited;	None
Membership/ Chairmanship of committees in other companies	Future Retail Limited (Audit Committee, Risk Management Committee); Future Lifestyle Fashions Limited (Nomination and Remuneration, Risk Management Committee, Stakeholders Relationship Committee); Futurebazaar India Limited (Audit Committee)	None
No. of Board meetings attended during the year 2020-21	7	N.A.

Instructions for remote e-voting are as under:

The mechanism to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system:

A. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-voting facility.Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Shareholders can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of **e-voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. 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.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User 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***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary 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***

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

   a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c. How to retrieve your 'initial password'?

      - If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      - If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered.

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

   d. 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.

   e. **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   f. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   g. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

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

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

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

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

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

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

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

c. Now you are ready for e-voting as the voting page opens.

d. 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.

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

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

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

General Guidelines for Members

a. 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 kbindudshah@gmail.com or with a copy marked to evoting@nsdl.co.in.

b. 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 to reset the password.

c. 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 or call on toll free no.: 1800-1020-990/ 1800-224-430. Alternatively, Members can contact Ms. Sarita Mote on e-mail ID 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. Members may also write to the Company Secretary at the e-mail address: investorrelations@futuresupplychains.com.

d. 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. September 17, 2021.

e. 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.

f. 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. The Scrutiniser, after the conclusion of voting at the AGM shall make, not later than 48 hours of the conclusion of the AGM, a consolidated 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 declare the result of the voting forthwith.

g. The Results 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.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

a. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to rnt.helpdesk@linkintime.co.in.

b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

c. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

d. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

1. **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.

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

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

3. **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@futuresupplychains.com
- 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@futuresupplychains.com. These queries will be replied to by the Company suitably by e-mail.

4. **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

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 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.

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

ANNUAL REPORT **2020-21**

BUILDING SYNERGIES
DRIVING EFFICIENCIES
EMBRACING CHANGE

Corporate Information

Board of Directors

Rakesh Biyani (Chairman & Non Executive Director)
DIN: 00005806

Mayur Toshniwal (Managing Director)
DIN: 01655776

Bala C Deshpande (Independent Director)
DIN: 00020130

Malini Chopra (Independent Director)
DIN: 08195364

Amar Sapra (Independent Director)
DIN: 05178849

Janat Shah (Independent Director)
DIN: 01625535

C P Toshniwal (Non Executive Director)
DIN: 00036303

Hiroyuki Tanaka (Non Executive Director)
DIN: 08657963
(Resigned w.e.f. June 24, 2021)

Shinichi Kakiyama (Non Executive Director)
DIN: 09193850
(Appointed w.e.f. June 24, 2021)

Statutory Auditors

DMKH & Co.

Chief Financial Officer

Samir Kedia

Company Secretary and Compliance Officer

Vimal K Dhruve
(Appointed on June 24, 2021)

Share Transfer Agents

Link Intime India Private Limited
C 101, Embassy 247, LBS Marg Vikhroli (West)
Mumbai: 400083 Tel: +91 22 49186270
Web: www.linkintime.co.in

Bankers

State Bank of India
IDFC First Bank
Kotak Mahindra Bank
Yes Bank

Registered Office

Knowledge House, Shyam Nagar,
Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400060

Website

www.futuresupplychains.com

Corporate Identity Number

L63030MH2006PLC160376

CONTENTS

MANAGEMENT DISCUSSION ANALYSIS

This discussion aims at providing an understanding of the financial statements and a summary of our business performance and the eco-system it operates in. Management Discussion and Analysis comprises of:

- Economy Overview
- Industry Overview
- Opportunities and threats
- Competitive Landscape
- Business Overview
- Performance Overview
- Human Resources
- Risks and Internal Adequacy

Some of the statements in discussion may be forward-looking. The future performance of such statements may differ from those stated in the Management Discussion and Analysis. Such probable difference can be on account of various factors such as changes in the macro-economic environment, Government regulations, tax regimes, impact of competition, and demand-supply constraints.

ECONOMY OVERVIEW

The Indian economy witnessed a turbulent 2020-21 as it faced many challenges mainly on account of COVID-19 pandemic related consequences. Due to increasing number of infected cases, repeated and prolonged lockdowns and movement restrictions, Indian economy witnessed a sharp decline in industrial and economic activities during the first two quarters of 2020-21. This led to reduced investments, muted demand, discretionary spending on essential items, drastic reductions in consumption of non-essential goods etc. In 2020-21, the Government of India released stimulus packages aggregating to ₹ 20 lakh crore to counter the impact of Covid-19 on the Indian economy and revive the industrial and economic activities. Such stimulus largely comprised of fiscal and administrative measures such as emergency credit line guarantee, loan moratorium, direct transfer of economic benefits, setting up emergency health fund, food security measures, collateral free lending and bank guarantees for MSMEs, relaxations in compliances, policy changes for foreign investments etc. Despite such stimulus packages aiming to protect the livelihood of people, to bring confidence in business and to mitigate the disruptions in industrial activities, the consumption remained subdued almost for the whole year.

Although GDP growth provisionally contracted 7.3% in 2020-21, with GDP growth for Q4 2020-21 being pegged at 1.6%. The last quarter witnessed a partial impact on account of commencement of second wave of pandemic and stricter guidelines were issued by the Central and State Governments to combat the second wave of COVID-19. All these actions together impacted the production and supply shortages, cross border trades, sudden spike in commodity prices leading to higher inflation. Lakhs of employments were lost due to constraints in productions and supply chain and financial markets across the globe significantly crashed from their pre-pandemic levels. However, Governments of many countries very swiftly announced unprecedented measures, fiscal policies and stimuli packages to support the economic activities which gradually provided cushion the impact and brought steady recovery, though at slower pace. Although vaccination drive across the globe which started during the last quarter of 2020-21 has brought some hopes to overcome the virus, however, new variants, lockdowns and its resultants impact on productions, supplies, demands, consumptions and more debt distress would remain risks to the full recovery of economies across the globe. The year 2021-22 is also expected to remain volatile and uncertain on account of new mutants and variants of COVID-19.

INDUSTRY OVERVIEW

The logistics sector is always considered to be a backbone to the industrial and economic activities. Soon after the outbreak of COVID-19 in March 2020, a nationwide lockdown was announced by the Government and businesses across the verticals came to a grinding halt. Blended with certain mandatory restrictions like no movement of goods and backlogs due to a disturbed supply chain, the logistics industry was hit hard. This took a considerable toll on the supply chain efficiency, with the entire industry racing to re-calibrate operations.

MANAGEMENT DISCUSSION ANALYSIS (CONTD.)

The sector in India is expected to have grown at a CAGR of 10.5% till 2025, as per industry estimates. An integrated end-to-end logistics solution would be a key growth driver encompassing integrated infrastructure / assets platform, integrated services platform and integrated digital platform. Hence, the sector would continue to witness consolidation, process standardisation, technological upgradation and digital transformation for more agility and integration not only between modes of transportation but also the users and third-party service providers. Efficient and cost-effective customised solutions would remain preferred solutions for clients to manage their entire supply chain. New age technology has revolutionised the logistics sector by being a key differentiator to provide smart solutions and disrupt the traditional way of operating. Large players are now exploring to leverage their operations to automation technology, Blockchain technology, Cloud Computing, Big data analysis, artificial intelligence and robotics to provide end-to-end lean and smart logistics solutions, minimise human intervention, reduce costs and circumventing operational errors in managing the supply chain. The industry would continue to witness fast paced technology disruptions resulting in real time supply chain visibility. Technological trends as emerged during the pandemic are expected to gain further traction in 2021-22 and are also likely to be long-lasting and something that would shape the future course of the industry. Growth supported by Governments reforms and commitment of capital expenditure, rise in demand and consumptions and fast growing e-commerce sector together likely to be key drivers of the logistics sector. Manufacturing activities would continue to have the potential to contribute the largest part of the GDP which would drive the growth of warehousing segment. Rapidly growing E-commerce is another major sector which is expected to support the growth of the industry. Although the pandemic impacted supply chain disruptions gave a significant blow to the logistics sector in the country, the sector is gradually recovering impressively.

Opportunities and Threats

The year 2020-21 ended with continuing fear of global pandemic, COVID-19, resulting in unprecedented disruption across the sectors in India and worldwide. The outbreak was followed by nationwide lockdown with many businesses facing the brunt with varying magnitudes. Revenue for logistics sub-sectors where FSC operates, mainly Contract Logistics, Express Logistics and Temperature-Controlled Logistics, declined drastically on account of subdued demand and drop in discretionary spending on non-essential goods and merchandise.

The cost of logistics as a % of the GDP is very high in India compared to other developed countries on various factors including inefficient transportation velocity, theft during the transit, highly volatile fuel prices etc. Road transport is the largest occupant of overall transportation by volume due to vast geographical space and greater reliance thereon. In order to bring down the overall logistics costs, the Government has taken various initiatives to rationalise the entire supply chain. These include granting of infrastructure status to the industry to improve the logistics infrastructure, placing more emphasis and reliance on ‘Make in India’ to boost the manufacturing, push for national logistics policy to enable the creation of a single point of reference for all logistics and trade facilitation matters, commitment of capital expenditure on various infrastructure projects, launch of industrial corridors for faster and efficient movement, implementation of FASTag at tolls booths for e-payments and quick movement of vehicles etc. All these initiatives would bring efficiency in operations, reduce costs and help the industry to leverage for growth.

The trade wars in recent past and the COVID-19 crisis have forced many global businesses to shift manufacturing out of China, which could be an opportunity for India to expand its manufacturing base given favourable demographics, mainly availability of a large and young workforce. While the near term business outlook is severely impacted due to the pandemic, the long term growth drivers remain intact and these sub-sectors are expected to grow double-digits in the next five years.

Goods & Service Tax	The implementation of GST has triggered consolidation of fragmented warehousing operations into fewer and larger warehouses. As a result, the Indian warehousing segment is witnessing a favorable structural shift with a rise in demand for modern warehousing.
Increasing Focus on Core Operations by Product Companies	Product companies are increasingly focusing on their core competencies and looking to outsource the non-core activities, such as supply chain management.

The market size of Food and Home & Personal Care (HPC) segment is estimated to be around US$ 430 billion in India, and is estimated to grow at an average 11% CAGR to become over US$ 740 billion in the next five years. The market share of organized channels, both offline and online, is estimated to increase disproportionately primarily led by shift of consumer preferences in favour of hygienic and quality products. Modern trade is estimated to play a key role in driving sales of Foods and HPC categories due to higher visibility and better availability of products. This would drive the growth of logistics service providers that cater to these segments.

The logistics industry faces several challenges, such as high cost, impacting the competitiveness in the domestic market. Other key challenges include availability of skilled manpower, fragmented warehouses, underdeveloped material handling infrastructure, limited usage of technology and inefficient multi-modal and fleet mix. In the near term, 3PL companies could face issues such as poor availability of transport and labour shortages due to COVID-19 impact. The Indian logistics industry is majorly driven by the unorganised sector. While the logistics industry in India is generally fragmented, the Company faces competition from a number of international and domestic third-party logistics service providers, especially as the trend toward larger-scale logistics service providers in India continues.

COMPETITIVE LANDSCAPE

The Indian logistics industry is highly fragmented in nature with the unorganised participants servicing nearly 80-85% of the overall demand. Competitiveness of various industry players is determined by several factors, such as availability of anchor customers, levels of automation and technology deployed in day-to-day operations, reliability of the supply chain, adherence to compliance standards and multi-sector domain expertise for a third party logistics player.

The Company faces competition from various players catering to different business verticals in different geographic locations as well as several regional and unorganised service providers. At present, there are only a few organised players in India who have a nationwide presence. A few industry participants have also focused on specific sectors.

Critical Success Factors

- **Contract Logistics**
  - Availability of Anchor Clients
  - Use of Technology and Automation
  - Reliability and End-to-end Supply Chain Management
  - Increase in Compliance Standards
  - Experience across Multiple Industries
- **Express Logistics**
  - Network Presence
  - Utilization of Network
  - Reliability of Line Haul
  - Consistency of Service Levels
  - Vendor Management
- **Temperature Controlled**
  - Presence at right location
  - Asset Mix
  - Quality of assets
  - VAS & integrated services

MANAGEMENT DISCUSSION ANALYSIS (CONTD.)

BUSINESS OVERVIEW

FSC is amongst the largest organised third-party supply chain and logistics service provider in India. The Company offers a wide variety of services such as automated and tech-enabled warehousing, pan-India distribution and transportation, and other logistics-related solutions to a wide range of customers. The Company's customers operate in different sectors across India including fashion and apparel, food and beverage, fast-moving consumer goods (FMCG), e-commerce, electronics and technology, home and furniture, automotive and engineering.

FSC's business partner, Nippon Express acquired 22% stake in FSC in 2019-20. Nippon Express and FSC signed a Business Collaboration Agreement to jointly explore revenue synergy opportunities based on their strategic partnership. FSC aims to leverage Nippon Express' global customer base and competencies in diverse sectors, including automotive and pharmaceutical sectors, for the Indian market.

FSC offers services in three broad areas:

CONTRACT LOGISTICS

Services Provided	• Supply Chain Analysis and Solution Design • Integrated State-of-the-art Warehousing • Transportation & Distribution • Reverse Logistics • Value added services, such as kitting, bundling, unit cartonization, packaging solution
Network	• 65 distribution centers comprising total area of 8.02 mn sq. ft. • Generally multi-user and Built-to-suit distribution centres

EXPRESS LOGISTICS

Services Provided	• Point-to-Point Part & Full Truck Load Transportation; Time-definite Transportation Services; Real-time tracking • Trucking and distribution services using 'hub-and-spoke' distribution network and fleet of technology-enabled trucks
Network	• Operates between 200-250 containerized line-haul and feeder trucks • Pan-India network of 13 hubs and 123 branches and franchisees • Services 11,780 pin codes

TEMPERATURE-CONTROLLED LOGISTICS

Services Provided	• Temperature-controlled warehousing maintaining perishable goods in frozen (-25 to 0ºC), chilled (0 to +4 ºC), cold (+2 to +8 ºC) and cool (+8 to +25 ºC) • Primary Reefer Transportation (Long Haul) • Secondary Reefer Distribution (Local)
Network	• Network of owned and wet-leased reefer trucks • 13 Temperature-controlled distribution centers • 21,303 pallets

(₹ in Lakh)

Consolidated Revenue Split	2020-21	2019-20
Contract Logistics	37,823	94,872
Express Logistics	5,973	15,352
Temperature-Controlled Logistics	3,653	3,786

(₹ in Lakh)

Key Operating Metrics	2020-21	2019-20
Contract Logistics		
Warehouse Area (million sq. ft.)	8.02	8.20
Average Revenue per sq. ft. (₹ per month)	39.00	100.00
Express Logistics		
Total Weight Handled ('000 tonnes)	63	177
Temperature-Controlled Logistics		
Number of Pallets (x)	21,303	19,395

The Contract Logistics segment of the Company analyses its customer's needs and business processes. FSC then provides customised 3PL solutions to enable their customers to benefit from lower supply chain cost, higher supply chain efficiency while shortening the lead time to market. Typically, this solution would include infrastructure design, management of entire warehouse operations, inventory management and distribution services. The Company's distribution centres receive, store, track and dispatch the customer's inventory. It also provides end-to-end real-time visibility to its customers for easy tracking.

During 2020-21, the Company rationalised its warehousing operations from 8.20 mn sq. ft. in 2019-20 to 8.02 mn sq. ft., while consolidating its number of warehouses from 74 in 2019-20 to 65 in 2020-21. This network re-design was largely done to benefit from scale efficiencies in future. Going forward, FSC's expansion will be driven by new customers and enhanced network efficiencies only.

Led by a weak macro-economic environment, consumption slowdown and pandemic situation, FSC continued to implement several initiatives to improve productivity and increase operational efficiencies, so as to conserve the financial resources. Some of these benefits were also passed on to its customers. These include:

- Warehousing network re-design & consolidation
- Transport cost rationalisation and move to a complete variable model
- Labour productivity enhancement initiatives at the warehouse level
- Fixed costs / overheads rationalisation
- Revisiting customer contracts where FSC's ROI was sub-optimal
- Technology upgradation to augment capabilities and efficiency

BUSINESS OUTLOOK

During the year 2020-21, FSC's business has been severely impacted due to COVID-19 pandemic and the fear of pandemic still around, this is likely to affect revenue growth and profit margins for 2021-22. However, from a longer period outlook perspective, management believes that FSC will benefit from sector tailwinds, which will contribute to strong revenue growth. These mainly include benefits of GST implementation, increased outsourcing of non-core activities by product companies, growth of consumption-led sectors and fast evolving consumer behaviour shifting to online shopping. Additionally, FSC will benefit from its strategic partnership with Nippon Express, wherein the two companies will jointly sell FSC services to Nippon Express' customers globally. FSC would also expand its target market in the automotive and pharmaceutical sectors along with Nippon Express, leveraging on the latter's domain expertise in these sectors.

MANAGEMENT DISCUSSION ANALYSIS (CONTD.)

The Reserve Bank of India cut its forecast of real GDP growth at 9.5% from earlier projection of 10.5% for 2021-22, mainly due to impact of second wave of COVID-19 pandemic. They expect global demand conditions to improve global trade to take hold, which would support country's export sector. Backed by the Government's commitment to higher capital expenditure, gradual recovery in economic activities are expected to fully overcome the pandemic impact. The International Monetary Fund (IMF) has also projected India to emerge one of the fastest growing economy.

IMPACT OF COVID-19 ON OPERATIONS

Current Impact of Lockdown on Operations	• Supply chain for non-food customers halted completely • Express business halted completely • Business for many customers standstill; only in-transit stocks being transported • Transportation business worse impacted as compared to warehousing • Poor availability of transport & low manpower availability
Steps taken by FSC	• Frequent interactions with regulatory authorities to facilitate smooth functioning of supply chain services for essential commodities • Various steps taken to ensure customers' stock is safe at FSC • Several measures undertaken at FSC facilities to maintain health and safety for FSC employees and associates • Review of operations on regular interval; ramping up quickly as and when restrictions ease • Increased focus on fixed cost rationalisation, productivity improvement and efficiency enhancement

PERFORMANCE OVERVIEW

FSC operations are run through 65 distribution centres across India, covering approximately 8.02 million square feet of warehouse space as of March 31, 2021. The Company utilises a "hub-and-spoke" distribution model comprising 13 hubs and 123 branches and covering 11,780 pin codes across the country. FSC operates 13 temperature-controlled warehouses with total pallet capacity of 21,303.

Review of Standalone Financial Performance

Total Income

Total Income comprises:

(i) Revenue from Operations

(ii) Other Income

(i) Revenue from Operations

Revenue from Operations decreased by 59.1% from ₹ 1,14,055 Lakh in 2019-20 to ₹ 46,641 Lakh in 2020-21 mainly on account of COVID-19 pandemic consequences.

(ii) Other Income

Other Income increased from ₹ 2,003 Lakh in 2019-20 to ₹ 3,386 Lakh in 2020-21.

Expenses

Expenses comprise:

(i) Cost of Logistics Services,

(ii) Employee Benefit Expenses,

(iii) Finance Costs,

(iv) Depreciation and Amortisation Expenses, and

(v) Other Expenses

MANAGEMENT DISCUSSION ANALYSIS (CONTD.)

Cost of Logistics Services

Cost of Logistics Services comprises warehouse operating charges such as labour costs, transportation expenses and freight forwarding expenses. Cost of Logistics Services as a percentage of Revenue from Operations decreased from 61.3% in 2019-20 to 59.6% in 2020-21.

Employee Benefit Expenses

Employee Benefit Expenses comprise salary and wages to the employees, cost of employee welfare programs, expenses incurred in training exercises and other speciality skill-building activities and reward programs. Employee Benefit Expenses as a percentage of Revenue from Operations increased from 7.7% in 2019-20 to 16.1% in 2020-21.

Other Expenses

Other Expenses primarily include power and fuel, repairs, and maintenance, traveling and conveyance expenses, security expenses, levies and duties, and statutory payments, among others. Other Expenses as a percentage of Revenue from Operations increased from 8.7% in 2019-20 to 14.5% in 2020-21.

Operating Profit Margin

Operating Profit Margin decreased from 22.2% in 2019-20 to 9.7% in 2020-21. The decline in operating profit margin is largely on account of reduced revenues and higher fixed expenses on account of COVID-19 pandemic.

Depreciation and Amortisation Expenses

Depreciation and Amortisation Expenses decreased from ₹ 16,594 Lakh in 2019-20 to ₹ 16,532 Lakh in 2020-21.

Finance Costs

Finance Costs increased from ₹ 8,081 Lakh in 2019-20 to ₹ 9,838 Lakh in 2020-21.

Profit / Loss Before Tax

FSC incurred a Loss Before Tax of ₹ 18,436 Lakh in 2020-21 as compared to Loss Before Tax of ₹ 6,388 Lakh in 2019-20.

Income Tax Expense

Income Tax Expense was Nil for 2020-21 and 2019-20.

Profit After Tax

FSC incurred a Loss After Tax of ₹ 18,436 Lakh in 2020-21 as compared to Loss After Tax of ₹ 6,388 Lakh in 2019-20.

Earnings Per Share (EPS)

Basic and diluted EPS was ₹ (15.51) for 2019-20 and ₹ (42.01) for 2020-21. The EPS worsened due to greater losses in operations which were badly hit on account of COVID-19 pandemic.

Net Profit Margin

Net Profit Margin worsened from -5.6% in 2019-20 to -39.5% in 2020-21 due to greater losses in operations which were badly hit on account of COVID-19 pandemic.

Return on Net Worth

Return on Net Worth worsened from -8.6% in 2019-20 to -33% in 2020-21 mainly due to a negative net profit margin.

Interest Coverage Ratio

The Interest Coverage Ratio declined from 1.7x in 2019-20 to -2.4x in 2020-21 due to greater losses in operations which were badly hit on account of COVID-19 pandemic.

Current Ratio

The Current Ratio increased from 1.78 in 2019-20 to 2.02 in 2020-21.

Debt Equity Ratio

Debt Equity Ratio increased from 0.74x in 2019-20 to 0.93x in 2020-21 mainly due to decrease in networth on account of higher losses during the year 2020-21.

Debtors Turnover Ratio

Debtors Turnover Ratio decreased from 2.0x in 2019-20 to 0.6x in 2020-21, mainly due to lower turnover/ revenues from operations on account of COVID-19 pandemic.

Inventory Turnover Ratio

Inventory Turnover Ratio decreased from 323.9x in 2019-20 to 197.1x in 2020-21, mainly due to lower turnover/ revenues from operations on account of COVID-19 pandemic. Inventory primarily relates to the non-saleable material that is used in the warehousing operations, such as packaging material.

HUMAN RESOURCE

One of the Company's strategic objectives is to be an industry leader in logistics sector. This implies a requirement to attract and retain the finest people in the industry while consistently improving their skills. This makes it imperative for us to offer our existing workforce with right opportunities to develop their skills further. This will not only help us serve our customers better but also help us chart the growth graph. It will assist in living up to our brand promise.

Our employees undergo an extensive training program. The purpose of these programs is to educate while improving skills and behaviour. We keep the specific needs of each of our associate in mind and design training programs around it. The focus is on providing right tools for both professional and personal skills development while also working on their technical and soft skills. Our key training programs include functional training programs, IT training programs such as WMS, SAP and TMS, among others, and various other behavioural training programs. We aim towards the holistic development of our employees that facilitates their career progression within the Company. Strong emphasis is placed on building a healthy and rewarding work environment while constantly improving employee engagement.

As at March 31, 2021, the total number of employees at FSC stood at 1,098.

RISK AND INTERNAL ADEQUACY

Our Company operates its business in an environment with some inherent risks. This requires identifying, monitoring, and mitigating risks predominantly in the areas of business, operations, finance, and compliance. The Company addresses such risks through a system-based approach of risk management. This involves mitigation of risks on a continuous basis. The Internal Control Systems of the Company appropriately correspond with the nature of its business and the size and complexity of its operations. These risks are regularly tested and certified by the Statutory and Internal Auditors. The Audit Committee reviews adequacy and effectiveness of the internal control process and systems. It also monitors the implementation of audit recommendations, with the perspective of strengthening the Company's risk management systems. A management team additionally conducts reviews on regular interval. It assesses the internal control environment, checks the adequacy concerning the business and make relevant recommendations.

DIRECTORS' REPORT

To,
The Members
Future Supply Chain Solutions Limited

The Directors of your Company are pleased to present the 16th Annual Report of the Company for the financial year ended March 31, 2021.

FINANCIALS HIGHLIGHTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Income	50,027.89	1,16,058.17
Profit Before Tax	(18,436.19)	(6,388.24)
Profit After Tax	(18,436.19)	(6,388.24)
Earnings Per Share-Basic & Diluted (₹)	(42.01)	(15.51)

OPERATIONAL PERFORMANCE

A significant portion of the financial year under reporting was washed away on account of COVID-19 situation and consequent lockdowns, movement and other restrictions imposed by the Central/ State Governments from time to time. As of the March 31, 2021, FSC operations run through 65 distribution centres across India, covering approximately 8.02 million square feet of warehouse space. The Company utilises a "hub-and-spoke" distribution model comprising 13 hubs and 123 operational branches and covering 11,780 pin codes across the country. FSC operates 13 temperature-controlled warehouses with total pallet capacity of 21,303 pallets. During the year 2020-21, the warehousing capacity was rationalized from 8.20 mn sq. ft. in 2019-20 to 8.02 mn sq. ft. in 2020-21, while consolidating its number of warehouses from 74 in 2019-20 to 65 in 2020-21. Led by a COVID-19 affected weak macro-economic environment and consumption slowdown in India, FSC undertook several initiatives to improve productivity and increase operational efficiencies which include warehousing network re-design & consolidation, transport cost rationalisation and move to a complete variable model, labour productivity enhancement initiatives at the warehouse level, fixed costs / overheads rationalisation and revisiting customer contracts where FSC's ROI was sub-optimal. Overall efficiency was increased but on account of low volume, the operations were resulted into losses.

FUTURE OUTLOOK

Although the COVID-19 pandemic impacted supply chain disruptions gave a significant blow to the logistics sector in the country, the industry is gradually recovering impressively. With the fear of COVID-19 pandemic still around, the discretionary consumption of non-essential goods is unlikely to pick up during the year 2021-22 and hence, it would affect revenue growth and profit margins. However, from a longer period outlook perspective, management believes that the Company would benefit from sector tailwinds, which will contribute to strong revenue growth. These mainly include benefits of GST implementation, increased outsourcing of non-core activities by product companies, growth of consumption-led sectors and fast evolving consumer behaviour. Additionally, FSC will benefit from its strategic partnership with Nippon Express, wherein the two companies will jointly sell the services to Nippon Express' customers globally. FSC would also expand its target market in the automotive and pharmaceutical sectors along with Nippon Express, leveraging on the latter's domain expertise in these sectors.

COMPOSITE SCHEME OF ARRANGEMENT

During the year 2020-21, the Board has approved a Composite Scheme of Arrangement between various companies belonging to Future Group (Transferor Companies) and companies belonging to Reliance Group which, in order to expand its retail and wholesale footprint, is desirous of acquiring the logistics & warehousing and retail & wholesale businesses of such Transferor Companies as a going concern on Slump Sale basis in the manner provided in the Scheme. Future Group, as a first step, would consolidate the logistics & warehousing and retail & wholesale businesses of such Transferor Companies in Future Enterprises Limited – the Transferee Company which shall subsequently transfer to Reliance Group on slump sale basis. The salient features of the said Scheme are as follows:

- Amalgamation of the Company along with other Transferor companies, with Future Enterprises Limited ("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");
- Preferential allotment of equity shares and warrants of FEL to RRVL WOS.

Pursuant to the Scheme, FEL will issue 131 (One Hundred Thirty One) fully paid up equity shares of ₹ 2/- each to the equity shareholders of FSC as on the Record Date (as may be determined in terms of the Scheme) for every 10 (Ten) fully paid up equity share of ₹ 10/- each held in FSC. The said 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 other applicable contractual approvals.

As on the date of this report, necessary directions from the H'ble National Company Law Tribunal for convening the meetings of the shareholders and creditors for their approval, remained awaited.

DIVIDEND

In view of losses, your Directors are unable to declare any dividend.

Dividend Policy

A Dividend Policy adopted by the Company is given with this report as Annexure A.

Unclaimed Dividend

Details of unclaimed dividends of earlier years have been provided in Corporate Governance report.

Investor Education and Protection Fund

It is confirmed that during the year 2020-21, there was no amount of unclaimed dividends which was liable to be transferred to the Investor Education and Protection Fund as required under section 124 of the Companies Act, 2013.

RESERVES

No amount is proposed to be transferred to the General Reserves or any other Reserves.

HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The Company did not have any holding or subsidiary company during the year 2020-21. Leanbox Logistics Solutions Private Limited ("Leanbox") is an Associate entity of the Company. Leanbox acts as a General Trade Distribution Partner for CPG/Brand Companies and as Supply chain Partner for small store format retailers in India by helping them improve sales and efficiency using its technology platform, order processing and delivery capabilities. Leanbox's tech platform is custom built to enable the critical processes for in-city distribution supply chain. For the year 2020-21, Leanbox registered total income of ₹ 6,884.75 Lakh and net loss of ₹ 132.25 Lakh. A statement in prescribed form AOC-1 in annexed to this report as an Annexure B.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

The particulars of investments, loans, and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with rules made thereunder are given in the Notes to the Standalone Financial Statements of the Company.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

Transactions entered into with related parties (as defined under Section 188(1) of the Companies Act, 2013) during the year 2020-21 were in the ordinary course of business and on arm's length basis and based on omnibus approval accorded by the Audit Committee. Pursuant to section 134(3)(h) of the Companies Act, 2013, 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 are given in Annexure C.

DIRECTORS & KEY MANAGEMENT PERSONNEL

During the year 2020-21, P V Sheshadri resigned as Chief Executive Officer of the Company effective from April 4, 2020.

During the year 2020-21, Vimal K Dhruve – Company Secretary and Compliance Officer of the Company resigned effective from September 17, 2020. The Board appointed Rohan Gavas as a Company Secretary and Compliance Officer effective from November 7, 2020. However, Rohan Gavas resigned on February 1, 2021.

After close of the year 2020-21, Nippon Express (South Asia & Oceania) Pte Ltd. withdrew their nomination of Hiroyuki Tanaka and accordingly, Hiroyuki Tanaka resigned on June 24, 2021.

Pursuant to nomination by Nippon Express (South Asia & Oceania) Pte. Ltd. under the Shareholders Agreement, the Board of Directors appointed Shinichi Kaikyama as an Additional Director (termed as "Non-Executive Director") of the Company effective from June 24, 2021 who holds office as such till the date of ensuing annual general meeting. The Company has received a notice from a member of the Company proposing the candidature of Shinichi Kakiyama for the appointment of Director.

After close of the year 2020-21 and subsequent to the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on June 24, 2021 appointed Vimal K Dhruve as a Company Secretary and Compliance Officer of the Company effective from July 1, 2021.

In terms of section 152 of the Companies Act, 2013, Rakesh Biyani retires at the ensuing annual general meeting and eligible for re-appointment.

Information as required pursuant to regulation 26(4) and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings in respect of Directors seeking appointment/ re-appointment is given under the notice of the ensuing annual general meeting.

The Company has received requisite declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming the criteria of independence met by them as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETINGS OF THE BOARD & COMMITTEES

The Board met seven times during the year 2020-21 on July 31, 2020, August 29, 2020, September 11, 2020, November 7, 2020, November 27, 2020, February 10, 2021 and March 31, 2021. Other details of the meetings of the Board of Directors and various Committees thereof including the details of composition, meetings and attendance are given in Corporate Governance Report.

PERFORMANCE EVALUATION OF DIRECTORS

Pursuant to section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors.

The performance were evaluated after seeking inputs from all the Directors on the basis of criteria determined by the Nomination and Remuneration Committee such as the Board composition and structure, effectiveness of processes, information and functioning, effectiveness and roles of committees etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated after taking into account the views of Managing Director and other Non-Executive Directors. The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the level of participation, meaningful discussion and constructive inputs and other requisite matters. The performance of the Board, its Committees, and individual Directors was discussed at the meeting of the Board. The Independent Directors assessed the quality, independence, relevance and timeliness of the flow of the information to the Board of Directors.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Based on evaluation, it emerged that the Board has an optimum level of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective prudence of the Board, keeping in mind his/her own background and experience. There was active participation and adequate time was given for various matters brought before the Board. Overall, the Board was functioning very well in a unanimous and interactive manner.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS

Pursuant to regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant sections of the Companies Act, 2013, a Management Discussion and Analysis Statement, report on Corporate Governance and Auditors' Certificate thereon are included in this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report is appended hereto and forms part of this Annual Report.

DEPOSITS

During the year 2020-21, the Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013.

AUDIT COMMITTEE

The Audit Committee wholly comprises Independent Directors. Bala Deshpande Chairs the Committee. Other members of the Committee are Malini Chopra and Janat Shah. There were no instances where the Board did not accept the recommendations and suggestions, if any, of the Audit Committee. Various details covering terms of reference, powers and roles, meetings and attendance of the Audit Committee are disclosed in Corporate Governance Report.

RISK MANAGEMENT & ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Internal control systems are commensurate with the nature of the business, size and complexity of the business operations. These controls are routinely tested by the auditors and are discussed at regular intervals. All locations are subject to regular audit on risk-based methodology and are in sync with the business verticals, operational design, financial model, systems & process and other relevant subjects. Risks, if any, are systematically addressed through mitigating actions. The audit reports detailing the efficacy of the internal controls are brought to the notice of the Audit Committee and the Board of Directors for their review. Suggestions and recommendations, if any, are also implemented as may be recommended by the Audit Committee. In the opinion of the Board, there is no element of risk, which threatens the existence of the Company.

VIGIL MECHANISM

The Company has established a vigil mechanism to provide a framework to promote whistle blowing and to provide for raising concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policies of the Company. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. The Company has revised the Whistle blower Policy to include "reporting of incidents of leak or suspected leak of unpublished price sensitive information" in terms of amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015.

AUDITORS

During the year 2020-21, GMJ & Co.; Chartered Accountants, resigned as Statutory Auditors of the Company w.e.f. November 7, 2020. The Board at its meeting held on November 27, 2020 had appointed DMKH & Co. as Statutory Auditors to fill the casual vacancy caused by the resignation of GMJ & Co. The said appointment was approved by the members at the annual general meeting held on December 28, 2020.

DMKH & Co. - Chartered Accountants, Statutory Auditors of the Company, are eligible to hold office as such for the financial year 2021-22 and have issued a certificate to that effect.

The Statutory Auditors included a qualification in their report on the Financial Statements for the year 2020-21. The Audit Committee and Board of Directors at their respective meetings while approving the said Financial Statements reviewed such qualification and agreed appropriate explanations therefor. As required under section 134(3)(f) of the Companies Act, 2013 and regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a statement containing the details of qualification, explanation by the Board and impact of the qualifications is annexed to the Financial Statements.

During the year 2020-21, there was no instance of fraud committed against the Company by its officers or employees, as reported by Statutory Auditors or Secretarial Auditor to the Audit Committee under Section 143(12) of the Companies Act, 2013.

SECRETARIAL STANDARDS

The Company has devised a system to ensure compliance with the provisions of applicable Secretarial Standards.

SECRETARIAL AUDIT

As required under section 204 of the Act and 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Secretarial Audit Report for the year 2020-21 issued by K Bindu & Associates, Company Secretaries in wholetime Practise, is appended hereto as Annexure D.

COST AUDIT

Maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable to the Company and hence, such accounts and records are not required to be maintained by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREX EARNINGS AND OUTGO

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to energy conservation, technology absorption and foreign exchange earnings and outgo, are given in Annexure E appended hereto.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to section 178 of the Companies Act, 2013 and regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and consequent to 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. While appointing any person as an Independent Director, utmost care is to be taken as to the independence of such person.

The Board has also approved a policy on remuneration payable to the Directors of the Company. In determining the remuneration of the Directors, the NRC evaluates the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Details of availability of Policy on Board Diversity and Remuneration Policy on the website of the Company are given in the Corporate Governance Report.

DISCLOSURES ON POLICIES & OTHER STATUTORY DOCUMENTS

Information on codes and policies adopted by the Company pursuant to the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company, based on recommendation made by CSR Committee, has formulated and approved a CSR Policy in line with the requirements of the provisions of the Companies Act, 2013. The disclosures according to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in prescribed form which is appended hereto as Annexure F.

SIGNIFICANT AND MATERIAL ORDERS

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

ONE TIME DEBT RESTUCTURING

The COVID-19 has deeply impacted the long-term business viability and led to significant financial stress across the industries. The debt burden had become disproportionate relative to the cash flow during this pandemic period, posing significant financial stability risks. In view of this and to facilitate revival of business and mitigate the impact of COVID-19, the Reserve Bank of India ("RBI") had provided a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of corporate exposures without change in ownership, subject to specified conditions. The Company opted to avail the relaxations so proposed by the RBI by restructuring its financial debt so as to manage the cash flow and ensure the business continuity.

After the close of the year 2020-21, the Company and its financial lenders had agreed to a resolution plan to restructure the financial debt of the Company as permitted under the Resolution Framework for COVID 19-related Stress announced by the RBI. The Resolution Plan provided for, inter alia, extension in repayment of all term loans and complete waiver of all penal interest and charges, default premiums, processing fees etc.

Further, as part of the Resolution Plan, the debt raised through the non-convertible debentures issued by the Company under Series - I and Series – II ("NCDs") were also proposed to be restructured. The Company also received consent of the holder(s) of the NCDs and the Debenture Trustee, inter alia, to extend the maturity date of the said NCDs, subject to the approval of the Stock Exchange.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure G appended hereto.

In terms of the provisions of 134 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in Annual Report. However, in terms of the first proviso to Section 136(1) of the Companies Act, 2013, information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is excluded from the Annual Report in physical form but available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may write to the Company Secretary and the same will be furnished on request. The complete Annual Report including aforesaid information is being sent electronically to all those members who have registered their e-mail addresses and is also available on the websites of the Company and Stock Exchanges.

EMPLOYEE STOCK OPTION PLAN

The Company has implemented a Stock Option Plan – "Future Supply Chain Solutions Limited Employees Stock Options Plan -2017" with a view to appropriately reward and retain its valuable human resources as may be proposed by the management and approved by the Nomination and Remuneration Committee. Details as required to be provided under Section 62 of the Companies Act, 2013 and Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 are given in Annexure H appended hereto.

ANNUAL RETURN

In terms of section 134(3)(a) and 92(3) of the Companies Act, 2013, a form of annual return for the year ended March 31, 2021 is available on the website of the Company at https://www.futuresupplychains.com/annual-reports.php.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/ punishments/ compounding of offenses for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year 2020-21.

DIRECTORS' REPORT (CONTD.)

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company state that –

- in the preparation of the annual accounts for the year 2020-21, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 year 2020-21 and of the loss of the Company for that year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended March 31, 2021 on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PREVENTION OF SEXUAL HARASSMENT

The Company is committed to foster a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company seeks to ensure that every gender should have equal opportunity and no preferential or discriminatory treatment is meted out to anyone on grounds of sex alone. The Company has in place a strong policy on prevention of sexual harassment at workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company conducts programs to spread awareness, prevent gender related harassment or discrimination, and in the event of such an occurrence, provides recourse to the concerned individual. This policy extends to all employees and is incorporated in the service conditions of code of conduct for all employees. This policy is consistent and designed to comply with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formed an Internal Complaints Committees (ICC) across all zones in India which are responsible for redressal of complaints related to sexual harassment and follow the guidelines provided in the policy. The ICC are chaired by senior female employees of the Company at each of the zones and has representation of an external subject matter expert, Ms. Sheetal Niwalkar who is empanelled with other renowned corporates as well. The ICC work towards creating an atmosphere that promotes equality, non-discrimination and gender justice. They facilitate measures to ensure there is no hostile environment towards employees at the workplace. ICC regularly monitors and reviews the implementation and effectiveness of sexual harassment policy acting as highest point of escalation in the Company in case of complaint.

MATERIAL CHANGES AND COMMITMENTS

Except as disclosed in this report, there are no material changes, commitments or events affecting the financial position of the Company, which have occurred after the closure of the year 2020-21 till the date of this report.

ACKNOWLEDGEMENT

Your Directors desire to place on record, their appreciation to all employees at all levels, who during the year 2020-21, with dedicated effort, enabled the Company to deliver a satisfactory performance during the year which was largely affected by COVID pandemic.

Your Directors also wish to place on record their appreciation and acknowledge with gratitude for the support and co-operation extended by the Government, clients, bankers, investors and other government agencies and look forward to their continued patronage in future.

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Mumbai, June 24, 2021

Annexure A

DIVIDEND POLICY

1. COMPANY'S PHILOSOPHY:

Future Supply Chain Solutions Limited ('FSC') 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.

FSC 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.

2. 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.

3. PER SHARE BASIS:

The dividend will be declared on per share basis only.

4. 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.

5. 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.

6. INTERNAL AND EXTERNAL FACTORS CONSIDERED WHILE DECLARING DIVIDEND:

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

Internal:

- Annual operating plans, budgets, updates
- Capital budgets
- Quarterly and Annual results
- Investments including Mergers and Acquisitions (M&A)

- Strategic updates/ financial decisions
- Funding arrangements
- Any other matter / risks

External

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

7. 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.

8. 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 B

STATEMENT IN FORM AOC-1 CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

PART A: SUBSIDIARY

Not Applicable

Part B: Associates and Joint Ventures

Name of Associate	**Leanbox Logistics Solutions Private Limited**
Latest audited Balance Sheet Date	March 31, 2021
No. of shares of Associate held by the Company on the year end	6,69,568
Amount of investment in Associate	Nil*
Extent of Holding (%)	49.36%
Description of how there is significant influence	Shareholding more than 20%
Reason why the associate is not consolidated	Not Applicable
Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakh)	(1,328.51)
Profit/(Loss) for the year (₹in Lakh)	
- Considered in consolidation	Nil
- Not considered in consolidation	

* Net off impairment of value of investment

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Mumbai, June 24, 2021

Annexure C

FORM AOC-2

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

Part A - Details of contracts or arrangements or transactions not at arm's length basis

Not Applicable

Part B - Details of contracts or arrangements or transactions at arm's length basis.

SL. No.	Particulars	Details
1	Name of the related party & nature of relationship	**Group entities:** 1. Future Consumer Limited; 2. Future Lifestyle Fashions Limited; 3. Future Market Network Limited; 4. Future Retail Limited; 5. Futurebazaar India Limited; 6. Acute Retail Infra Private Limited; 7. Basuti Sales & Trading Private Limited; 8. Brattle Foods Private Limited; 9. Chirag Operating Lease Company Private Limited; 10. Hare Krishna Operating Lease Private Limited; 11. Nice Texcot Trading & Agency Private Limited; 12. Nishta Mall Management Company Private Limited; 13. Ojas Tradelease Mall Management Private Limited; 14. Precision Realty Developers Private Limited; 15. Rivaaz Trade Ventures Private Limited; 16. Syntex Trading & Agency Private Limited; 17. Taquito Lease Operators Private Limited; 18. Unique Malls Private Limited; 19. Future Enterprises Limited;
2	Nature of contracts/ arrangements/ transaction	Composite Scheme of Arrangement u/s. 230-232 of the Companies Act, 2013
3	Duration of the contracts/ arrangements/ transaction	N.A.
4	Salient terms of the contracts or arrangements or transaction including the value, if any	An arrangement under a Composite Scheme of Arrangement, inter alia, provides for Amalgamation of the Company (alongwith other Transferor Companies) with Future Enterprises Limited
5	Date of approval by the Board	August 29, 2020
6	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Mumbai, June 24, 2021

Annexure D

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 read with 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 Supply Chain Solutions Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Supply Chain Solutions 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the "Act") and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment ("FEMA");

The following Regulations (including applicable Notifications, Circulars and Guidelines) prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as applicable;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable.

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

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

- Secretarial Standards with regard to Meetings of Board of Directors and Committee of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (together "Secretarial Standards");
- SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

During the period under review the Company has complied with the provisions of the Act, SCRA, FEMA, SEBI ACT, Secretarial Standards, Listing Regulations (including rules, guidelines, circulars, notifications issued or prescribed thereunder). During the audit period, there are instances of non filing of certain forms and returns by the Company with the concnerned Registrar of Companies. Our report is not qualified for these matters.

We further report that:

- The Board of Directors of the Company was duly constituted with requisite balance of Executive, Non Executive and Independent Directors. The changes, if any, in the composition of the Board of Directors / Committees thereof that took place during the year under review were carried out in compliance with the provisions of the Act and the Listing Regulations;
- 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 notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- Decisions of the Board were carried out unanimously/ requisite majority 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 there were no instances of

1. Demerger/ Restructuring
2. Redemption/ Buy-Back of Securities
3. Foreign Technical Collaborations

However, there is an instance of Composite Scheme of Arrangement approved by the Board of Directos of the Company subject to requisite regulatory and contractual approvals. At the end of the audit period, the said Composite Scheme of Arrangement was pending receipt of required approvals in entirety.

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

Annexure I to Secretarial Audit Report

To,
The Members,
Future Supply Chain Solutions 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 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, wherever considered necessary, 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 occurrence of events.

5. Compliance with the provisions of the corporate and other applicable laws, rules, regulations and norms is the responsibility of the 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.

7. Data received from the Company through electronic mode have been relied upon as physical verification of the data and corresponding documents could not be accessed during the course of audit due to the prevailing lockdown conditions on account of COVID-19 pandemic across the country.

For K Bindu & Associates
Company Secretaries

Date : 24th June, 2021
Place : Mumbai
UDIN : A020066C000511172

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

Annexure E

1. CONSERVATION OF ENERGY

1.1 The steps taken or impact on conservation of energy:

Adequate measures have been taken to reduce energy consumption. The Company, to the extent possible, uses the energy saver electronic equipment to conserve the energy. This initiative helped not only conserved energy but also reduced energy costs considerably without compromising on comfort, convenience and usage requirements. The Company also engaged external professionals to carry out energy audit at all warehouse locations with a view to evaluate opportunities to improve the energy efficiency.

1.2 The steps taken by the Company for utilizing alternate source of energy:

All efforts are made to use more natural lights at office/ warehouse locations to optimize the consumption of energy. The Company has also installed solar panels at a few warehouse locations and switched from conventional source to removable source of energy. The Company also explores the feasibility and viability for installation of solar panels at other warehouse locations.

1.3 The capital investment on energy conservation equipment:

Nil

2. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

None

3. FOREIGN EXCHANGE EARNINGS & OUTGO: Nil

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Mumbai, June 24, 2021

Annexure F

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. A brief outline on Company's CSR policy:

We believe that our business is built around strong social relevance of inclusive growth by supporting the common people in meeting their social needs. We equally believe that creation of large societal capital is as important as wealth creation for our stakeholders. We are keen on developing a sustainable business model to ensure and activate our future growth drivers. In line with the regulatory expectations, the CSR Committee is working towards identification of CSR projects which may be undertaken by the Company.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	C P Toshniwal	Non-Executive Non Independent	One	One
2	Rakesh Biyani	Non-Executive Non Independent	One	One
3	Amar Sapra	Non-executive Independent	One	One

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

https://www.futuresupplychains.com/investor-relations.php.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

None

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

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

6. Average net profit of the Company as per section 135(5): ₹ 3,475.52 Lakh

7. a. Two per cent of average net profit of the Company as per section 135(5): ₹ 69.51 Lakh

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

c. Amount required to be set off for the financial year, if any: Nil

d. Total CSR obligation for the financial year (7a+7b+7c): ₹ 69.51 Lakh

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

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

b. Details of CSR amount spent against ongoing projects for the financial year:

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

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

1	2	3	4	5		6	7	8	
Sl No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	Dist.			Name	CSR Registration No.
1	Promoting employment enhancing vocational skills	Activity (ii) of Schedule VII	Yes	Nagpur (Maharashtra)		148.57	Yes	N.A.	N.A.
	Total					**148.57**			

d. Amount spent in Administrative overheads: Nil

e. Amount spent on Impact assessment, if any: Nil

f. Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 148.57 Lakh

g. Excess amount of set off, if any:

Sl. No.	Particulars	Amount in ₹ Lakh
(i)	Two percent of average net profit of the company as per section 135(5)	69.51
(ii)	Total amount spent for the Financial Year	148.57
(iii)	Excess amount spent for the financial year [(ii)-(i)]	79.06
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	52.84
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	26.22

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹ Lakh)	Amount spent in the reporting Financial Year (in ₹ Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹ Lakh)
				Name of the Fund	Amount (in ₹ Lakh)	Date of transfer	
1	2019-20	Nil	52.84	N.A.	Nil	N.A.	Nil

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

1	2	3	4	5	6	7	8	9
Sl No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in ₹ Lakh)	Amount spent on the project in the reporting Financial Year (in ₹ Lakh)	Cumulative amount spent at the end of reporting Financial Year in ₹ Lakh	Status of the project - Completed /Ongoing
Not Applicable								

10 **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset wise details)**

- **Date of creation or acquisition of the capital asset(s):** Not Applicable
- **Amount of CSR spent for creation or acquisition of capital asset:** Nil
- **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable
- **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** N.A.

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

C P Toshniwal
Chairman of the CSR Committee

Mayur Toshniwal
Managing Director

Mumbai, June 24, 2021

Annexure G

DETAILS AS REQUIRED U/S. 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial 2020-21, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2020-21:**

(₹ in Lakh)

Name of the Director/ KMP and Designation	Remuneration of Director/KMP*	% increase in Remuneration	Ratio of remuneration of each Director to MRE
	1	2	3 = (1/ MRE)
Mayur Toshniwal – Managing Director	173.69	Nil	49
P V Sheshadri – Chief Financial Officer**	32.99	Nil	9
Samir Kedia – Chief Financial Officer	60.84	Nil	17
Vimal K Dhruve – Company Secretary**	18.93	Nil	5
Rohan Gavas – Company Secretary**	4.29	Nil	1

* Does not include perquisite, if any, arising out of the exercise of stock options

** For part of the year and includes terminal benefits

1.2 In the financial year 2020-21, there was a decrease of 12% in the MRE.

1.3 There were 1,098 permanent employees on the rolls of Company as on March 31, 2021.

1.4 The average percentage increase made in the remuneration of employees other than the managerial personnel for the financial year 2020-21 was 0% whereas the increase in managerial remuneration for the same financial year was 0%.

1.5 There was no variable component in remuneration for any Non-Executive Directors. The Company has not paid any remuneration to the Non-Executive Directors during the year 2020-21 or during the previous year. The variable component in the remuneration of the Managing Director was in line with the remuneration policy of the Company taking into consideration the performance of the Company, economic situation and other relevant factors.

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

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Mumbai, June 24, 2021

Annexure H

DETAILS AS REQUIRED UNDER SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 12 (9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

1 Disclosure with respect to FSC ESOP 2017 as at March 31, 2021

I	Date of Shareholders' approval	August 08, 2017 (and ratified on August 22, 2018 pursuant to reg.12 of SEBI (SBEB) Regulations, 2014
II	Total number of options approved	4,00,000 stock options exercisable into equal number of equity shares of ₹10/- each.
III	Vesting requirements	Options granted under FSC ESOP 2017 would vest in accordance with the terms of Grant, subject to minimum period of one year and maximum period of three years from the date of Grant of such Options.
IV	Exercise price or pricing formula	As may be determined by the NRC subject to condition that the exercise price would not be less than the face value and greater than market price of the equity shares.
V	Maximum term of options granted	Three years from the date of vesting
VI	Source of shares (primary, secondary or combination)	Primary
VII	Variation in terms of options	None
VIII	Lock-in period	None
VIII	Method used to account for ESOP	Black Scholes Method

2 The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognized in the financial statements for the year 2020-21: Refer to Note No. 33 of the Standalone Financial Statements.

3 Option movement during the year ended on March 31, 2021

Sl. No.	Particulars	Details of FSC ESOP 2017
1	Details Number of options outstanding at the beginning of the year	2,38,565
2	Number of options revised	Nil
3	Number of options granted	Nil
4	Number of options forfeited / Cancelled /lapsed	80,480
5	Number of options vested	86,426
6	Number of options exercised	Nil
7	Number of shares arising as a result of exercise of options	Nil
8	Exercise Price (₹)	N.A.
9	Money realized by exercise of options, if scheme is implemented directly by the Company (₹)	Nil
10	Loan repaid by the Trust during the year from exercise price received	N.A.
11	Total number of options outstanding (in force) at the end of the year	1,58,085
12	Number of options exercisable at the end of the year	1,42,085

4 **Weighted average exercise price and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock:** Refer Note No. 33 in Notes to the Financial Statements.

5 **Employee-wise details of options granted under FSC ESOP 2017 during the year 2020-21:**

a. **Senior Managerial Personnel & KMPs:** None

b. **Employees who were granted options amounting to 5% or more of the options granted during the year 2020-21:** None

c. **Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants:** - None

6 **Details regarding allotment of shares made under FSC ESOP 2017:**

a. **Number of shares issued under FSC ESOP 2017 during the year 2020-21:** Nil

b. **The price at which such shares were issued:** N.A.

c. **Employee wise details of the shares issued against exercise of stock options:** None

d. **Any other employee who is issued shares in the year 2020-21 amounting to 5% or more shares issued during the year 2020-21:** None

e. **Identified employees who were issued shares during the year 2020-21 equal to or exceeding 1% of the issued capital of the Company at the time of issuance:** None

f. **Identified employees who were granted option, during the year 2020-21 equal to or exceeding 1% of the issued capital of the Company at the time of grants:** None

7 **Method and Assumptions used to estimate the fair value of options granted during the year 2020-21:**

Refer to Note No. 33 in the Notes to Standalone Financial Statements.

8 **Details of the Company's Employees' Welfare Trust:** None

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Mumbai, June 24, 2021

BUSINESS RESPONSIBILITY REPORT

OVERVIEW

Future Supply Chain Solutions Limited ("FSC" or the "Company") is one of India's leading supply chain company. FSC provides smart warehousing, efficient transportation & distribution systems and temperature controlled logistics solution to its clients. The Company offers customised solutions which are designed and delivered through sophisticated and highly automated state-of-the-art technology systems, Pan-India distribution network, integrated warehouse management systems and hub and spoke transportation model enable innovative service offerings to the customers in an optimised and cost efficient manner.

FSC caters to myriad sectors from Fashion & Apparels, Food & Beverages, Consumer Electronics & High Tech, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise to E-Commerce.

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Directors of FSC hereby present the Business Responsibility Report ("BRR") of the Company for the financial year ended March 31, 2021.

The COVID-19 pandemic severely affected our business and operations. During the lockdown and even thenafter the year has been challenging for our customers, vendors as well as our employees. Several key reporting areas of the BRR could not be taken into consideration since we did not open our offices at major locations including our head office. But we at FSC always endeavour to conduct business with responsibility and accountability towards stakeholders keeping in view the 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	L63030MH2006PLC160376
2	Name of the Company	Future Supply Chain Solutions Limited
3	Registered address	Knowledge House, Shyam Nagar,
		Jogeshwari - Vikhroli Link Road,
		Jogeshwari (East), Mumbai – 400 060
4	Website	www.futuresupplychains.com
5	E-mail id	investorrelations@futuresupplychains.com
6	Financial Year reported	2020-21
7	Sectors(s) that the Company is engaged in (industrial activity code-wise)	Logistics Services (Warehousing and Storage, Support Service for Transportation) NIC Codes: 52101, 52102, 52109, 52219
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Warehousing and Storage; ii. Transportation; iii. Cold Chain operations
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	None
	(b) Number of National Locations	As on March 31, 2021, the Company operations were run through 65 sites across India covering 8.02 mn sq. ft. of space. Its "hub-and-spoke" distribution model comprising 13 hubs and 123 operational branches across India
10	Markets served by the Company - Local/State/ National/International	National

BUSINESS RESPONSIBILITY REPORT (CONTD.)

PART B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital	₹ 4,388.36 Lakh
2	Total Turnover	₹ 46,641.46 Lakh
3	Total profit after taxes	₹ (18,436.19) Lakh
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company was required to spend ₹69.51 Lakhs on CSR activities and also ₹52.84 Lakh as unspent amount of previous year, which were entirely spent by the Company during the year 2020-21.
5	List of activities in which expenditure in 4 above has been incurred	Promoting employment enhancing vocational skills

PART C: OTHER DETAILS

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	No
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)	NA
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%]	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:

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	01655776
2	Name	Mayur Toshniwal
3	Designation	Managing Director
4	Telephone number	022-6644 2200
5	E-mail ID	Mayur.toshniwal@futuregroup.in

BUSINESS RESPONSIBILITY REPORT (CONTD.)

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 marginalised.
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	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy	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 conform to voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and is also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes – the policies have been approved by the Board and signed by the Managing Director								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the FSC's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	http://www.futuresupplychains.com/code-policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

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.	On an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the BRR for the year 2020-21 forms part of the Annual Report, which is published annually. It is available on the website of the Company at https://www.futuresupplychains.com/

PART E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency & Accountability

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

FSC's compliance framework sets out the guidelines for accountability, responsible behaviour, and good governance practices. The policies and procedures are supported with internal control mechanisms. Compliance to local laws, rules and regulations and ensuring security of information systems are a priority for the Company.

The Company is committed to meet high levels of integrity and ethical standards in business practices and expects its employees to conduct its business in a manner consistent with and in compliance with all applicable legislations to the Company and its operations.

The Code of Conduct outlines the Company's expectations whilst interacting and engaging with and amongst stakeholders; it also defines the process of raising concern about potential, suspected and actual misconduct in relation to a breach.

The affirmation to the Code of Conduct is taken from employees at the time of employment and renewed during the employment period, the affirmation confirms that the employee understands and is committed to abiding by the rules as delineated in the Code.

FSC's Directors and Senior Management are required to abide by a separate Code of Conduct ("CoC") under relevant statutory provision. Their affirmation to the CoC is communicated to all stakeholders by Managing Director through a declaration in the Annual Report.

Governance

The governance structure, comprises of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

These committees keep the Board informed on adoption of guidelines, compliance with all statutory requirements, mitigation of key business risks through robust monitoring and audit mechanisms, performance improvement and relevant legal, financial and non-financial disclosures made to the relevant stakeholders including stock exchanges, annual reports and other external platforms.

Sustainability awareness creation

The Company organises at regular interval training of its leadership team from cross functional departments. The training was undertaken by the in-house Sustainability team and the nominated Sustainability Champion. The leadership team was sensitized on

- importance of sustainability integration and its relevance to business strategy
- Relevant sector specific aspects identified under various sustainability indices

BUSINESS RESPONSIBILITY REPORT (CONTD.)

- Significance of the relevant aspects
- Future group sustainability framework, vision, guidelines
- Existing benchmarks set by the competitors of the organization
- The roadmap towards integrating sustainability into business strategy

Identification of non-financial material issues

The capacity building exercise was followed by a comprehensive materiality assessment that examines issues of significant business impact and the trends that affect FSC broadly categorized under the following aspects:

- Economic
- Environment
- Society
- Human Rights
- Labour Practices and Decent Work
- Product Responsibility
- Governance
- Ethics and integrity

Whilst determining material issues, FSC's management team ensured that relevant stakeholders weighed in on assessing and ranking of key sustainability aspects with respect to significance and were informed prior of the relevance of each aspect, its impacts in relation to advantages and risks related to brand reputation, goodwill, business goals and objectives.

The identification of aspects and prioritisation adhere to principles of sustainability context, materiality and stakeholder inclusiveness.

The in-house sustainability team engaged separately with the leadership team, which represented the business and stakeholders representing suppliers, customers, community, employees and investors. Their opinions were unbiased and independently expressed by rating on a scale of 1-5 for each relevant aspect. A correlation study was undertaken based on the inputs from each stakeholder group against the inputs of the leadership team to determine the level of importance of each stakeholder to business decisions.

The material aspects are categorized under the four pillars of the Group's Sustainability framework and are partially covered as part of the scope and boundary of this report based on availability of data against the key performance indicators for an established management approach.

Vigil Mechanism

FSC treats any act of fraud, bribery and corruption very seriously and expects its business partners to adopt the same approach. The policy is incorporated in all contracts with stakeholders associated with FSC including employees, manufacturers, vendors, partners and consultants and the Company expects all its stakeholders to respect the policy and abide by its principles, thereby ensure conducting business ethically.

Resource Efficiency	Responsible Services	Responsible Supply Chain	Happy Communities
Material efficiencies	Customer Satisfaction Policies, Standard and code of conduct	Respect Human rights	Employee Relations
Fuel Management and Transportation	Brand and Reputation Business Ethics and Integrity	Supplier screening and audits	Employee Recruitment and Retention
Energy Management	Anti Corruption	Human rights assessments	Compensation and Benefits
Packaging	Regulations and Legal Compliance	Payment terms and negotiations	Training and Education
Waste Management	Product Pricing	Employee Health and safety	Diversity and Equal Opportunity
	Infrastructure Investments and Impacts		Impact on Community
			Community Relations
			Grievance mechanisms
			Local Hiring

FSC's vigil mechanism empowers employees to bring to the management's attention, any concerns about suspected misconduct, unethical behaviour, actual or suspected fraud, or violations and express their concerns without fear of punishment or unfair treatment by reporting to the Anti Bribery and Anti-Corruption (ABAC) officer empowered to enquire into the matter at aapkiaawaaz@futuregroup.in or dedicated phone numbers.

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

There were no complaints received by FSC under the Whistle Blower Policy during the year 2020-21.

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 as part of 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.

During the year under review there were no incidents of IT security failure.

Grievance Redressal Mechanism

The Company values its stakeholder's wellbeing and morale, and employs grievance mechanisms to solicit, assess and address concerns of employees, customers, investors and other stakeholders through online and offline channels.

All grievances received are routed to specific teams for formal investigation depending on the grievance redressal process laid out for each stakeholder. Stakeholder complaints, concerns and queries are monitored, thus helping the Company demonstrate the transparency and robustness of its redressal mechanism.

Employees

The Company's redressal channels allow an employee to report grievances anonymously. Grievance/ suggestion forms are available online at internal web based portal. Employees may submit these duly filled and drop it off to the respective People Officer Representative in order to raise a formal complaint in the HRMS (Human Resource Management Systems).

In case of unsatisfactory resolution of the complaint by the respective People Officer the complainant may report with reasons of reconsideration to the authorized person as per a defined escalation matrix.

People Officer Representative → Respective Manager at Warehouse / Office → Chief People Officer

Employee Grievances Received	272
Employee Grievances Resolved	259
Employee Grievances Pending to be Resolved	13

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 deters violation of the rights with the objective to create a safe and secure workspace for its employees.

The Company sensitizes new joinees during induction about the policy and procedures in place. The training session conducted creates basic awareness on the employer's responsibilities, aspects of safe working culture, illustrative examples of sexual harassment, fundamental rights of female employees, code of conduct, policy, current scenarios, working etiquette, and disciplinary actions to be taken against the person when found guilty. Online and offline workshops on POSH were conducted for senior managers and employees where roles require contact with large groups of colleagues or customers on a regular basis.

The agenda of these workshops are to safeguard culture, role modelling and its proper implementation, principles of natural justice, process to conduct POSH enquiry, report writing, statutory compliances including amendments and audit procedures.

Particular	Nos.
Awareness sessions for Employees	48
Employees attending the training	83
Training man hours invested	185

The Company redresses complaints received on grounds of harassment or any act that is found to be abusive or discriminatory on basis of caste, religion and gender. The decisions taken by the Grievance Committee is deemed final. Issues involving sexual harassment can be addressed by writing at - poshcommittee@futuresupplychains.com.

The Company received no sexual harassment cases during the year 2020-21.

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.

The Stakeholders' Relationship Committee resolves investor concerns and provides necessary guidance on any Company related matter. The Company has a designated e-mail ID – investorrelations@futuresupplychains.com – for addressing investor complaints.

During the year 2020-21, the Company received 3 investor complaints, which have been satisfactorily resolved.

Customers

A dedicated escalation matrix as part of the Service Level Agreements with customers result in end to end engagement process through both offline and online interfaces, which includes voice or email to resolve the issue. Customers can post grievances regarding the service inefficiencies to the concerned persons as part of the escalation matrix depending on the level of concern. The customer is updated with respect to actions being taken and ensure that redressal is satisfactory, a confirmation call is made on random basis to assess satisfaction via maker-checker mechanism.

Principle 2: Stewardship

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

FSC operations are automated and IT enabled to cater to the warehousing, distribution and other logistics requirements, including amongst others a "Dynamic Put-to-Light (PTL) sortation system and a high-speed cross-belt sorter to support its competitive market position. The Company's service offerings are backed by an efficient warehousing structure, pan-India distribution network and "hub-and spoke" transportation model.

Service Proficiency

Fulfilment of the customers' supply chain requirements is the primary motto that motivates the Company's business model and enabling it to act as a lean and green service provider that adds value by improving customers' key performance indicators such as reducing wastage, optimising cost, increasing efficiencies, shortening lead-time to market, and positively impacting the product life cycles.

- **Warehouse Management System (WMS) -** Provides customers with an inventory management tool that can be integrated directly with a customers' enterprise resource planning system, providing visibility of inventory in the distribution centre and designed to support and optimize warehouse functionality and distribution centre.
- **Transport Management System (TMS) -** Provides shipment level visibility from pick-up to delivery to billing as well as routing solutions, and is linked to the enterprise resource planning system. The Company also integrates its customers' technologies with its own systems so as to provide the customers with proper visibility into their supply chain and enable real-time tracking. It enables the organization to manage and optimize the daily operations of their transportation fleets.
- **Vehicle Tracking System (VTS) -** Provides real-time updates on location of the vehicle and the temperature details of temperature-controlled vehicles carrying cold chain goods.
- **PTL – Put-To-Light System-** Supports in allocating larger quantities of product into individual store orders, using light devices to direct operators to sort and put items for each store.
- **Inbound / Outbound Automation-** Provides automated sorting and conveyor system which reduces turnaround time for loading and unloading of vehicles by segregating stocks.
- **Voice Pick-** Allows to keep operators' hands free and minimize strain on eyes which happens due to hand held terminal (HHT), allowing them to accomplish more picking tasks each day. Voice Pick increases the productivity by approximately 30%.

  Express operation is driven by transportation management system. This system is functionally rich and executes transactions, those are clearly visible in this system. This system facilitates all operations from contracting to billing for both customers and vendors along with clear visibility of capacity utilization (Feeder/Line Haul both). The vehicles used for transportation are tracked using -

  - GPS installed on the vehicles
  - App is used for pick up and delivery in case of express

- SIM based tracking in case of limitation on the use of GPS or App delivery in execution
- Vehicle tracking System provides thorough tracking for pick up and delivery of consignment.



In food, freshness and faster availability of stocks at stores are utmost important. At FSC, we serve more than 1000 stores on daily basis. To ensure this, we have best in class processes and technology, comprising integration customer's ERP system with our WMS and PTL system, which facilitates business on MRP check, Shelf life management, FEFO management, cross dock functionality, each level / case level picking & sorting etc for faster order fulfillment and delivery to stores.

FSC strives to reduce food waste in supply chain operations through control mechanisms that monitor the threshold limit of the inbound product's remaining shelf life.

Food Safety and Quality

FSC ensures that its suppliers comply with quality, applicable regulations, human rights, health and safety and environment. Storage of perishable goods with short shelf life like fruits, vegetables and milk are stored and maintained fresh for replenishment of new order requests by customers in temperature controlled warehouses at Mehsana, Kashipur, Kolkata, Chennai and Mumbai.

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. FSC's Temperature Controlled facilities store products at different temperature to maintain their freshness. For each such product/service, below are the details in respect of resource use (energy, water, raw material etc) per unit of product, temperature requirement and waste generated:

Sl.No.	Products / Services
1	Fruits storage at 0 to 5 degree C
2	Meat Products storage at -18 degree C
3	White Butter storage at -18 degree C

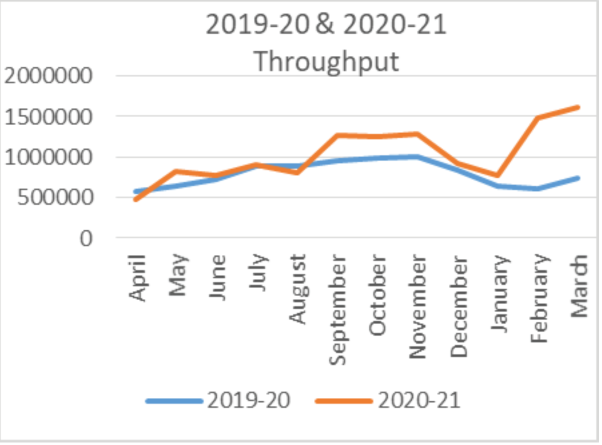
Consumption Per Pallet Per Day		
Sl.No.	**Products**	**Energy**
1	Fruits	6.9 units
2	Meat	7.7 units
3	White Butter	7.7 units

Sl.No.	Products/Services	Water Per Pallet per day
1	Fruits	2 Ltrs
2	Meat	2.5Ltrs
3	White Butter	2.5Ltrs

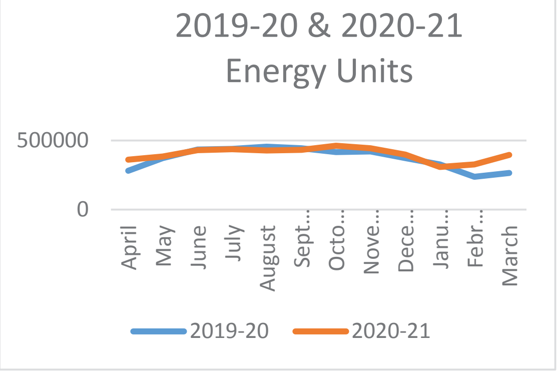
Sl.No.	Products/Services	Packing Material
1	Fruits	175 Grm/Pallet
2	Meat	175 Grm/Pallet
3	White Butter	175 Grm/Pallet

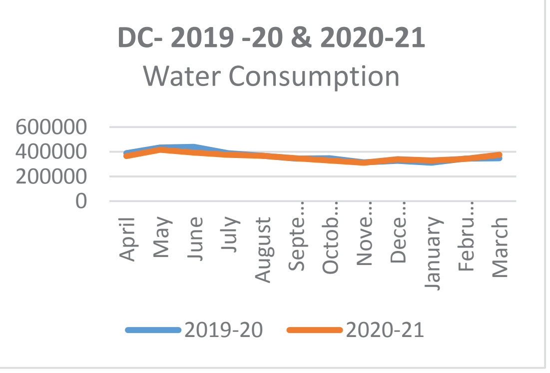
Refrigeration systems limit use of ozone depleting substances by use of ammonia as refrigerant. Temperature monitors and data loggers are used to ensure that desired temperature levels are constantly maintained. Further use of gas detectors ensure prevention of leakages and take necessary corrective action.

Data of sourcing / production / distribution achieved since the previous year throughout the value chain:



Energy and Water consumption during the reporting year:





Improvement Program to increase the efficiency:

Reducing the Cold Room door openings to prevent temperature abuses in the cold room. Installed PVC strip curtains for cold room doors and have the provision to install high speed doors to reduce duration of door opening.

Warehouse operations have been planned in such a manner that the peak hours operations have been reduced in order to cut down the energy consumption. Preventive maintenance carried out as per schedule to increase the efficiency of machineries preventing break-downs.

Common items used for warehousing operations are handed over to authorized vendors after their useful life which are then recycled by the vendor.

Item	% of input recycled
Used Stretch Wrap	>10%
Used cartons	>10%
Damaged Wooden Pallets (owned)	>10%
Batteries	>10%

During the year 2020-21, there were no litigations filed of non-compliance with regulations or voluntary codes resulting in fine, penalty or notices received concerning emissions, health and safety impacts of the Company's services.

Local Logistics

FSC has a local network of over 60 service providers for primary movement and over 250 service providers for secondary and last mile movement of goods as part of distribution operations. Further, the express operations are associated with over 65 service providers for line haul, over 190 service providers for feeder movement and over 300 service providers for Pickup and Delivery Associate ("PDA") movement. This ensures cost optimisation and promotes local entrepreneurship.

In cases where local procurement is not a viable option due to lack of vendors or lack of alternatives that meet quality requirements, the Company procures services from registered vendors who are geographically more diverse.

Principle 3: Employee Welfare

Business should promote the well-being of all employees

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

The Future Group's values are the guiding principles to growth and development within the organisation.

FSC's HR processes are guided by the inherent values of Future Group and are aligned with labour and human rights regulations which are applicable from time to time.

The Company aspires to be an employer of choice in Indian logistics and warehousing solutions – 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, shortlisting and sourcing of candidate which is consistent with employment related legislations.

With the aim of building a pro-inclusion mind-set and positivity, FSC has designed appropriate communication and training programs.

Workforce Profile

The manpower strength at FSC as on March 31, 2021 was as follows:

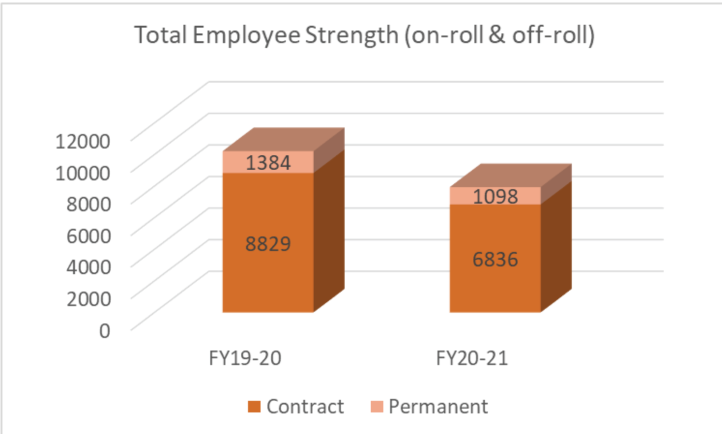
Employee Type	Warehouses		Offices	
	Male	Female	Male	Female
Permanent Employee	832	22	195	49
Apprentices/Contract Workers/NEEM	6011*	825	0	0

*Includes a differently abled employees

The permanent employees of the Company are classified below:

Level (Band)	Offices		Warehouse		Total	
	Male	Female	Male	Female	Male	Female
1	8	6	262	6	270	12
2	65	21	412	15	477	36
3	82	18	147	-	229	18
4	29	4	11	1	40	5
5	11	-	-	-	11	0
Total	**195**	**49**	**832**	**22**	**1027**	**71**

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



Diversity and Inclusion

The Company strives to improve diversity in the workplace by increasing women's representation in the workforce. FSC currently employs 11.29% women in their workforce at Company level, and women represent 8.93% of the senior management.

The Company provides several benefits for young women through tie-ups with organizations providing healthcare facilities. At the Koka facility, a medical room is designated for emergency medical purposes for pregnant and lactating mothers. During the reporting period, 100% of employees who availed maternity leave returned and continue to work.

Hiring and Promotion

The Company's promotion process evaluates candidates through their journey on a values based assessment process. FSC does not discriminate in the recruitment and promotion of its employees.

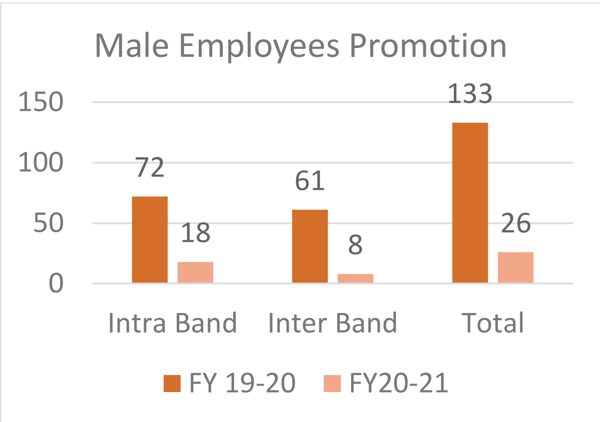
Parichay

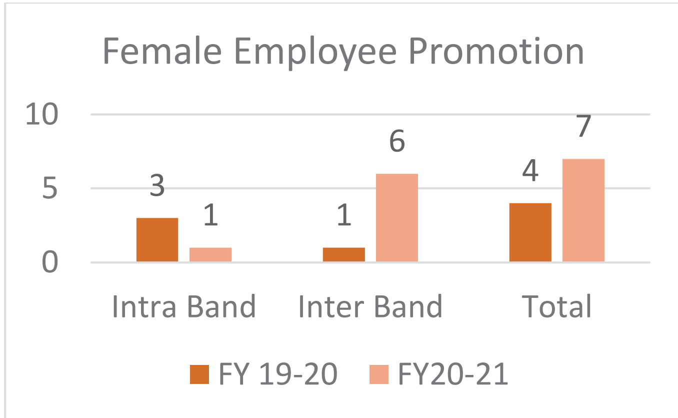
FSC inducts Engineering Trainees and Management Trainees under a comprehensive program "FSC Parichay", the year-long induction program is designed to equip them with technical and functional expertise, management techniques, and organizational processes. The uniqueness of the program features robust assessments, regular feedback mechanism, mentoring / buddy program and on-going development through virtual learning platform. The key elements of the program include:

- Class Room Training (CRT) designed to give orientation and insight of organisation, supply chain industry, concepts and functional specifics.

- Field Induction to acclimatise trainees with their work environment across their various establishments.
- On-the-Job Training in their respective functions as per their Job Description.

Employees are assessed on fair and equal basis through an integrated appraisal system and are rated by their reporting manager on the person's alignment with the Future Group values and set goals and targets for the reporting period. The Company undertakes a 360 degree appraisal process for senior managers to build confidence in its decisions to promote and increase remuneration.





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

Long Stay Recognition

Rewards in the form of gold coins minted with the Company's logo and a certificate of appreciation were awarded for 152 employees completing prescribed service milestone.

Employee growth, training and development and overall well-being

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.

The Company provides 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 upgradation such as customer service, health and safety, digital capability, professional development and leadership.

Training-need assessments are conducted at warehouses, offices, branches and satellite offices for all employees. The training-needs are mapped and such trainings are imparted accordingly based on an annual training calendar.

Post training feedback is undertaken and the effectiveness of the training is measured. Employees in need of retraining are provided on the request of the head of the department.

Some of the training programs conducted this during the year 2020-21 are as follows:

Training FY 2020-21			
Sr. No	**Learning Intervention**	**Target Audience**	**Description**
1	Simulation based learning Programs by KNOLSKAPE	10 select HOD's of FSC	Experiential online learning courses, designed and delivered by our learning partner KNOLSKAPE. Some courses that are being assigned are mentioned as follows:
			- Leading Teams effectively
			- Leader as a Coach
			- Networked Leadership
			- Driving Innovation Through Design Thinking
			- Building Trust
2	E-learning Programs	All on-roll employees of FSC	30 online courses from our learning partner OneHourLearning are made available on our LMS (Learning Management System) Platform – 'Alt Learning'. These courses cover various topics and learning needs under four main categories:
			- Leadership & Management Skills
			- Behavioral & Workplace Skills
			- Functional Skills and
			- Quick 25 Minute Courses
3	Global Gyan Master Classes Webinar Series	All HOD's and Zonal Heads	Series of webinars arranged on various topics mentioned as follows:
			- Make Your Training Dollar Count
			- When Plans Go Bust: Is Strategic Planning Worth It?
			- Leadership In The Isolation Economy
			- Building Customer Trust During Uncertainty
			- Skills To Recession- Proof Yourself
			- Design Your Career: Take Charge
			- Making Change Happen During A Crisis

Facilities for employee well-being ('Khushali')

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

Healthcare Benefits

Taking cognisance of the outbreak of the pandemic COVID-19, the Company has extended its partnership with healthcare institutes 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 also provides optional lines of treatment such as Ayurveda and Homeopathy 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.

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 through their respective reporting manager. During the year 2020-21, all our offices were shut during the lockdown situation on account of out break of COVID pandemic. The people office (HR) at FSC enabled the use of geometric punch in from any location allowing employees to punch in their attendance regularly. We made sure that no work was disturbed during the 'Work from Home' regime.

Cash discounts to the Employees:

The Company provides benefits in the form of cash discounts to its employees and dependents - this can be availed at any stores run under the Future Group brand including Big Bazaar, fbb, Central, Brand Factory, Foodhall, Hometown, Easy-day, Big Bazaar Gen Next, Nilgiris to name a few. This helps meet the daily and aspirational needs of the employees and its dependents in food, bakery, fashion, homecare, electronics and personal care products categories.

Facilities for employees with special needs

In the Company's endeavour to create an inclusive growth, the Company invests in creating access to people with disability. Individuals with locomotor disabilities visiting or employed at FSC have access to facilities such as ramps and wheelchairs.

Employee Retention

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

COVID Initiatives

Employee's lives and jobs across the world have been significantly influenced by COVID-19, and their working experience has been disrupted. FSC is investing great time and efforts in creating a positive employee experience and keep its business running during these unprecedented times. Some initiatives taken-up by FSC for supporting its employees, customers, and communities during the pandemic are:

- Thermal screening of all entrances at all DCs in order to check temperature before entry to DCs;
- Use of sanitizers / hand washing at all DCs;
- Wearing Mask is Mandatory;
- Installation of Arogya Setu app - All employees are required to install the Arogya Setu app on their mobile phones;
- Following vehicle sanitization of vehicles reaching the DCs, especially from high risk areas;
- Contactless document handing over between high risk group (Drivers) and Security;
- Special advisory circulated for High Risk Group (Drivers);
- Daily Sanitization of Work Place (DC/Branch/ Hub);
- Awareness sessions for 3 PL & FSC by LP / PO during new joining briefings;
- Refresher Training / Briefing of the Staff;
- Repeated announcement by PA system for following Social Distancing and use of Mask;
- COVID awareness display like Symptoms, Dos and Dont's etc.;
- Ensuring distancing in canteens by spacing batches during lunch time;

- Interviews: As far as possible, through virtual medium;
- Daily Tracking / Monitoring of COVID 19 positive cases across the locations;
- Post COVID case detection in DC: Steps like thorough disinfection, Contact tracing, quarantining etc.;
- Conducting the RAT/RTPCR test for the staffs and employees for early detection and isolation of asymptomatic employees;
- Organizing free Covid testing in DCs with the help of Government Authorities (wherever possible)



Creating an environment that is healthy and safe:

The Group's policy of health and safety defines the guidelines to ensure welfare of employees including contractors, sub-contractors and vendors through accident free operations.

FSC safety systems are OHSAS 18001 certified. The vendors (and their employees working at the site, wherever applicable) are formally inducted into the health and safety system and an undertaking is taken with respect to adherence of the code of practice with remedial measures by FSC in case of violations. Project contractors are responsible for the implementation of the safety processes at individual sites. The functions of the project contractor includes:

- Ensure training of contract / permanent employees during induction or via tool box talks;
- Ensuring that their direct and indirect employee(s) perform and commit themselves to the Occupational Safety Plan;
- Ensure employees including contractual employees wear the mandated personal protective equipment (as per the International Safety standards and in good working conditions) at all times within the premises on basis of their function at the site;
- On site fire fighting system checks, testing and demonstrations, conducting mock drill;
- Ensure safe access and egress to the site by ensuring traffic rules are followed by vehicles / movement of goods at the premises, displaying necessary safety signages and barricades at areas having risk at workplace and undertake root cause analysis for all accidents / fatalities if any;
- Ensure that hazardous material are collected, stored, disposed of or recycled in proper and sound manner without causing any harm to any property, person and environment;
- Organising awareness campaigns around National Safety Week;
- Organise safety meets with high representation of the contract employees;
- Monitoring and evaluating safety performance effectively and take all appropriate actions to rectify and improve overall Safety performance;

BUSINESS RESPONSIBILITY REPORT (CONTD.)

- Implementation of No Alcohol/Narcotics policy;
- Ensure that all vehicles used for transportation & material handling equipment are fit for use and have valid certifications.

Standard operation procedures including wearing of personal protective equipment (including safety helmet, safety shoes, hi-visibility vest) and maintaining personal hygiene.

During the year 2020-21, the Company also undertook training programs and sensitised employees on various principles of the EHS policy.

Training Topic	Contract Employees		Permanent Employees		Training duration in minutes	Total Man Hours
	Female	Male	Female	Male		
5S	2	47	0	6	125	38
Basic fire fighting	0	16	0	3	95	14
Covid-19 safety training	150	723	16	116	1385	596
DC hygiene	2	18	0	6	45	20
Decanting and Spill control	0	10	0	1	60	11
Dock safety	0	38	0	9	75	30
Do's and don't in warehouse	0	36	0	0	60	18
Drivers training	0	96	0	6	285	71
Electrical safety	0	45	0	7	155	35
Emergency evacuation mock drill	85	376	1	79	595	377
Ergomically material handling training	2	20	0	1	45	17
Fire and Safety	141	268	1	90	555	346
Fire extinguisher training	0	25	0	3	70	12
Fire fighting	149	1520	5	131	4435	1654
Fire mock drill	15	71	3	5	60	94
Fire safety training	2	37	0	10	90	33
First Aid training	10	87	0	11	315	71
Food safety and personal hygiene	0	6	0	5	35	6
Handling of Safety Equipment	0	16	0	6	120	22
Health & safety	0	7	0	1	75	6
HIRA	11	34	0	6	120	51
Housekeeping	0	28	0	5	25	14
How to keep material inside gowdown	0	8	0	5	60	7
Hydrant operating	0	183	0	21	505	128
Implementation of 5S	2	11	1	5	45	14
Induction training	43	0	0	0	60	22
Live firefighting training	0	111	0	14	90	123
Loading & unloading ATM	0	10	0	6	100	13
LP process & demo	0	17	0	2	60	10
Material handling training	64	234	1	46	730	234
Medical emergency	20	93	0	6	65	51
MHE safe operation	150	414	0	98	1630	394
Mock drill	0	84	0	15	20	33
On the job general safety training	0	58	0	14	180	72
Pallet/ material handling	10	15	0	5	30	15
Panel room training	0	116	0	11	480	94

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Training Topic	Contract Employees		Permanent Employees		Training duration in minutes	Total Man Hours
	Female	Male	Female	Male		
PPE & its usages	2	31	0	2	60	18
Pump house	0	101	0	12	405	85
Road safety training	16	190	0	15	335	150
Safe use of mask	8	17	0	2	25	11
Safety at workplace	13	276	1	64	715	364
Safety training.(MHE operator)	0	10	0	1	20	4
SC B.A set operating	0	1	0	4	45	4
Security & safety	4	15	0	0	270	45
Site specific material handling	0	10	0	0	65	11
Speed limit, Health safety, Drink and Drive, Fire Extinguisher, Security guidelines	0	11	0	0	45	8
Stress management training	0	13	0	22	235	34
Training to Security Guards	1	13	0	0	60	14
Understanding & Implements of 5S	0	17	0	5	60	22
Unsafe act & unsafe condition	3	7	0	13	150	21
Use of fire extinguisher	0	26	0	4	30	15
Use of Fire Hydrant System	0	6	0	1	45	5
Use of PPE and fire safety	0	21	0	2	40	15
Vehicle Driver safety training	0	7	0	1	60	8
Winter Safe drivers training	0	9	0	0	60	9
Work place safety	10	42	2	11	75	41
Total	**915**	**5701**	**31**	**914**	**15680**	**5624**

FSC ensures compliance to fire safety as per the local authority requirements as mandated. Audit is also conducted on annual basis through an insurance company. Functioning of all equipment such as sprinklers and fire hydrants are checked at all operating sites for loss prevention during a fire, while emergency exits remain unblocked and can be easily identified through appropriate signage.

Key Indicators	2018-19	2019 -20	2020 -21
Major Injury (LTA)	1	2	1
Minor Injury	30	38	34
Near Miss	54	37	11
Total	**85**	**77**	**46**

The Company plans to explore feasibility and invest in reusable pallet wraps and straps and are also exploring procurement of tape cutters with guard in the upcoming reporting period.

Additional safety precautions as per the procedures in place are as follows based on type of risk identified:-

- Fall Protection– Full body harness is used by all its employees working at the sites at all times when working at a height (more than 1.5 meters from the ground). Additional fall protection equipment like safety nets may be made available and used at the sites.
- Cutting/Grinding/Welding/ handling sharp object – The Project contractor ensures that its employees carrying out the activity wears safety goggles and other essential PPEs like masks and anti-cut gloves.

Principle 4: Stakeholder Engagement

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

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

During the year 2020-21, the Company strengthened its stakeholder engagement process, understanding material issues, its impacts and expectations. Further information of the same is given in Principle 1 section on materiality analysis.

Statutory bodies

FSC complies with all statutory requirements and interacts with various authorities and statutory bodies, through representations as and when required. Due to sudden lockdown announced by the Central Government on account of COVID-19 pandemic and various extension thereof from time to time, there were several delays in submitting applications for licenses and permits including any renewal. However, FSC promptly applied for applicable licenses, permits and approvals, wherever the lockdown situation was lifted or relaxed.

Investor Engagement / Shareholders

The Board is committed to delivering long term value for its shareholders. The investor relations team advises the Board on relevant market findings and issues necessary to consider whilst taking decisions.

The Investor Relations Department along with the Company's management generally host warehouse site visits, meetings with institutional investors and high net worth individual investors, to showcase the Company's investments and performance.

Further, the Annual General Meeting provides 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 any person which are considered to be unpublished price sensitive information and which may have a potential to influence price of the securities.

Any information that is shared with media is also filed on the stock exchanges 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 host them on the Company's website.

Employee Engagement

FSC respects and relies on the experience and expertise of its employees to deliver on the strategic objective of the organization. The culture of openness and inclusivity resulting from various engagement programs ensure retention of key resources that are pivotal to a happy community.

The year 2020-21 was the year of many firsts when we moved our physical celebrations to virtual celebrations but the spirit remained high. The Company celebrated various events with its employees including contract employees:

Event*	Engagement Activities Organized
Republic Day	Flag hoisting, remembering the brave martyrs of our land through songs, dance and drama
Independence Day Celebration	Celebrated the spirit of patriotism in all the zones across the country while following all the safety measures
Diwali	Amid a mix of social distancing and social mingling, Diwali was celebrated at FSC keeping all the precautions
Christmas	Decorating a Christmas tree cake, cake cutting.

Event*	Engagement Activities Organized
Lohri Celebrations	Our people gathered to sing and move to the tunes of Lohri melodies before a snapping fire and created a memorable moment.
International Women's Day	Cake cutting, cultural dance, poetry competition & several games were organised
Employee Communication	Time to time words of wisdom from our MD, Mayur Toshniwal and encouragement from People office in tough times, kept us going

*All celebrations were carried out with COVID-19 safety protocols



Customer Engagement

Service Level Agreement (SLA) is signed prior to engagement and acts as a commitment between the Company and customer. It details out:

- List of services to be provided;
- Desired performance level;
- Monitoring process and service level reporting;
- Issue resolution mechanism & Escalation Matrix.

Review Meetings are conducted periodically (Weekly / Monthly / Quarterly) – each with a different pre-defined set of stakeholders to ensure optimum service levels, driving continuous productivity improvement plan and design solution for new business opportunities. Review meetings are conducted on monthly/quarterly basis with the customers to discuss the business plans ahead, pain points in current scenario and solutions for the same. FSC has defined Service Level Agreements (SLAs) for each of its customers which focus on timely delivery to stores, safety of stocks, no damaged or defective products, no pilferage, etc. Also, FSC engages with customers to design solutions for new business opportunities. FSC also engages with customers to help in achieving their revenue of the business by going the extra mile.

Key tenets of customer contract

Contract durations vary from customer to customer and also vary from format to format within same customer business. Contractual terms vary such as Cost Plus, Fixed Cost, % based revenue with minimum guarantee, cost per pc, cost per carton etc. are some of the models that exist in our system. These contracts also involve various service level agreements related to efficiency, serviceability and quality control.

Media Engagement

FSC collaborates with both offline and online media channels to update its key business constituent in the Company's marketing strategies, increase brand credibility, and create awareness on the brand.

FSC was featured in supply chain magazines like Cargoconnect, Thermal Control Business Update, Indi FoodBev and Logistics Insider.

During the year 2020-21, various activities of the Company were recognized and appreciated by corporates not for profits, government bodies and media houses. We won the prestigious Frost & Sullivan 2020 Indian Integrated Retail Distribution Service Provider Customer Value Leadership Award.

The Company also ensures timely and appropriate responses to media for any information requests within the disclosure norms.

Supplier / Vendor Engagement

FSC engages actively with its suppliers vide business meetings and workshops.

Supplier grievances are redressed on a timely basis which are mostly related to movements of material inwards at warehouses and invoicing.

FSC's suppliers are also provided with managerial and technical assistance through meetings organized on a quarterly basis. Trainings are conducted regularly for truck drivers on practices and procedures that ensure improvements in productivity, safety and morale.

Communities

FSC strives to build trust with communities in which it operates in partnership with employees and external not-for-profit organizations to bring about a positive change in their lives through holistic, sustainable and integrated development.

The Company engaged with its community via various initiatives like:-

Relief Initiatives:

Kulana

In the wake of COVID-19, FSC team at Kulana (Jhajjar) along with police staff came forward to extend support to those who are affected by the lockdown imposed in the country. The team distributed food to such families to help them survive this challenging period.

IFDC Bengaluru

Not all superheroes wear a cape. At IFDC Bengaluru, our warehouse employees are the COVID super heroes. At the time of a complete lockdown, when there is shortage of essential goods and lack of financial support, our team at the IFDC Bangalore warehouse found a way to lend a helping hand to the community by distributing dal & rice packets while ensuring that the citizens practised social distancing as they waited for their turn.

MIHAN Nagpur

In the face of a global crisis, our colleagues from the MIHAN warehouse at Nagpur continue to achieve new levels of benevolence. The team distributed food to over 1,200 needy people in the city. Their passion and dedication is an inspiration and is worthy of utmost appreciation.



IDFC Chennai

In Chennai IFDC, rice bags of 5kg each were distributed to local villagers who were in containment zone.



Soukya Road Bengaluru

At Bengaluru, Soukya Road warehouse, all housekeeping staff were given a hamper of essential items.



Principle 5: Human Rights

Business should respect and promote human rights

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

Employee contracts, labour contracts or service provider's agreements embrace the human right's policy and applicable labour laws. It is signed by both parties on initiating an engagement.

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. The Company verifies the age of all candidates hired or contracted through scrutiny of government documents such as Aadhar card and PAN card before offering employment.

No Forced Labour

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

Non- Discrimination

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

BUSINESS RESPONSIBILITY REPORT (CONTD.)

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

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

Working Hours and Fair Wages

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.

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. The Company provides the employee with a compensatory day off for services provided on the entitled rest day. All holidays are pre decided based on local customs, national and international importance.

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

Freedom of Speech

FSC provides its employees ample opportunities to voice their workplace needs. Senior management team follows an open door policy approach to hear any grievances, feedback or suggestion from concerned employees.

The Company ensures that stakeholders impacted by the business have access to grievance mechanisms.

PRINCIPLE 6: ENVIRONMENT

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

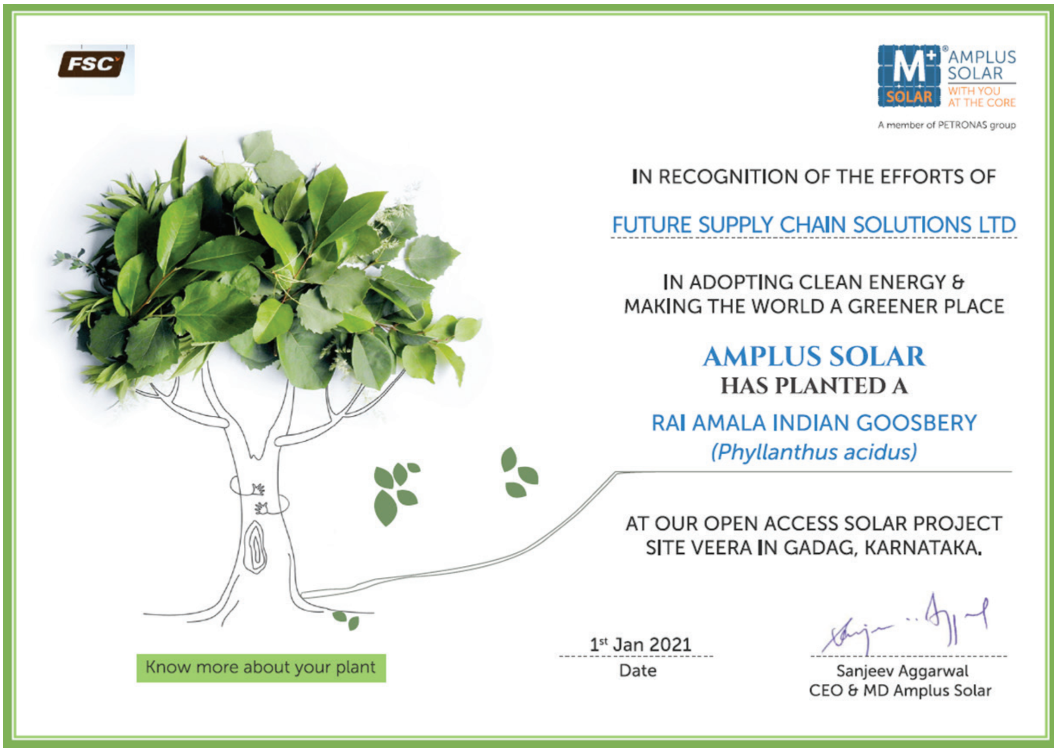
Resource efficiency is an important pillar of the sustainability framework of FSC, the Company recognises the environmental challenges that the society faces and is committed to improving productivity of resource, better management of significant aspects such as energy, water, emissions, fuel supply and waste in partnership with critical stakeholders, thereby creating both environment and economic value. Additionally, FSC strives to comply with all applicable environmental norms, within the local and national boundaries.

A number of efficiency initiatives were initiated in the year 2020-21 such as carbon foot-printing, sustainable packaging and water conservation.

Energy Efficiency and Climate Stewardship

During the year 2020-21, FSC proactively initiated actions to improve its energy performance in keeping with the Group's Energy and Carbon Policy that outlines low carbon transformation through reduced energy consumption and procurement of green energy.

FSC deploys the hub and spoke model and milk runs for the transport of goods to multiple locations vide its distribution centres, which optimises consumption of fuel and emissions to the atmosphere.



Recognition from one of our partners

Electricity Consumption

During the year 2020-21, the Company has decreased its energy footprint.

Year	Total Units	Total Value (INR)
FY2020-21	6001499*	4,67,54,059

*Data provided for 18 sites.

Carbon Foot-printing

In keeping with the Paris Climate Agreement to limit the global temperature rise by 1.5°C, the Company endeavours to become a climate steward and take necessary actions within operations to reduce energy consumption.

Initiatives undertaken to mitigate climate impacts

The Company installed solar panels at 4 warehouse locations and switched from conventional to renewable sources of energy. During the year 2020-21, 681 Kwp. capacity of solar panels were commissioned at warehouses in Chennai, Kulana, Koka and Banur which generated 7,80,424 KWh of green electricity annually.

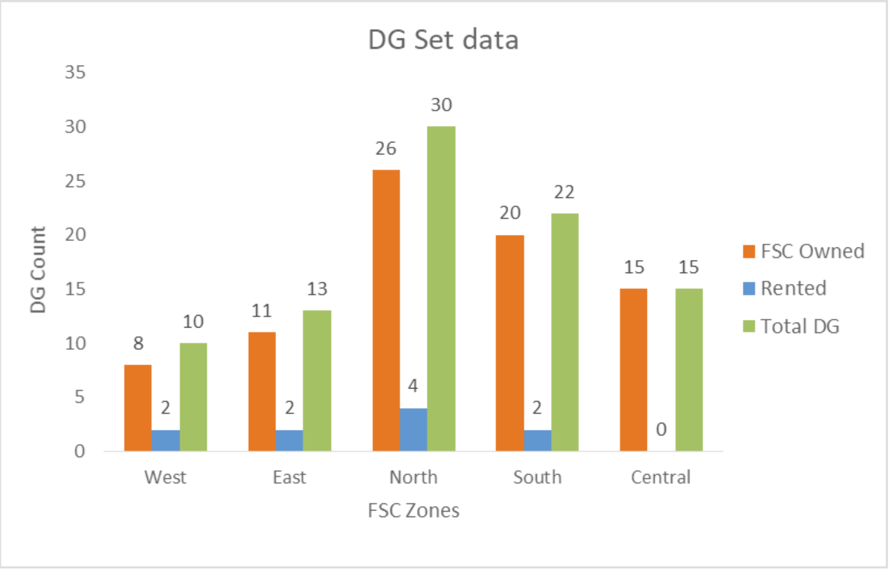
Air Emissions

A total of 90 sites have 90 Diesel Gensets (DG) pan India. In line with the Central Pollution Control Board guidelines, DG license has been applied for and received for DG Sets with capacity above 400KVA, located at various locations, all of these have licenses that are valid and have been renewed.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Gensets that are available are a mix of owned and rented. All DG's are under an annual maintenance contract wherein they are serviced every quarter.

City	Kwp	Kwh p.m.
Chennai	110	103645
Banur Punjab	455	555168
Koka Maharashtra	50	57288
Kulana Jhajjar Haryana	66	64321



*Data from 90 sites

FSC audits its emissions and conducts checks in order to comply with emission norms from DG sets wherever applicable as defined by concerned Pollution Control Boards (PCBs) at periodic intervals. All vehicles on duty at FSC undergo vehicle emission tests and comply with emission norms as defined by the concerned PCB. The vehicle owners submit the updated Pollution under Control ('PUC') certificate of its vehicles. Vehicle owners unable to produce a valid certificate are not engaged by the Company.

Water stewardship

The Company's warehousing facility at key locations began the implementation of the crate washing system, wherein water consumed is recycled through a closed loop system of automated processes thus optimising water consumed.

In the year 2020-21, the Company installed tap restrictors across pan India offices thereby restricting base water flow by 80% and conserving this precious resource.

The Company plans to initiate water conservation programs wherever feasible across its operations.

Materials and Packaging

FSC is sensitive towards pollution caused by consumption of materials especially due to packaging waste, disposable plastics and its negative impacts on ecosystems.

As a responsible supply chain and logistics company, FSC is committed to addressing these challenges by optimising packaging use, utilising recyclable materials, and looking for easy opportunities to replace disposable or recyclable items with reusable ones. FSC shall endeavor to address use of plastic packaging in value chain based on a Reduce-Recycle- Reuse strategy.

Reduce Use of Plastic

Due to lockdown, several offices remained shut, hence the consumption of plastic drastically reduced during the year 2020-21.

Recycling

Waste generated at the offices / distribution centres is segregated at source and handed over to waste handlers, and managed as per applicable norms.

There were no incidents of non-compliance with regulations resulting in penalty or notice or fine by the Company. Further, during the year 2020-21, there were no show cause and legal notices received by the Company.

Reduction in paper consumption - Accept the Challenge Go Paperless

The Company aims at reducing its paper footprint across operations in the coming reporting period. Due to lockdown, several offices remained shut, hence the consumption of paper drastically reduced during the year 2020-21.

Awareness Creation

World Environment Week

On the World Environment Day, we took the opportunity to make a better tomorrow by adopting energy-efficient solutions, afforestation, reducing waste, etc. and taking small steps that can protect the environment. Our teams at different locations planted saplings at their facilities and took pledge to conserve the environment.

PRINCIPLE 7: PUBLIC ADVOCACY

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

FSC focuses on building excellence in supply chain and logistics, while interacting with key stakeholders. The Company does not advocate or lobby with Government officials or institutions. The senior management and leadership team interact with various professional bodies and provides insights and recommendations to anticipated changes in 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 growth is key to achieving 'Happy Communities'.

FSC proactively engages with communities, listens to concerns and identifies enablers for long term solutions. We even go a step further to gainfully employ people from the villages to provide them financial independence. The Company undertook surveys and focussed group discussions with its communities in Bhiwandi and Nagpur to identify challenges and solutions that would be meaningful to the community's needs.

Employees hired from villages		
Zone	**Location**	**Sum of Total**
South	Bengaluru	153
	Calicut	1
	Ernakulam	1
	Hyderabad	70
North	Haryana	508
North	UP	146
Total		**879**

PRINCIPLE 9: VALUE TO CUSTOMERS

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

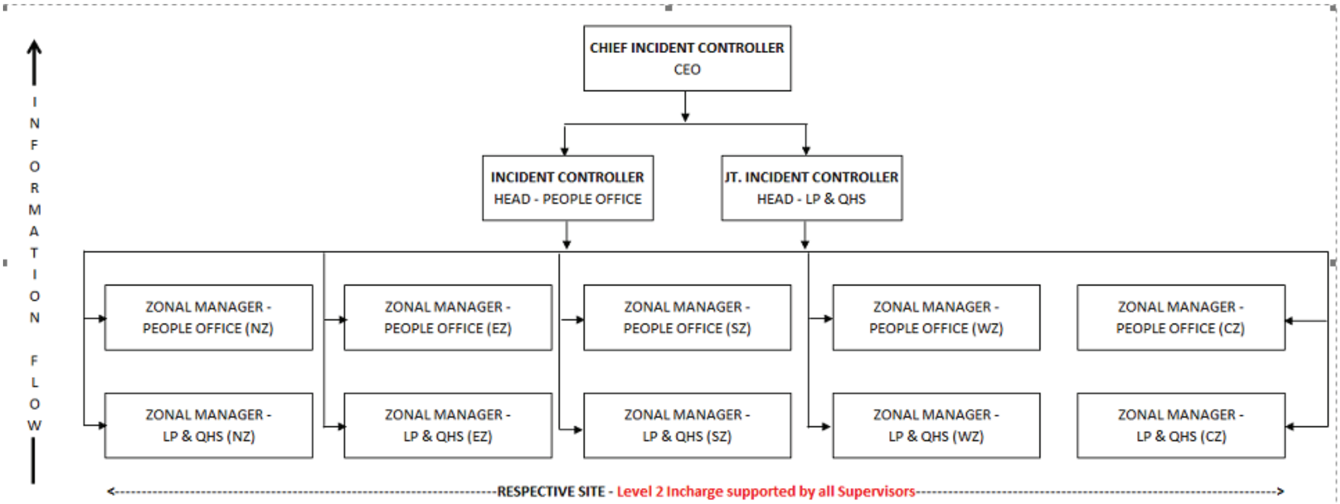
FSC secures customer trust and goodwill through the values it brings to its customers by adhering to highest standards of quality and compliance to the social, environmental and ethical requirements. During the pandemic, we focused on creating a safe working environment for employees and customers while still ensuring material safety and material availability for the fulfilment of our customer requirements. Some of our customers also demanded extra-ordinary steps of cost reduction and efficiency improvement. FSC managed these tasks very well and has been able to create long term strengths for itself in several areas of productivity.

In pandemic times, a four level approach was adopted to ensure Business Continuity, safety of the personnel's and compliance to Government Guidelines namely Documentation Level, Liaison Level, Execution Level and Monitoring Level. BCP documents was drafted along with the formulation of a Prevention Committee and a Response Team. Also Critical Resources, Reserve 1 and Reserve 2 were earmarked to ensure the continuity of operations in eventuality of absence of Critical Resource.

The Government orders were tracked with respect to the lockdown instructions for different states. Requisite permissions were taken from the local authorities and Police Officials to streamline the movement of personnel's for the permitted activities.

At the warehouse levels, several measures were put in place to ensure safety of personnel's working like No Mask No Entry, Enforcement of Social Distancing, Thermal Screening, Setup of Hand Sanitiser points, Vehicle Sanitisation, Periodic DC Sanitisation, and Contactless Document Handover etc.

Special Advisory was floated for the identified high risk group i.e. drivers. COVID-19 testing Camps (RTPCR and RPAT testing) were conducted at the major locations. In order to ensure that the COVID-19 guidelines are followed, these DC's were regularly monitored through Surveillance Systems and all the observation with respect to the COVID-19 guidelines were floated as awareness measures within the zone and locations. Periodic awareness sessions were also conducted amongst the employees and 3PL personnel.



COVID-19 Prevention Committees and Response teams revision in process at HO, Zonal and Site Levels

Essential commodities like Food / FMCG business continued to operate on a regular basis right from the start. But the supply chain of Fashion, our biggest segment and other products of discretionary spend, showed minuscule movements. The Cold chain team also successfully added new capacity in IFDC cold chambers for warehousing as well as Reefer transportation. We on-boarded several new customers.

FSC is committed to the value proposed to its customers, briefed in the Service Level Agreements as follows:-

- Vertical storage thus reducing area cost;
- Advanced material handling systems to retrieve material from racks;
- Advanced WMS for managing inventory storage and retrievability;
- Best in class TMS and VTS for better in-transit visibility;
- Dedicated Customer Account Manager (CAM);
- High focus on Quality (ISO 9001), Food safety (ISO 22000) and Safety (OHSAS)

The Company ensures high level of transparencies in their well-defined service level agreement with customers on the roles and responsibilities by both parties, calculation of payment fees and timelines.

The Company places the highest priority to add velocity to its customers' aspirations.

FSC assures its customer's availability of sufficient space for storage of products and maintenance of equipment. The Company undertakes joint planning for inventory controls, need of dedicated manpower as per capacity planning and undertakes storage of products and equipment as per the storage conditions specified by the customer.

FSC strictly adheres to its Anti-Corruption Anti-Bribery Policy and is vigilant towards employees involved in theft, pilferage, misuse and damage to products and equipment or unfit to undertake service. These are monitored through deployment of adequate security measures and periodic reporting of physical stocks to customers.

A prior notice provided by the customer is acknowledged for additional warehouse requirements and resource requirement.

The Company being in the business of providing logistics and warehousing facilities to its customers, is not liable towards concerns with product labelling. However product handling and maintenance, health and safety aspects

BUSINESS RESPONSIBILITY REPORT (CONTD.)

during loading/unloading of material and standard operating procedures with respect to billing, acceptance and return of product and in case of losses a defined redressal process are under the purview of FSC, for which it is accountable .

There are no cases filed by any stakeholder against the Company regarding irresponsible advertising and/or anti-competitive behaving during the year 2020-21.

Testimonials from our customers

"Brilliant Efforts!!! United efforts/flexible approach and keen not to give up. These numbers really have set a milestone in Dyson/3PLs history. WELLDONE GUYS, Bravo!!!"

-Amarjeet Aryan, Reginal Logistics Manager, Dyson

Really great job done by you…..Thanks a lot to Amazing support to deliver all Vehicles as per Commitment!!!!!

-Manoj Kumar Jha , Head- RDC Nagpur, Apollo Tyres

"Just wanted to THANK YOU for all that you do at the warehouse day in and day out…….. in many cases you all have gone out of the way to provide hyper local solutions where you have worked on odd hours and have reported to the warehouse despite the challenges of the Pandemic."

- Debasish Majumdar, Regional Head- West, Amway

"We would like to thank you and your entire team with a "Big Thank you and appreciate for supporting" us during the Pandemic and FY 2020-21 in terms of warehousing and transportation logistics. Wishing all the success and good health for 2021-22 and beyond.

- Navin Mudbhatkal, Head Supply Chain Management, Praxis Home Retail Limited

We value your continued partnership & support to run our operations in tough times & look forward to your support to build stronger future for our organizations.

-Mainak Dhar , MD & CEO , Kimberley Clark

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Your Company places strong emphasis on best governance practices and considers it as an integral part of the business. The Company's philosophy on corporate governance is to demonstrate good corporate citizenship through sound governance practices, environmental awareness and ethical behaviour not only to attain corporate objectives but also to align them with economic and social goals for the betterment of all stakeholders. The framework of corporate governance provides for conducting the business according to the system, practices and processes, which are further strengthened with adoption and implementation of various codes and policies in compliance with the applicable regulatory provisions and ensures transparency and accountability at various organisation levels including the Board and its various Committees. Various codes and policies ensure the best standards of Corporate Governance by maintaining strong business fundamentals through persistent focus on the core values and principles. The Company has in place a code of conduct for the Board of Directors and senior management personnel laying down the corporate ethics to be practised by entire management cadre. Your Company ensures compliance with the regulations 17 to 27 read with Chapter V and clause (b) to (i) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**) and also the applicable provisions of the Companies Act, 2013 including amendments thereto (the **"Act"**)

2. BOARD OF DIRECTORS

The composition of the Board of Directors (the **'Board'**) is in conformity with the requirements of the Act and Regulation 17 of the Listing Regulations. As on March 31, 2021, the Board comprises eight Directors with not less than 50% being the Independent. None of the Directors on the Board is serving as an Independent Director in more than 7 (Seven) / 3 (Three) listed entities as specified in Regulation 25 of the Listing Regulations. The Company has Non-Executive Director as a Chairman of the Board and he is not related to the Managing Director/ CEO of the Company. The information on composition of the Board, category and their Directorships/Committee membership across all the companies in which they were Directors, as on March 31, 2021 is as under:

Composition of the Board:

The Company has appointed Chairman who leads the Board and ensure its effectiveness. The number of Directors on the Board of the Company is more than minimum as specified under the Listing Regulations. Followings are the details of the members of the Board of the Company:

Name of Director & Category[1]	Age (years)	Representation on other Listed entities	No. of Directorships[2]		No. of Memberships / Chairmanships of Committees[3]	
			Public	Private / Non-profit	Memberships	Chairmanship
Rakesh Biyani (C, NED)	48	Future Retail Limited (MD); Future Lifestyle Fashions Limited (NED);	5	4	3	-
Bala C Deshpande (ID)	54	Future Enterprises Limited (ID); Info Edge (India) Limited (NED)	4	4	5	2
C P Toshniwal (NED)	54	Future Lifestyle Fashions Limited (NED); Future Enterprises Limited (NED)	7	3	2	1
Janat Shah (ID)	62	Orient Cements Limited (ID)	2	-	3	-
Mayur Toshniwal (MD)	52	---	1	2	1	-
Amar Sapra (ID)	42	---	1	-	1	-
Malini Chopra (ID)	56	Future Enterprises Limited (ID)	2	-	3	-
Hiroyuki Tanaka (NED)	58	---	1	-	-	-

1. Category description: C: Chairman, MD: Managing Director, ID: Independent Director, NED: Non-Executive Director
2. Excludes directorship in foreign companies
3. Includes only Audit Committees and Stakeholders' Relationship Committees in public companies

The Directors do not have any inter-se relationship amongst themselves. Non-Executive Directors have disclosed to the Company that they did not hold any securities in the Company, either themselves or for benefits of any other person, during the year 2020-21. All the Directors of the Company are in compliance with the requirements of regulation 17A of the Listing Regulations and section 165 of the Act with respect to the number of directorships. During the year 2020-21, there had been no person appointed as an alternate to any Independent Director as restricted under Regulation 25(1) of the Listing Regulations.

Further, a certificate from a Company Secretary in Whole time Practice certifying that none of the Directors on the Board of the Company has been debarred or disqualified by the SEBI/ MCA or any such statutory authority from being appointed or continuing as a Director of the Company is annexed herewith.

The Company has a Non Executive Director chairing the Board and is entitled to maintain his office at the expense of the Company and reimbursement of expenses incurred in performance of his duties. However, during the year 2020-21, the Chairman has not claimed any expenses from the Company for maintaining his office.

Independent Directors

The Independent Directors constitute half of the Board which coincides with the regulatory requirements under the Act and the Listing Regulations. They are familiarised from time to time about the industry updates, business model of the Company, technology aspects in operations, regulatory developments affecting their role, rights and responsibilities etc. so as to effectively discharge their duties and functions. All Independent Directors have submitted declarations confirming meeting the criteria of independence as provided under the Listing Regulations and the Act, which were taken on record by the Board.

The Board considers various behaviour which are essential for the Board to conclude that an individual is an independent. The Board is of the opinion that all of the Independent Directors are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement and they continued to demonstrate these characteristics during 2020-21.

Matrix setting out skills/ expertise/ competence as identified by the Board

For functioning of the Board in the right direction, the Board has identified a skill matrix to assist with development initiatives for Board members. The Company believes in skills-based composition of the Board comprising Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation towards its objectives. These are broadly categorised under following aspects:

Core area as identified by the Board		Description of skill, expertise and competence
Governance	:	Strategic planning, policy development, financial performance, risk & compliance oversight, overall experience, age and business understanding
Industry specific	:	Business development, vendor management, technology, marketing & communication and operational efficacy
Personal attributes & qualities	:	Leadership, effective communication, honesty, independence, commitment, professionalism etc.

The performance of the individual Directors is assessed by the Nomination and Remuneration Committee, Independent Directors and Board as a whole to ascertain the Board's collective skills strength and gap, if any, therein. The person is eligible to be appointed on the Board on recommendation of the Nomination and Remuneration Committee which selects the candidates in line with the provisions of Policy of Board Diversity and based on various criteria including qualification, skills, experience, industry knowledge and other personal attributes, amongst others. The following matrix sets out skills, expertise and competency of Directors of the Company:

Name of the Director	Top three areas of expertise						
	Strategy	Finance	Technology	Policy development	Business Development	Risk & compliance oversight	Commercials
Rakesh Biyani	√		√				√
Mayur Toshniwal	√		√		√		
Bala Deshpande		√				√	√
Janat Shah		√		√		√	
C P Toshniwal		√				√	√
Amar Sapra		√	√			√	
Malini Chopra	√	√			√		
Hiroyuki Tanaka	√				√		√

Meetings

The Board held seven meetings during 2020-21 on July 31, 2020, August 29, 2020, September 11, 2020, November 7, 2020, November 27, 2020, February 10, 2021 and March 31, 2021.

Succession at high level executives

Executives at senior management level are appointed who have appropriate qualifications, knowledge and capability to perform the task and brings greater benefits to the Company. Considering the same, the management recommends to Nomination and Remuneration Committee and the Board of Directors for the appointments at senior management. Terms of contract with the key functionaries are also reviewed with a view to identify the successor at key positions and to imbibe leadership development opportunity for other management personnel and aligning them with the business objectives of the Company. The Directors also agreed to have regular contact with succession candidates at key positions including at Board level.

Directors' and officers' liability insurance

The Company has availed the D&O Policy to protect the Directors and Officers of the Company from civil and legal claims against them while performing their official duties in good faith in their respective capacities. The insurance would provide protection over liabilities and damages resulting from the unsuccessful defence of any legal proceedings.

Codes, Policies and Disclosures

The Company maintains a functional website www.futuresupplychains.com. Apart from business details, various other information, disclosures, financial results, reports, contact details etc. as required under the Listing Regulations and the Act are available on the website under a separate section "Investor Relations". Further, the Company has framed various codes and policies aligned with the regulatory requirements and fine standards of governance. Such codes, policies and disclosures as listed below are available on the website of the Company:

<table>
<tr><td>Policy for Archival of Documents</td><td rowspan="16">:</td><td rowspan="16">https://www.futuresupplychains.com/code-policies.php.</td></tr>
<tr><td>Familiarisation Program for Independent Directors</td></tr>
<tr><td>Policy for determining Material Subsidiaries</td></tr>
<tr><td>Policy for determination of materiality of events and information</td></tr>
<tr><td>Code of conduct for Directors and Senior Management Personnel</td></tr>
<tr><td>Policy for dealing with Related Party Transactions</td></tr>
<tr><td>Policies relating to Business Responsibilities</td></tr>
<tr><td>Dividend Distribution Policy</td></tr>
<tr><td>Remuneration Policy</td></tr>
<tr><td>Establishment of Vigil Mechanism</td></tr>
<tr><td>Whistle Blower Policy</td></tr>
<tr><td>CSR Policy</td></tr>
<tr><td>Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information</td></tr>
<tr><td>Policy on Diversity of Board of Directors</td></tr>
<tr><td>Policy on preservation of documents</td></tr>
<tr><td>Terms and conditions of appointment of Independent Directors</td></tr>
</table>

Details of unclaimed dividend	:	https://www.futuresupplychains.com/unclaimed-dividend.php
Disclosure of transactions with related parties	:	https://www.futuresupplychains.com/disclosures.php
Periodic reports on corporate governance filed with the Stock Exchanges	:	https://www.futuresupplychains.com/corporate-govenrance.php

3. AUDIT COMMITTEE

Audit Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of section 177 of the Act.

Composition

The Audit Committee comprises the following Independent Directors who are financially literate and possess professional qualification in various fields and streams:

- Bala C Deshpande (Chairperson);
- Malini Chopra (Member); and
- Janat Shah (Member)

Company Secretary acts as a secretary to the Audit Committee.

Meetings

The Audit Committee met on six times during the year 2020-21 on July 31, 2020, August 29, 2020, September 11, 2020, November 7, 2020, February 10, 2021 and March 31, 2021.

Review of information

The Audit Committee reviews the following information as placed before it:

- Management discussion and analysis of financial condition and results of operations;
- A statement of transactions with related parties as submitted by management;
- Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
- Internal audit reports;
- the appointment and terms of remuneration of the chief internal auditor;
- Quarterly statement of deviations, if any, as submitted to the stock exchanges in terms of Regulation 32(1) of the Listing Regulations.
- Annual statement of funds, if any, utilized for purposes other than those stated in the offer document/ prospectus in terms of Regulation 32(7) of the Listing Regulations.

For the year ended March 31, 2021, the statutory auditors have issued their report with modified opinion/ audit qualifications. As required under regulation 33(2)(a) of the Listing Regulations, a Statement on impact of audit qualification together with the explanation from the management is annexed to the Financial Statements.

Transactions with Related Parties

All transactions undertaken with related parties of the Company were reviewed and pre-approved by the Audit Committee pursuant to the provisions of the Listing Regulations, the Act and the Policy on dealing with related party transactions. During 2020-21, there were no materially significant transactions with any related party that may have potential conflict with the interests of the Company at large.

Whistle Blower

The Company has established a whistle blower policy/ vigil mechanism which enables stakeholders, on confidential basis, to report genuine concerns regarding abuse unethical events. The policy ensures protections of the whistle blower from victimization for raising the concerns. The policy also provides a direct access to the Chairperson of the Audit Committee in exceptional cases. It is confirmed that during the year 2020-21, no person was denied access to the Audit Committee under the whistle blower.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") plays a very vital role in many aspects including shaping the Board of Directors and striking the right balance between the number of Executive, Non-Executive and Independent Directors. It recommends the appointment and remuneration of appointees on the Board, key and critical positions in the Company and other senior management posts.

Composition

The Nomination and Remuneration Committee ("NRC") comprises majority of Independent Directors and meets with the requirements of section 178 of the Act and regulation 19 of the Listing Regulations. NRC comprises the following Directors:

- Bala C Deshpande - Chairperson
- Malini Chopra - Member
- Rakesh Biyani - Member

Meetings

NRC met on two occasions during the year 2020-21 on July 31, 2020 and November 7, 2020.

Scope of functions & powers

The NRC has been mandated to comply with the requirements as prescribed under Part D of Schedule II to the Listing Regulations, section 178 of the Act. The NRC also carried out an annual review of performance of all Directors based on the pre-fixed queries contained in the evaluation templates. On evaluating the performance, the NRC recommended the re-election of the Directors.

Performance Evaluation of Directors

The Chairman leads the overall process of evaluation which is in the form of a confidential survey in relation to all Directors including Independent Directors, Board and all of its Committees. The Board works with the NRC to lay down the evaluation criteria, from time to time, for the performance of the Chairman, the Board, Committees, Executive Director, Non-Executive Directors and Independent Directors through a peer evaluation. The NRC annually carries out evaluation of all Directors including Independent Directors. The meeting of Independent Directors evaluates the performance of the Chairman of the Board. While evaluating the performance of Directors, the NRC considers, inter alia, level of participation by a Director during the meetings and qualitative discussions thereat, decision making quality, analytical skills etc. Independence of the Independent Director is usually verified by the Board and NRC consults the Chairman for the purpose while assessing the independence of judgement of the concerned Independent Director.

Remuneration Policy

The Board has approved a Remuneration Policy applicable to all levels of the employees including the Executive Directors, KMPs and Senior Management Personnel. The Remuneration Policy is available on the website of the Company.

Remuneration to Directors

All remuneration to Directors are first reviewed and recommended by the NRC taking into consideration the applicable regulatory framework, role and responsibilities, knowledge, experience and provisions of the Remuneration Policy. The Board usually approves the remuneration, allowances and perquisites to the Executive Director based on the recommendations of the NRC. Although, Non-Executive Directors were not paid any remuneration during 2020-21, the sitting fees for attending various meetings of the Board and its Committees were paid in compliance with the Act and the Listing Regulations. The Company also reimburses the expenses, if any, incurred by any Director (other than Managing Director) for attending the meetings.

Remuneration paid to the Managing Director for 2020-21:

(₹ in Lakh)

Name	Salary	Variable Bonus	Perquisites	Total	Total Contract Period	Notice period in months	No. of Stock Options granted
Mayur Toshniwal	173.37	Nil	0.32	173.69	3 years	1	42,000*

* Granted during 2017-18 and exercisable during the period of three years from the date of vesting

During 2020-21, the following sitting fees were paid to Non-Executive Directors:

(₹ in Lakh)

Name of Director	Sitting fees paid	Name of the Director	Sitting fees paid
Rakesh Biyani	2.40	C P Toshniwal	1.95
Bala C Deshpande	4.35	Malini Chopra	4.35
Amar Sapra	1.80	Janat Shah	2.55

Apart from reimbursement of expenses incurred in the discharge of their duties and the payment of sitting fees as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence.

Appointment and remuneration of Senior Management Personnel

The NRC consults and takes in consideration the opinion of the management while approving any remuneration, increments or revision therein for the senior management personnel. During 2020-21, NRC reviewed the proposal for revisions in remuneration of the employees across all levels on account of pandemic situation and its consequent adverse impact on the business.

Remuneration* paid to the Chief Executive Officer during 2020-21 is as under:

(₹ in Lakh)

Name	Salary	Variable Bonus	Perquisites	Total	Total Contract Period	Notice period in months	No. of Stock Options granted**
P V Sheshadri	32.99	Nil	Nil	32.99	N.A.	1	42,000

* For part of the year and includes terminal benefits

** Granted during the year 2017-18 which were exercisable within three years from the date of vesting

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee ("SRC") oversees various aspects of the interest of security holders of the Company and directs the management for redressal of investors' complaints and grievances. SRC is responsible to review the service standards of the Company and the Registrar & Transfer Agents ("RTA") and suggests necessary course of actions, if required. The role of the SRC includes reviewing and overseeing various matters and activities specified in Part D of Schedule II to the Listing Regulations and section 178 of the Act.

Composition

SRC comprises majority of Non-Executive Directors including one Independent Director and meets with the requirements of section 178 of the Act and regulation 20 of the Listing Regulations. The SRC comprises the following Directors:

- C P Toshniwal - Chairman
- Amar Sapra - Member
- Mayur Toshniwal - Member

Meeting

During 2020-21, SRC met once on February 10, 2021.

Investors' Grievance Redressal

Details of investor complaints received, addressed and pending during 2020-21 are as follows:

Complaints at the start of the year	Received during the year	Resolved during the year	Complaints pending at the end of the year
Nil	3	3	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has set up a Corporate Social Responsibility Committee ("CSR Committee") in accordance with the statutory provisions.

Composition

The CSR Committee comprises following Directors:

- C P Toshniwal - Chairman
- Amar Sapra - Member
- Rakesh Biyani - Member

Meeting

During 2020-21, the CSR Committee met once on March 31, 2021.

7. RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted a Risk Management Committee ("RMC") pursuant to the provisions of the Act and the Listing Regulations. The Board has defined the role and responsibility of RMC and has delegated various functions to RMC for framing, monitoring and reviewing risk management plan pertaining to the business operations of the Company. The RMC is responsible for assessing the Company's risk profile and key areas of risks, developing a risk management framework and internal control system in order to ensure implementation of effective process to identify risk, measure its potential impact and manage them in most effective way. The RMC ensures that risk management is planned and implemented with carefulness and provides preventive and remedial measures.

Composition

The RMC comprises following Directors and official:

- C P Toshniwal - Chairman
- Mayur Toshniwal - Member
- Samir Kedia - Member

Meeting

During 2020-21, RMC met once on March 31, 2021.

8. DETAILS OF DIRECTORS' MEETINGS & ATTENDANCE DURING 2020-21

Details of the meetings held during 2020-21 are as follows:

Name of the Director	Particulars of Meetings & attendance							
	Board of Directors	Audit Committee	NRC	SRC	CSR Committee	Risk Management	Independent Directors	AGM held in 2019
Rakesh Biyani	7 (7)		2 (2)		1 (1)			Yes
Mayur Toshniwal	7 (7)			1 (1)		1 (1)		Yes
Bala C Deshpande	7 (7)	6 (6)	2 (2)				1 (1)	Yes
C P Toshniwal	6 (7)			1 (1)	1 (1)	1 (1)		Yes
Janat Shah	5 (7)	4 (6)					1 (1)	No
Amar Sapra	5 (7)			1 (1)	1 (1)		1 (1)	No
Malini Chopra	7 (7)	6 (6)	2 (2)				1 (1)	No
Hiroyuki Tanaka	7 (7)							Yes

Note: Figure appearing in brackets denotes number of meetings a Director was entitled to attend

9. CODE OF CONDUCT

The Company has formulated a code of conduct for prevention of insider trading in the securities of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Code of Conduct"). Provisions of the Code of Conduct are applicable to various types of persons categorised as 'Designated Persons' who are regulated by the provisions of Code of Conduct. Designated Persons include Promoter and Promoter Group, Directors and KMPs of the Company and that of its subsidiaries and associate companies, Senior Management Personnel and other certain graded employees working in specific departments. The Code of Conduct regulates trading activities in securities by such Designated Persons of the Company and requires pre-clearance for certain dealings in the Company's securities and also prohibits Designated Persons from any type of trading in Company's securities while in possession of unpublished price sensitive information and during closure of trading window.

10. PREVIOUS ANNUAL GENERAL MEETINGS

Details of previous three annual general meetings are as under:

Year	Schedule	Details of special resolutions
2020	December 28, 2020 at 1:30 p.m. through video conferencing	• Re-appointment of Managing Director
2019	July 31, 2019 at 3:00 p.m. at Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018.	None
2018	August 22, 2018 at 4:00 p.m. at Rangaswar, Fourth Floor, Y.B Chavan Center, Gen. Jagannath Bhosale Marg, Mumbai-400021	• Ratification of the Employee Stock Option Plan 2017; • Approval for material related party transactions; • Increase of remuneration of Managing Director;

11. EXTRA ORDINARY GENERAL MEETING

During 2020-21, no other meetings of the members of the Company was held.

12. POSTAL BALLOT

During 2020-21, no resolution was passed through postal ballot.

13. MEANS OF COMMUNICATION

The Company timely discloses financial information in the form of quarterly, half yearly and annually results, non-financial information periodically in the form of filings with the Stock Exchanges and also hosted on its website at www.futuresupplychains.com. Periodic financial results are published in Free Press Journal and Navshakti Daily in English and Marathi languages respectively. The Company does not officially release its financial results on any TV channel. Presentations on the financial results, if any, are first submitted to the Stock Exchanges before they are communicated to the investors/ analysts. The Company does not individually communicate to the shareholders any intermittent financial performance or any summary of significant events.

14. GENERAL SHAREHOLDER INFORMATION

- **Date, time and venue of the 16th Annual General Meeting**

September 24, 2021 at 2:30 p.m. through video conferencing/ other audio visual means.

- **Financial Year**

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

- **Dividend payment date**

The Board of Directors of the Company has not recommended any dividend for the year 2020-21.

During the year 2020-21, no unclaimed dividend for the previous years is due for transfer to Investor Education & Protection Fund.

- **Listing Details**

The equity shares of the Company are listed on BSE Limited and The National Stock Exchange of India Limited. Non-convertible debentures are listed on wholesale debt segment of BSE Limited. Necessary listing fees pertaining to equity shares and non-convertible debentures for 2021-22 have been paid to the Stock Exchanges.

- **Securities Codes**

Type of security	ISIN no.	Scrip Code/ Symbol	
		BSE	NSE
Equity	INE935Q01015	540798	FSC
Non-Convertible Debentures	INE935Q07012	958280	-
Non-Convertible Debentures	INE935Q07020	958281	-

- **Market price data**

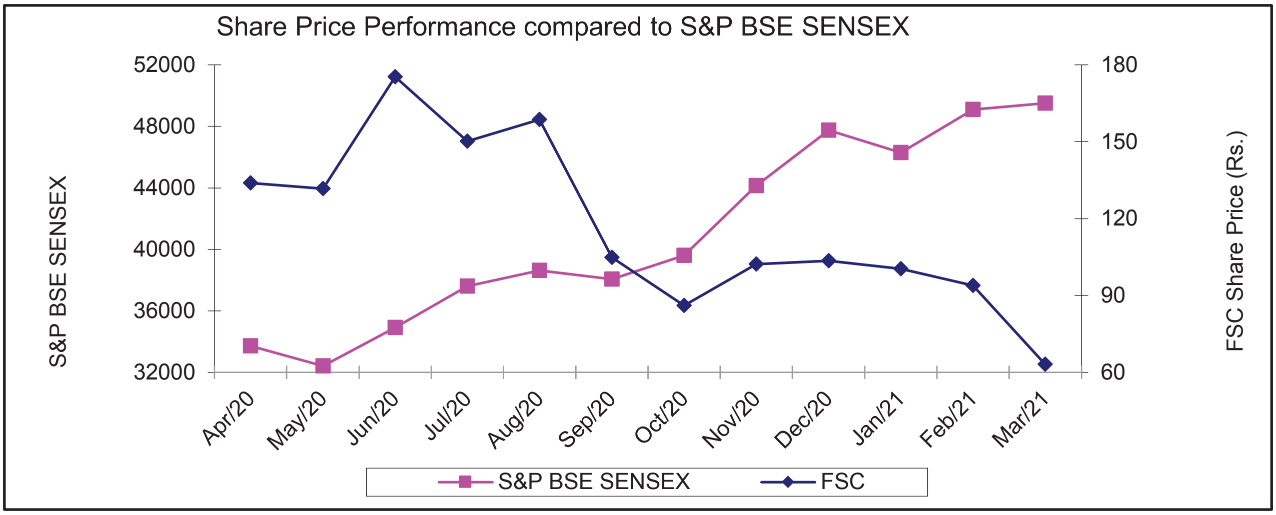
The performance[4] of the price of the equity shares of the Company during 2020-21:

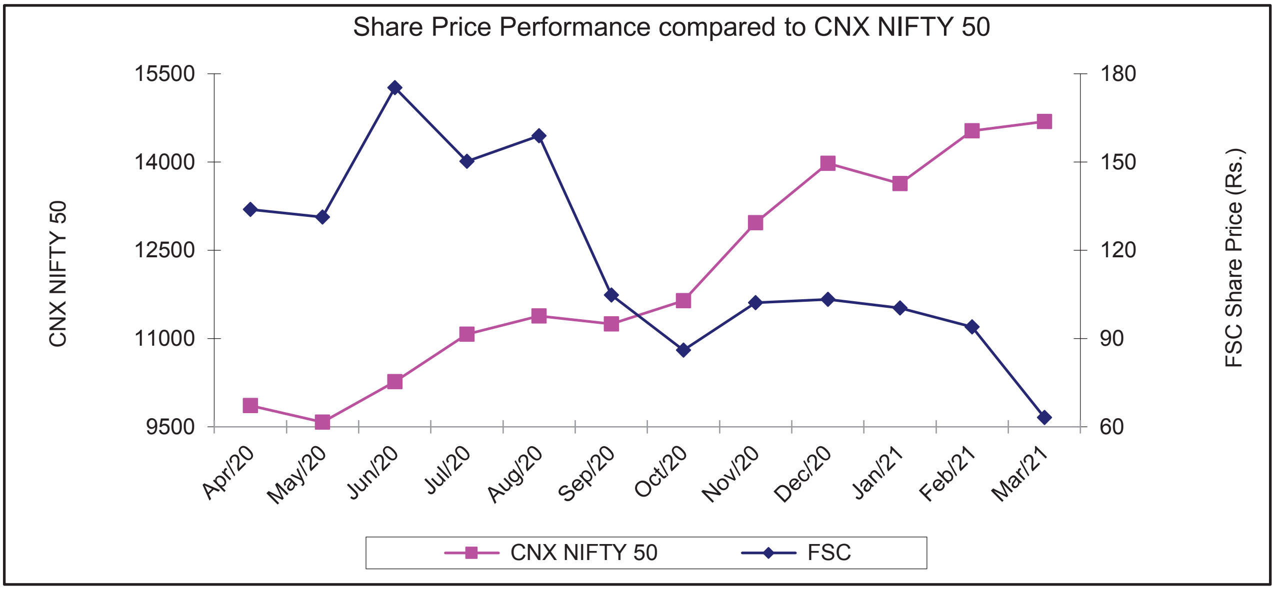
Months	BSE (in ₹)		NSE (in ₹)	
	High	low	High	Low
April 2020	145.60	81.10	145.40	81.00
May 2020	138.70	112.00	139.00	109.25
June 2020	184.25	121.10	184.50	123.15
July 2020	223.80	127.80	222.00	127.75
August 2020	158.60	133.60	158.90	135.60
September 2020	174.80	94.75	174.90	94.80
October 2020	108.40	78.25	110.00	78.15
November 2020	117.00	82.10	116.00	82.10
December 2020	110.10	94.75	110.70	95.20
January 2021	114.80	94.00	114.15	92.45
February 2021	108.05	91.35	108.30	90.80
March 2021	96.00	63.15	95.25	63.20

There was no trading volume reported during 2020-21 with respect to the non-convertible debentures.

4. Source: BSE and NSE

- **Performance of Share Price of the Company in comparison to Indices**





The performance comparison is based on the closing price / Sensex & CNX Nifty 50 on the last trading day of the month.

- **Registrar and Transfer Agents (for Equity Shares and Non-Convertible Debentures)**

  Link Intime India Private Limited

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

  Tel No.: +91 22 4918 6000; Fax No.: +91 22 4918 6060

  E-mail: rnt.helpdesk@linkintime.co.in

  Website: www.linkintime.co.in

- **Share Transfer System**

Trading in equity shares of the Company is permitted only in dematerialized form. Transfer of shares held in physical mode is not permitted. In view of this, investors holding the shares in physical form are advised and recommended to dematerialise them at earliest to avoid any delay in transfer.

- **Distribution of Shareholding of Equity Shares as on March 31, 2021**

Distribution range	Shareholders		Equity Shares	
	No.	%	No.	%
1-500	48,191	93.77	31,36,918	7.15
501-1000	1,635	3.18	12,55,207	2.86
1001-2000	826	1.61	12,30,820	2.81
2001-3000	272	0.53	6,89,957	1.57
3001-4000	133	0.26	4,74,741	1.08
4001-5000	83	0.16	3,88,668	0.89
5001-10000	160	0.31	11,51,209	2.62
10001 & above	92	0.18	3,55,56,078	81.02
Total	**51,392**	**100.00**	**4,38,83,598**	**100.00**

- **Status of De-materialisation of shares**

Status of dematerialisation of equity shares of the Company as on March 31, 2021:

Particulars	No. of Shares	% of total Issued Capital
National Securities Depository Limited	1,69,11,917	38.54
Central Depository Services (India) Limited	2,69,71,675	61.46
Physical	6	0.00
Total	**4,38,83,598**	**100.00**

- **Outstanding GDR/ ADR or warrants or any convertible instruments**

The Company has not issued any GDRs/ ADRs/ Warrants etc. However, as on March 31, 2021, a total of 1,58,085 stock options were outstanding under "Future Supply Chain Solutions Limited Employee Stock Option Plan 2017". Each stock option is convertible into one equity share of ₹10/-.

- **Commodity price risk or foreign exchange risk and hedging activities**

Business operations of the Company are being carried out within India. Hence, there was no material exposure of foreign exchange during 2020-21, which may have any adverse impact on the financial position of the Company. Further, the Company does not deal/trade in any commodity and is not exposed to any commodity risk and hence, requirements of hedging foreign exchange does not arise. In view of this, prescribed disclosure regarding commodity risk is not relevant.

- **Plant Locations**

The Company is engaged in warehousing/ distribution services and providing logistics solutions. It has 65 warehouses across the country as of March 31, 2021.

- **Address for correspondence**

  For general queries or complaints by shareholders

  The Company Secretary
  Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road,
  Jogeshwari (East), Mumbai – 400060.
  Tel No: +91 22 6644 2200; Fax No: +91 22 6644 2201
  E-mail: investorrelations@futuresupplychains.com

  Other queries regarding shares, debentures, dividend, transfer, transmission etc.

  Link Intime India Private Limited
  C – 101, Embassy 247, L.B.S Marg, Vikhroli West, Mumbai – 400 083.
  Tel No.: +91 22 4918 6000; Fax No.: +91 22 4918 6060
  E-mail: rnt.helpdesk@linkintime.co.in
  Website: www.linkintime.co.in

  Debenture Trustees (for Non-Convertible Debentures)

  IDBI Trusteeship Services Limited
  Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001
  Tel No.: +91 22 4080 7000; Fax No.: +91 22 6631 1776
  E-mail: itsl@idbitrustee.com; response@idbitrustee.com
  Website: www.idbitrustee.com

- **Credit Ratings**

The following credit ratings relating to Non Convertible Debentures were revised by CARE Ratings Limited:

Instrument	Rating & Date	Rating & Date	Rating & Date
Non-Convertible Debentures	CARE A2+ dated May 15, 2020	CARE A4+ dated July 29, 2020	CARE BB - dated November 12, 2020 & March 16, 2021

- **Disclosures of transactions with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company**

During 2020-21, there were no transactions with any person or entity belonging to the promoter or promoter group holding 10% or more shareholding in the Company.

- **Materially significant transaction with Related Parties**

During 2020-21, there were no materially significant transactions with any related party that may have potential conflict with the interests of the Company at large.

- **Details of non-compliance**

During last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations**

During the year 2019-20, the Company had raised ₹25,161.28 lakh by issuing new equity shares on preferential basis. The Company has utilised ₹4,161.28 lakh till the end of the year 2020-21. A prescribed statement under regulation 32 of the Listing Regulations has been duly submitted to the Stock Exchanges and also available on the website of the Company.

- **Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

For the year 2020-21, the Company has incurred an aggregate amount of ₹ 2.20 Lakh to GMJ & Co. and ₹ 5.50 Lakh to DMKH & Co.; towards the audit fees and other certifications and reports as required under the applicable laws.

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

No. of complaints filed during 2020-21	No. of complaints disposed of during 2020-21	No. of complaints pending as at March 31, 2021
Nil	N.A.	Nil

- **Demat Suspense Account / Unclaimed Suspense Account relating to the Equity Shares**

There were no equity shares lying in the demat suspense account/ unclaimed suspense account as on March 31, 2021.

- **Unclaimed Dividend**

During 2020-21, no unclaimed dividend was due for transfer to Investor Education & Protection Fund. As at March 31, 2021, the following are the details of dividend remained unclaimed/ unpaid:

Financial year	Amount of dividend remained unclaimed as at March 31, 2021 (₹ in lakh)	Date on which the amount to be transferred to Investor Education Protection Fund
2018-19	0.12	September 5, 2026
2017-18	0.14	September 22, 2025

There was no dividend declared by the Company for any year prior to the financial year 2017-18. The details of unclaimed dividend are also available on the website of the Company. A shareholder / any other person claiming to be entitled to any amount transferred to unpaid dividend account, is advised to write to the Company/ RTA and provide requisite details i.e. name of the shareholder entitled to the dividend, DP ID- Client ID or Folio No., year for which amount has remained unclaimed, bank account details for electronic transfer and any other information as may be sought by the Company/ RTA to enable them to process the payment of unclaimed dividend.

- **Company Identity Number (CIN)**

The CIN allotted by the Ministry of Corporate Affairs is L63030MH2006PLC160376.

- **Internal Auditors**

The Internal Auditors reports to Audit Committee.

- **Other Corporate Governance requirements with respect to subsidiary**

The Company does not have any subsidiary.

- **Secretarial Audit**

As required under regulation 24A of the Listing Regulations, a compliance report in prescribed form MR-3 issued by a Company Secretary in Whole time Practice for 2020-21 is annexed to the Board's report. Further, as required under regulation 24A of the Listing Regulations, the Company has also filed annual compliance certificate with the Stock Exchanges. The same is also available on the website of the Company.

- **Shareholding Pattern as on March 31, 2021**

Category	No. of Equity shares	%
Promoter and Promoter Group	1,01,32,785	23.09
Mutual Funds	0	0.00
Banks & Financial Institutions	0	0.00
Insurance companies	24,331	0.06
Alternate Investment Fund	0	0.00
Foreign companies	1,05,70,780	24.09
Foreign Portfolio Investors	0	0.00
NBFCs	5,00,000	1.14
HUFs	2,48,669	0.56
NRIs	3,49,351	0.80
Indian individuals	95,63,306	21.78
Directors & relatives	16,322	0.04
Clearing Members	1,82,973	0.42
Bodies corporate	1,22,95,081	28.02
Total	**4,38,83,598**	**100.00**

MANAGEMENT

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

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

The Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2021.

For Future Supply Chain Solutions Limited

Mayur Toshniwal

Managing Director

Mumbai, June 24, 2021

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 Supply Chain Solutions Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Future Supply Chain Solutions Limited bearing CIN L63030MH2006PLC160376 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 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) 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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Rakesh Gopikishan Biyani	00005806	13/07/2007
2.	Bala Deshpande	00020130	10/05/2017
3.	Chandra Prakash Toshniwal	00036303	08/03/2006
4.	Janat Shah	01625535	30/03/2015
5.	Mayur Toshniwal	01655776	05/08/2020 (re-appointment)
6.	Amar Sapra	05178849	05/08/2017
7.	Malini Chopra	08195364	07/02/2019
8.	Hiroyuki Tanaka	08657963	08/01/2020

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

Bindu Darshan Shah
Proprietor
Membership No. A-20066 / CP No. 7378
Place: Mumbai
Date: 13.06.2021
UDIN: A020066C000455369

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members Of
Future Supply Chain Solutions Limited

1. We, DMKH & Co, Chartered Accountants, the Statutory Auditors of Future Supply Chain Solutions Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2021.

8. We 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 **DMKH & Co.**
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner
Membership Number: 447848
UDIN: 21447848AAAAAL3324
Place: Mumbai
Date: July 26, 2021

INDEPENDENT AUDITOR'S REPORT

To
The Members
Future Supply Chain Solutions Limited

Report on the Audit of the Standalone Financial Statements

QUALIFIED OPINION

We have audited the accompanying Standalone Financial Statements of Future Supply Chain Solutions Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, 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 (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, 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, 2021, its loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

BASIS FOR QUALIFIED OPINION

Total trade receivables amounting to ₹ 74,232.83 Lakh includes related party receivables amounting to ₹ 64,067.96 Lakh as at March 31, 2021. There have been substantial delays in receipt from customers and subsequent receipts have not been significant. In view of the above, we are unable to obtain sufficient and appropriate audit evidence and are unable to comment on adequacy of loss provision, valuation and recoverability of balance outstanding amounting to ₹ 73,588.23 Lakh (net of provision ₹ 644.60 Lakh as at March 31, 2021).

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 your attention to the following matters:

i. We draw attention to Note No. 45 of the Statement, which describes uncertainties and management's assessment of the impact of the COVID-19 pandemic on the operations and financial statements of the Company. Further, due to Covid-19 related lock down restrictions, management was able to perform year end physical verification of Inventory and Fixed Assets at certain locations after the year end. We were unable to physically observe the verification of inventory and Fixed Assets that was carried out by the management and have relied on the management's representation provided for the same.

ii. We draw attention to Note No. 37 of the Statement, which narrates management's Resolution Plan under a 'Resolution Framework for COVID 19 related stress' announced by the Reserve Bank of India. The Resolution Plan has been approved by Board of Directors and the lenders of the Company as a part of "the OTR Scheme".

iii. We draw attention to Note No. 37 of the Statement, which states management's decision for deferment of payment of annual interest on NCDs. The said annual interest was due to be paid on September 26, 2020 but the same has now been converted into Funded Interest Term Loan (FITL) which shall be payable 50% each in September 2021 & December 2021, respectively. Consent of debenture holder i.e. Azim Premji Trust has been obtained for implementing one-time restructuring of the same.

Our opinion is not modified in respect of the above matters.

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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
1. External Confirmations	

COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business activities of the many confirming parties, most confirmations were not received. The Company seeks and had sought confirmations from vendors and customers during the year.
 	
In such events, we auditors performed alternative audit procedures.
 	
This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19 vis-à-vis non-COVID-19 scenario.
	Our audit procedures included, among others, the following:
	• Revised assessed risk and modify our audit procedures to mitigate these risks;
	• Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.;
	• Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions;
	• Performed alternative audit procedures like
	  ◦ For accounts receivable balances: scrutiny of ledger accounts and verification of subsequent receipts;
	  ◦ For accounts payable balances: scrutiny of ledger accounts and other documents/records, such as bills from vendors and subsequent payments.

2. Carrying value of Trade Receivables	
As at March 31, 2021, Trade receivables constitutes approximately 41.21% of total assets of the Company. The Company is required to regularly assess the recoverability of its Trade Receivables. Recoverability of Trade Receivables was highly significant to our audit due to the value of amounts which also represents significant portion of the Company's working capital.	Our audit procedures in respect of evaluation of receivables included the following: • Tested the ageing of trade receivables and receipts subsequent to the year-end; • Evaluated Management's assessment of the current financial situation of the major entities whose balances are receivable as at the year-end.

Key Audit Matters	How our audit addressed the key audit matter
Expected credit loss involves judgement as it must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Management has made provision for expected credit loss of ₹ 644.60 Lakh. Considering the fact that out of total trade receivables around 90% are due to be recovered from Related Parties, the recoverability of Trade Receivables is a key audit matter in our audit of Ind AS Financial Statements.	- Assessed the Company's expected credit loss calculations made in determining the recoverable amount. - Sent and obtained confirmations for major parties possible. - On the basis of above audit procedures performed we conclude that there have been substantial delays in receipt from customers and subsequent receipts have not been significant. In view of the above, we are unable to obtain sufficient and appropriate audit evidence and are unable to comment on adequacy of loss provision, valuation and recoverability of balance outstanding.
3. Repayment of Term Loan & Interest thereon	
Repayment of Term Loans of ₹ 24,460.56 Lakh as on March 31, 2021 in structured quarterly instalments from March 31, 2022 onwards. Unpaid interest from March 2020 till the implementation date and interest accrued thereafter till June 30, 2021 to be converted into Funded Interest Term Loan ("FITL"). FITL as on March 31, 2021 was ₹ 994.73 Lakh. FITL to be repaid in two tranches by December 31, 2021. As Companies business and liquidity was directly impacted by COVID-19, the Company along with the lenders decided to implement an OTR Scheme under a 'Resolution Framework for COVID 19 related stress' announced by the Reserve Bank of India hence it is a key audit matter in our audit of Ind AS Financial Statements.	Our audit procedures with respect to this included the following: - We have verified the approval of Board of Directors and lenders of the Company authorizing company to implement such OTR Scheme. - A signed copy of ICA Agreement between the Company and its lenders has been obtained, where support of 75% of lenders by value and 60% of lenders by number was obtained. - We have obtained sanction letter and Banks confirmation for conversion of outstanding interest on Term Loan into FITL. - We have verified the modified Repayment Schedule with the Sanction Letter obtained. - We have ensured that interest accrued on Term Loans have been properly accounted for and Term Loans have been properly classified into Current and Non-Current as per revised schedule. - An expert's opinion has also been obtained by Company on proper presentation and disclosure of Term Loan in books of accounts.
4. Repayment of NCD & Interest thereon	
During the year Company has deferred the payment of annual interest on NCDs amounting to ₹ 2,019.85 Lakh. The said annual interest became due on September 26, 2020, now converted into Funded Interest Term Loan (FITL) which shall be payable 50% each in September 2021 & December 2021 respectively.	Our audit procedures with respect to this included the following: - We have verified the consents from Debenture holder and Debenture Trustee to restructure the terms of the Non Convertible Debentures, including rescheduling the redemption timeframe.

INDEPENDENT AUDITORS' REPORT (CONTD.)

Key Audit Matters	How our audit addressed the key audit matter
An interest @ 9.00% p.a. shall be payable on such coupon amount of the year 2019-20 from May 1, 2021 till actual date of payment for the deferred period. The redemption of NCDs are also proposed to be restructured. The COVID-19 pandemic has deeply impacted the long-term business viability and led to significant financial stress across the industries. The debt burden has become disproportionate relative to the cash flow generated by the Company owing to multiple lockdowns since pandemic surfaced. And since these NCD's are listed on BSE, it is a key audit matter in our audit of Ind AS Financial Statements.	- We have obtained copies of intimation and in principle approval of Stock Exchange for sanction of OTR Scheme. - We have verified the terms of Restructuring plan for redemption of Debentures. - We have verified the Repayment terms of FITL created on account of outstanding interest on Debentures. - We have ensured that interest accrued on Debentures have been properly accounted for and Debentures have been properly classified into Current and Non-Current as per revised schedule.
5. Related Party Transactions	
The Company has significant transactions with related parties which includes sale of products, services, rent, loans and advances given. Company's major portion of total revenue comes from related party. Considering the high volume of transactions with related parties and determination of arm's length price to be a key audit matter in our audit of the standalone financial statements.	Performed test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Company, entering into agreements/contracts and recording in books of account; - Read contracts and agreements with related parties to understand the nature of the transactions; - Assessed the disclosures made in the Standalone Financial Statements as per Ind AS 24. - Obtained external party confirmation from all the major related parties.

INFORMATION OTHER THAN THE 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 Report 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 RESPONSIBILITIES 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, changes in equity and cash flows 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.
- Obtain sufficient appropriate audit evidence regarding Standalone Financial Statements of the Company to express an opinion on the Standalone Financial Statements.

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 matters 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 matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and except for the matter described in basis of qualified opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Except for the matter described in basis of qualified opinion paragraph above, 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 Company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.

   d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   e) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rule issued there under to the extent applicable to the Company.

   f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   g) 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 A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) 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.

i) 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 were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

j) Form MSME-1 which is required to be furnished to ROC semi-annually, in respect of outstanding payments to Micro and Small Enterprises is yet to be filed by the Company.

2. 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 B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DMKH & CO.**
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner
Membership Number: 447848
UDIN: 21447848AAAAAI7351

Place: Mumbai
Date: June 24, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Future Supply Chain Solutions Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 SUPPLY CHAIN SOLUTIONS LIMITED (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the 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.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial 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 **DMKH & CO.**
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner
Membership Number: 447848
UDIN: 21447848AAAAAI7351

Place: Mumbai
Date: June 24, 2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of Future Supply Chain Solutions Limited of even date)

REPORT ON THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016, ISSUED IN TERMS OF SECTION 143(11) OF THE COMPANIES ACT, 2013 ("THE ACT") OF FUTURE SUPPLY CHAIN SOLUTIONS LIMITED ("THE COMPANY"):

i. In respect of company's Property, Plant and Equipment:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c. The Company did not have any immovable property of freehold or leasehold land and building as at March 31, 2021. Therefore paragraph 3(i)(c) of Order is not applicable.

ii. The Management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noted on verification between physical stocks and the book records were not material having regard to the size of the Company and nature of its business.

iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the Company.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vi. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Therefore, paragraph 3(vi) of the Order is not applicable.

vii. According to the information and explanation given to us, in respect of statutory dues:

   a. The Company has been generally regular during the year, in depositing undisputed statutory dues, including Provident Fund, Employees' State insurance, Income-Tax, Goods and Service Tax, Cess and other statutory dues applicable to it with the appropriate authorities.

   b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, , Goods and Service tax, Custom Duty, Cess and other material statutory dues outstanding, at the year end, for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank or dues to debenture holders. However, the Company along with the lenders decided to implement an OTR Scheme under a 'Resolution Framework for COVID 19 related stress' announced by the Reserve Bank of India where it has deferred:

   a. Repayment of Term Loans of ₹ 24,460.56 lakh as on March 31, 2021 in structured quarterly instalments from March 31, 2022 onwards and

   b. the payment of annual interest on NCDs amounting to ₹ 2,019.85 Lakh including rescheduling the redemption timeframe.

ix. In our opinion and according to the information and explanation given by the management, we are of the opinion that money raised by Company by way of term loan has 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. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Therefore, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **DMKH & CO.**
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner
Membership Number: 447848
UDIN: 21447848AAAAAI7351

Place: Mumbai
Date: June 24, 2021

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	44,260.73	50,965.49
Right of use assets	35	25,202.52	32,222.77
Capital work in progress		-	573.55
Other Intangible assets	3	333.22	216.42
Financial assets			
Investments	4	-	-
Other financial assets	5	2,415.78	5,535.39
Other non current assets	6	4,405.03	9,719.27
Total non-current assets		**76,617.28**	**99,232.89**
Current assets			
Inventories	7	236.68	352.08
Financial assets			
Trade receivables	8	73,588.23	81,527.38
Cash and cash equivalents	9	12.36	31.10
Bank balances other than cash and cash equivalents	10	267.93	270.90
Loans	11	21,000.00	21,000.00
Other financial assets	12	6,253.81	1,933.07
Other current assets	13	601.49	591.82
Total current assets		**101,960.50**	**105,706.35**
Total assets		**178,577.78**	**204,939.24**
EQUITY & LIABILITIES			
Equity			
Equity share capital	14	4,388.36	4,388.36
Other equity	15	51,406.09	69,928.09
Total equity		**55,794.45**	**74,316.45**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	41,745.46	34,160.90
Lease liabilities	35	20,408.80	25,979.59
Other non current financial liabilities	17	549.25	55.63
Provisions	18	646.93	654.03
Total non-current liabilities		**63,350.44**	**60,850.15**
Current liabilities			
Financial liabilities			
Borrowings	19	9,993.46	20,979.73
Lease liabilities		9,038.64	10,472.98
Trade payables			
- Micro and small enterprises	31	1,258.14	315.78
- Others		30,225.28	29,731.79
Other current financial liabilities	20	8,583.81	7,706.92
Other current liabilities	21	324.12	556.41
Provisions	22	9.44	9.03
Total current liabilities		**59,432.89**	**69,772.64**
Total equity and liabilities		**178,577.78**	**204,939.24**
Notes to the Financial Statements	1-50		

As per our report of even date attached

For DMKH & Co.

Chartered Accountants

Firm Registration No: 116886W

Anant Nyatee

Partner

Membership No.: 447848

Mumbai

Date : June 24, 2021

For and on behalf of the Board of Directors

Future Supply Chain Solutions Limited

Mayur Toshniwal

(Managing Director)

DIN : 01655776

C P Toshniwal

(Director)

DIN : 00036303

Samir Kedia

(Chief Financial Officer)

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	23	46,641.46	114,055.20
Other income	24	3,386.43	2,002.97
Total income		**50,027.89**	**116,058.17**
Expenses			
Cost of logistics services		27,815.70	69,963.47
Employee benefits expense	25	7,512.86	8,786.99
Finance costs	26	9,837.75	8,081.04
Depreciation and amortisation expense	3 & 35	16,531.81	16,593.59
Other expenses	27	6,765.96	9,940.89
Total expenses		**68,464.08**	**113,365.98**
Profit/ (Loss) before exceptional items and tax		**(18,436.19)**	**2,692.19**
Exceptional items		-	9,080.43
Profit/ (Loss) before tax		**(18,436.19)**	**(6,388.24)**
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/ (Loss) for the year		**(18,436.19)**	**(6,388.24)**
Other comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of the defined benefit plan		(47.23)	(127.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		**(47.23)**	**(127.13)**
Total comprehensive income/ (loss) for the year		**(18,483.42)**	**(6,515.37)**
Earnings per equity share (face value ₹ 10/- each):	34		
Basic & Diluted (₹)		(42.01)	(15.51)
Notes to the Financial Statements	1-50		

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) EQUITY SHARE CAPITAL		
Opening balance	4,388.36	4,008.11
Add : Equity shares issued and alloted during the year	-	378.94
Add : Equity shares issued under Employee Stock Option Plan (ESOP)	-	1.31
Closing balance	**4,388.36**	**4,388.36**
(B) OTHER EQUITY		
Retained earnings		
Opening balance	20,448.51	31,487.53
Profit/ (Loss) for the year	(18,436.19)	(6,388.24)
Other comprehensive income for the year (net of tax)	(47.23)	(127.13)
Dividend paid (including Dividend Distribution Tax)	-	(604.11)
Adjustment on transition to INDAS 116- 'Leases'	-	(3,919.54)
Closing balance	**1,965.09**	**20,448.51**
Securities premium		
Opening balance	46,432.57	21,563.99
Add : Equity Shares issued under ESOP	-	44.66
Add : Equity Shares issued on Preferential basis (Nippon)	-	24,782.35
Add : Transfer from share options outstanding account on exercise of ESOP	-	41.57
Closing balance	**46,432.57**	**46,432.57**
Debenture Redemption Reserve		
Opening balance	2,500.00	2,500.00
Closing balance	**2,500.00**	**2,500.00**
Share options outstanding		
Opening balance	547.01	475.14
Add: Recognition of share based payments	(38.58)	113.44
Less: Transfer to securities premium on exercise of ESOP	-	(41.57)
Closing balance	**508.43**	**547.01**
Total other equity	**51,406.09**	**69,928.09**

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit/ (loss) before tax	(18,436.19)	(6,388.24)
	Adjusted for:		
	Depreciation and amortisation expense	16,531.81	16,593.59
	Finance costs	9,837.75	8,081.04
	Provision for doubtful debts	250.00	322.42
	Loss on sale of fixed assets and Scrap of assets	840.96	229.89
	Gain on termination of lease asset	(155.90)	(10.04)
	Provision for doubtful advances	-	45.00
	Investment written off	-	0.70
	Expenses on employee stock option (ESOP)	(38.58)	113.44
	Exceptional item	-	9,080.43
	Interest income	(3,027.93)	(1,685.66)
	Cash generated from operations before working capital changes	**5,801.92**	**26,382.57**
	Adjusted for:		
	(Increase)/decrease in trade receivables	7,689.16	(48,121.44)
	(Increase)/decrease in inventories	115.41	200.87
	(Increase)/decrease in other financial and other assets	1,429.53	(470.07)
	Increase/(decrease) in trade payables, other liabilities and provisions	360.92	5,886.45
	Cash flow from operations	**15,396.94**	**(16,121.62)**
	(Taxes paid)/Refund (net)	5,314.72	(3,104.16)
	Net cash from operating activities	**20,711.66**	**(19,225.78)**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant & equipment and intangible assets	(739.86)	(12,937.70)
	Sale of property, plant & equipment and intangible assets	115.15	522.45
	Loan and advances given	-	(21,521.72)
	Sale of investment in Subsidiary	-	1.00
	Interest received	666.60	822.81
	Net cash used in investing activities	**41.89**	**(33,113.16)**
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Payment of lease liability	(12,583.95)	(13,022.31)
	Proceeds from issue of Equity Shares under ESOP	-	45.97
	Proceeds from issue of Equity Shares on Preferential basis	-	25,161.29
	Dividend paid (including Dividend Distribution Tax)	-	(604.11)
	Proceeds/ (Repayment) from/ (of) current borrowings (net)	(1,524.42)	8,429.89
	Proceeds from non current borrowings	-	26,008.90

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Repayment of non current borrowings	(2,988.81)	(50.36)
Interest paid	(3,678.08)	(5,197.53)
Net cash from financing activities	**(20,775.26)**	**40,771.74**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(21.71)**	**(11,567.20)**
Cash and cash equivalents at the beginning of the year	302.00	11,869.20
Cash and cash equivalents as per Balance Sheet	**280.29**	**302.00**

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

1. COMPANY OVERVIEW

Future Supply Chain Solutions Limited (the "Company") is a public company domiciled in India and incorporated on March 8, 2006. The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Company is an integrated and IT enabled end-to-end Supply Chain and Logistics Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain Logistics etc. The Company mainly caters to corporates in Food & Beverages, Lifestyle, Consumer Durables & Electronics, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise, E-Commerce sectors etc. Each category has a distinct supply chain requirement that needs customised solutions. The Company has been a pioneer and leader in modernising logistics and supply chain in India by having implemented cutting-edge technology and contemporary supply chain management practices through implementation of global best practices, indigenised and best adapted for Indian conditions. The Company has its registered office at Mumbai, Maharashtra, India.

2A. REVISED INDIAN ACCOUNTING STANDARD ("IND AS") ISSUED BUT NOT EFFECTIVE

Standards issued but not effective (based on Exposure drafts available as on date)

Issue of Ind AS 117 – Insurance Contracts Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's Financial Statements.

2B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of Compliance

The Standalone Financial Statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other applicable laws.

2.2. Basis of Preparation and Presentation

The Standalone Financial Statements have been presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

These Financial Statements are prepared in accordance with 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 116 '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.

The principal accounting policies are set out below.

2.3. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.

Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

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:

Assets	Useful Life
Plant and Equipments	15 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles	6 years
Computers	3 years
Leasehold Improvements	Lease term

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The cost of assets not put to use before such date are disclosed under 'Capital Work-In-Progress'.

2.4. 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 amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Assets	Useful Life
Softwares	6 years

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

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

2.5. Leasing

The Company as lessee

The Company's lease asset primarily consist of leases for building. The Company assesses whether a contract contains a lease, at inception of a contract. The 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 use of an identified asset, the Company assesses whether i) the contract involves use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of lease and iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right- of- use asset ('ROU") at cost 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 expenses on a straight-line basis over the term of the lease.

Certain lease arrangements includes the option to extend or terminate the lease before the end of lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right- of- use assets are initially recognized 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 cost 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 event 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 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 have been separately presented in the Balance sheet and lease payment have been classified as financing cash flows.

The Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of these lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it account 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 head lease.

For operating lease, rental income is recognized on straight line basis over terms of the relevant lease.

2.6. Financial Instruments

2.6. (i) Initial recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

2.6. (ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(ii) Financial assets at fair value through other comprehensive income

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

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

(iii) 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.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised 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. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c. Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

2.6. (iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.7. Foreign Currency

Functional currency

The functional currency of the Company is the Indian rupee ('' ₹'').

i. Initial recognition

In preparing the Financial Statement of the Company, transactions in currencies other than the Companies' functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported in Indian Rupee using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.8. Borrowing Costs

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

2.9. 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.

Revenue recognition prescribed in five-step model:

Step 1: Identify the contract(s) with a customer – Contracts may be written, oral or implied by customary business practices, but revenue can be recognised only on those contracts that are enforceable and have commercial substance.

Step 2: Identify the separate performance obligations in the contract – Performance obligations are explicitly or implicitly promised goods or services in a contract as well as those arising from customary business practices. An entity needs to identify performance obligations which are distinct.

Step 3: Determine the transaction price – The transaction price is the amount of consideration to which an entity expects to be entitled. It includes variable consideration, impact of significant financing components, fair value of non-cash consideration and impact of consideration payable to the customer.

Step 4: Allocate the transaction price to the separate performance obligations – The standard requires allocation of the total contract price to the various performance obligations based on their relative stand-alone selling prices, with limited exceptions.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation – Revenue recognition can occur either over time or at a point in time. Revenue recognition for a performance obligation occurs over time only if it meets one of the three prescribed criteria.

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 through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

2.10. Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other liabilities are classified as non-current.

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

2.11. Employee Benefits

Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.12. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.13. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.14. Provisions, Contingent liabilities & Contingent assets

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.

2.15. Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (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 as an impairment gain or loss in Statement of Profit and Loss.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

b. Non-financial assets

Intangible assets, property, plant and equipment

Intangible assets, 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 recognised 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.

2.16. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.17. 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 the Statement of Profit and 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 and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

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").

2.18. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.19. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in Balance sheet.

2.20. Key sources of estimation uncertainty and critical accounting judgments

In the course of applying the accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. Provisions, liabilities and contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.21. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.22. Investment in Subsidiary, Joint Ventures and Associates

Investment in subsidiaries, joint ventures and associates are shown at cost in accordance with Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised as impairment loss in the Statement of Profit and Loss (refer policy on impairment of non-financial assets). On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

3 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Plant and Equip-ments	Furniture & Fixtures	Office Equip-ments	Computers	Electrical Installa-tions	Leasehold Improve-ments	Vehicles	Total
Cost								
As at April 1, 2020	42,640.31	5,993.56	1,694.83	7,793.13	6,444.30	2,916.40	378.97	67,861.50
Additions	489.33	54.12	136.53	73.85	176.96	73.04	-	1,003.83
Deletions	631.67	248.90	60.75	429.10	277.85	548.16	-	2,196.43
As at March 31, 2021	**42,497.97**	**5,798.78**	**1,770.61**	**7,437.88**	**6,343.41**	**2,441.28**	**378.97**	**66,668.90**
Accumulated depreciation								
As at April 1, 2020	7,348.15	1,938.63	810.64	3,599.26	1,802.90	1,152.01	244.42	16,896.01
Depreciation for the year	2,974.49	593.51	322.78	1,940.28	661.02	202.88	57.55	6,752.51
Deletions	138.35	105.14	49.09	389.70	104.58	453.49	-	1,240.35
As at March 31, 2021	**10,184.29**	**2,427.00**	**1,084.33**	**5,149.84**	**2,359.34**	**901.40**	**301.97**	**22,408.17**
Net book value								
As at March 31, 2021	**32,313.68**	**3,371.78**	**686.28**	**2,288.04**	**3,984.07**	**1,539.88**	**77.00**	**44,260.73**
As at March 31, 2020	35,292.16	4,054.93	884.19	4,193.87	4,641.40	1,764.39	134.55	50,965.49

(₹ in Lakh)

Particulars	Computer Softwares	Total
Cost		
As at April 1, 2020	427.89	427.89
Additions	148.41	148.41
Deletions	0.73	0.73
As at March 31, 2021	**575.57**	**575.57**
Accumulated amortisation		
As at April 1, 2020	211.47	211.47
Amortisation for the year	31.58	31.58
Deletions	0.70	0.70
As at March 31, 2021	**242.35**	**242.35**
Net book value		
As at March 31, 2021	**333.22**	**333.22**
As at March 31, 2020	216.42	216.42

3 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (CONTD.)

(₹ in Lakh)

Particulars	Plant and Equip-ments	Furniture & Fixtures	Office Equip-ments	Computers	Electrical Installa-tions	Leasehold Improve-ments	Vehicles	Total
Cost								
As at April 1, 2019	31,340.02	5,220.08	1,396.34	6,038.30	5,697.20	2,092.83	389.07	52,173.84
Additions	12,118.02	841.52	308.44	1,822.70	1,017.19	912.86	-	17,020.73
Deletions	817.73	68.04	9.95	67.87	270.09	89.29	10.10	1,333.07
As at March 31, 2020	**42,640.31**	**5,993.56**	**1,694.83**	**7,793.13**	**6,444.30**	**2,916.40**	**378.97**	**67,861.50**
Accumulated depreciation								
As at April 1, 2019	4,971.98	1,357.59	477.66	1,757.11	1,278.30	1,040.32	189.01	11,071.97
Depreciation for the year	2,612.04	613.03	341.57	1,884.74	697.63	195.51	61.04	6,405.56
Deletions	235.87	31.99	8.59	42.59	173.03	83.82	5.63	581.52
As at March 31, 2020	**7,348.15**	**1,938.63**	**810.64**	**3,599.26**	**1,802.90**	**1,152.01**	**244.42**	**16,896.01**
Net book value								
As at March 31, 2020	**35,292.16**	**4,054.93**	**884.19**	**4,193.87**	**4,641.40**	**1,764.39**	**134.55**	**50,965.49**
As at March 31, 2019	26,368.04	3,862.49	918.68	4,281.19	4,418.90	1,052.51	200.06	41,101.87

(₹ in Lakh)

Particulars	Computer Softwares	Total
Cost		
As at April 1, 2019	317.11	317.11
Additions	118.81	118.81
Deletions	8.03	8.03
As at March 31, 2020	**427.89**	**427.89**
Accumulated amortisation		
As at April 1, 2019	195.03	195.03
Amortisation for the year	23.69	23.69
Deletions	7.25	7.25
As at March 31, 2020	**211.47**	**211.47**
Net book value		
As at March 31, 2020	**216.42**	**216.42**
As at March 31, 2019	122.08	122.08

NOTES
TO THE FINANCIAL STATEMENTS (CONTD.)

4 INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments		
Unquoted, Non- trade investment (at cost)		
Investment in Equity Instruments		
Associate		
6,69,568 (2020: 6,69,568) Equity shares of ₹10 each of Leanbox Logistics Solutions Private Limited	1,942.44	1,942.44
Less: Impairement loss	(1,942.44)	(1,942.44)
	-	-

5 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current financial assets - others		
Unsecured considered good		
Security deposits	2,415.78	5,535.39
	2,415.78	**5,535.39**

6 OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	4.54	4.07
Advances to Statutory Authorities	4,400.49	9,715.20
	4,405.03	**9,719.27**

7 INVENTORIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Packing materials	236.68	352.08
* Valued at Weighted average basis		
	236.68	**352.08**

8 TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	73,588.23	81,527.38
Trade receivables - credit impaired	644.60	1,732.91
Less: Allowances for expected credit loss	(644.60)	(1,732.91)
	73,588.23	**81,527.38**

9 CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
In current accounts	6.26	14.50
Cash on hand	6.10	16.60
	12.36	**31.10**

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank deposits (under lien)	267.93	270.90
	267.93	**270.90**

11 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans		
Inter corporate deposit given		
- Secured considered good	21,000.00	21,000.00
	21,000.00	**21,000.00**

12 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Other current financial assets		
Interest Income Accrued	3,361.48	748.67
Security deposits		
Unsecured, considered good	2,892.33	1,184.40
Security deposits- credit impaired	21.92	132.19
Less: Allowance for doubtful deposits	(21.92)	(132.19)
	6,253.81	**1,933.07**

13 OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Government authorities	324.99	198.12
Others (includes prepaid expenses, advance to suppliers etc.)	276.50	393.70
	601.49	**591.82**

14 SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised				
Equity shares of ₹10 each	50,000,000	5,000.00	50,000,000	5,000.00
	50,000,000	**5,000.00**	**50,000,000**	**5,000.00**
Issued, subscribed and fully paid up				
Equity shares of ₹10 each fully paid up	43,883,598	4,388.36	43,883,598	4,388.36
	43,883,598	**4,388.36**	**43,883,598**	**4,388.36**

(i) Reconciliation of number of shares

Equity shares of ₹10 each

Particulars	As at March 31, 2021	As at March 31, 2020
	Number of Shares	Number of Shares
Opening balance	43,883,598	40,081,113
Add: Equity shares issued and alloted during the year	-	3,789,350
Add: Allotment pursuant to exercise of stock options granted	-	13,135
	43,883,598	**43,883,598**

(ii) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

(iii) Pursuant to the applicable laws, the Company has entered into a shareholders' agreement with an Investor. According to the said Agreement and Articles of Association of the Company, the Investor is entitled to exercise, inter alia, the following rights so long the Investor holds not less than 10% of issued and paid up capital of the Company:

1. The right to nominate a Director on the Board of Directors of the Company;
2. The right to have its nominee Director on the Audit Committee as an Observer;
3. Right of First Refusal and Right of First Offer with respect to transfer of shares of the Company by Promoter;
4. Pre-emptive rights with respect to issue of new equity shares or any other convertible securities;
5. Right to approve/ disapprove, inter alia, following matters which are reserved for the consent of the Investor;
   a. entry by the Company into any transaction involving: (i) buyback (ii) capital reduction (iii) scheme of arrangement or compromise between the Company and its creditors and/or Shareholders (iv) restructuring, (v) merger, (vi) demerger, (vii) amalgamation, (viii) consolidation;
   b. Dissolution, winding-up or liquidation of the Company;
   c. Any creation of an Encumbrance over the assets of the Company, other than in the Ordinary Course of Business

(iv) More than 5 percent shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in the Company are as under :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares				
Ritvika Trading Private Limited	9,632,685	21.95	20,515,817	46.75
IDBI Trusteeship Services Limited	10,883,132	24.80	-	-
Nippon Express (South Asia & Oceania) Pte. Ltd.	9,652,825	22.00	9,652,825	22.00
L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	-	-	2,791,351	6.36

(v) Share options granted under the ESOP

Share options granted under the ESOP carry no rights as to dividend and voting.

(vi) As at March 31, 2021, total 1,58,085 (2020: 2,38,565) equity shares are reserved for issuance towards outstanding employee stock options granted. (Refer Note no. 33)

15 OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	1,965.09	20,448.51
Securities premium	46,432.57	46,432.57
Debenture Redemption Reserve	2,500.00	2,500.00
Employee stock option outstanding	508.43	547.01
Total other equity	**51,406.09**	**69,928.09**

15.1 Description of reserves

Securities premium

This reserve is created to transfer a sum equal to the aggregate amount of the premium received on shares issued as per the applicable provisions of the Companies Act, 2013.

Debenture Redemption Reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a Debenture Redemption Reserve out of the profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the Debenture Redemption Reserve cannot be utilised by the Company except to redeem debentures.

Employee stock option outstanding

This reserve relates to share options granted by the Company to its employees and directors under ESOP. Further information about share-based payments to employees is set out in Note no. 33.

Retained Earnings

This represents the surplus/(deficit) of the Statement of Profit and Loss. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate Financial Statements of the Company and also considering the requirements of the Companies Act, 2013.

16 NON CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans		
From banks*	21,930.63	14,394.03
Non convertible debentures	19,814.83	19,766.87
	41,745.46	**34,160.90**

* Financial liabilities carried at amortised cost (Refer note no. 36)

17 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits*	549.25	55.63
	549.25	**55.63**

* Financial liabilities carried at amortised cost

18 NON CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer note no. 38)	646.93	654.03
	646.93	**654.03**

19 CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (Refer note no. 36)		
Working capital loans from bank	7,900.19	8,429.90
Current maturities of long term borrowings	2,093.27	12,549.83
	9,993.46	**20,979.73**

20 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	26.07	11.75
Capital creditors	1,061.85	1,222.55
Statutory dues	499.02	824.54
Unpaid dividends	0.26	0.26
Interest accrued	3,274.46	1,162.99
Other payables	3,722.15	4,484.83
	8,583.81	**7,706.92**

21 OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Other payables (includes deferred rent expenses, advance from customers etc.)	324.12	556.41
	324.12	**556.41**

22 PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer note no. 38)	9.44	9.03
	9.44	**9.03**

23 REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services	46,641.46	114,055.20
	46,641.46	**114,055.20**

24 OTHER INCOME

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	3,027.93	1,685.66
Other non operating income	358.50	317.31
	3,386.43	**2,002.97**

25 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	7,064.38	7,820.90
Contribution to provident and other funds	301.77	441.59
Share based payments to employees (Refer note no. 33)	(38.58)	113.44
Staff welfare expenses	185.29	411.06
	7,512.86	**8,786.99**

26 FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses on		
- Interest expenses	6,760.45	4,575.14
- Lease liabilities	3,007.25	3,178.25
- Other borrowing costs	70.05	327.65
	9,837.75	**8,081.04**

27 OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	1,318.59	1,912.64
Repairs and maintenance	908.58	1,150.24
Insurance	112.11	166.78
Rates and taxes	70.60	367.87
Travelling and conveyance expenses	394.04	1,105.99
Auditors' remuneration	5.50	18.00
Security expenses	1,241.58	1,810.62
Corporate social responsibility	69.51	52.84
Allowances for expected credit loss	250.00	322.42
Provision for doubtful advances	-	45.00
Exchange fluctuation loss (Net)	1.11	0.14
Loss on sale of fixed asset	840.96	229.89
Miscellaneous expenses	1,553.38	2,758.46
	6,765.96	**9,940.89**

28 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 Board of Directors.

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.

Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debt (total debt offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company at regular interval. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Company has a target Debt to Equity Ratio of 1:1 determined as the proportion of net debt to equity. The Company had net debt to equity ratio of 0.93x as on March 31, 2021 (March 31, 2020: 0.74x).

Interest Rate Risk

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

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

Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is insignificant for its purchase from overseas suppliers in various foreign currencies.

The Company do not have any Foreign currency exposure during the year.

Foreign exchange risk sensitivity:

The Company analyses a 10% variation (sensitivity) in the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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 gross trade receivables amounting to ₹ 74,232.83 Lakh and ₹ 83,260.29 Lakh as of March 31, 2021 and March 31, 2020 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.

The Company has significant credit risk exposure on trade receivable from Future Retail Limited 64% (2019-20: 57%) and Future Enterprises Limited 5% (2019-20: 12%).

The average credit period on sale of services is 30 to 90 days. No interest is charged on trade receivables.

Credit Risk Exposure

Movement in expected credit loss:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Beginning of the year	1,732.91	881.72
Movement in expected credit loss (Net)	(1,088.31)	851.19
Balances at the end	**644.60**	**1,732.91**

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The Company had a working capital of ₹ 51,566.25 Lakh (2019-20: ₹ 46,406.70 Lakh) including cash and cash equivalent of ₹ 12.36 Lakh (2019-20: ₹ 31.10 Lakh)

29 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Contingent Liability- ₹ Nil (2019-20: ₹ Nil)

30 ESTIMATED AMOUNTS OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT: ₹ 271.61 Lakh (Net of Advances) (2019-20: ₹ 1,084.81 Lakh)

31 THE INFORMATION AS REQUIRED TO BE DISCLOSED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 HAS BEEN DETERMINED TO THE EXTENT SUCH PARTIES HAVE BEEN IDENTIFIED BASED ON INFORMATION AVAILABLE WITH THE COMPANY.

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	1,258.14	315.78
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	81.93	4.43
Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	81.93	4.43
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

32 RELATED PARTY DISCLOSURES

Names of Related Parties and nature of relationship

Holding / Ultimate holding company	Future Enterprises Limited (till December 16, 2019)
Holding company	Ritvika Trading Private Limited (till December 16, 2019)
Subsidiary company	Vulcan Express Private Limited (till December 12, 2019)
	Leanbox Logistics Solutions Private Limited (from May 20, 2019 to June 27, 2019)
Associate company	Leanbox Logistics Solutions Private Limited (w.e.f June 28, 2019)

Others - Group Entities

- Future Lifestyle Fashions Limited (FLFL)
- Future Consumer Limited (FCL)
- Future Retail Limited (FRL)
- Future Ideas Company Limited (FICL)
- Praxis Home Retail Limited (PHRL)
- Galaxy Entertainment Corporation Limited (GECL)
- Future Speciality Retail Limited (FSRL)
- Future Stylelab Limited (FSL)
- Rachika Trading Limited (RTL)
- Aadhar Wholesale and Distribution Limited (AWDL)
- Future Generali India Life Insurance Company Limited (FGILICL)
- Apollo Design Apparel Park Limited (ADAPL)

- Goldmohur Design and Apparel Park Limited (GDAPL)
- Nufuture Digital (India) Limited (NFDIL)
- Shree Balaji Ethnicity Retail Limited (SBERL)
- Clarks Future Footware Private Limited (CFFPL)
- Future Corporate Resources Private Limited (FCRPL)
- Integrated Foodpark Private Limited (IFPL)
- Sublime Foods Private Limited (SFPL)
- The Nilgiris Dairy Farm Private Limited (TNDFPL)
- Hain Future Natural Products Private Limited (HFNPPL)
- Indus Tree Crafts Private Limited (ITCPL)
- Basuti Sales and Trading Private Limited (BSTPL) (w.e.f. August 29, 2020)
- Bloom Foods and Beverages Private Limited (BFBPL)
- Brattle Foods Private Limited (BFPL) (w.e.f. August 29, 2020)
- Precision Realty Developers Private Limited (PRDPL) (w.e.f. August 29, 2020)
- Fonterra Future Dairy Private Limited (FFDPL)
- Turtle Limited (TL)
- Travel News Service (India) Private Limited (TNSIPL)
- TNSI Retail Private Limited (TNSIRPL)
- Future Market Network Limited (FMNL)
- Retail Light Techniques India Limited (RLTIL)
- Future 7-India Convenience Limited (F7ICL)
- Work Store Limited (WSL)
- Future Enterprises Limited (FEL) (w.e.f. December 17, 2019)

Key Management Personnel (KMP):

- Mayur Toshniwal (Managing Director)

During the year, following transactions were carried out with the related parties in the ordinary course of business:

Purchase of fixed assets from associate company ₹ Nil (₹ 37.09 Lakh) and from others ₹ Nil (₹ 1,854.73 Lakh); Sale of fixed assets from associate company ₹ Nil (₹ 0.31 Lakh) and from others ₹ Nil (₹ 4.41 Lakh); Income from operation from ultimate holding company ₹ Nil (₹ 926.29 Lakh), from associate company ₹ 22.93 Lakh (₹ 436.76 Lakh) and from others ₹ 24,243.75 Lakh (₹ 84,914.72 Lakh); Interest Income from associate company ₹ Nil (₹ 11.91 Lakh) and from others ₹ 1,546.23 Lakh (₹ Nil); Reimbursement of expenses from ultimate holding company ₹ Nil (₹ 23.65 Lakh) and from others ₹ 50.36 Lakh (₹ 132.23 Lakh); Expenses from associate company ₹ 6.74 Lakh (₹ 31.23 Lakh) and from others ₹ 239.55 Lakh (₹ 1,164.30 Lakh); Remuneration to KMP ₹ 173.69 Lakh (₹ 205.17 Lakh); Purchase of investment from associate company ₹ Nil (₹ 942.44 Lakh); Receivables (Net) from associate company ₹ 783.61 Lakh (₹ 756.92 Lakh) and from others ₹ 63,284.35 Lakh (₹ 70,158.01 Lakh); Loan and advances from others ₹ 23,611.88 Lakh (₹ Nil).

Break up of Material Related Party Transactions:

Purchase of fixed assets includes FRL ₹ Nil (₹ 1,846.20 Lakh); Sale of fixed assets includes FCL ₹ Nil (₹ 4.41 Lakh); Income from operation includes FRL ₹ 19,438.89 Lakh (₹ 59,181.10 Lakh), FLFL ₹ 2,832.95 Lakh (₹ 8,151.69 Lakh) and PHRL ₹ 4,118.11 Lakh (₹ 6,548.27 Lakh); Interest income includes BSTPL ₹ 1,546.23 Lakh (₹ Nil); Reimbursement of expenses includes FLFL ₹ 20.04 Lakh (₹ 12.95 Lakh), FRL ₹ 10.37 Lakh (₹ 59.55 Lakh), FEL ₹ 16.83 Lakh (₹ 1.88 Lakh), FCRPL ₹ Nil (₹ 25.40 Lakh), FCL ₹ 0.27 Lakh (₹ 5.26 Lakh) and PHRL ₹ 1.16 Lakh (₹ 16.46 Lakh); Expenses includes FGILICL ₹ 72.37 Lakh (₹ 263.54 Lakh), NFDIL ₹ 45.61 Lakh (₹ 505.48 Lakh), FCRPL ₹ Nil (₹ 180 Lakh) and PRDPL ₹ 93.18 Lakh (₹ Nil).

33 SHARE BASED PAYMENTS

(i) Details of the employee share based plan of the Company:

a) The ESOP titled as Future Supply Chain Solutions Limited Employees Stock Option Plan 2017 ("FSC ESOP 2017") was approved by the Board on August 5, 2017 and by the Shareholders on August 8, 2017. The same was also ratified by the Shareholders in terms of Regulation 12(3) of SEBI (Share Based Employee Benefits) Regulations, 2014 at the annual general meeting held on August 22, 2018. In aggregate, 4,00,000 options were covered under the FSC ESOP 2017 for 4,00,000 equity shares of ₹ 10 each.

During the previous year 2017-18, the Nomination and Remuneration Committee ("NRC") of the Company granted 2,83,763 options under the FSC ESOP 2017 to certain directors and employees of the Company. The options granted are convertible into equal number of equity shares. The exercise price of each option is ₹ 350/-(including ₹ 340 as share premium).

During the previous year 2019-20, the NRC granted 50,000 options and 10,000 options under the FSC ESOP 2017 to employees of the Company on May 13, 2019 and July 31, 2019 respectively. The options granted are convertible into equal number of equity shares. The exercise price of each option is ₹ 457/-(including a premium of ₹ 447).

During the year 2020-21, no stock options were granted under FSC ESOP 2017.

The erstwhile options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

b) The following share-based payment arrangements were in existence during the year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00
FSC ESOP 2017	50,000	May 13, 2019	Note-1 below	457.00	606.80
FSC ESOP 2017	10,000	July 31, 2019	Note-1 below	457.00	526.10

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year:

Inputs	FSC ESOP 2017	FSC ESOP 2017	FSC ESOP 2017
Grant date	November 14, 2017	May 13, 2019	July 31, 2019
Expected volatility (%)	25.26%	23.59%	25.09%
Option life (Years)	2.50-4.50	2.50-4.50	2.50-4.50
Dividend yield (%)	-	0.21%	0.24%
Risk-free interest rate (Average)	6.75% - 7.01%	6.82% - 7.09%	6.11% - 6.27%

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	2,38,565	372.43	2,39,200	350
Granted during the year	Nil	-	60,000	457
Exercised during the year	Nil	-	13,135	350
Cancelled during the year	80,480	403.18	47,500	372.53
Balance at end of year	**158,085**	**363.54**	**238,565**	**372.43**

(iv) Share options exercised during the year

The options exercised during the year: Nil

(v) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 837 days (2019-20: 1,220 days).

Out of the ESOPs outstanding, the number of options exerciseable are as under :

Particulars	As at March 31, 2021	As at March 31, 2020
FSC ESOP 2017	1,42,085	87,838

(vi) The expenses recognised for employee services received during the year is shown in the following table:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenses arising from equity settled share based payment transactions	(38.58)	113.44

34 EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) for the year (₹ in Lakh)	(18,436.19)	(6,388.24)
Weighted average number of equity shares outstanding during the year for Basic EPS	4,38,83,598	4,11,86,178
Add: Weighted Average number of equity shares on account of Employee Stock Options outstanding	-	-
Weighted average number of equity shares outstanding during the year for Diluted EPS	4,38,83,598	4,11,86,178
Earnings per share of ₹ 10/- each		
- Basic and Diluted (in ₹)	(42.01)	(15.51)

35 LEASE

The Company has entered into lease arrangements for its warehouses, office premises etc.

These leasing arrangements which are non-cancellable range between 3 months and 12 years generally or longer 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.

During the previous year, the adoption of the new standard resulted in recognition of 'Right of use' asset of ₹ 27,801.99 Lakh and a lease liability of ₹ 31,721.55 Lakh on transition. The cumulative effect of applying the standard, amounting to ₹ 3,919.54 Lakh was debited to retained earnings, net of taxes. 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 activites on account of lease payments.

The following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Beginning of the year	32,222.77	27,801.99
Addition	3,209.71	17,687.63
Deletion	(482.22)	(3,102.51)
Depreciation	(9,747.74)	(10,164.34)
Balances at the end	**25,202.52**	**32,222.77**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Non-current lease liabilities	20,408.80	25,979.59
Current lease liabilities	9,038.64	10,472.98
Total	**29,447.44**	**36,452.57**

The following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	36,452.57	31,721.54
Addition	3,105.76	17,412.03
Deletion	(482.22)	(3,102.51)
Finance cost accrued during the period	3,007.25	3,178.25
Gain on termination of lease asset	(155.90)	(10.04)
Payment of lease liabilities	(12,480.02)	(12,746.70)
Total	**29,447.44**	**36,452.57**

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 liabiliites as and when they fall due.

Rental expense recorded for short-term leases was ₹ 1,108.49 Lakh for the year ended March 31, 2021 (2019-20: ₹ 1,687.10 Lakh).

36 SECURITY CLAUSE IN RESPECT TO SECURED BORROWINGS

A. Short Term Borrowing

Short term borrowings of ₹ 9,993.46 Lakh (2019-20: ₹ 20,979.73 Lakh) is secured by (a) first pari-passu charge on current assets of the Company (b) second pari-passu charge on fixed assets (c) secured by personal guarantee of a director. Based on OTR implemented, the unpaid interest for FY 2019-20 has been converted into FITL and will be paid in equal installment in September 2021 & December 2021.

B. Long Term Borrowing

During the year ended March 31, 2019, the Company has issued and allotted 19,900 Secured, Rated, Redeemable and Non Convertible Debentures (NCDs) of ₹ 1 Lakh each aggregating to ₹ 19,900 Lakh on private placement basis. The NCDs have been listed on Wholesale Debt Market segment of BSE Limited. The NCDs are secured by maintaining an overall minimum asset cover/security cover of 1.25 times on net block of fixed assets on first pari passu basis on the outstanding amount. The NCDs were issued in Series I and Series II of ₹ 9,900 Lakh and ₹ 10,000 Lakh respectively with tenure of 3 and 4 years from date of allotment respectively. The NCDs carry interest @10.15% payable annnually and on redemption. The redemption date for Series 1 & Series 2 which was September 26, 2021 and September 26, 2022 respectively have been revised based on OTR plan. Accordingly amount repayable includes principal sum of ₹ 2,985 Lakh in 2022-23, ₹ 2,985 Lakh in 2023-24 and ₹ 13,930 Lakh in 2024-25 along with interest payment ₹ 4,039.70 Lakh in 2021-22, ₹ 2,019.85 Lakh in 2022-23, ₹ 1,716.87 Lakh in 2023-24 and ₹ 1,413.90 Lakh in 2024-25.

During the year ended March 31, 2019, the Company had taken a term loan of ₹ 5,000 Lakh from Yes Bank Limited. The same is secured by way of first pari-passu charge on entire fixed assets (excluding land) and second pari-passu charge on current assets and personal undertaking of Kishore Biyani. Rate of interest is 0.55% over and above 6 month MCLR and will be reset semi-annually and every half year thereafter. Based on OTR plan, amount repayable is ₹ 473.10 Lakh in 2021-22, ₹ 946.20 Lakh in 2022-23, ₹ 946.20 Lakh in 2023-24, ₹ 946.20 Lakh in 2024-25 and ₹ 1,375.53 Lakh in 2025-26. (Amount repaid is ₹ 312.48 Lakh in FY 2020-21 and ₹ Nil in FY 2019-20). Interest shall be paid monthly.

During the year ended March 31, 2020, the Company has taken a term loan of ₹ 22,500 Lakh from IDFC First Bank Limited. The same is secured by way of First pari-passu charge over fixed assets, second pari-passu charge over current assets and personal guarantee of Kishore Biyani and Rakesh Biyani. Rate of interest as per OTR is 11.65% pa. Based on OTR plan, amount repayable is ₹1,977.33 Lakh in 2021-22, ₹ 9,886.67 Lakh in

2022-23, ₹ 3,954.67 Lakh in 2023-24 and ₹ 3,954.66 Lakh in 2024-25. (Amount repaid is ₹ 2,676.31 Lakh in FY 2020-21 and ₹ 50.36 Lakh in FY 2019-20). Interest shall be paid monthly or as approved under the OTR scheme.

37 The Board of Directors have approved a Resolution Plan under the 'Resolution Framework for COVID 19 Related Stress' guidelines announced by the Reserve Bank of India vide circular No. RBI/2020-21/16 DOR. No. BP.BC/3/21.04.048/2020-21, dated August 6, 2020 and subsequent circulars relating thereto, in respect of its Term Loans from Banks. The proposal for implementation of a Resolution Framework was invoked with effect from October 29, 2020 and consequently approved by requisite number of the lenders of the Company in terms of the Inter- Creditor Agreement dated November 27, 2020.

The terms of the OTR Scheme as were approved as part of the Framework Agreement between the Company and lenders dated April 26, 2021 are as below, with effect from October 29, 2020 ("the invocation date"):

(a) Unpaid interest from March 2020 till the implementation date and interest accrued thereafter till June 30, 2021 to be converted into Funded Interest Term Loan ("FITL"). FITL to be repaid in two tranches by December 31, 2021.

(b) Existing limits and security structure for each lender for respective facilities to continue. FITL of respective lender will be backed by the similar security as applicable to the original facility.

(c) Repayment of Term Loans outstanding as on March 31, 2021 in structured quarterly instalments from March 31, 2022 onwards.

Since the key regulatory steps to implement the Resolution Plan for the Term Loans (and Working Capital facilities, if applicable) were initiated before March 31, 2021, which is the end of the reporting period, even though the Resolution Plan was approved after the end of the reporting period but before the date of approval of the financial statements by the Board of Directors, the same is considered as an adjusting event in terms of Ind AS-10 on Events after the Reporting Period. Accordingly, the effect for the same has been given in the financial statements.

The Company has received consents from Debenture holder and IDBI Trusteeship Services Ltd., the Debenture Trustee to restructure the terms of the Non Convertible Debentures under Series – I and Series – II, including rescheduling the redemption timeframe. The in principle approval of the Stock Exchange (BSE Limited) where the NCDs are listed has also been obtained on June 2, 2021. According to such mutual consent, the redemption of NCDs are proposed to be restructured as follows:

Particulars of NCDs	No. of debentures	Original Redemption date	Proposed redemption date
Series – I	1,485	September 26, 2021	September 26, 2022
(Face value: ₹1,00,000)	1,485	September 26, 2021	September 26, 2023
	6,930	September 26, 2021	September 26, 2024
Total	**9,900**		
Series – II	1,500	September 26, 2022	September 26, 2022
(Face value: ₹1,00,000)	1,500	September 26, 2022	September 26, 2023
	7,000	September 26, 2022	September 26, 2024
Total	**10,000**		

Unpaid interest on NCDs:

Unpaid interest on NCDs under both series for the year 2019-20 (which was due on September 26, 2020 and deferred till April 30, 2021) has been converted into Funded Interest Term Loan ("FITL") and is payable by December 31, 2021 together with an interest @ 9.00% p.a. on such coupon amount of the year 2019-20 from May 1, 2021 till actual date of payment for the deferred period.

38 EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 25 under the "Contribution to Provident and Other Funds" of Statement of Profit and Loss ₹ 301.77 Lakh (2019-20: ₹ 441.59 Lakh).

Defined Benefit Plan – Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefit are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the Government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by M/s. Universal Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Present value of obligation at the beginning of the year	431.26	268.26	235.51	156.14
Current service cost	74.86	82.99	45.86	57.79
Interest cost	29.06	20.70	15.85	12.05
Remeasurement-Actuarial (gain)/loss	47.23	127.13	(7.76)	70.53
Benefits paid by Company	(114.49)	(67.82)	(97.04)	(61.00)
Present value of obligation at the end of the year	467.92	431.26	192.42	235.51

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	3.72	3.45
Investment Income	0.25	0.27
Fair value of plan assets at the end of the year	3.97	3.72

Net Defined Benefit Liability/ (Assets)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation	467.92	431.26
Fair value of plan assets	(3.97)	(3.72)
Surplus/ (Deficit)	463.95	427.54
Net defined benefit liability/ (assets)	**463.95**	**427.54**

Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	74.86	82.99	45.86	57.79
Net interest on the net defined benefit liability/ asset	28.81	20.44	15.85	12.05
Remeasurement on (gain)/ loss	-	-	(7.76)	70.53
Total expenses recognised in Statement of Profit and Loss	**103.67**	**103.43**	**53.95**	**140.37**

Re-measurement Effects recognised in Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gains)/ loss	47.23	127.13
Total (gain) / loss included in OCI	**47.23**	**127.13**

Financial Assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Discounted rate (per annum)	6.96%	6.80%	6.96%	6.80%
Expected rate of future salary increase	5%	5%	5%	5%
Mortality rate (% of IALM 12-14)	100%	100%	100%	100%
Withdrawal rate (per annum)	1%	1%	1%	1%
Normal retirement age	58 Years	58 Years	58 Years	58 Years

Sensitivity analysis : Gratuity

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

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation (Base)	467.92	431.26

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	536.24	410.91	499.86	374.59
Salary Growth rate (- / + 1%)	409.43	536.91	373.20	500.43
Attrition rate (- / + 50% of attrition rates)	-	-	426.94	435.20
Mortality rate (- / + 10% of mortality rates)	-	-	430.94	431.58

Please note that the sensitivity analysis presented above may not represent the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

39 FINANCIAL INSTRUMENTS

All categories of financial assets and financial liabilities are measured at amortized cost.

40 EXCEPTIONAL ITEMS

During the previous year ended March 31, 2020, the Company divested its entire stake in Vulcan Express Private Limited. The resultant loss of ₹ 5,311.26 Lakh has been shown as an exceptional item in the financial statement. Exceptional item for the quarter and year ended March 31, 2020 includes impairment loss of ₹ 1,942.44 Lakh on investment in associate, write off of Loan & advances of ₹ 572.90 Lakh and Expected Credit Loss on trade and other receivables amounting to ₹ 1,253.83 Lakh.

41 The current tax expenses for the year can be reconciled to the accounting profit as follows:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) for the year	(18,436.19)	(6,388.24)
Income tax expenses	-	-
Effect of allowance to the extent of income tax expenses	-	-
Current tax expenses recognised in Statement of Profit and Loss	-	**-**

42 During the previous year, the Board of Directors of the Company at its meeting held on September 17, 2019 had approved issue of 37,89,350 equity share @ ₹ 664/- per equity share (including premium of ₹ 654/- per equity share) aggregating to ₹ 251,61,28,400/- on preferential basis to Nippon Express (South Asia & Oceania) Pte. Ltd., a foreign company incorporated under the laws of Singapore, in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), the Companies act, 2013 including applicable rules made thereunder (the "Act"). There was execution of share subscription agreement and shareholder's agreement and article of association was altered to reflect relative terms and condition of the shareholder's agreement subject to requisite approvals including shareholders of the company. Subsequently Board of Directors of the Company at its meeting held on December 17, 2019 approved an allotment of 37,89,350 equity share of ₹10 each as full paid on preferential basis at a price of ₹ 664/- per equity shares (including premium of ₹ 654/- per equity share).

43 The Company is engaged only in Logistics services in India and there are no separate reportable business and geographical segments under Ind AS 108 relating to operating segments.

44 As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Company has an outstanding loan amount of ₹ Nil (2019-20: ₹ Nil). Maximum Loan amount outstanding is ₹ Nil (2019-20: ₹ 572.90 Lakh).

45 COVID 19 pandemic and consequent lockdown imposed throughout the country, had a significant adverse impact on the business operations and the Financial Statements of the Company for the quarter and year ended March 31, 2021. 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 Statements, in determination of the recoverability and carrying value of its financial assets and non-financial assets. The impact of COVID19 pandemic and slowdown of business and uncertain overall economic environment may affect the underlying assumptions and estimates used to prepare the Company's Financial Statements, where as actual outcome may differ from those assumptions and estimates considered as at the date of approval of these Financial Statements.

46 The Board of Directors of the Company at its meeting held on August 29, 2020 has inter-alia, considered and approved the Composite Scheme of Arrangement which involves: (i) merger of Future Supply Chain Solutions Limited ("the Company" or Transferor Company 5"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS ("The Composite Scheme of Arrangement"/ Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

The combination contemplated under the Scheme has been approved by Competition Commission of India on November 20, 2020. Further, Stock Exchanges have issued observation letters without any adverse observation on January 20, 2021. Subsequent to this, the Scheme application has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021 for obtaining directions by NCLT for convening the meetings of the Shareholders and Creditors of the Transferor Companies and Transferee Company. NCLT has heard this application and the intervention application filed by Amazon.com Investment Holdings LLC. (Amazon) and has reserved the order on the said intervention application filed by Amazon.

Amazon has initiated arbitration against Future Retail Limited (FRL) and its promoters on October 5, 2020 before Singapore International Arbitration Centre (SIAC). After completion of Emergency Arbitration hearing held pursuant to application of Amazon, Emergency Arbitrator has passed and interim order on October 25, 2020 (EA Order) inter alia restraining FRL and promoters to take any steps in furtherance of the resolution passed on August 29, 2020. However, based on the legal advise received by FRL, it has contended that the EA Order would not be enforceable in view of FRL being not a signatory to the arbitration agreement under which arbitration has been initiated.

In terms of the information provided by FRL, also a party to the Scheme, it has filed a suit before Hon'ble Delhi High Court making a prayer to injunct Amazon from tortuously interfering with the Scheme. The Hon'ble Single Judge of the Delhi High Court has passed a Judgment in the Interim Application, wherein it has prima facie held that there is no arbitration agreement between Amazon and FRL; FRL's Resolution dated August 29, 2020 approving the Scheme is neither void nor contrary to any statutory provision nor the Articles of Association of FRL. The said Judgement further prima facie held that Amazon's representations to various regulatory authorities amounted to unlawful interference with the Scheme and a civil wrong actionable by both FRL and Reliance in case they suffer any loss. No injunction was granted and all the Statutory Authorities were directed to take the decision on the objections of Amazon in accordance with the law. The Hon'ble Court also prima facie held that conflation of the two shareholders agreements will be in violation of FEMA FDI Rules. An Appeal was preferred by Amazon against certain observations contained in this Judgment.

In another application of Amazon under section 17(2) of Arbitration & Conciliation Act, 1996 to enforce EA Order, Hon'ble Delhi High Court vide its interim order dated February 2, 2021 directed the parties to maintain status quo (Status Quo Order). FRL challenged this Order before the Hon'ble Division Bench of Delhi High Court in an appeal. The Learned Division Bench has stayed the aforesaid Status Quo Order on February 8, 2021. Amazon has preferred a Special Leave Petition before Hon'ble Supreme Court against the order of the Hon'ble Division Bench on February 13, 2021. The Hon'ble Supreme Court ruled that the proceedings before NCLT will be allowed to go on but will not culminate in any final order of sanction of the Scheme.

On March 18, 2021 a detailed order was passed by the Single Judge of the High Court ("Detailed Order") inter alia confirming the directions in the Status Quo Order passed by Hon'ble Delhi High Court in the application under section 17(2) of Arbitration & Conciliation Act, 1996, granting further reliefs in favour of Amazon, and inter alia restricting all respondents from taking any further action in violation of the EA Order. An appeal was filed by FRL, as well as other respondents, before the Hon'ble Division Bench against the Detailed Order. On March 22, 2021 the Hon'ble Division Bench was pleased to pass a common order in both the appeals, staying the detailed Order.

Amazon filed special leave petitions before the Hon'ble Supreme Court against the order of the Hon'ble Division Bench passed on March 22, 2021. On April 19, 2021 the Hon'ble Supreme Court was pleased to stay the proceedings before the Single Judge and the Division Bench of the Delhi High Court and directed parties to complete the pleadings and listed all the three SLPs for final disposal on May 4, 2021. Due to Covid-19 related restrictions and preponement of court's summer vacation, the SLPs are now expected to be listed after June 28, 2021.

Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 5, 2021 and FRL has filed two applications before the Tribunal, first being an application under section 16 of Arbitration

& Conciliation Act, 1996 ("Arbitration Act") challenging the jurisdiction of the Tribunal; and second being an Application under Rule 10 of Schedule I of SIA Rules for vacation of the EA Order. As per the schedule finalised by the Tribunal, hearing for both the application would commence on the July 12, 2021.

47 DETAILS OF PAYMENTS TO AUDITORS:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor		
Audit Fees	3.00	18.00
Tax audit fees	1.50	-
In other capacity		
Other services	1.00	-
Total	**5.50**	**18.00**

48 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by Company.The proposed area of CSR activiites are various objective(s) as pescribed under Schedule VII to the Companies Act, 2013.The expenditure incurred during the year on this activities are specified in Schedule VII on the Companies Act, 2013

(a) Amount required to be spent by the Company during the year: ₹ 69.51 Lakh

(b) Amount unspent for the earlier years: ₹ 52.84 Lakh

(c) Amount spent during the year : ₹ 148.57 Lakh

(d) Amount carried forward to the future obligations during next three financial years: ₹ 26.22 Lakh

49 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

50 APPROVAL OF FINANCIAL STATEMENT

The Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on June 24, 2021.

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Statement on Impact of Audit Qualifications (for audit report with modified opinion) on Standalone Audited Financial Statements for the year ended March 31, 2021

(₹ in Lakh)

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1	Turnover / Total income	50,027.89	50,027.89
	2	Total Expenditure	68,464.08	68,464.08
	3	Net Profit/(Loss)	(18,436.19)	(18,436.19)
	4	Earnings Per Share (₹)	(42.01)	(42.01)
	5	Total Assets	1,78,577.78	1,78,577.78
	6	Total Liabilities	1,22,783.33	1,22,783.33
	7	Net Worth	55,794.45	55,794.45
	8	Any other financial item(s) (as felt appropriate by the management)	None	None
II	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:** Refer to Exhibit A		
	b.	**Type of Audit Qualification:** Qualified Opinion		
	c.	**Frequency of qualification:** repetitive		
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable		
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:** Refer exhibit A		
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:		
		(iii) Auditors' Comments on (i) or (ii) above:		
III	**Signatories:**			
	~~CEO~~/ Managing Director			Sd/-
	CFO			Sd/-
	Audit Committee Chairperson			Sd/-
	Statutory Auditors			Sd/-
	Place: Mumbai			
	Date: June 24, 2021			

Exhibit A to the Statement on Impact of Audit Qualifications (for audit report with modified opinion) on Standalone Audited Financial Statements for the year ended March 31, 2021

Sr No.	Audit Qualification	Management response	Auditors remarks/ comment
1	Total trade receivables amounting to ₹ 74,232.83 Lakh includes related party receivables amounting to ₹ 64,067.96 Lakh as at March 31, 2021. There have been substantial delays in receipt from customers and subsequent receipts have not been significant. In view of the above, we are unable to obtain sufficient and appropriate audit evidence and are unable to comment on adequacy of loss provision, valuation and recoverability of balance outstanding amounting to ₹ 73,588.23 Lakh (net of provision ₹ 644.60 Lakh as at March 31, 2021).	The outbreak of COVID-19 pandemic has severely impacted consumption and businesses in India. The outbreak of COVID-19 and the consequent multiple lock-downs, disruptions in transportation and supply chains, travel bans, quarantines, social distancing and other such emergency measures have caused widespread disruptions in the economy and businesses. Many of our customers took precautionary measures in terms of payments, which has led to a sharper increase in our trade receivable days. The Company expects the receivables to be realised in full as normal business operations starts post the pandemic. The Company has also additional security of inventories of debtors lying in its warehouse to recover the outstanding.	Impact cannot be ascertained for non-recoverable balances as on the date of signing of this report.

INDEPENDENT AUDITOR'S REPORT

To
The Members
Future Supply Chain Solutions Limited

Report on the Audit of the Consolidated Financial Statements

QUALIFIED OPINION

We have audited the accompanying Consolidated Financial Statements of Future Supply Chain Solutions Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, 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 (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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, 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 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, 2021, its loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

BASIS FOR QUALIFIED OPINION

Total trade receivables amounting to ₹ 74,232.83 Lakh includes related party receivables amounting to ₹ 64,067.96 Lakh as at March 31, 2021. There have been substantial delays in receipt from customers and subsequent receipts have not been significant. In view of the above, we are unable to obtain sufficient and appropriate audit evidence and are unable to comment on adequacy of loss provision, valuation and recoverability of balance outstanding amounting to ₹ 73,588.23 Lakh (net of provision ₹ 644.60 Lakh as at March 31, 2021).

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). 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 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 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

EMPHASIS OF MATTER

We draw your attention to the following matters:

i. We draw attention to Note No. 44 of the Statement, which describes uncertainties and management's assessment of the impact of the COVID-19 pandemic on the operations and Financial Statements of the Company. Further, due to Covid-19 related lock down restrictions, management was able to perform year end physical verification of Inventory and Fixed Assets at certain locations after the year end. We were unable to physically observe the verification of inventory and Fixed Assets that was carried out by the management and have relied on the management's representation provided for the same.

ii. We draw attention to Note No. 37 of the Statement, which narrates management's Resolution Plan under a 'Resolution Framework for COVID 19 related stress' announced by the Reserve Bank of India. The Resolution Plan has been approved by Board of Directors and the lenders of the Company as a part of "the OTR Scheme".

INDEPENDENT AUDITORS' REPORT (CONTD.)

iii. We draw attention to Note No. 37 of the Statement, which states management's decision for deferment of payment of annual interest on NCDs. The said annual interest was due to be paid on September 26, 2020 but the same has now been converted into Funded Interest Term Loan (FITL) which shall be payable 50% each in September 2021 & December 2021, respectively. Consent of debenture holder i.e. Azim Premji Trust has been obtained for implementing one-time restructuring of the same.

Our opinion is not modified in respect of the above matters.

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.

Key Audit Matters	How our audit addressed the key audit matter
1 External Confirmations	

COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business activities of the many confirming parties, most confirmations were not received. The Company seeks and had sought confirmations from vendors and customers during the year.
 	
In such events, we auditors performed alternative audit procedures.
 	
This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19 vis-à-vis non-COVID-19 scenario.
	Our audit procedures included, among others, the following:
	
	- Revised assessed risk and modify our audit procedures to mitigate these risks;
	- Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.;
	- Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions;
	- Performed alternative audit procedures like
	  - For accounts receivable balances: scrutiny of ledger accounts and verification of subsequent receipts;
	  - For accounts payable balances: scrutiny of ledger accounts and other documents/records, such as bills from vendors and subsequent payments.

2. Carrying value of Trade Receivables	
As at March 31, 2021, Trade receivables constitutes approximately 41.21% of total assets of the Company. The Company is required to regularly assess the recoverability of its Trade Receivables. Recoverability of Trade Receivables was highly significant to our audit due to the value of amounts which also represents significant portion of the Company's working capital.	Our audit procedures in respect of evaluation of receivables included the following: - Tested the ageing of trade receivables and receipts subsequent to the year-end; - Evaluated Management's assessment of the current financial situation of the major entities whose balances are receivable as the year-end.

	Key Audit Matters	How our audit addressed the key audit matter
	Expected credit loss involves judgement as it must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Management has made provision for expected credit loss of ₹ 644.60 Lakh. Considering the fact that out of total trade receivables around 90% are due to be recovered from Related Parties, the recoverability of Trade Receivables is a key audit matter in our audit of Ind AS Financial Statements.	- Assessed the Company's expected credit loss calculations made in determining the recoverable amount. - Sent and obtained confirmations for major parties possible. - On the basis of above audit procedures performed we conclude that there have been substantial delays in receipt from customers and subsequent receipts have not been significant. In view of the above, we are unable to obtain sufficient and appropriate audit evidence and are unable to comment on adequacy of loss provision, valuation and recoverability of balance outstanding.
3.	**Repayment of Term Loan & Interest thereon**	
	Repayment of Term Loans of ₹ 24,460.56 Lakh as on March 31, 2021 in structured quarterly instalments from March 31, 2022 onwards. Unpaid interest from March 2020 till the implementation date and interest accrued thereafter till June 30, 2021 to be converted into Funded Interest Term Loan ("FITL"). FITL as on March 31, 2021 was ₹ 994.73 Lakh. FITL to be repaid in two tranches by December 31, 2021. As Companies business and liquidity was directly impacted by COVID-19, the Company along with the lenders decided to implement an OTR Scheme under a 'Resolution Framework for COVID 19 related stress' announced by the Reserve Bank of India hence it is a key audit matter in our audit of Ind AS Financial Statements.	Our audit procedures with respect to this included the following: - We have verified the approval of Board of Directors and lenders of the Company authorizing company to implement such OTR Scheme. - A signed copy of ICA Agreement between the Company and its lenders has been obtained, where support of 75% of lenders by value and 60% of lenders by number was obtained. - We have obtained sanction letter and Banks confirmation for conversion of outstanding interest on Term Loan into FITL. - We have verified the modified Repayment Schedule with the Sanction Letter obtained. - We have ensured that interest accrued on Term Loans have been properly accounted for and Term Loans have been properly classified into Current and Non-Current as per revised schedule. - An expert's opinion has also been obtained by Company on proper presentation and disclosure of Term Loan in books of accounts.
4.	**Repayment of NCD & Interest thereon**	
	During the year Company has deferred the payment of annual interest on NCDs amounting to ₹ 2,019.85 Lakh. The said annual interest became due on September 26, 2020, now converted into Funded Interest Term Loan (FITL) which shall be payable 50% each in September 2021 & December 2021 respectively.	Our audit procedures with respect to this included the following: - We have verified the consents from Debenture holder and Debenture Trustee to restructure the terms of the Non Convertible Debentures, including rescheduling the redemption timeframe. - We have obtained copies of intimation and in principle approval of Stock Exchange for sanction of OTR Scheme.

INDEPENDENT AUDITORS' REPORT (CONTD.)

Key Audit Matters	How our audit addressed the key audit matter
An interest @ 9.00% p.a. shall be payable on such coupon amount of the year 2019-20 from May 1, 2021 till actual date of payment for the deferred period. The redemption of NCDs are also proposed to be restructured. The COVID-19 pandemic has deeply impacted the long-term business viability and led to significant financial stress across the industries. The debt burden has become disproportionate relative to the cash flow generated by the company owing to multiple lockdowns since pandemic surfaced. And since these NCD's are listed on BSE, it is a key audit matter in our audit of INDAS Financial Statements.	- We have verified the terms of Restructuring plan for redemption of Debentures. - We have verified the Repayment terms of FITL created on account of outstanding interest on Debentures. - We have ensured that interest accrued on Debentures have been properly accounted for and Debentures have been properly classified into Current and Non-Current as per revised schedule.
5. Related Party Transactions	
The Company has significant transactions with related parties which includes sale of products, services, rent, loans and advances given. Company's major portion of total revenue comes from related party. Considering the high volume of transactions with related parties and determination of arm's length price to be a key audit matter in our audit of the Consolidated Financial Statements.	Performed test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Company, entering into agreements/contracts and recording in books of account; - Read contracts and agreements with related parties to understand the nature of the transactions; - Assessed the disclosures made in the Consolidated Financial Statements as per Ind AS 24. - Obtained external party confirmation from all the major related parties.

INFORMATION OTHER THAN THE 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 Report, 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 RESPONSIBILITIES FOR THE CONSOLIDATED 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 Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows 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 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, 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.

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

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 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 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 Company 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 Consolidated Financial Statements of the Company to express an opinion on 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 Consolidated 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 Consolidated 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 MATTER

The Consolidated Financial Statements also includes 1 associate which reflects Group's share of net loss of Nil and total comprehensive loss of Nil for the year ended March 31, 2021 whose financial information have not been audited by us.

In our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included herein is based solely on the financial information approved and furnished to us by the management and consideration of the report of the other auditor.

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of the above matter.

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 except for the matter described in basis of qualified opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) Except for the matter described in basis of qualified opinion paragraph above, 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 Company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.

d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated 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.

e) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rule issued there under to the extent applicable to the Company.

f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

g) 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 A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) 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.

i) 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 Consolidated Financial Statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **DMKH & CO.**
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner
Membership Number: 447848
UDIN: 21447848AAAAAI7351

Place: Mumbai
Date: June 24, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Future Supply Chain Solutions Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 SUPPLY CHAIN SOLUTIONS LIMITED (the "Company") as of March 31, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the 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 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, to the best of our information and according to the explanations given to us, the Holding Company and its associate company have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial 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.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate company, which is company incorporated in India is based on the corresponding information furnished to us by the management and report of the other auditor.

For **DMKH & CO.**
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner
Membership Number: 447848
UDIN: 21447848AAAAAI7351

Place: Mumbai
Date: June 24, 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	44,260.73	50,965.49
Right of use assets	35	25,202.52	32,222.77
Capital work in progress		-	573.55
Other Intangible assets	3	333.22	216.42
Financial assets			
Investment in Associate	4	-	-
Other financial assets	5	2,415.78	5,535.39
Other non current assets	6	4,405.03	9,719.27
Total non-current assets		**76,617.28**	**99,232.89**
Current assets			
Inventories	7	236.68	352.08
Financial assets			
Trade receivables	8	73,588.23	81,527.38
Cash and cash equivalents	9	12.36	31.10
Bank Balances other than cash and cash equivalents	10	267.93	270.90
Loans	11	21,000.00	21,000.00
Other financial assets	12	6,253.81	1,933.07
Other current assets	13	601.49	591.82
Total current assets		**101,960.50**	**105,706.35**
Total assets		**178,577.78**	**204,939.24**
EQUITY & LIABILITIES			
Equity			
Equity share capital	14	4,388.36	4,388.36
Other equity	15	51,406.09	69,928.09
Total equity		**55,794.45**	**74,316.45**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	41,745.46	34,160.90
Lease liabilities	35	20,408.80	25,979.59
Other non current financial liabilities	17	549.25	55.63
Provisions	18	646.93	654.03
Total non-current liabilities		**63,350.44**	**60,850.15**
Current liabilities			
Financial liabilities			
Borrowings	19	9,993.46	20,979.73
Lease liabilities		9,038.64	10,472.98
Trade payables			
- Micro and small enterprises	31	1,258.14	315.78
- Others		30,225.28	29,731.79
Other current financial liabilities	20	8,583.81	7,706.92
Other current liabilities	21	324.12	556.41
Provisions	22	9.44	9.03
Total current liabilities		**59,432.89**	**69,772.64**
Total equity and liabilities		**178,577.78**	**204,939.24**
Notes to the Financial Statements	1-49		

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	23	46,641.46	114,097.71
Other income	24	3,386.43	2,004.96
Total income		**50,027.89**	**116,102.67**
Expenses			
Cost of logistics services		27,815.70	70,012.30
Employee benefits expense	25	7,512.86	8,810.01
Finance costs	26	9,837.75	8,081.04
Depreciation and amortisation expense	3 & 35	16,531.81	16,608.52
Other expenses	27	6,765.96	10,014.25
Total expenses		**68,464.08**	**113,526.12**
Profit/ (Loss) before exceptional items and tax		**(18,436.19)**	**2,576.55**
Exceptional items		-	1,474.19
Profit/ (Loss) before tax		**(18,436.19)**	**1,102.36**
Share of loss in Associate company		-	(1,675.48)
Profit/ (Loss) after share of Associate		**(18,436.19)**	**(573.12)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of the defined benefit plan		(47.23)	(127.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		**(47.23)**	**(127.13)**
Total comprehensive income/ (loss) for the year		**(18,483.42)**	**(700.25)**
Earnings per equity share (face value ₹ 10/- each):	34		
Basic & Diluted (₹)		(42.01)	(1.39)
Notes to the Financial Statements	1-49		

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Anant Nyatee
Partner
Membership No.: 447848

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Mumbai
Date : June 24, 2021

Samir Kedia
(Chief Financial Officer)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) EQUITY SHARE CAPITAL		
Opening balance	4,388.36	4,008.11
Add : Equity shares issued and alloted during the year	-	378.94
Add : Equity shares issued under Employee Stock Option Plan (ESOP)	-	1.31
Closing balance	**4,388.36**	**4,388.36**
(B) OTHER EQUITY		
Retained earnings		
Opening balance	18,735.02	23,958.91
Profit/ (Loss) for the year	(18,436.19)	(573.12)
Other comprehensive income for the year (net of tax)	(47.23)	(127.13)
Dividend paid (including Dividend Distribution Tax)	-	(604.11)
Adjustment on transition to INDAS 116- 'Leases'	-	(3,919.53)
Closing balance	**251.60**	**18,735.02**
Capital reserve		
Opening balance	1,713.51	1,713.51
Closing balance	**1,713.51**	**1,713.51**
Securities premium		
Opening balance	46,432.55	21,563.97
Add : Equity Shares issued under ESOP	-	44.66
Add : Equity Shares issued on Preferential basis (Nippon)	-	24,782.35
Add : Transfer from share options outstanding account on exercise of ESOP	-	41.57
Closing balance	**46,432.55**	**46,432.55**
Debenture Redemption Reserve		
Opening balance	2,500.00	2,500.00
Closing balance	**2,500.00**	**2,500.00**
Share options outstanding		
Opening balance	547.01	475.14
Add: Recognition of share based payments	(38.58)	113.44
Less: Transfer to securities premium on exercise of ESOP	-	(41.57)
Closing balance	**508.43**	**547.01**
Total other equity	**51,406.09**	**69,928.09**

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit/ (loss) before tax	(18,436.19)	(573.12)
	Adjusted for:		
	Depreciation and amortisation expense	16,531.81	16,608.52
	Share of loss in Associate	-	1,675.48
	Finance costs	9,837.75	8,081.04
	Provision for doubftful debts	250.00	322.42
	Provision for doubtful advances	-	45.68
	Loss on sale of fixed assets and Scrap of assets	840.96	295.31
	Gain on termination of lease asset	(155.90)	(10.04)
	Investment written off	-	0.70
	Exceptional item	-	1,826.72
	Expenses on employee stock option (ESOP)	(38.58)	113.44
	Interest income	(3,027.93)	(1,685.66)
	Cash generated from operations before working capital changes	**5,801.92**	**26,700.49**
	Adjusted for:		
	(Increase)/decrease in trade receivables	7,689.16	(48,131.95)
	(Increase)/decrease in inventories	115.41	200.87
	(Increase)/decrease in other financial and other assets	1,429.53	(726.02)
	Increase/(decrease) in trade payables, other liabilities and provisions	360.92	5,829.67
	Cash flow from operations	**15,396.94**	**(16,126.94)**
	(Taxes paid)/Refund (net)	5,314.72	(3,104.05)
	Net cash from operating activities	**20,711.66**	**(19,230.99)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment and intangible assets	(739.86)	(12,937.70)
	Sale of property, plant & equipment and intangible assets	115.15	525.15
	Loan and advances given	-	(21,521.72)
	Interest received	666.60	822.80
	Net cash used in investing activities	**41.89**	**(33,111.47)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Payment of lease liability	(12,583.95)	(13,022.30)
	Proceeds from issue of Equity Shares under ESOP	-	45.97
	Proceeds from issue of Equity Shares on Preferential basis	-	25,161.28
	Dividend paid (including Dividend Distribution Tax)	-	(604.11)
	Proceeds/ (Repayment) from/ (of) current borrowings (net)	(1,524.42)	8,429.90
	Proceeds from non current borrowings	-	26,008.91

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Repayment of non current borrowings	(2,988.81)	(50.36)
Interest paid	(3,678.08)	(5,197.53)
Net cash from financing activities	**(20,775.26)**	**40,771.76**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(21.71)**	**(11,570.70)**
Cash and cash equivalents at the beginning of the year	302.00	11,872.70
Cash and cash equivalents as per Balance Sheet	**280.29**	**302.00**

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

1. COMPANY OVERVIEW

Future Supply Chain Solutions Limited (the "Company'') is a public company domiciled in India and incorporated on March 8, 2006. The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Company is an integrated and IT enabled end-to-end Supply Chain and Logistics Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain Logistics etc. The Company mainly caters to corporates in Food & Beverages, Lifestyle, Consumer Durables & Electronics, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise, E-Commerce sectors etc. Each category has a distinct supply chain requirement that needs customised solutions. The Company has been a pioneer and leader in modernising logistics and supply chain in India by having implemented cutting-edge technology and contemporary supply chain management practices through implementation of global best practices, indigenised and best adapted for Indian conditions. The Company has its registered office at Mumbai, Maharashtra, India.

2A. REVISED INDIAN ACCOUNTING STANDARD ("IND AS") ISSUED BUT NOT EFFECTIVE

Standards issued but not effective (based on Exposure drafts available as on date).

Issue of Ind AS 117 – Insurance Contracts Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Group's Financial Statements.

2B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The Consolidated Financial Statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other applicable laws.

2.2. Basis of Preparation and Presentation

The Consolidated Financial Statements have been presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

These Financial Statements are prepared in accordance with 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 Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 'Share-based payment', leasing transactions that are within the scope of Ind AS 116 '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.

The principal accounting policies are set out below.

2.3. Basis of Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company and its subsidiary (together referred to as the "Group"). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognizing its share of further losses.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's Consolidated Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Consolidated Financial Statements of the Group comprises Financial Statement of Future Supply Chain Solutions Limited and the following companies:

Name of the Company	Relationship	Country of Incorporation	Principle Activity	Proportion of ownership interest and voting power held by the Company	
				As at March 31, 2021	As at March 31, 2020
Vulcan Express Private Limited	Subsidiary	INDIA	Logistics Services	-	-
Leanbox Logistics Solutions Private Limited	Associate	INDIA	Logistics Services	49.36%	49.36%

2.4. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably.

Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

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

Assets	Useful Life
Plant and Equipments	15 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles	6 years
Computers	3 years
Leasehold Improvements	Lease term

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

The cost of assets not put to use before such date are disclosed under 'Capital Work-In-Progress'.

2.5. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Assets	Useful Life
Softwares	6 years

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

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

2.6. Leasing

Group as lessee

The Group's lease asset primarily consist of leases for building. The Group assesses whether a contract contains a lease, at inception of a contract. The 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 use of an identified asset, the Group assesses whether i) the contract involves use of an identified asset ii) the Group has substantially all of the economic benefits from use of the asset through the period of lease and iii) the Group has right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right- of- use asset ('ROU") at cost 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 Group recognizes the lease payments as an operating expenses on a straight-line basis over the term of the lease.

Certain lease arrangements includes the option to extend or terminate the lease before the end of lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right- of- use assets are initially recognized 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 cost 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 event 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 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 Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU have been separately presented in the Balance sheet and lease payment have been classified as financing cash flows.

The Group as lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of these lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it account 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 head lease.

For operating lease, rental income is recognized on straight line basis over terms of the relevant lease.

2.7. Financial Instruments

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated Statement of Profit and Loss.

(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(ii) Financial assets at fair value through other comprehensive income

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

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

(iii) 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 Consolidated Statement of Profit or Loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through Consolidated Statement of Profit or 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. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

c. Compound instruments

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Consolidated Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

(iii) Derecognition of financial instruments

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

A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.8. Foreign Currency

Functional currency

The functional currency of the Group is the Indian rupee ('' ₹'').

i. Initial recognition

In preparing the Financial Statement of the Group, transactions in currencies other than the Companies functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported in Indian Rupee using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Group accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realised gains and losses on settlement of foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

2.9. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged in the period they occur in the Consolidated Statement of Profit and Loss.

2.10. 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.

Revenue recognition prescribed in five-step model:

Step 1 : Identify the contract(s) with a customer – Contracts may be written, oral or implied by customary business practices, but revenue can be recognised only on those contracts that are enforceable and have commercial substance.

Step 2 : Identify the separate performance obligations in the contract – Performance obligations are explicitly or implicitly promised goods or services in a contract as well those arising from customary business practices. An entity needs to identify performance obligations which are distinct.

Step 3 : Determine the transaction price – The transaction price is the amount of consideration to which an entity expects to be entitled. It includes variable consideration, impact of significant financing components, fair value of non-cash consideration and impact of consideration payable to the customer.

Step 4 : Allocate the transaction price to the separate performance obligations – The standard requires allocation of the total contract price to the various performance obligations based on their relative stand-alone selling prices, with limited exceptions.

Step 5 : Recognize revenue when (or as) the entity satisfies a performance obligation – Revenue recognition can occur either over time or at a point in time. Revenue recognition for a performance obligation occurs over time only if it meets one of the three prescribed criteria.

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 through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

2.11. Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other liabilities are classified as non-current.

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

2.12. Employee Benefits

Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Group’s contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Consolidated Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Consolidated Statement of Profit or Loss.

Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’.

Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.13. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

2.14. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.15. Provisions, Contingent liabilities & Contingent assets

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

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 Group 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 Group 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.

2.16.Impairment

a. Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through Consolidated 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 is recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

b. 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 recognised in the Consolidated 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 Consolidated 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.

2.17. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.18.Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Consolidated Statement of Profit 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 Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase.

If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

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").

2.19.Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.20. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in Balance sheet.

2.21. Key sources of estimation uncertainty and critical accounting judgments

In the course of applying the accounting policies, the Group is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. Provisions, liabilities and contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.22. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

3 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Plant and Equip-ments	Furniture & Fixtures	Office Equip-ments	Computers	Electrical Installa-tions	Leasehold Improve-ments	Vehicles	Total
Cost								
As at April 1, 2020	42,640.31	5,993.56	1,694.84	7,793.11	6,444.30	2,916.40	378.97	67,861.49
Additions	489.33	54.12	136.53	73.85	176.96	73.04	-	1,003.83
Deletions	631.67	248.90	60.75	429.10	277.85	548.16	-	2,196.43
As at March 31, 2021	**42,497.97**	**5,798.78**	**1,770.62**	**7,437.86**	**6,343.41**	**2,441.28**	**378.97**	**66,668.89**
Accumulated depreciation								
As at April 1, 2020	7,348.15	1,938.64	810.63	3,599.21	1,802.94	1,152.01	244.42	16,896.00
Depreciation for the year	2,974.49	593.51	322.78	1,940.28	661.02	202.88	57.55	6,752.51
Deletions	138.35	105.15	49.07	389.67	104.62	453.49	-	1,240.35
As at March 31, 2021	**10,184.29**	**2,427.00**	**1,084.34**	**5,149.82**	**2,359.34**	**901.40**	**301.97**	**22,408.16**
Net book value								
As at March 31, 2021	**32,313.68**	**3,371.78**	**686.28**	**2,288.04**	**3,984.07**	**1,539.88**	**77.00**	**44,260.73**
As at March 31, 2020	35,292.16	4,054.92	884.21	4,193.90	4,641.36	1,764.39	134.55	50,965.49

(₹ in Lakh)

Particulars	Computer Softwares	Total
Cost		
As at April 1, 2020	427.89	427.89
Additions	148.41	148.41
Deletions	0.73	0.73
As at March 31, 2021	**575.57**	**575.57**
Accumulated amortisation		
As at April 1, 2020	211.47	211.47
Amortisation for the year	31.58	31.58
Deletions	0.70	0.70
As at March 31, 2021	**242.35**	**242.35**
Net book value		
As at March 31, 2021	**333.22**	**333.22**
As at March 31, 2020	216.42	216.42

3 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (CONTD.)

(₹ in Lakh)

Particulars	Plant and Equip-ments	Furniture & Fixtures	Office Equip-ments	Computers	Electrical Installa-tions	Leasehold Improve-ments	Vehicles	Total
Cost								
As at April 1, 2019	31,581.94	6,187.58	1,689.67	6,812.51	6,039.44	2,761.17	389.07	55,461.38
Additions	12,118.02	841.52	308.44	1,822.70	1,017.19	912.86	-	17,020.73
Deletions	1,059.65	1,035.54	303.27	842.10	612.33	757.63	10.10	4,620.62
As at March 31, 2020	**42,640.31**	**5,993.56**	**1,694.84**	**7,793.11**	**6,444.30**	**2,916.40**	**378.97**	**67,861.49**
Accumulated depreciation								
As at April 1, 2019	5,089.90	2,170.13	698.98	2,436.78	1,417.10	1,681.25	189.01	13,683.15
Depreciation for the year	2,614.49	613.29	342.14	1,894.35	697.85	197.33	61.04	6,420.49
Deletions	356.24	844.78	230.49	731.92	312.01	726.57	5.63	3,207.64
As at March 31, 2020	**7,348.15**	**1,938.64**	**810.63**	**3,599.21**	**1,802.94**	**1,152.01**	**244.42**	**16,896.00**
Net book value								
As at March 31, 2020	**35,292.16**	**4,054.92**	**884.21**	**4,193.90**	**4,641.36**	**1,764.39**	**134.55**	**50,965.49**
As at March 31, 2019	26,492.04	4,017.45	990.69	4,375.73	4,622.34	1,079.92	200.06	41,778.23

(₹ in Lakh)

Particulars	Computer Softwares	Total
Cost		
As at April 1, 2019	462.18	462.18
Additions	118.81	118.81
Deletions	153.10	153.10
As at March 31, 2020	**427.89**	**427.89**
Accumulated amortisation		
As at April 1, 2019	278.37	278.37
Amortisation for the year	23.69	23.69
Deletions	90.59	90.59
As at March 31, 2020	**211.47**	**211.47**
Net book value		
As at March 31, 2020	**216.42**	**216.42**
As at March 31, 2019	183.81	183.81

4 INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments		
Unquoted, Non- trade investment (at cost)		
Investment in Equity Instruments		
Associate		
6,69,568 (2020: 6,69,568) Equity shares of ₹10 each of Leanbox Logistics Solutions Private Limited	-	-
Less: Impairement loss	-	-
	-	-

5 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current financial assets - others		
Unsecured considered good		
Security deposits	2,415.78	5,535.39
	2,415.78	**5,535.39**

6 OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	4.54	4.07
Advances to Statutory Authorities	4,400.49	9,715.20
	4,405.03	**9,719.27**

7 INVENTORIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Packing materials	236.68	352.08
* Valued at Weighted average basis		
	236.68	**352.08**

8 TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	73,588.23	81,527.38
Trade receivables - credit impaired	644.60	1,732.91
Less: Allowances for expected credit loss	(644.60)	(1,732.91)
	73,588.23	**81,527.38**

9 CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
In current accounts	6.26	14.50
Cash on hand	6.10	16.60
	12.36	**31.10**

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank deposits (under lien)	267.93	270.90
	267.93	**270.90**

11 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans		
Inter corporate deposit given		
- Secured considered good	21,000.00	21,000.00
	21,000.00	**21,000.00**

12 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Other current financial assets		
Interest Income Accrued	3,361.48	748.67
Security deposits		
Unsecured, considered good	2,892.33	1,184.40
Security deposits- credit impaired	21.92	132.19
Less: Allowance for doubtful deposits	(21.92)	(132.19)
	6,253.81	**1,933.07**

13 OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Government authorities	324.99	198.12
Others (includes prepaid expenses, advance to suppliers etc.)	276.50	393.70
	601.49	**591.82**

14 SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised				
Equity shares of ₹10 each	50,000,000	5,000.00	50,000,000	5,000.00
	50,000,000	**5,000.00**	**50,000,000**	**5,000.00**
Issued, subscribed and fully paid up				
Equity shares of ₹10 each fully paid up	43,883,598	4,388.36	43,883,598	4,388.36
	43,883,598	**4,388.36**	**43,883,598**	**4,388.36**

(i) Reconciliation of number of shares

Equity shares of ₹10 each

Particulars	As at March 31, 2021	As at March 31, 2020
	Number of Shares	Number of Shares
Opening balance	43,883,598	40,081,113
Add: Equity shares issued and alloted during the year	-	3,789,350
Add: Allotment pursuant to exercise of stock options granted	-	13,135
	43,883,598	**43,883,598**

(ii) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

(iii) Pursuant to the applicable laws, the Company has entered into a shareholders' agreement with an Investor. According to the said Agreement and Articles of Association of the Company, the Investor is entitled to exercise, inter alia, the following rights so long the Investor holds not less than 10% of issued and paid up capital of the Company:

1. The right to nominate a Director on the Board of Directors of the Company;
2. The right to have its nominee Director on the Audit Committee as an Observer;
3. Right of First Refusal and Right of First Offer with respect to transfer of shares of the Company by Promoter;
4. Pre-emptive rights with respect to issue of new equity shares or any other convertible securities;
5. Right to approve/ disapprove, inter alia, following matters which are reserved for the consent of the Investor;
   a. entry by the Company into any transaction involving: (i) buyback (ii) capital reduction (iii) scheme of arrangement or compromise between the Company and its creditors and/or Shareholders (iv) restructuring, (v) merger, (vi) demerger, (vii) amalgamation, (viii) consolidation;
   b. Dissolution, winding-up or liquidation of the Company;
   c. Any creation of an Encumbrance over the assets of the Company, other than in the Ordinary Course of Business

(iv) More than 5 percent shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in the Company are as under :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares				
Ritvika Trading Private Limited	9,632,685	21.95	20,515,817	46.75
IDBI Trusteeship Services Limited	10,883,132	24.80	-	-
Nippon Express (South Asia & Oceania) Pte. Ltd.	9,652,825	22.00	9,652,825	22.00
L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	-	-	2,791,351	6.36

(v) Share options granted under the ESOP

Share options granted under the ESOP carry no rights as to dividend and voting.

(vi) As at March 31, 2021, total 1,58,085 (2020: 2,38,565) equity shares are reserved for issuance towards outstanding employee stock options granted. (Refer Note no. 33)

15 OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	251.60	18,735.02
Capital reserve	1,713.51	1,713.51
Securities premium	46,432.55	46,432.55
Debenture Redemption Reserve	2,500.00	2,500.00
Employee stock option outstanding	508.43	547.01
Total Other Equity	**51,406.09**	**69,928.09**

15.1 Description of reserves

Capital Reserve

Capital reserve is created for excess of fair value of assets taken and liabilities assumed over the consideration transferred pursuant to acquisition of Subsidiary.

Securities premium

This reserve is created to transfer a sum equal to the aggregate amount of the premium received on shares issued as per the applicable provisions of the Companies Act, 2013.

Debenture Redemption Reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a Debenture Redemption Reserve out of the profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the Debenture Redemption Reserve cannot be utilised by the Company except to redeem debentures.

Employee stock option outstanding

This reserve relates to share options granted by the Company to its employees and directors under ESOP. Further information about share-based payments to employees is set out in Note no. 33.

Retained Earnings

This represent the surplus/ (deficit) of the Consolidated Statement of Profit and Loss. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate Financial Statements of the Company and also considering the requirements of the Companies Act, 2013.

16 NON CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans		
From banks*	21,930.63	14,394.03
Non convertible debentures	19,814.83	19,766.87
	41,745.46	**34,160.90**

* Financial liabilities carried at amortised cost (Refer note no. 36)

17 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits*	549.25	55.63
	549.25	**55.63**

* Financial liabilities carried at amortised cost

18 NON CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer note no. 38)	646.93	654.03
	646.93	**654.03**

19 CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (Refer note no. 36)		
Working capital loans from bank	7,900.19	8,429.90
Current maturities of long term borrowings	2,093.27	12,549.83
	9,993.46	**20,979.73**

20 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	26.07	11.75
Capital creditors	1,061.85	1,222.55
Statutory dues	499.02	824.54
Unpaid dividends	0.26	0.26
Interest accrued	3,274.46	1,162.99
Other payables	3,722.15	4,484.83
	8,583.81	**7,706.92**

21 OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Other payables (includes deferred rent expenses, advance from customers etc.)	324.12	556.41
	324.12	**556.41**

22 PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer note no. 38)	9.44	9.03
	9.44	**9.03**

23 REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services	46,641.46	114,097.71
	46,641.46	**114,097.71**

24 OTHER INCOME

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	3,027.93	1,685.66
Other non operating income	358.50	319.30
	3,386.43	**2,004.96**

25 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	7,064.38	7,843.92
Contribution to provident and other funds	301.77	441.59
Share based payments to employees (Refer note no. 33)	(38.58)	113.44
Staff welfare expenses	185.29	411.06
	7,512.86	**8,810.01**

26 FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses on		
- Interest expenses	6,760.45	4,575.14
- Lease liabilities	3,007.25	3,178.25
- Other borrowing costs	70.05	327.65
	9,837.75	**8,081.04**

27 OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	1,318.59	1,913.71
Repairs and maintenance	908.58	1,150.33
Insurance	112.11	166.78
Rates and taxes	70.60	369.51
Travelling and conveyance expenses	394.04	1,106.38
Auditors' remuneration	5.50	18.30
Security expenses	1,241.58	1,810.62
Corporate social responsibility	69.51	52.84
Allowances for expected credit loss	250.00	322.42
Provision for doubtful advances	-	45.68
Exchange fluctuation loss (Net)	1.11	0.14
Loss on sale of fixed asset	840.96	229.89
Miscellaneous expenses	1,553.38	2,827.65
	6,765.96	**10,014.25**

28 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 Board of Directors.

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

The Group 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.

Capital Management

The Group manages its capital to ensure that Group will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Group consists of net debt (total debt offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings). The Group is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Group on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Group has a target Debt to Equity Ratio of 1:1 determined as the proportion of net debt to equity. The Group had net debt to equity of 0.93x as on March 31, 2021 (March 31, 2020: 0.74x).

Interest Rate Risk

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

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

Foreign Currency Risk

The Group's exposure to exchange fluctuation risk is insignificant for its purchase from overseas suppliers in various foreign currencies.

The Group do not have any Foreign currency exposure during the year.

Foreign exchange risk sensitivity:

The Group analyses a 10% variation (sensitivity) in the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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 ₹ 74,232.83 Lakh and ₹ 83,260.29 Lakh as of March 31, 2021 and March 31, 2020 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 grants 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.

The average credit period on sale of services is 30 to 90 days. No interest is charged on trade receivables.

Credit Risk Exposure

Movement in expected credit loss:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1,732.91	881.72
Movement in expected credit loss (Net)	(1,088.31)	851.19
Closing balance	**644.60**	**1,732.91**

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The Group had a working capital of ₹ 51,566.25 Lakh (2019-20: ₹ 46,406.70 Lakh) including cash and cash equivalent of ₹ 12.36 Lakh (2019-20: ₹ 31.10 Lakh) and current investment of ₹ Nil (2019-20: ₹ Nil)

29 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Contingent Liability- ₹ Nil (2019-20: ₹ Nil)

30 ESTIMATED AMOUNTS OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT: ₹ 271.61 Lakh (Net of Advances) (2019-20: ₹ 1,084.81 Lakh)

31 THE INFORMATION AS REQUIRED TO BE DISCLOSED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 HAS BEEN DETERMINED TO THE EXTENT SUCH PARTIES HAVE BEEN IDENTIFIED BASED ON INFORMATION AVAILABLE WITH THE GROUP:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	1,258.14	315.78
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	81.93	4.43
Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	81.93	4.43
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

32 RELATED PARTY DISCLOSURES

Names of Related Parties and nature of relationship

Holding / Ultimate holding company	Future Enterprises Limited (till December 16, 2019)
Holding company	Ritvika Trading Private Limited (till December 16, 2019)
Associate company	Leanbox Logistics Solutions Private Limited (w.e.f June 28, 2019)

Others - Group Entities

- Future Lifestyle Fashions Limited (FLFL)
- Future Consumer Limited (FCL)
- Future Retail Limited (FRL)
- Future Ideas Company Limited (FICL)
- Praxis Home Retail Limited (PHRL)
- Galaxy Entertainment Corporation Limited (GECL)
- Future Speciality Retail Limited (FSRL)
- Future Stylelab Limited (FSL)
- Rachika Trading Limited (RTL)
- Aadhar Wholesale and Distribution Limited (AWDL)
- Future Generali India Life Insurance Company Limited (FGILICL)
- Apollo Design Apparel Park Limited (ADAPL)
- Goldmohur Design and Apparel Park Limited (GDAPL)
- Nufuture Digital (India) Limited (NFDIL)
- Shree Balaji Ethnicity Retail Limited (SBERL)
- Clarks Future Footware Private Limited (CFFPL)
- Future Corporate Resources Private Limited (FCRPL)

- Integrated Foodpark Private Limited (IFPL)
- Sublime Foods Private Limited (SFPL)
- The Nilgiris Dairy Farm Private Limited (TNDFPL)
- Hain Future Natural Products Private Limited (HFNPPL)
- Indus Tree Crafts Private Limited (ITCPL)
- Basuti Sales and Trading Private Limited (BSTPL) (w.e.f. August 29, 2020)
- Bloom Foods and Beverages Private Limited (BFBPL)
- Brattle Foods Private Limited (BFPL) (w.e.f. August 29, 2020)
- Precision Realty Developers Private Limited (PRDPL) (w.e.f. August 29, 2020)
- Fonterra Future Dairy Private Limited (FFDPL)
- Turtle Limited (TL)
- Travel News Service (India) Private Limited (TNSIPL)
- TNSI Retail Private Limited (TNSIRPL)
- Future Market Network Limited (FMNL)
- Retail Light Techniques India Limited (RLTIL)
- Future 7-India Convenience Limited (F7ICL)
- Work Store Limited (WSL)
- Future Enterprises Limited (FEL) (w.e.f. December 17, 2019)

Key Management Personnel (KMP):

- Mayur Toshniwal (Managing Director)

During the year, following transactions were carried out with the related parties in the ordinary course of business:

Purchase of fixed assets from associate company ₹ Nil (₹ 37.09 Lakh) and from others ₹ Nil (₹ 1,854.73 Lakh); Sale of fixed assets from associate company ₹ Nil (₹ 0.31 Lakh) and from others ₹ Nil (₹ 4.41 Lakh); Income from operation from ultimate holding company ₹ Nil (₹ 926.29 Lakh), from associate company ₹ 22.93 Lakh (₹ 436.76 Lakh) and from others ₹ 24,243.75 Lakh (₹ 84,914.72 Lakh); Interest Income from associate company ₹ Nil (₹ 11.91 Lakh) and from others ₹ 1,546.23 Lakh (₹ Nil); Reimbursement of expenses from ultimate holding company ₹ Nil (₹ 23.65 Lakh) and from others ₹ 50.36 Lakh (₹ 132.23 Lakh); Expenses from associate company ₹ 6.74 Lakh (₹ 31.23 Lakh) and from others ₹ 239.55 Lakh (₹ 1,164.30 Lakh); Remuneration to KMP ₹ 173.69 Lakh (₹ 205.17 Lakh); Purchase of investment from associate company ₹ Nil (₹ 942.44 Lakh); Receivables (Net) from associate company ₹ 783.61 Lakh (₹ 756.92 Lakh) and from others ₹ 63,284.35 Lakh (₹ 70,158.01 Lakh); Loan and advances from others ₹ 23,611.88 Lakh (₹ Nil).

Break up of Material Related Party Transactions:

Purchase of fixed assets includes FRL ₹ Nil (₹ 1,846.20 Lakh); Sale of fixed assets includes FCL ₹ Nil (₹ 4.41 Lakh); Income from operation includes FRL ₹ 19,438.89 Lakh (₹ 59,181.10 Lakh), FLFL ₹ 2,832.95 Lakh (₹ 8,151.69 Lakh) and PHRL ₹ 4,118.11 Lakh (₹ 6,548.27 Lakh); Interest income includes BSTPL ₹ 1,546.23 Lakh (₹ Nil); Reimbursement of expenses includes FLFL ₹ 20.04 Lakh (₹ 12.95 Lakh), FRL ₹ 10.37 Lakh (₹ 59.55 Lakh), FEL ₹ 16.83 Lakh (₹ 1.88 Lakh), FCRPL ₹ Nil (₹ 25.40 Lakh), FCL ₹ 0.27 Lakh (₹ 5.26 Lakh) and PHRL ₹ 1.16 Lakh (₹ 16.46 Lakh); Expenses includes FGILICL ₹ 72.37 Lakh (₹ 263.54 Lakh), NFDIL ₹ 45.61 Lakh (₹ 505.48 Lakh), FCRPL ₹ Nil (₹ 180 Lakh) and PRDPL ₹ 93.18 Lakh (₹ Nil).

33 SHARE BASED PAYMENTS

(i) Details of the employee share based plan of the Group:

a) The ESOP titled as Future Supply Chain Solutions Limited Employees Stock Option Plan 2017 ("FSC ESOP 2017") was approved by the Board on August 5, 2017 and by the Shareholders on August 8, 2017. The same was also ratified by the Shareholders in terms of Regulation 12(3) of SEBI (Share Based Employee Benefits) Regulations, 2014 at the annual general meeting held on August 22, 2018. In aggregate, 4,00,000 options were covered under the FSC ESOP 2017 for 4,00,000 equity shares of ₹ 10 each.

During the previous year 2017-18, the Nomination and Remuneration Committee ("NRC") of the Group granted 2,83,763 options under the FSC ESOP 2017 to certain directors and employees of the Group. The options granted are convertible into equal number of equity shares. The exercise price of each option is ₹ 350/-(including ₹ 340 as share premium).

During the previous year 2019-20, the NRC of the Group granted 50,000 options and 10,000 options under the FSC ESOP 2017 to certain directors and employees of the Group on May 13, 2019 and July 31, 2019 respectively. The options granted are convertible into equal number of equity shares. The exercise price of each option is ₹ 457/-(including a premium of ₹ 447).

During the year 2020-21, no stock options were granted under FSC ESOP 2017.

The erstwhile options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

b) The following share-based payment arrangements were in existence during the year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00
FSC ESOP 2017	50,000	May 13, 2019	Note-1 below	457.00	606.80
FSC ESOP 2017	10,000	July 31, 2019	Note-1 below	457.00	526.10

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year:

Inputs	FSC ESOP 2017	FSC ESOP 2017	FSC ESOP 2017
Grant date	November 14, 2017	May 13, 2019	July 31, 2019
Expected volatility (%)	25.26%	23.59%	25.09%
Option life (Years)	2.50-4.50	2.50-4.50	2.50-4.50
Dividend yield (%)	0.00	0.21%	0.24%
Risk-free interest rate (Average)	6.75% - 7.01%	6.82% - 7.09%	6.11% - 6.27%

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	2,38,565	372.43	2,39,200	350
Granted during the year	Nil	-	60,000	457
Exercised during the year	Nil	-	13,135	350
Cancelled during the year	80,480	403.18	47,500	372.53
Balance at end of year	158,085	363.54	238,565	372.43

(iv) Share options exercised during the year

The options exercised during the year: Nil

(v) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 837 days (2019-20: 1,220 days).

Out of the ESOPs outstanding, the number of options exerciseable are as under :

Particulars	As at March 31, 2021	As at March 31, 2020
FSC ESOP 2017	1,42,085	87,838

(vi) The expenses recognised for employee services received during the year is shown in the following table:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenses arising from equity settled share based payment transactions	(38.58)	113.44

34 EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) for the year (₹ in Lakh)	(18,436.19)	(573.12)
Weighted average number of equity shares outstanding during the year for Basic EPS	438,83,598	4,11,86,178
Add: Weighted Average number of equity shares on account of Employee Stock Options outstanding	-	-
Weighted average number of equity shares outstanding during the year for Diluted EPS	438,83,598	4,11,86,178
Earnings per share of ₹ 10/- each		
- Basic and Diluted (in ₹)	(42.01)	(1.39)

35 LEASE

The Group has entered into lease arrangements for its warehouses, office premises etc.

These leasing arrangements which are non-cancellable range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms.

Effective April 1, 2019, the Group 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 Group 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 Group’s incremental borrowing rate at the date of initial application.

During the previous year, the adoption of the new standard resulted in recognition of ‘Right of use’ asset of ₹ 27,801.99 Lakh and a lease liability of ₹ 31,721.55 Lakh on transition. The cumulative effect of appyling the standard, amounting to ₹ 3,919.54 Lakh was debited to retained earnings, net of taxes. 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 activites on account of lease payments.

The following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Beginning of the year	32,222.77	27,801.99
Addition	3,209.71	17,687.63
Deletion	(482.22)	(3,102.51)
Depreciation	(9,747.74)	(10,164.34)
Balances at the end	**25,202.52**	**32,222.77**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in Consolidated Statement of Profit & Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021:-

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Non-current lease liabilities	20,408.80	25,979.59
Current lease liabilities	9,038.64	10,472.98
Total	**29,447.44**	**36,452.57**

The following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	36,452.57	31,721.54
Addition	3,105.76	17,412.03
Deletion	(482.22)	(3,102.51)
Finance cost accrued during the year	3,007.25	3,178.25
Gain on termination of lease asset	(155.90)	(10.04)
Payment of lease liabilities	(12,480.02)	(12,746.70)
Total	**29,447.44**	**36,452.57**

The Group does not face a significant liquidity risk with regards to its lease Liabilities as the current assets are sufficient to meet obligations to lease liabiliites as and when they fall due.

Rental expense recorded for short-term leases was ₹ 1,108.49 Lakh for the year ended March 31, 2021 (2019-20: ₹ 1,687.10 Lakh).

36 SECURITY CLAUSE IN RESPECT TO SECURED BORROWINGS

A. Short Term Borrowing

Short term borrowings of ₹ 9,993.46 Lakh (2019-20: ₹ 20,979.73 Lakh) is secured by (a) first pari-passu charge on current assets of the Group (b) second pari-passu charge on fixed assets (c) secured by personal guarantee of a director. Based on OTR implemented, the unpaid interest for FY 2019-20 has been converted into FITL and will be paid in equal installment in September 2021 & December 2021.

B. Long Term Borrowing

During the previous year ended March 31, 2019, the Group has issued and allotted 19,900 Secured, Rated, Redeemable and Non Convertible Debentures (NCDs) of ₹ 1 Lakh each aggregating to ₹ 19,900 Lakh on private placement basis. The NCDs have been listed on Wholesale Debt Market segment of BSE Limited. The NCDs are secured by maintaining an overall minimum asset cover/security cover of 1.25 times on net block of fixed assets on first pari passu basis on the outstanding amount. The NCDs were issued in Series I and Series II of ₹ 9,900 Lakh and ₹ 10,000 Lakh respectively with tenure of 3 and 4 years from date of allotment respectively. The NCDs carry interest @10.15% payable annnually and on redemption. The redemption date for Series 1 & Series 2 which was September 26, 2021 and September 26, 2022 respectively have been revised based on OTR plan. Accordingly amount repayable includes principal sum of ₹ 2,985 Lakh in 2022-23, ₹ 2,985 Lakh in 2023-24 and ₹ 13,930 Lakh in 2024-25 along with interest payment ₹ 4,039.70 Lakh in 2021-22, ₹ 2,019.85 Lakh in 2022-23, ₹ 1,716.87 Lakh in 2023-24 and ₹ 1,413.90 Lakh in 2024-25.

During the year ended March 31, 2019, the Group had taken a term loan of ₹ 5,000 Lakh from Yes Bank Limited. The same is secured by way of first pari-passu charge on entire fixed assets (excluding land) and second pari-passu charge on current assets and personal undertaking of Kishore Biyani. Rate of interest is 0.55% over and above 6 month MCLR and will be reset semi-annually and every half year thereafter. Based on OTR plan, amount repayable is ₹ 473.10 Lakh in 2021-22, ₹ 946.20 Lakh in 2022-23, ₹ 946.20 Lakh in 2023-24, ₹ 946.20 Lakh in 2024-25 and ₹ 1,375.53 Lakh in 2025-26. (Amount repaid is ₹ 312.48 Lakh in FY 2020-21 and ₹ Nil in FY 2019-20). Interest shall be paid monthly.

During the year ended March 31, 2020, the Group has taken a term loan of ₹ 22,500 Lakh from IDFC First Bank Limited. The same is secured by way of First pari-passu charge over fixed assets, second pari-passu charge over current assets and personal guarantee of Kishore Biyani and Rakesh Biyani. Rate of interest as per OTR is 11.65% pa. Based on OTR plan, amount repayable is ₹1,977.33 Lakh in 2021-22, ₹ 9,886.67 Lakh in 2022-23, ₹ 3,954.67 Lakh in 2023-24 and ₹ 3,954.66 Lakh in 2024-25. (Amount repaid is ₹ 2,676.31 Lakh in FY 2020-21 and ₹ 50.36 Lakh in FY 2019-20). Interest shall be paid monthly or as approved under the OTR scheme.

37 The Board of Directors have approved a Resolution Plan under the 'Resolution Framework for COVID 19 Related Stress' guidelines announced by the Reserve Bank of India vide circular No. RBI/2020-21/16 DOR. No. BP.BC/3/21.04.048/2020-21, dated August 6, 2020 and subsequent circulars relating thereto, in respect of its Term Loans from Banks. The proposal for implementation of a Resolution Framework was invoked with effect from October 29, 2020 and consequently approved by requisite number of the lenders of the Group in terms of the Inter- Creditor Agreement dated November 27, 2020.

The terms of the OTR Scheme as were approved as part of the Framework Agreement between the Group and lenders dated April 26, 2021 are as below, with effect from October 29, 2020 ("the invocation date"):

(a) Unpaid interest from March 2020 till the implementation date and interest accrued thereafter till June 30, 2021 to be converted into Funded Interest Term Loan ("FITL"). FITL to be repaid in two tranches by December 31, 2021.

(b) Existing limits and security structure for each lender for respective facilities to continue. FITL of respective lender will be backed by the similar security as applicable to the original facility.

(c) Repayment of Term Loans outstanding as on March 31, 2021 in structured quarterly instalments from March 31, 2022 onwards.

Since the key regulatory steps to implement the Resolution Plan for the Term Loans (and Working Capital facilities, if applicable) were initiated before March 31, 2021, which is the end of the reporting period, even though the Resolution Plan was approved after the end of the reporting period but before the date of approval of the financial statements by the Board of Directors, the same is considered as an adjusting event in terms of Ind AS-10 on Events after the Reporting Period. Accordingly, the effect for the same has been given in the financial statements.

The Group has received consents from Debenture holder and IDBI Trusteeship Services Ltd., the Debenture Trustee to restructure the terms of the Non Convertible Debentures under Series – I and Series – II, including rescheduling the redemption timeframe. The in principle approval of the Stock Exchange (BSE Limited) where the NCDs are listed has also been obtained on June 2, 2021. According to such mutual consent, the redemption of NCDs are proposed to be restructured as follows:

Particulars of NCDs	No. of debentures	Original Redemption date	Proposed redemption date
Series – I	1,485	September 26, 2021	September 26, 2022
(Face value: ₹1,00,000)	1,485	September 26, 2021	September 26, 2023
	6,930	September 26, 2021	September 26, 2024
Total	**9,900**		
Series – II	1,500	September 26, 2022	September 26, 2022
(Face value: ₹1,00,000)	1,500	September 26, 2022	September 26, 2023
	7,000	September 26, 2022	September 26, 2024
Total	**10,000**		

Unpaid interest on NCDs:

Unpaid interest on NCDs under both series for the year 2019-20 (which was due on September 26, 2020 and deferred till April 30, 2021) has been converted into Funded Interest Term Loan ("FITL") and is payable by December 31, 2021 together with an interest @ 9.00% p.a. on such coupon amount of the year 2019-20 from May 1, 2021 till actual date of payment for the deferred period.

38 EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 25 under the "Contribution to Provident and Other Funds" of Consolidated Statement of Profit and Loss account ₹ 301.77 Lakh (2019-20: ₹ 441.59 Lakh).

Defined Benefit Plan – Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefit are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically expose the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by M/s. Universal Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Present value of obligation at the beginning of the year	431.26	268.26	235.51	156.14
Current service cost	74.86	82.99	45.86	57.79
Interest cost	29.06	20.70	15.85	12.05
Remeasurement-Actuarial (gain)/loss	47.23	127.13	(7.76)	70.53
Benefits paid by Group	(114.49)	(67.82)	(97.04)	(61.00)
Present value of obligation at the end of the year	467.92	431.26	192.42	235.51

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	3.72	3.45
Investment Income	0.25	0.27
Fair value of plan assets at the end of the year	3.97	3.72

Net Defined Benefit Liability/ (Assets)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation	467.92	431.26
Fair value of plan assets	(3.97)	(3.72)
Surplus/ (Deficit)	463.95	427.54
Net defined benefit liability/ (assets)	**463.95**	**427.54**

Expenses recognised in Consolidated Statement of Profit and Loss

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	74.86	82.99	45.86	57.79
Net interest on the net defined benefit liability/ asset	28.81	20.44	15.85	12.05
Remeasurement on (gain)/ loss	-	-	(7.76)	70.53
Total expenses recognised in Consolidated Statement of Profit and Loss	**103.67**	**103.43**	**53.95**	**140.37**

Re-measurement Effects recognised in Consolidated Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gains)/ loss	47.23	127.13
Total (gain) / loss included in OCI	**47.23**	**127.13**

Financial Assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Discounted rate (per annum)	6.96%	6.80%	6.96%	6.80%
Expected rate of future salary increase	5%	5%	5%	5%
Mortality rate (% of IALM 12-14)	100%	100%	100%	100%
Withdrawal rate (per annum)	1%	1%	1%	1%
Normal retirement age	58 Years	58 Years	58 Years	58 Years

Sensitivity analysis : Gratuity

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

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation (Base)	467.92	431.26

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	536.24	410.91	499.86	374.59
Salary Growth rate (- / + 1%)	409.43	536.91	373.20	500.43
Attrition rate (- / + 50% of attrition rates)	-	-	426.94	435.20
Mortality rate (- / + 10% of mortality rates)	-	-	430.94	431.58

Please note that the sensitivity analysis presented above may not represent the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

39 FINANCIAL INSTRUMENTS

All categories of financial assets and financial liabilities are measured at amortized cost.

40 SALE OF LAST MILE DELIVERY BUSINESS ON SLUMP SALE BASIS

The Board of Directors of the Company at its meeting held on February 7, 2019, approved the sale of Last Mile Delivery Business ("Division") of the Company on a Slump Sale basis to Leanbox Logistics Solutions Private Limited ("Leanbox"), an Associate company. The Company has executed requisite agreement on May 20, 2019 with respect to transfer of business undertaking ("Delivery Business") to Leanbox Logistics Solutions Private Limited ("Leanbox").

41 EXCEPTIONAL ITEMS

During the previous year ended March 31, 2020, the Group divested its entire stake in Vulcan Express Private Limited. The resultant gain of ₹ 352.54 Lakh has been shown as an exceptional item in the financial statement. Exceptional item for the quarter and year ended March 31, 2020 includes write off of Loans & advances of ₹ 572.90 Lakh and Expected Credit Loss on trade and other receivables amounting to ₹ 1,253.83 Lakh.

42 The Board of Directors of the Group at its meeting held on September 17, 2019 had approved issue of 37,89,350 equity share @ ₹ 664/- per equity share (including premium of ₹ 654/- per equity share) aggregating to ₹ 251,61,28,400/- on preferential basis to Nippon Express (South Asia & Oceania) Pte.Ltd., a foreign company incorporated under the laws of Singapore, in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), the Companies act, 2013 including applicable rules made thereunder (the "Act"). There was execution of share subscription agreement and shareholder's agreement and article of association was altered to reflect relative terms and condition of the shareholder's agreement subject to requisite approvals including shareholders of the Group. Subsequently Board of Directors of the Group at its meeting held on December 17, 2019 approved an allotment of 37,89,350 equity share of ₹ 10 each as full paid on preferential basis at a price of ₹ 664/- per equity shares (including premium of ₹ 654/- per equity share).

43 The Group is engaged only in Logistics services in India and there are no separate reportable business and geographical segments under Ind AS 108 relating to operating segments.

44 COVID19 pandemic and consequent lockdown imposed throughout the country, had a significant adverse impact on the business operations and the Financial Statements of the Group for the quarter and year ended March 31, 2021. The Group 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 Statements, in determination of the recoverability and carrying value of its financial assets and non-financial assets. The impact of COVID19 pandemic and slowdown of business and uncertain overall economic environment may affect the underlying assumptions and estimates used to prepare the Group's Financial Statements, where as actual outcome may differ from those assumptions and estimates considered as at the date of approval of these Financial Statements.

45 The Board of Directors of the Group at its meeting held on August 29, 2020 has inter-alia, considered and approved the Composite Scheme of Arrangement which involves: (i) merger of Future Supply Chain Solutions Limited ("the Company" or Transferor Company 5"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS ("The Composite Scheme of Arrangement"/ Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

The combination contemplated under the Scheme has been approved by Competition Commission of India on November 20, 2020. Further, Stock Exchanges have issued observation letters without any adverse observation on January 20, 2021. Subsequent to this, the Scheme application has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021 for obtaining directions by NCLT for convening the meetings of the Shareholders and Creditors of the Transferor Companies and Transferee Company. NCLT has heard this application and the intervention application filed by Amazon.com Investment Holdings LLC. (Amazon) and has reserved the order on the said intervention application filed by Amazon.

Amazon has initiated arbitration against Future Retail Limited (FRL) and its promoters on October 5, 2020 before Singapore International Arbitration Centre (SIAC). After completion of Emergency Arbitration hearing held pursuant to application of Amazon, Emergency Arbitrator has passed and interim order on October 25, 2020 (EA Order) inter alia restraining FRL and promoters to take any steps in furtherance of the resolution passed on August 29, 2020. However, based on the legal advise received by FRL, it has contended that the EA Order would not be enforceable in view of FRL being not a signatory to the arbitration agreement under which arbitration has been initiated.

In terms of the information provided by FRL, also a party to the Scheme, it has filed a suit before Hon'ble Delhi High Court making a prayer to injunct Amazon from tortuously interfering with the Scheme. The Hon'ble Single Judge of the Delhi High Court has passed a Judgment in the Interim Application, wherein it has prima facie held that there is no arbitration agreement between Amazon and FRL; FRL's Resolution dated August 29, 2020 approving the Scheme is neither void nor contrary to any statutory provision nor the Articles of Association of FRL. The said Judgement further prima facie held that Amazon's representations to various regulatory authorities amounted to unlawful interference with the Scheme and a civil wrong actionable by both FRL and Reliance in case they suffer any loss. No injunction was granted and all the Statutory Authorities were directed to take the decision on the objections of Amazon in accordance with the law. The Hon'ble Court also prima facie held that conflation of the two shareholders agreements will be in violation of FEMA FDI Rules. An Appeal was preferred by Amazon against certain observations contained in this Judgment.

In another application of Amazon under section 17(2) of Arbitration & Conciliation Act, 1996 to enforce EA Order, Hon'ble Delhi High Court vide its interim order dated February 2, 2021 directed the parties to maintain status quo (Status Quo Order). FRL challenged this Order before the Hon'ble Division Bench of Delhi High Court in an appeal. The Learned Division Bench has stayed the aforesaid Status Quo Order on February 8, 2021. Amazon has preferred a Special Leave Petition before Hon'ble Supreme Court against the order of the Hon'ble Division Bench on February 13, 2021. The Hon'ble Supreme Court ruled that the proceedings before NCLT will be allowed to go on but will not culminate in any final order of sanction of the Scheme.

On March 18, 2021 a detailed order was passed by the Single Judge of the High Court ("Detailed Order") inter alia confirming the directions in the Status Quo Order passed by Hon'ble Delhi High Court in the application under section 17(2) of Arbitration & Conciliation Act, 1996, granting further reliefs in favour of Amazon, and inter alia restricting all respondents from taking any further action in violation of the EA Order. An appeal was filed by FRL, as well as other respondents, before the Hon'ble Division Bench against the Detailed Order. On March 22, 2021 the Hon'ble Division Bench was pleased to pass a common order in both the appeals, staying the Detailed Order.

Amazon filed special leave petitions before the Hon'ble Supreme Court against the order of the Hon'ble Division Bench passed on March 22, 2021. On April 19, 2021 the Hon'ble Supreme Court was pleased to stay the proceedings before the Single Judge and the Division Bench of the Delhi High Court and directed parties to complete the pleadings and listed all the three SLPs for final disposal on May 4, 2021. Due to Covid-19 related restrictions and preponement of court's summer vacation, the SLPs are now expected to be listed after June 28, 2021.

Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 5, 2021 and FRL has filed two applications before the Tribunal, first being an application under section 16 of Arbitration & Conciliation Act, 1996 ("Arbitration Act") challenging the jurisdiction of the Tribunal; and second being an Application under Rule 10 of Schedule I of SIA Rules for vacation of the EA Order. As per the schedule finalised by the Tribunal, hearing for both the application would commence on the July 12, 2021.

46 DETAILS OF PAYMENTS TO AUDITORS:

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor		
Audit Fees	3.00	18.20
Tax audit fees	1.50	0.10
In other capacity		
Other services	1.00	-
Total	**5.50**	**18.30**

47 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group.The proposed area of CSR activiites are taking measures for reducing inequality faced by socially and economically backward groups. The expenditure incurred during the year on this activities are specified in Schedule VII on the Companies Act, 2013

(a) Amount required to be spent by the Group during the year: ₹ 69.51 Lakh

(b) Amount unspent for the earlier years: ₹ 52.84 Lakh

(c) Amount spent during the year : ₹ 148.57 Lakh

(d) Amount carried forward to the future obligations during next three financial years: ₹ 26.22 Lakh

48 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

49 APPROVAL OF FINANCIAL STATEMENT

The Consolidated Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on June 24, 2021.

As per our report of even date attached
For DMKH & Co.
Chartered Accountants
Firm Registration No: 116886W

Anant Nyatee
Partner
Membership No.: 447848

Mumbai
Date : June 24, 2021

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Statement on Impact of Audit Qualifications (for audit report with modified opinion) on Consolidated Audited Financial Statements for the year ended March 31, 2021

(₹ in Lakh)

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1	Turnover / Total income	50,027.89	50,027.89
	2	Total Expenditure	68,464.08	68,464.08
	3	Net Profit/(Loss)	(18,436.19)	(18,436.19)
	4	Earnings Per Share (₹)	(42.01)	(42.01)
	5	Total Assets	1,78,577.78	1,78,577.78
	6	Total Liabilities	1,22,783.33	1,22,783.33
	7	Net Worth	55,794.45	55,794.45
	8	Any other financial item(s) (as felt appropriate by the management)	None	None
II	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:** Refer to Exhibit A		
	b.	**Type of Audit Qualification:** Qualified Opinion		
	c.	**Frequency of qualification:** repetitive		
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not applicable		
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:** Refer Exhibit A		
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:		
		(iii) Auditors' Comments on (i) or (ii) above:		
III	**Signatories:**			
	~~CEO~~/ Managing Director			Sd/-
	CFO			
	Audit Committee Chairperson			
	Statutory Auditors			
	Place: Mumbai			
	Date: June 24, 2021			

Exhibit A to the Statement on Impact of Audit Qualifications (for audit report with modified opinion) on Consolidated Audited Financial Statements for the year ended March 31, 2021

Sr No.	Audit Qualification	Management response	Auditors remarks/ comment
1	Total trade receivables amounting to ₹ 74,232.83 Lakh includes related party receivables amounting to ₹ 64,067.96 Lakh as at 31st March, 2021. There have been substantial delays in receipt from customers and subsequent receipts have not been significant. In view of the above, we are unable to obtain sufficient and appropriate audit evidence and are unable to comment on adequacy of loss provision, valuation and recoverability of balance outstanding amounting to ₹ 73,588.23 Lakh (net of provision ₹ 644.60 Lakh as at March 31, 2021).	The outbreak of COVID-19 pandemic has severely impacted consumption and businesses in India. The outbreak of COVID-19 and the consequent multiple lock-downs, disruptions in transportation and supply chains, travel bans, quarantines, social distancing and other such emergency measures have caused widespread disruptions in the economy and businesses. Many of our customers took precautionary measures in terms of payments, which has led to a sharper increase in our trade receivable days. The Company expects the receivables to be realised in full as normal business operations starts post the pandemic. The Company has also additional security of inventories of debtors lying in its warehouse to recover the outstanding.	Impact cannot be ascertained for non-recoverable balances as on the date of signing of this report.

FUTURE SUPPLY CHAIN SOLUTIONS 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, 2021.

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

1. Mayur Toshniwal, Managing Director, 53, August 5, 2017, 29, IIM-A, 17336456, Entrepreneur 2. Yuichi Nakagawa, Vice President, 56, January 8, 2020, 29, BL, 5374791, Nippon Express Co Ltd. 3. Nupur Agarwal, IR Head, 40, July 30, 2019, 19, PGDM, 4808394, Videocon d2h 4. Samir Kedia, CFO, 42, March 1, 2018, 22, CA, 6083669, Future Consumer Limited 5. Divyansh Rathore, Vice President, 49, July 21, 2011, 27, B.E., 5881010, Guetermann Private Limited 6. Bikas Prasad, General Manager, 50, August 1, 2012, 24, MBA, 4384784, S Tel Private Limited 7. Hiren Kumar Ladva, General Manager, 40, April 2, 2018, 18, MBA, 5581266, Tata Communication Limited 8. Sanjeev Mandal, Vice President, 50, May 2, 2006, 25, ICWA, 4146415, Hindustan Coca-Cola Beverages Private Limited 9. Hariharan Parameswaran, Vice President, 52, May 2, 2019, 29, B.E., 5254562, Gati Limited 10. Jayesh Patil, General Manager, 46, December 21, 2007, 23, MBA, 4315118, Woodworth Wholesale.

Notes:

1. The employees have adequate experience to discharge the responsibilities assigned to them.
2. The nature of employment is contractual.
3. No employee is related to any director of the Company except Mayur Toshniwal who is Managing Director.
4. Gross remuneration received shown in this statement includes salary, allowances and perquisite and other terminal benefits, as applicable.
5. Terms and conditions of the employment are as per Company's rules and policy.

For Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Mumbai, June 24, 2021

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