

FUTURE RETAIL

31st August, 2018

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

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

Scrip Code: 540064

Symbol: FRETAIL

Dear Sir / Madam,

Ref : Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Sub.: Submission of Annual Report for the Financial Year ended 31st March, 2018.

Pursuant to the provisions of Regulation 34(1) and all other applicable Regulations, if any, of Listing Regulations, please find enclosed herewith the Annual Report of the Company for the financial year ended 31st March, 2018 duly approved and adopted by the Members of the Company at the Eleventh (11th) Annual General Meeting held on Wednesday, 29th August, 2018 at 09:30 AM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For **Future Retail Limited**


Virendra Samani
Company Secretary



Encl.: As above.

FUTURE RETAIL

ANNUAL REPORT 2017-18

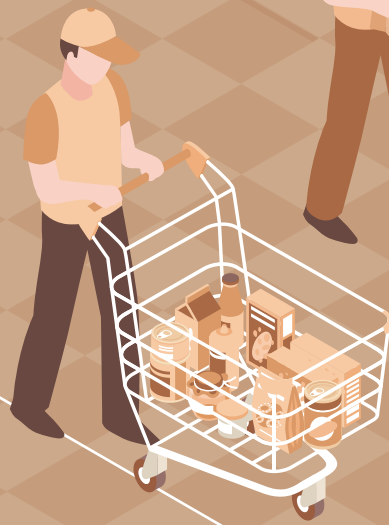




Virtual Marketplace

Infrared Monitors

Club Manager Tathastu App



Member Curated Assortment

Face Recognition Camera

Scan, Pay & Go

Retail 1.0

A High Touch environment inside stores

Retail 2.0

A High Tech environment on e-commerce portals

Retail 3.0

High Touch + High Tech

A layer of technology pervasive over physical store network.
Customers can order anywhere and experience everything.
Stores combine data, technology and experience.
One-on-One interfaces for consumers offered in the most efficient way.

Welcome to Retail 3.0 for the Smarter World.



Corporate Information

Board Of Directors

Kishore Biyani

Chairman & Managing Director
DIN: 00005740

Rakesh Biyani

Jt. Managing Director
DIN: 00005806

Rajan Bharti Mittal

Non-Executive Director
DIN: 00028016

Gagan Singh

Non-Executive and
Independent Director
DIN: 01097014

Ravindra Dhariwal

Non-Executive and
Independent Director
DIN: 00003922

Shailendra Bhandari

Non-Executive and
Independent Director
DIN: 000317334

Sridevi Badiga

Non-Executive and
Independent Director
DIN: 02362997

Statutory Auditors

NGS & CO. LLP

Chief Financial Officer

C. P. Toshniwal

Dy. Company Secretary

Virendra Samani

Share Transfer Agent

Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai 400 083.
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F: + 91 22 4918 6060
W: www.linkintime.co.in

Bankers

Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Central Bank of India
Corporation Bank
Dena Bank
IDBI Bank
Indian Bank
Punjab National Bank
State Bank of India
UCO Bank
Union Bank of India
Vijaya Bank

Registered Office

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

Corporate Office

247 Park, 'C' Tower,
LBS Marg,
Vikhroli (West),
Mumbai 400 083.
T: + 91 22 6119 0000
F: + 91 22 6199 5019

Website

www.futureretail.co.in

Investor Email ID

investorrelations@futureretail.in

Corporate Identity Number

L51909MH2007PLC268269

Contents

A 3D isometric cube chart representing the table of contents. The chart is composed of several interconnected cubes of varying sizes and orientations, arranged in a descending staircase pattern from top-left to bottom-right. Each cube is light beige with a darker orange top face and a darker orange side face. The top face of each cube contains a page number, and the side face contains the title of the corresponding section. The background is white with faint, light orange lines that create a grid-like structure, suggesting the layout of the document's pages.

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Snapshot

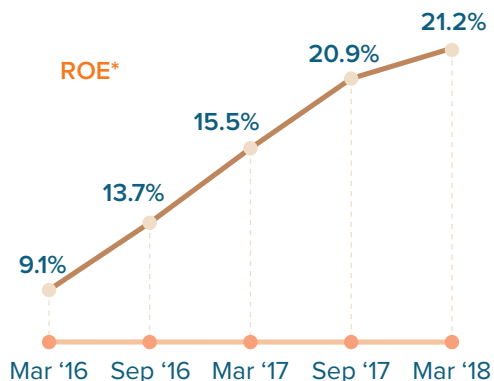
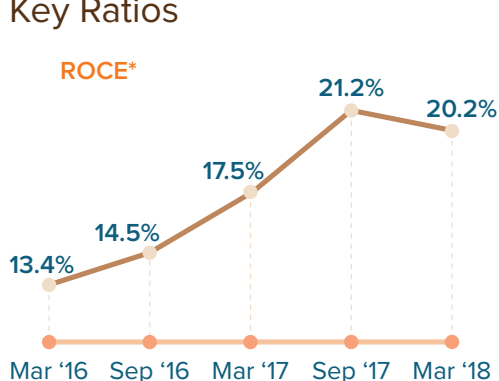
Highlights FY 17-18

Scale	1035 stores	14.5 mn. sft. retail space	₹ 18,478 Crore revenue
Efficiency	> 67% revenue from non-food categories	25.6% gross margins	9.9% same store sales growth
Depth	> 340mn customer footfalls	321 cities	26 states and UTs
Value Creation	4.3% EBIT%	20.2% ROCE	₹ 12.5 EPS (before one time exceptional item)

Store Network

		Stores	Cities	Sq. Ft. (in mn)
Large Format Stores	Big Bazaar Hypercity	285	135	12.1
	FBB	61	36	0.6
	Foodhall	10	5	0.1
Small Format Stores	Easyday Heritage Fresh	666	215	1.5
Others	Ezone	13	8	0.1
Cumulative		1035	321	14.5

Key Ratios

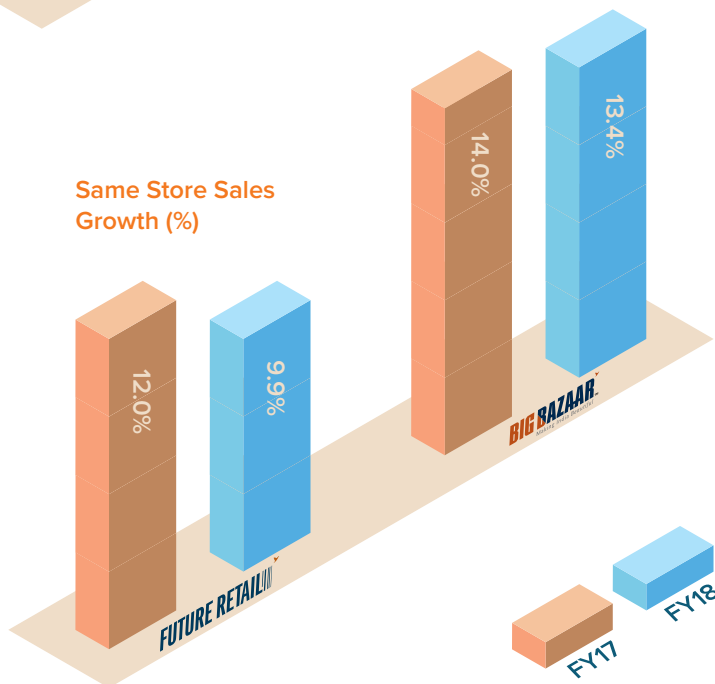
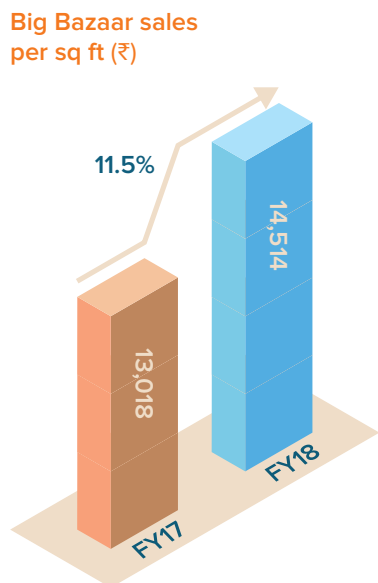
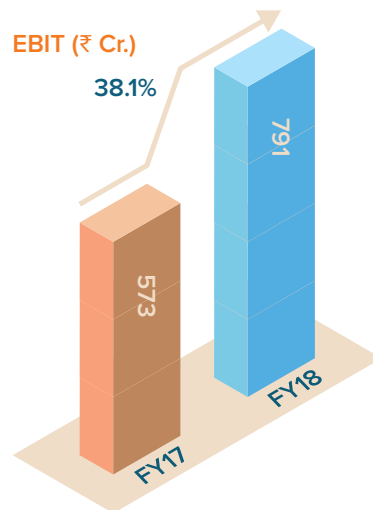
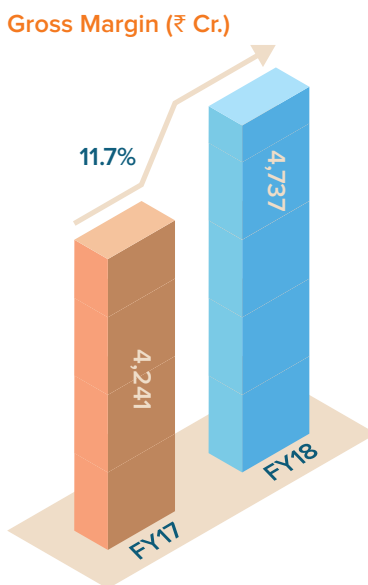
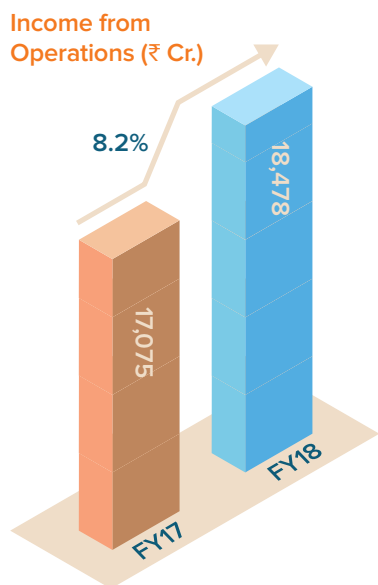


*The ratios pertaining to FY16 have been derived on a comparable basis.

ROCE = EBIT / Average (Equity + Optionally convertible debentures + Borrowings – Cash & Bank Balances)

ROE = PAT before exceptional items / Average (Equity + Optionally convertible debentures)

Financial Snapshot



(stores that were operational for the full year)

Chairman's Letter



Dear Stakeholders,

What makes the retailing business so intriguing and satisfying is living up to the constantly evolving expectations of customers. Rather than a snapshot, customers are like a moving picture. It is said that customers are always 'divinely discontent' and it is up to us on how well to exceed their expectations.

During the past few years, your Company has made substantial investments in completely re-inventing the store design and customer experience within almost every Big Bazaar. More than 250 of the 285 Big Bazaar stores we operate now offer home deliveries. Our data show that a fair share of customer footfalls are now initiated through customer engagements on social and digital platforms. These have helped Big Bazaar to increase per square feet sales by 11.5% and grow same store sales by 13.4% during the year. As we continue to strengthen these features, we are also rolling out our Retail 3.0 strategy that aims to create a digital layer over every facet of our physical store network.

The small stores network, comprising of EasyDay and Heritage Fresh stores, has been entirely reinvented on a digital platform. We are now expanding the physical small store network that can potentially have 10,000 stores, each within a two kilometre radius of every consuming class urban Indian. This will allow us to serve customers anytime, anywhere. More importantly it will allow us to do business at a fraction of costs involved in conventional e-commerce models. In fact the costs in this will be lower than even our existing store economics.

During the forthcoming year, the Company will also roll out mobile and web based platforms that allow customers to order via apps, messages, calls and even scan the bar code, pay on app and leave the store without going to the cash till. Front-end customer interfaces are only a small part of the digitization journey. The Company's digitization journey is enabling better decisions and bringing in more speed and efficiency in everything we do.



C&D Lab is our innovation powerhouse that is integrating computing power with consumer insights and data with designed thinking.



Much like biological ecosystems that are bound together through exchange of nutrients, business ecosystems have consumer and consumer data as nutrients. Continuous flow and exchange of consumers and data is at the heart of successful ecosystems.

An Ecosystem Play

Over the years, your Company has built strong loyalty and membership platforms like Big Bazaar Profit Club, Future Pay, Payback and more recently the EasyDay Club subscription model. EasyDay Club members, for a fixed fee, get various services like home deliveries, a lowest price guarantee and 10% discount on almost all grocery products and soon an app to order from anywhere on mobile, via chat message or phone calls. These platforms also capture huge amount of consumer data that is being used to build consumer archetypes, strong relationships and even member-curated assortment at the stores.

As members shop more often within our stores, they get more and more acquainted with the large number of consumer brands and products in food, home and personal care, fashion and footwear developed by the group's consumer goods companies. Your Company's retail formats, along with these brands form the core commerce engine of our consumer interface. As we move ahead, we are offering these members new and innovative services like life and general insurance, consumer

credit, home décor services, electronics repair by affiliate companies and business partners. We are also exploring how we can give our members preferred services in media and entertainment, food services and healthcare through third parties and partners. These range of added services for members and subscribers form the ecosystem that we are envisioning for consumers. Simultaneously, we are exploring how we can add our large base of vendors, suppliers and their employees as members and partners in this ecosystem.

Technology today allows us to bring this entire suite of products and services on a single platform and interact and engage with the customer far more often than it was ever possible. Underlying these are fundamental pillars such as data lake and analytic engines, supply chain networks, payment platforms and retail infrastructure that have been developed by Future Group companies.

Much like biological ecosystems that are bound together through exchange of nutrients, business ecosystems have consumer and consumer data as nutrients. Continuous flow and exchange



◀ Mobile Wallet Price Match ▶

~5 million active users

Growth of 4x in active users in a year

~3 million price match transactions

Average user spend doubled during the year

Average top up amount increased by more than 50%



of consumers and data is at the heart of successful ecosystems. We aren't alone in imagining businesses as ecosystems. Businesses like Amazon, Alibaba, WeChat and many others are creating these consumer ecosystems.

In India, we believe we have the opportunity and the ability to create such an ecosystem by bringing together our businesses, our partners' businesses and our large membership base of consumers together.

In Bengaluru, Future Group's C&D Lab is our innovation powerhouse that is integrating computing power with consumer insights and data with design-led thinking. More than a hundred technologists, design thinkers and data scientists at the C&D Lab are engaging with the best technology companies and start-ups to digitize in every facet of the Company's business.

We believe, technology is not an end by itself. Technology rests on human ability to use it. Technology enhances human ability, it helps us achieve objectives faster and better. Our focus

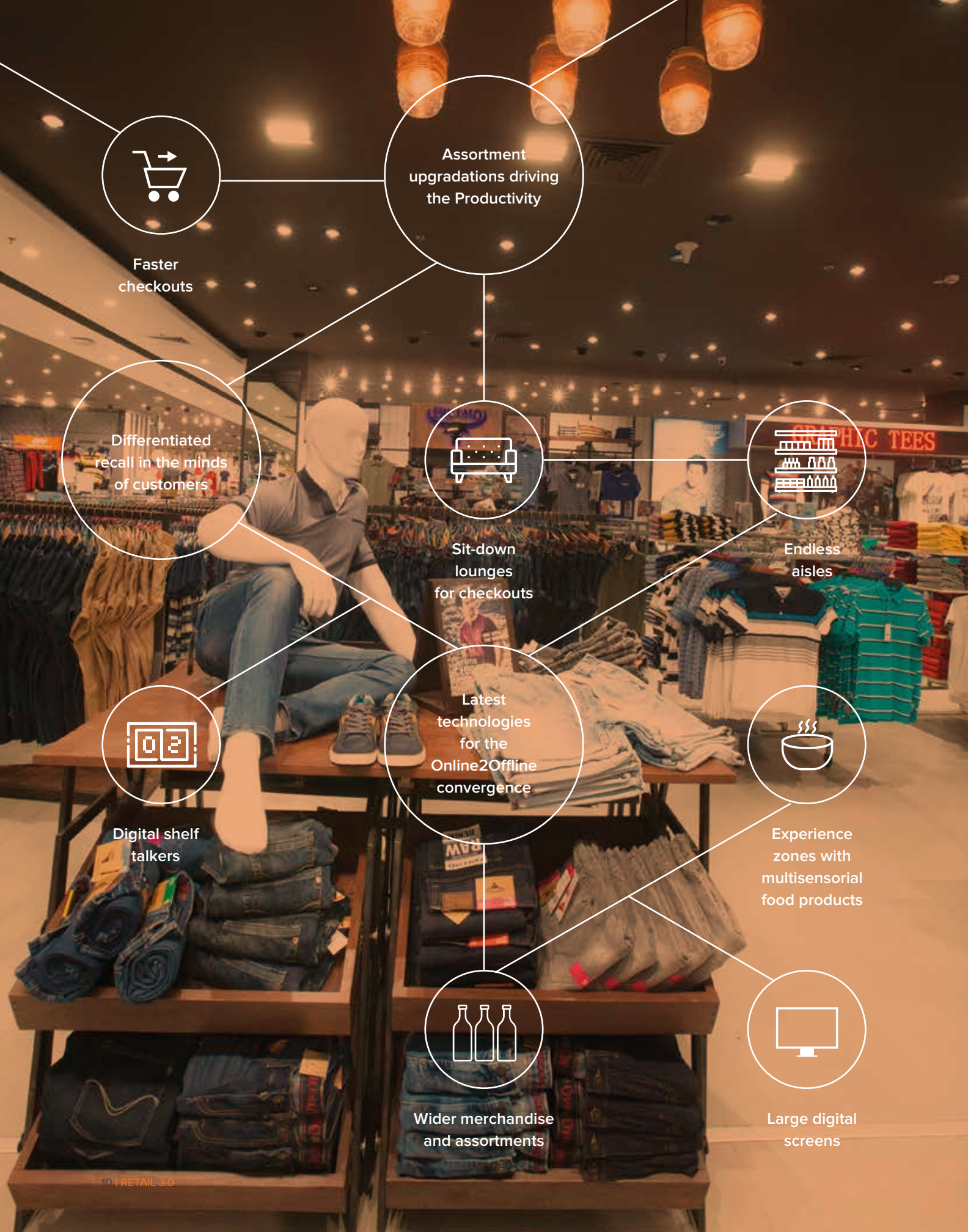
therefore is on strengthening the team of future conscious, technology savvy business leaders who drive the day-to-day business in your Company.

The Indian consumer market and specifically the retail sector continue to attract billions of dollars in investments from giants within and outside the country.

As one of the leading consumer goods organizations in the country, this reinforces our belief and conviction on the market and our strategy of building the most efficient last mile distribution channel for consumer goods in the country. We will continue to be customer obsessed, rather than competitor obsessed and use our learnings earned over the years in shaping the consumption story in India.

Rewrite Rules, Retain Values

Kishore Biyani



Faster
checkouts

Assortment
upgradations driving
the Productivity

Differentiated
recall in the minds
of customers



Sit-down
lounges
for checkouts



Endless
aisles



Digital shelf
talkers

Latest
technologies
for the
Online2Offline
convergence



Experience
zones with
multisensorial
food products



Wider merchandise
and assortments



Large digital
screens

Large Format Stores



Big Bazaar is among the country's most trusted brands and a synonym of India's domestic consumption story.

The 285 large store network includes Big Bazaar and the 18-store Hypercity chain. These stores are now present in 135 cities and towns across 26 states and union territories and cover over 12 million square feet of retail space. The network delivered 13.4% same store sales growth through the year and generated ~12 Crore bills through the year.

Even though the network grew substantially, the key focus for Big Bazaar continued to be on further improving customer service and experience, widening the customers' basket across all key categories and earning a larger wallet share of its loyal customers. More than 250 stores now offer home delivery and the chain has shown marked improvement in billing speed quarter-on-quarter and higher point of sales utilization.

Big Bazaar's flagship customer program, BB Profit Club witnessed a 19% growth in its customer base, with four stores in the National Capital Region having more than 10,000 members each. Each member pays ₹ 10,000 upfront at the beginning

of their annual program and can shop for ₹ 1,000 twelve times during the year. This program played a key role in making the Big Bazaar at GIP Mall, Noida the first store in the network to cross ₹ 200 Crore in annual sales.

Engaging customers through the year during various festivals and wedding seasons and expanding new categories were the prime focus for the mass media campaigns for the format. However, the Company is spending increasingly a larger share on digital and social media channels and leveraging the Company's Data Lake to engage with customers directly.

The Company has adopted a strong Online to Offline (O2O) strategy that helps engage more deeply and directly with customers and it has already started yielding results. Customer data shows that some form of digital engagement now triggers almost 14% of customer visits at Big Bazaar.




fbb

Growing new categories through own brands continues to be a key focus area

The Company's fashion retail brand, fbb is a firm bet on the country's younger demographic profile, growing discretionary spend and middle class' move towards branded consumption. Backed by endorsements from Bollywood stars, association with cricket and IPL, music festivals like Sunburn and college festivals, the Company's fashion business continued to show steady growth.

fbb is backed by a strong 8,000 people resource pool of designers, fashion merchandisers, visual merchandisers and teams leading operational excellence. Almost all business is from company-owned brands that lead to significant value creation. During the year, DJ&C, a men's denims and casuals brand touched ₹ 1,100 Crore in turnover, while Shristi and Ateesa, women's ethnic wear brands is nearing ₹ 1,000 Crore. Kids has been a focus category for the past 18 months. The flagship brand, Pink N Blue is leading overall Sales in this category. Specialized categories like sportswear and athleisure products through Spunk and women's sleepwear brand Shyla each did business of over ₹ 250 Crore.



New store opened at the prestigious diplomatic enclave at Chanakyapuri, New Delhi

Foodhall

The Company's gourmet food chain, Foodhall continued to set new benchmarks in customer experience, store design and curating a premium assortment that responds to the needs of a very select and demanding customer.

The chain added new stores at the prestigious diplomatic enclave of Chanakyapuri in New Delhi, Central Mall at Goregaon, Mumbai and Center One Mall at Vashi, Navi Mumbai taking the store count to 10. New stores are being planned in the forthcoming year at marquee locations such as Bandra and South Mumbai.

Foodhall also strengthened its specialised services like Blue Ribbon, a personalised gifting service and Party Chef, a chef on call service for high value customers.

Apart from serving discerning customers, Foodhall also acts a key platform for innovation, prototyping new ideas and services and identifying tomorrow's popular food trends today. It gives a peek into habits and preferences that are gaining currency among alpha customers that can be mainstreamed within the larger Big Bazaar network.

Foodhall has also launched and successfully expanded its own line of brands such as The House of Tea offering an exquisite range of tea leaves, tea accessories and serveware. Other brands include, Traditions, a high quality staples range, Bustaan, offering premium dry fruits and nuts, Arqa, handpicked, organic or artisanal spices and Whisq, accessories and ingredients for home-baking, that has now been introduced in Big Bazaar also.



Online to Offline

The Company has developed a strong Online to Offline strategy that focuses on engaging and acquiring customers online and bringing them to stores.

fbf operates a full-fledged e-commerce portal that is reasonably popular with customers. However, the Company believes that for large format store networks engaging with customers online and having them visit and shop within its stores provides a far more valuable proposition for the Company, than just selling products online. Multiple consumer studies have shown that customers consistently buy far more units of goods when they visit and experience a store, compared to them shopping on small mobile phone screens or web portals. Mobile phones and electronics are the only exception to this rule.

The Company has therefore developed a strong Online to Offline (O2O) strategy that focuses on engaging and acquiring customers online and bringing them to stores. Through the year, Big Bazaar and fbf rolled out multiple and focused campaigns on various social media platforms to attract eyeballs and convert them into valuable footfalls.

The most successful of this has been its #DecideYourPrice on Twitter. A product is chosen and featured on Twitter for 24 hours. Every time

it is retweeted, the price comes down by ₹ 1. At the end of the promotion period, the final price is arrived at and customers can book the product at the price and buy it at the store. It has helped expand categories and drive new products. For example, a Koryo hand blender witnessed a 237% growth in weekly sales when it was featured on this platform and sold for ₹ 988. Similarly, a Safari luggage trolley grew by 131% or a backpack brand grew by 364% during the promo week.

During the annual Sabse Sasta 5 Din Sale, the Company hosted a 24 hour live show on Facebook featuring social media influencers and celebrities reviewing products and giving out coupons. More than 30 million views were registered, 40,115 coupons were distributed and 64% of them were redeemed within stores. The Company has also hosted live fashion shows online – Watch Now, Buy Now, wherein the customer could click and buy. This attracted 42 million viewers. It has also teamed up with Google to issue discount coupons on product searches and run a Kitchen Stock Exchange game online that brought in almost a lakh customers into stores.



Connecting with customers online, and bringing them into stores.

World's first 24 hrs. Facebook Live with influencers and social celebrities.



#DecideYourPrice on Twitter. Retweet to lower price.

Fast Billing: Book your pass online for ₹ 50 and bill at your preferred time.

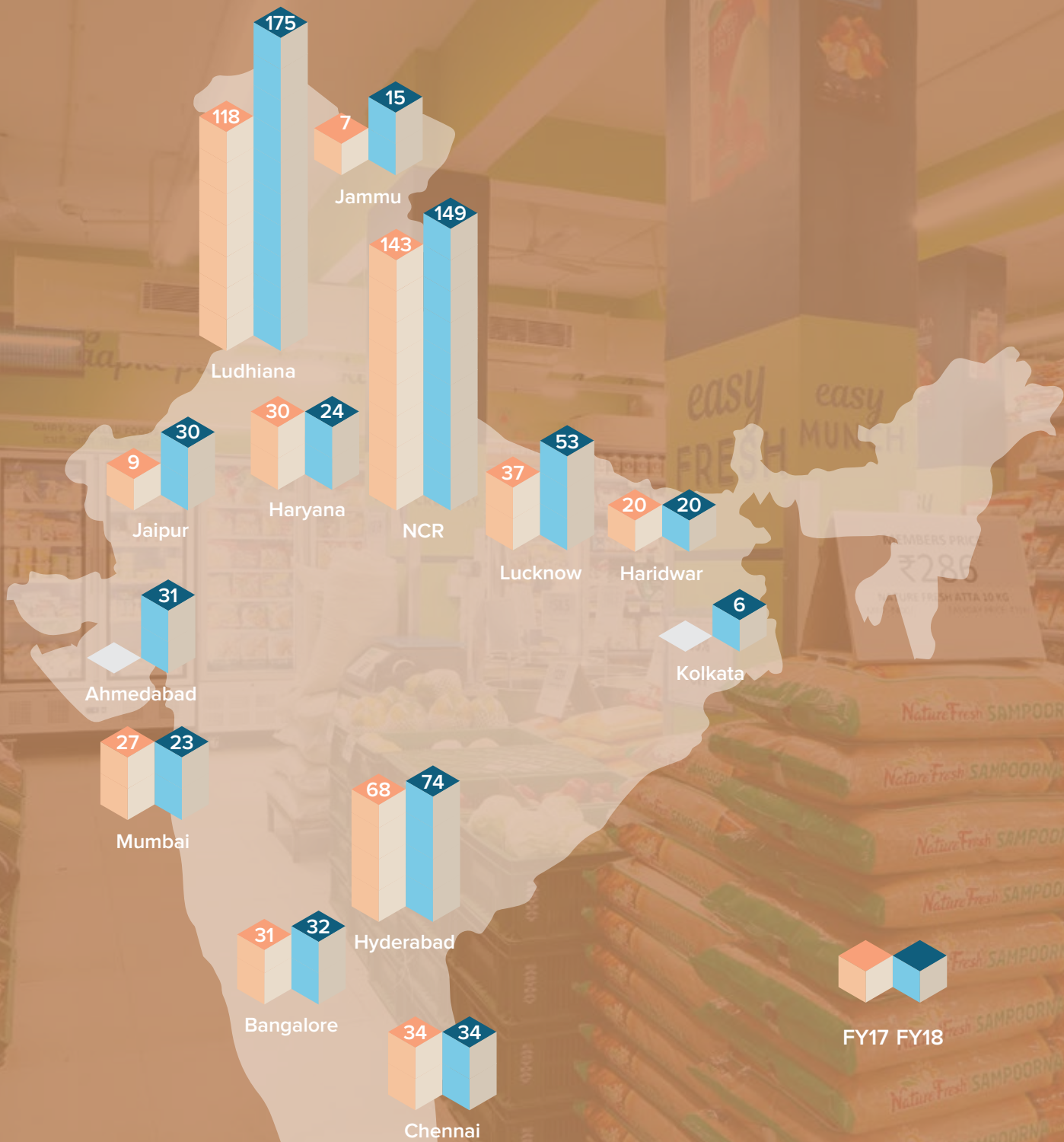


Watch Now, Buy Now: Buy on live fashion show on fbbonline.in



Smart Search on Google for promo codes on search results

Small Format Stores Clusters



FY17 FY18

The map is a generalized illustration and does not represent the political boundaries or geographical features of cities, states or country.

Small Format Stores



Pados Ki Dukaan



The 666-store small store network, which includes the EasyDay chain in North India and Heritage chain in South India forms the most important part of the Company's Retail 3.0 plans. Both these chains are aggressively expanding to serve around 2 Crore unique families within the next few years. The Company aims to have a small format store within a 2 km radius of every consuming class Indian in urban centres.

After a pilot project, the Company rolled out a customer membership program across small stores in North India starting July 2017. Customers who become members get free home delivery, a 10% flat discount across most products at the store, and other benefits. The annual membership fee is ₹ 999. Each store is designed to serve around 3000 customers and on an average each store now has over 900 members.

During the forthcoming financial year, the Company is well prepared to roll out around a thousand small format stores. In addition, the Company is also rolling out a mobile app that allows members to order from their phones and have products scheduled for home delivery or store pick up at



The Company plans to have a small store within 2 kms of every consuming class Indian in urban areas.

a convenient time for them. The app also allows customers to pay through multiple options, including the company's Future Pay mobile wallet. A key feature of the app is the scan and pay feature. Customers can choose to scan the bar code of any product from their kitchen and add to their shopping basket. They can even do it within the store, pay on the app and walk out of the store without going to the cash till.

However, technology isn't just limited to customer interfaces. Store managers are now equipped with a technology platform that helps them track sales trends, inventories, margins, member insights and member details anytime. As the Company gears up for adding on an average three stores everyday, it has also started using a real estate app that allows property owners to upload details from their mobile phones. Data on the area and of the property are evaluated at the back-end, scores are tabulated and the zonal teams can quickly view and sign up properties. Similar technologies are being developed to maximize speed and allow data and technology to drive decision-making. Customer data is being used to develop member-data curated product assortments within every store.

Platform:

Technology & data-led,
O2O ready

Strategy:

Low cost operations driven by
customer proximity and high
margin brands

Demand Creation:

Membership driven model
ensures high wallet share

Execution:

Focussed on clusters &
member data curated ~3500
SKUs assortment

Total members:

5 lakh +

Annualized spend:

~₹ 35,000

per member

Membership active in

~544 stores

*Figures are as on 31st March 2018,
Membership program rolled out in
phases through FY17-18.*



The Digital Layer

EasyDay Club Members App

Current Features: Scan, Pay & Checkout on App | Order on App | Call on App | Pay Through Future Pay | Schedule Store Pickup or Home Delivery | Order from History

Next Features: Chat and Order | Access Credit | Access Virtual Marketplace

Club Manager Tathastu App

Current Features: Track Sales, Margins, Availability at SKU level | Track Member Behaviour | Reminder for Memberships Expiring Soon | Member Details | Inventory Management | Complaint Redressal

Next Features: AI-based Capabilities | Automatic Replenishments | Analytics Based Decisions

Integrated Real Estate App

Current Features: Landlord & Broker Log in to Upload Details | Live Property Tracking | 3-Step App Based Approval Mechanism | Catchment & Property Score | IRR Calculation | Legal Evaluation

Next Features: Integrating Public & Social Media Data

During the forthcoming financial year, members will have multiple ways to order anytime, from anywhere on a mobile app. And as a truly digital organisation, almost all core functions in running the store network will be through apps and technology-enabled decision making platforms.



MANAGEMENT DISCUSSION AND ANALYSIS

This year was a year of “Delivering Promises”. We had set ourselves out to deliver “More out of the Same” this year and we continue to move along firmly towards this goal.

During the year, the productivity of our large format stores (Big Bazaar) increased by 11.5% over the last financial year. We added 50 new large stores during the year and were able to achieve a 13.4% same store sales growth in this format. Our past investments in back-end technology have been at the center of this growth and we believe that the technology-led processes create an unparalleled layer of MOAT across the network & formats of FRL.

On Small Stores, we were focused on increasing the depth in our clusters and membership base. To this extent, we had set a target of achieving close to 800 stores by the year-end and we were able to close the year with around 750+ small stores (including acquisitions that were closed soon after the end of the financial year). We added 4 lakh members in this year to a modest opening base of 1 lakh members, setting this firmly on path to become one of India's deepest customer engagement programs.

This year saw the consolidation of two iconic retail chains with our existing network of stores. Post consolidation of Heritage stores with our small stores in the first quarter, we are now witnessing a strong growth opportunity in the southern market. With Heritage retail business, the Company added 136 stores in 3 cities of Southern India. The small stores' business in Northern India, has already started showing better efficiency. The acquisition of Hypercity Retail has added 19 large format stores across marquee locations with strong market share in their cities' of presence. Fiscal 2019 is expected to deliver strong value enhancements from these acquisitions from synergistic mutual strengths, rationalisation of back-end costs and economies of scale.

It's time for Retail 3.0. We are working on the strategy wherein a strong layer of technology is being added over the physical stores' network & back-end, deployment of customer data-analytics, charting the customer journeys from online to offline and much more. We undertook various initiatives in line with our Online to Offline strategy like the launch of the fbb ecommerce portal, the #DecideYourPrice campaign on twitter, the 24-hour live show on facebook during our annual Sabse Saste 5 Din sale and the Watch Now, Buy Now campaign on fbb. All these campaigns generated huge interest and curiosity in the minds of the consumers bringing them to our stores.

The Company continues to increase its share in the consumers' wallet by adopting a strategic approach that

is sustainable, profitable and value accretive in the longer run. Increasing the velocity of sales and productivity of stores is a key focus for the Company while continuously deepening the presence. The objective has been to enhance assortment relevance, improve quality standards, shopping experience and reinvent ourselves for higher customer conversion ratio, better ticket sizes, better same store sales growth and focus on higher margin products.

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

A lot of initiatives were undertaken to enhance customer loyalty backed with enhanced experiential shopping journeys. This includes growth of our digital payment wallet 'Future Pay' with the price match feature building unparalleled customer trust, EMI facility for spends above certain limit across stores of the Company (through EMI network card co-branded with Bajaj Finance), #DecideYourPrice initiative through social networking websites. Membership programs like Easyday savings club for small stores and Big Bazaar Profit Club for large stores have seen strong growth and very high rate of renewals from the customers. These innovative digital tools and fast-growing membership clubs are yielding deep big-data customer households which in-turn is creating a deep MOAT for us to penetrate deeper in a sustainable manner.

Operational Overview

The Company now operates in broadly two formats, large format retail through the Big Bazaar and small format neighbourhood retail business, across Food, Fashion and Home. Management now has sharper focus on the business post the demerger of Home Retail Business and a substantial closure of Electronics Retailing format. This enhanced focus on core ensures better prospects of higher ROCE along with greater free operating cash flows.

With higher volume achievements for its various supply partners, the Company is able to negotiate better margins at higher scale with improved quality & availability. Pan-India reach continues to yield strategic edge to the business and all incremental space additions make the back-end operations more cost effective. At the same time, greater focus on control has been contributing to an overall cost reduction.

Customer and Marketing Overview

In continuation with previous year, the Company was one of the key sponsors to two of India's most coveted event – IPL and the fbb Miss India pageant. Promotional activities like Wednesday Bazaar, Public Holiday Sale, Independence Sale, Sabse Saste 5 Din continued to add value to customers and business alike. Innovations such as Kitchen Stock Exchange, Live shopping alongside facebook, exchange offers, specific category sales & many more delivered high participation from the customers. Further, the Future Paywallet, price match challenge, electronics at cost price, #DecideYourPrice campaign kept the customers hooked onto our formats.

fbb, the Fashion at Big Bazaar, continues to connect with the young customers, by promoting various events. Miss India contest, IPL season 11, music and performance events continue to portray fbb as the fashion destination for youth. fbb has a strong presence on social media, such as Facebook and Twitter and has more than about 0.8 million followers on Facebook. The Company considers fbb as an important strategic piece to register its presence in fashion, enhance sales productivity and improve margin profile and profitability.

fbb has become known for 'fashion at affordable price'. Further, celebrity endorsements and its media presence in big events like Miss India and IPL, continued to keep fbb fresh and renewed in minds of fashion conscious youth and other customers.

The introduction of easyday savings club program has demonstrated tremendous growth opportunity that this format holds. An Easyday club member visits the store 3-4x a month fulfilling about 50-60% of her annual grocery consumption from this format. The Company plans to roll out free home delivery to its members in a 2 km radius from the store as well as offer other value added services.

Awards & Recognition

The Company or its formats received awards in categories like:

- FRL awarded as Marketer of the Year at the prestigious Leadership Award for excellence in marketing, advertising and media; and
- Board Diversity Award, 2017

Big Bazaar

- Big Bazaar won IMAGES Most Admired Food & Grocery Retailer of the Year 2017;
- Big Bazaar's DecideYourPrice campaign won SILVER for 'Best Campaign to Drive Sales' at 'The Maddies Awards';
- Big Bazaar's Smart Search won Best Search Marketing Campaign at CMO Asia Awards 2017;
- Big Bazaar's Decide Your Price campaign won Gold for Best Social Media amplification at BW Applause awards;

- Big Bazaar's Fast Billing campaign won Silver for Best Use of Digital marketing at BW Applause awards;
- Big Bazaar won Silver for its Grahpravesh campaign at Effie 2018 under the Retail section; and
- Big Bazaar ranked Number 6 in the 'Brand Asia – 2017' Survey by Market Xcel in association with Nikkei BP, Japan.

Easyday

- Easyday won IMAGES Most Admired National Supermarket.

fbb (Fashion @ Big Bazar)

- fbb won IMAGES Most Effective Marketing and Promotions Campaign of the Year;
- fbb won IMAGES Most Admired Retailer of the Year Innovative Retail Concept; and
- fbb's World Shorts Day won Best Social media Campaign of the year CMO Asia Awards 2017.

Competition

The Company is part of the Future Group, which is a pioneer in the organised retail & consumption industry. It stands as the only truly Pan India retail chain. As of March 31, 2018, the Company is present through the large format stores and small stores prominently across most consumption centres. Its presence across 321 cities, including the metro cities, prominent tier two cities, fast growing cities and new consumption centres, ensures that the Company is present in all consumption areas across length and breadth of India to serve the maximum consumers.

Human Resource initiatives

Human Resource is one of the key interfaces the Company has with its customers and hence it is very critical to ensure continuous learning and development of its people resources. FRL employs 38,626 employees located at Head Office, Zonal Offices, Retail Stores, Design houses and Data-Centers across the Country. The Company imparts continuous training to its employees in various fields and at the same time also ensures individual development by imparting training for improvement of skills, knowledge and leadership abilities. The Company has attracted best talents from the industry as well as successful in retaining its core team, which has rich experience of last 20 years leading the Company's core retail business. Further, the Company has implemented ESOP scheme to give better retention benefits to its valued human assets.

Business Outlook

According to various research reports on Retail industry, it is believed that retail industry in India is on a strong growth trajectory, since per capita GDP in India is close to \$2,000, post which the consumption across Food,

Fashion & Home is expected to grow 2-3x in the next decade. This trend has been established in many other emerging markets reaching per capita GDP around \$2,000. Key industry drivers are India's favourable demographics, rising middle class with increasing share of discretionary spends and a rise of shopping area and e-commerce.

Future Retail has an established network of stores under various formats, spread across pan India basis, and is poised to get the maximum benefit of the surge in the consumption drive. The network of Future Retail is strategically well placed to capture the value shift, through the high consumption centers as well as the upcoming cities.

Further, internal drive to improve profitability by reducing the overall operation costs and further reduction in finance cost by reducing the overall debt, will further benefit the Company with improved profitability.

The reduction of debt, improved net worth, would help the Company to obtain the upgradation in the credit rating, which will further help the Company to obtain the funding at much more reasonable cost and with limited financial and non-financial covenants. The Credit Analysis & Research Limited (CARE), has assigned its rating for Short Term borrowings to [CARE A1+ [CARE A One Plus]] and Long Term borrowings [CARE AA- [CARE Double A Minus]] as of March 31, 2018.

In FY 2018-19, FRL would lead from front in the Retail Industry, taking advantage of its experience in the retail sector, scale of operations, technological advancements, strong distribution network and experienced and skilled workforce. The efforts initiated "to get more out of the same" could increase productivity per square foot of retail space.

Risks and Threats

The state of external environment, including factors like interest rates, inflation, growth in economic activity, rationalisation of tax structure, job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any slowdown in the economic activity in the Country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company.

Other external factors, including a steep rise in interest rates or drastic changes in the policy or regulatory environment can pose financial challenge for the Company. However, continued steps taken by the Company to deleverage its balance sheet, improving its debt maturity profile and thereby reducing stress on its cash flow, improved business efficiency, reducing overall operating costs and continuous efforts to increase customer ticket size and capturing new class of customers to increase overall higher spend in various formats of the

Company, are aimed at mitigating each of the above discussed external threats. We shall also note that at this time, we do not anticipate any major adverse change in macro economic factors.

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

Internal controls and their adequacy

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

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

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

The financial results for the twelve months ended March 31, 2018 are not comparable with corresponding period of previous year, due to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail undertaking of Heritage Foods Retail Limited and Retail Business undertaking of Hypercity Retail (India) Limited with the Company.

Sales: The Company's Sales and Other Operating Income has increased from ₹ 17,075.09 Crore in previous financial year to ₹ 18,477.97 Crore with Y-o-Y growth of 8.22% for the financial year ended March 31, 2018. The Company has also recorded Same Store Sales growth of 9.9% for financial year ended March 31, 2018.

Profit Before tax (excluding one-time non-cash exceptional expense): Profit Before Tax of the Company for financial year ended March 31, 2018 stood at ₹ 615.18

Crore as compared to ₹ 368.28 Crore during the previous financial year.

Interest: Interest & Financial charges out flow has decreased from ₹ 204.23 Crore incurred in previous financial year to ₹ 175.38 Crore for financial year ended March 31, 2018. The decrease in interest and financial charges is on account of decrease in average borrowings during the year and lower interest rates. The interest & financial charges cover for financial year ended March 31, 2018 under review is 4.81 times as compared to 2.96 times in the previous financial year.

Net Profit: Net Profit of the Company for financial year ended March 31, 2018 stood at ₹ 11.31 Crore as compared to ₹ 368.28 Crore in the previous financial year. The decrease in the net profit is on account of the one-time non-cash expense of ₹ 603.87 Crore due to loss on sale of investments.

Dividend: The Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2018.

Capital employed: The capital employed in the business is ₹ 4,382.68 Crore as at March 31, 2018. Return on capital employed (average capital employed) during 2017-18 is 19.33% as compared to 16.85% during 2016-17.

Surplus management: The Company generated a cash profit of ₹ 668.61 Crore for financial year ended

March 31, 2018 as compared to ₹ 400.86 Crore in the previous financial year, registering the growth of 66.79%. The amount, is ploughed back into the business to fund the growth.

Equity share capital: The equity share capital of the Company has increased from ₹ 94.36 Crore to ₹ 100.40 Crore due to ₹ 3.57 Crore worth of shares issued to shareholders of HFRL as per Scheme of Arrangement, ₹ 1.86 Crore worth of shares issued to shareholders of Hypercity as per Scheme of Arrangement, ₹ 0.57 Crore worth of shares issued to Cedar Support Services Limited on conversion of 1,542 Optionally Convertible Debentures and balance to employees exercising their stock options during the financial year under review.

Net Debt-Equity: Net Debt-Equity ratio of the Company was 0.36 as at March 31, 2018.

Earnings Per share (EPS): The Company's EPS (before exceptional items) has increased from ₹ 7.81 in previous financial year to ₹ 12.45 per share for the financial year ended March 31, 2018.

Cash Earnings Per Share (CEPS): The Company's CEPS (before exceptional items) has increased to ₹ 13.32 in current financial year in comparison to ₹ 8.50 in the previous financial year.

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the Eleventh Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

The financial performance of the Company is as follows:

(₹ in Crore)

Particulars	Financial Year 2017-18	Financial Year 2016-17
Revenue from Operations	18,477.97	17,075.09
Other Income	11.67	23.80
Total Revenue	18,489.64	17,098.89
Profit / (Loss) before Depreciation and Amortization Expense & Tax expense	668.61	400.86
Less: Depreciation and Amortization expense	53.43	32.58
Profit / (Loss) before Exceptional Item	615.18	368.28
Less: Exceptional Item	603.87	–
Profit / (Loss) before Tax	11.31	368.28
Less: Tax expense	–	–
Profit / (Loss) after Tax	11.31	368.28
Other Comprehensive Income for the year	1.96	(2.69)
Total Comprehensive Income for the year	13.27	365.59
Earnings Per Equity Share of Face Value of ₹ 2/- each		
- Basic and Diluted (in ₹)	0.23	7.81

REVIEW OF PERFORMANCE

During the financial year, the Company had a total income of ₹ 18,489.64 Crore. The total expenditure during the financial year amounted to ₹ 17,874.46 Crore resulting in profit before exceptional item and tax of ₹ 615.18 Crore as compared to profit of ₹ 368.28 Crore in previous year. The Profit after Tax for the year under review is ₹ 11.31 Crore after adjusting non-cash exceptional item of ₹ 603.87 Crore.

The financial results for the twelve months ended March 31, 2018 are not comparable with previous year, due to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail undertaking of Heritage Foods Retail Limited and Retail Business Undertaking of Hypercity Retail (India) Limited with the Company.

The year 2017-18 was a very fulfilling year. We have a pan India presence with 1,035 stores in 321 cities in India as of March 31, 2018 and total retail space of approximately 14.5 million sq. ft. for various formats of our Company. As on March 31, 2018, we have 285 Big Bazaar / Hypercity stores, 61 fbb stores, 10 Foodhall stores, 666 small format stores and 13 eZone stores. Our retail format business is supported by various other businesses operated by Future Group companies and through Future Group companies' investments in various ventures including branded fashion, food &

FMCG, insurance, warehousing & logistics, media, textiles and online retailing.

As regards the well-developed formats like Big Bazaar, fbb, Foodhall, easyday etc., which has received good recognition and also acceptance from our consumers, we have been able to develop presence across India with good loyal customer base as of March 31, 2018 of approximately 38 million members across all formats. The business continues to be driven by growing consumer spending pattern. We strongly believe that our increased store presence during the year would help grow faster in coming years.

Our constant efforts to connect with our customers on social sites like facebook, twitter etc. has not only helped in increasing brand building but also helped in satisfying the queries and complaints of our customers in shortest possible time. The presence of dedicated team for online screening and resolution of queries and complaints of customer has also helped in developing a personal relationship with customers on pan India basis.

We have partnered with People Strong, a leading technology-led HR solutions company to enable the end to end digital transformation of the People Office. This is a crucial step and that will enable us in building a far more digital organization and bring in technology led solutions in all employee facing processes.

SCHEME OF ARRANGEMENT AND ACQUISITION

a. Composite Scheme of Arrangement among Heritage Foods Limited and Heritage Foods Retail Limited and the Company and their respective Shareholders and Creditors (“Heritage Scheme”).

The Composite Scheme of Arrangement among Heritage Foods Limited (“HFL”) and Heritage Foods Retail Limited (“HFRL”) and the Company and their respective Shareholders and Creditors under Sections 391-394 and Sections 100-103 of the Companies Act, 1956 and/or Sections 230-232 and Section 66 of the Companies Act, 2013 (as applicable) and Section 52 of the Companies Act, 2013 (“Heritage Scheme”), *inter-alia* involving demerger of the Retail Business Undertaking of HFL, through its wholly owned subsidiary HFRL, into the Company has been given effect on May 19, 2017 (“Effective Date – Heritage Demerger”). The Appointed Date under Heritage Scheme for Demerger was close of business on March 31, 2017.

Pursuant to the Heritage Scheme, the Retail Business Undertaking of HFRL has been transferred to and vested with the Company. As consideration for the Demerger, the Company on July 27, 2017 has issued 1,78,47,420 equity shares of the face value of ₹ 2/- each fully paid-up at a premium of ₹ 163.29 per equity share, to the shareholders of HFRL (i.e. HFL).

The shareholders of HFRL (i.e. HFL) have agreed to share with the Company an upside on the realization out of the shares of the Company, subject to certain broad terms and conditions.

b. Composite Scheme of Arrangement among the Company and Bluerock eServices Private Limited and Praxis Home Retail Limited and their respective Shareholders (“Home Town Scheme”).

The Composite Scheme of Arrangement among the Company and Bluerock eServices Private Limited (“BSPL”) and Praxis Home Retail Limited (“PHRL”) and their respective Shareholders under Sections 230-232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (“Home Town Scheme”), *inter-alia* involving demerger of the Home Retail Business Undertaking of the Company into PHRL has been given effect on November 20, 2017 (“Effective Date – Home Town Demerger”). The Appointed Date under Home Town Scheme for Demerger of Home Retail Business Undertaking was August 01, 2017.

Pursuant to the Home Town Scheme, the Home Retail Business of the Company carried on through Home Town Stores have been transferred to and vested in PHRL. As a consideration for the said demerger, on December 08, 2017, PHRL issued and allotted 1 (One) fully paid up equity share of ₹ 5/- each, to the Shareholders of the Company for every 20 (Twenty) fully paid up equity shares of ₹ 2/- each held in the Company on November 30, 2017, the Record Date which was fixed by the Company in this connection.

Post issue of such equity shares to the Shareholders of the Company and on January 31, 2018 the equity shares of PHRL got listed on the stock exchanges viz, BSE & NSE.

The Home Town Scheme which also provided for demerger of e-Commerce Home Retail Business Undertaking of BSPL into PHRL has also been given effect on Effective Date – Home Town Demerger.

c. Acquisition of Hypercity Retail (India) Limited

The Company acquired the entire share capital of Hypercity Retail (India) Limited (“HRIL”) from its shareholders for combination of cash and share consideration and has executed Share Purchase Agreement in this connection. In order to discharge part of the consideration, the Company issued and allotted in aggregate 93,10,987 equity shares of ₹ 2/- each fully paid up, collectively to erstwhile shareholders of HRIL (in proportion to their shareholding in HRIL) at a premium of ₹ 535/- per equity share on a preferential basis. Consequent to this acquisition, HRIL became a wholly owned subsidiary of the Company effective November 30, 2017.

d. Scheme of Arrangement between Hypercity Retail (India) Limited and the Company and their respective Shareholders (“Hypercity Scheme”).

In order to consolidate the retail business under singly entity, the Company entered into Scheme of Arrangement with Hypercity Retail (India) Limited (“HRIL”) and their respective Shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (“Hypercity Scheme”), whereby the Retail Business Undertaking of HRIL got demerged and vested with the Company. The said scheme was made effective on April 25, 2018 (“Effective Date – Hypercity Demerger”). Further pursuant to the Scheme, Capital Reserve has been re-organised and recorded as Security Premium. The Scheme has been given effect in financials of the period under review. The Appointed Date under Hypercity Scheme for Demerger was December 01, 2017.

e. Acquisition of “Foodworld” business

Post March 31, 2018, the Company has entered into Business Transfer Agreement (“BTA”) with Foodworld Supermarkets Private Limited (“FSPL”) and acquired the Retail Business Undertaking under the brand name “Foodworld” for cash consideration.

EQUITY SHARE CAPITAL

During the year under review, the Company has issued and allotted in aggregate 3,01,62,415 Equity Shares, the details of which are as under:

❖ Pursuant to FRL ESOP – 2016

On July 13, 2017, the Company allotted 1,51,622 Equity Shares of ₹ 2/- each to eligible employees of

the Company, upon exercise of the vested options granted to the said employees under Future Retail Limited Employee Stock Option Plan - 2016 (FRL ESOP - 2016). None of the employee is in receipt of Equity Shares exceeding 1% of Equity Share capital of the Company against the vested options exercised by them under FRL ESOP - 2016.

❖ **Pursuant to Heritage Scheme**

On July 27, 2017, the Company allotted 1,78,47,420 Equity Shares of ₹ 2/- each at a premium of ₹ 163.29 per share to Heritage Foods Limited ("HFL") as a consideration for the acquisition of business, pursuant to the Composite Scheme of Arrangement among the Company, HFL and HFRL and their respective Shareholders and Creditors.

❖ **On conversion of Optionally Convertible Debentures (OCDs)**

On October 31, 2017, the Company has made allotment of total 28,52,386 Equity Shares of ₹ 2/- each at a premium of ₹ 538.60 per share to Cedar Support Services Limited ("CEDAR") upon conversion of Optionally Convertible Debentures (OCDs) which were originally allotted to CEDAR pursuant to the Composite Scheme of Arrangement between the Company and Future Enterprises Limited and their respective Shareholders and Creditors ("FEL – FRL Scheme"). After conversion, there are no outstanding OCDs remains in the Company.

❖ **Pursuant to acquisition of Hypercity Retail (India) Limited**

On December 01, 2017, the Company has allotted 93,10,987 Equity Shares of ₹ 2/- each at a premium of ₹ 535/- per share to the erstwhile shareholders of Hypercity Retail (India) Limited ("HRIL") in the ratio of their holding in HRIL as a part of consideration in order to acquire the entire share capital of HRIL from its erstwhile shareholders.

During the year under review, the Company has not issued any shares with differential rights as to dividend, voting or otherwise.

BUSINESS OUTLOOK

Retail 3.0 is one of our most ambitious projects and a business model that we believe will change the way retail happens. We aim to open 10,000 small format stores in the coming years across the Country. Driven by Data, Technology and People, these stores will be big on 'High Touch and High Tech'. These 'Members Only' store with 2,000 members per store will work on customer data and customer proximity. We will be connected to our customers 24/7 in Real Time mode.

The expansion of our neighborhood stores format and the growth of a FMCG business are among the two key pillars of realizing Future Group's Vision 2021. We are building our neighborhood stores in clusters of 100 to 500

stores in and around large cities. The Small Format Retail model is an ambitious plan that will see us open around 10,000 stores backed by a tech augmented 'High Touch and High Tech' model that will set the standards for the future of retail in India. Enabling this ambition, we have put in our efforts to set up and increase the size of the team that will ensure that we realise our ambition and relentlessly drive the execution of this strategy.

Our decision to concentrate as pure-play asset light retail business has thrown more opportunities across all our large & small stores. Development and implementation of technology tools across all stores and offices on pan India basis and continuously updating of technology tools has helped in achieving our goals which were set during past years. The "Data" of our customer has helped in achieving more sales per customer across all formats and we strongly believe that we can capitalize the same in coming years.

The effort to continue our unique extensions in form of Future Pay wallet, Membership & Loyalty drive across formats have once again provided good response and well accepted by our customers. This will continue to guide us to understand our customer in better way by tracking their spending pattern and allow us opportunity to serve them in a better way. It will continue to help in acquiring new customers in our fold.

Our initiative of Big Bazaar Gen Nxt across large metros and fbb stores at select locations has received good response and going forward we look to expand our presence across major locations for both these formats. These formats have been recognized as shopping destinations and we believe that our continuous efforts to make them unique will allow us to cater to aspiring Indians more efficiently and also increases the sales at our stores.

We are on our path to redefine the aspirations and consumption trend in our nation for our customers. While we are taking a leap in building retail ecosystems for our customers, we will build an organization that will help realize this dream of ours. Our efforts of past years in improving supply-chain capabilities, technology-enabled processes, increasing focus on membership experience and other services shall help in creating an exceptional model for our neighborhood stores. We have already initiated our journey and continuous efforts in that direction will lead us to success in coming years.

We have already set up a C & D Lab at Bengaluru and a dedicated team is working towards making this transformation and also to create a digital and product organization.

We are working to create a high tech and high touch experience for our customers, increasing our efforts in integrating data and technology in real time. Backed with data intelligence, we are on our journey to build an end-to-end unified retail commerce experience for all our customers.

DIVIDEND & RESERVES

Due to accumulated losses of previous years and further with a view to preserve the profits of current year for

future prospects, the Board of Directors of the Company were unable to recommend any Dividend during the financial year 2017-18. No amount is proposed to be transfer to General Reserve.

INVESTMENTS

The Company has made the following investments:

❖ **Hypercity Retail (India) Limited (“HRIL”)**

In terms of the share purchase agreement which was executed between the Company, HRIL and erstwhile shareholders of HRIL (hereinafter collectively referred as Sellers) of the Company has acquired the entire share capital of HRIL from Sellers comprising of 15,10,30,306 equity shares of ₹ 10/- each. Consequent to this, with effect from November 30, 2017, HRIL became a wholly owned subsidiary of the Company. In turn the Company has allotted 93,10,987 equity shares to the Sellers in the proportion of their shareholding in HRIL and also paid cash consideration in terms of the aforesaid share purchase agreement.

❖ **Travel News Services (India) Private Limited (“TNSI”)**

The Board of Directors of the Company had approved the acquisition of entire equity share capital of TNSI and also executed share purchase agreement and related documents for the said transaction. On May 11, 2018, the Company has paid ₹ 65.42 Crore in cash (after adjustments) to the existing shareholders of TNSI towards the said acquisition.

Consequent to this, and with effect from May 11, 2018, TNSI has become a wholly owned subsidiary of the Company. In addition to this and with effect from May 11, 2018, TNSI Retail Private Limited which is a wholly owned subsidiary of TNSI and Welcome Retail Private Limited, a joint venture of TNSI in which TNSI holds 51% of the share capital have become step down subsidiaries of the Company.

DIVESTMENTS

Pursuant to demerger of Retail Business Undertaking and vesting of the same with Company on March 29, 2018, the shares of HRIL comprising of Remaining Business Undertaking were sold to Kalap Fabtraders Private Limited (Nominee of Jas Infra Space Private Limited), for an aggregate consideration of ₹ 7.85 Crore and accordingly, HRIL ceased to be subsidiary of the Company.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits from the public and accordingly, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2018.

DEBENTURES

During the year under review total 1,542, 10% Optionally Convertible Debentures of ₹ 10 Lakh each (OCDs) aggregating to ₹ 154.20 Crore which were originally issued to Cedar Support Services Limited (“CEDAR”) and was standing in the books of the Company have been converted into 28,52,386 equity shares of the Company at

a price of ₹ 540.60 (including the premium of ₹ 538.60) which was determined as per the pricing formula as specified in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said 28,52,386 equity shares has been issued and allotted to CEDAR on October 31, 2017 and thereafter listed on BSE and NSE.

The Company has not issued any other debentures during the year under review.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a Certificate from Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

AUDITORS AND AUDITORS’ REPORT

Statutory Auditors

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

In view of recent amendment in the Companies Act, 2013 (“the Act”) which were notified with effect from May 07, 2018 by the Ministry of Corporate Affairs, the requirement of ratification of Auditors at every year has been removed and accordingly, there is no requirement of ratification of appointment of Auditors.

The Company has received a written confirmation from the Statutory Auditor that their continued appointment shall be in accordance with the criteria as provided under Section 141 of the Act.

Auditors’ Report

The Auditors’ Report on the Financial Statement for the financial year ended March 31, 2018 was issued with unmodified opinion and does not contain any qualifications, reservations or adverse remarks.

Secretarial Auditor

As required under provisions of Section 204 of the Act and Rules made thereunder, Ms. Bindu Darshan Shah

(Membership No. A-20066 / CP No. 7378), Proprietor: K. Bindu & Associates, Practising Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2017-18.

The Secretarial Audit Report for the financial year 2017-18 is appended as **Annexure – I**, which forms part of this Report. The said Secretarial Audit Report doesn't contain any qualifications, reservations or adverse remarks.

POLICIES & DISCLOSURE REQUIREMENTS

The Company has in place *inter-alia* following policies & code of conduct duly approved by the Board of Directors the Company:

- Details of programs for familiarization of Independent Directors with the Company are available on the website of the Company at the link http://www.futureretail.co.in/pdf/ID_Familiarization.pdf
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link http://www.futureretail.co.in/pdf/Mat_Sub_Policy.pdf
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link http://www.futureretail.co.in/pdf/Policy_for_Determining_Materiality_of_Events.pdf
- Policy for archival of documents of the Company is available on the website of the Company at the link http://www.futureretail.co.in/pdf/Archival_Policy.pdf
- The code of conduct for the Board of Directors and senior management personnel of the Company is available on the website of the Company at the link http://www.futureretail.co.in/pdf/Code_of_Conduct_for_Key_Management_Persons.pdf
- Policy on dealing with related party transactions is available on the website of the Company at the link http://www.futureretail.co.in/pdf/RPT_Policy.pdf
- The Remuneration Policy is available on the website of the Company at the link http://www.futureretail.in/pdf/Remuneration_Policy.pdf.
- The Dividend distribution policy is given as **Annexure – II** to this Report. The same is also available on the website of the Company at the link http://www.futureretail.co.in/pdf/Dividend_Distribution_Policy.pdf

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Sridevi Badiga was appointed as an Additional (Independent) Director on April 20, 2017 for a period of Five (5) years. Further, the

Members at Tenth Annual General Meeting held on August 29, 2017 have approved the appointment of Ms. Badiga as an Independent Director of the Company.

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

The Company has received necessary disclosure and confirmation from concerned Director(s) in connection with their appointment / re-appointment. Additional information on appointment / re-appointment of Directors as required under Regulation 36 of the Listing Regulations, is given in the Notice convening the ensuing Annual General Meeting.

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

COMMITTEES OF THE BOARD OF DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD

During the year under review, total Nine (9) meetings of the Board were held, details of which are given in the Corporate Governance Report that forms part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER

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

SUBSIDIARY, JOINT VENTURE, HOLDING COMPANY AND ASSOCIATE COMPANIES

During the year under review, the Company has entered into a joint venture agreement with Khimji Ramdas LLC, a company incorporated under the laws of the Sultanate of Oman wherein a joint venture company was established in Oman under the name "Future Retail LLC" effective May 01, 2018. The Company shall be contributing 50% of the share capital of said joint venture company.

During the year under review, the Company acquired 100% of equity share capital of Hypercity Retail (India) Limited ("HRIL") from its shareholders and consequently, it became a wholly owned subsidiary of the Company effective November 30, 2017.

Subsequently, pursuant to demerger of Retail Business Undertaking and vesting of the same with Company on March 29, 2018, the shares of HRIL comprising of Remaining Business Undertaking were sold to Kalap Fabtraders Private Limited (Nominee of Jas Infra Space Private Limited), for an aggregate consideration of ₹ 7.85 Crore and accordingly, HRIL ceased to be subsidiary of the Company.

There is no subsidiary or holding company or associate company of our Company as on year end.

PERFORMANCE EVALUATION OF BOARD

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

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

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

The Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

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

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

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

EMPLOYEES STOCK OPTIONS PLAN

The Shareholders of the Company had passed resolutions through Postal Ballot on November 07, 2016 and approved the Future Retail Limited Employees Stock Option Plan – 2016 ("FRL ESOP – 2016") and also approved to offer, issue and allot at any time or to acquire by way of secondary acquisition, to or for the benefit of Eligible Employees under FRL ESOP – 2016, not exceeding 90,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Nomination and Remuneration Committee.

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

The applicable disclosures as stipulated under SBEB Regulation as on March 31, 2018 with regard to the FRL ESOP – 2016 are provided in **Annexure – III** to this Report.

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR)

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans granted, Guarantee provided and Investment made by the Company which are covered under the provisions of Section 186 of the Companies Act, 2013, is provided in Notes forming part of Standalone Financial Statements.

INDIAN ACCOUNTING STANDARD (Ind AS)

The Company has adopted Indian Accounting Standards ("Ind AS") from April 01, 2016 with a transition date of April 01, 2015. Accordingly, the Financial Results for the year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Act, read with the relevant Rules issued thereunder and the other recognised accounting practices and policies to the extent applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Act, the Board of Directors of the Company hereby confirms that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2018;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis;
- v. the Directors further state that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Ms. Gagan Singh, Independent Director as Chairperson of the Committee, Mr. Ravindra Dhariwal, Independent Director, Ms. Sridevi Badiga, Independent Director and Mr. Rakesh Biyani, Jt. Managing Director as Members of the Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided under **Annexure – VI**, which is annexed to this Report.

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

In terms of the proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said

information is available for inspection by the Members at the Registered Office of the Company during business hours on working days and Member is interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including aforesaid information is being sent electronically to all those Members who have registered their e-mail addresses and is also available on Company's website.

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

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

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Act, an extract of annual return in the prescribed Form MGT-9 is appended as **Annexure – VIII** which forms part of this Annual Report.

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.

DETAILS UNDER REGULATION 39(4) OF THE LISTING REGULATIONS – UNCLAIMED SUSPENSE ACCOUNT

In connection with the details pursuant to Regulation 39 (4) read with Schedule V of the Listing Regulations, pertaining to outstanding shares lying in Unclaimed Suspense Account at the beginning of financial year under review, there were 184 shareholders holding 100,710 Equity Shares. All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as amended and issued from time to time by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts.

AWARDS AND RECOGNITIONS

The Company or its formats received awards in categories like:

- FRL awarded as Marketer of the Year at the prestigious Leadership Award for excellence in marketing, advertising and media; and
- Board Diversity Award, 2017

Big Bazaar

- Big Bazaar won IMAGES Most Admired Food & Grocery Retailer of the Year 2017;
- Big Bazaar's DecideYourPrice campaign won SILVER for 'Best Campaign to Drive Sales' at 'The Maddies Awards';
- Big Bazaar's Smart Search won Best Search Marketing Campaign at CMO Asia Awards 2017;
- Big Bazaar's Decide Your Price campaign won Gold for Best Social Media amplification at BW Applause awards;
- Big Bazaar's Fast Billing campaign won Silver for Best Use of Digital marketing at BW Applause awards;
- Big Bazaar won Silver for its Grahpravesh campaign at Effie 2018 under the Retail section; and
- Big Bazaar ranked Number 6 in the 'Brand Asia – 2017' Survey by Market Xcel in association with Nikkei BP, Japan.

Easyday

- Easyday won IMAGES Most Admired National Supermarket.

fbf (Fashion @ Big Bazar)

- fbf won IMAGES Most Effective Marketing and Promotions Campaign of the Year;
- fbf won IMAGES Most Admired Retailer of the Year Innovative Retail Concept; and
- fbf's World Shorts Day won Best Social media Campaign of the year CMO Asia Awards 2017.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 21, 2018

Kishore Biyani
Chairman & Managing Director

ANNEXURE – I

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Future Retail Limited
(Formerly known as Bharti Retail Limited)

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2018 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, 2018 according to the provisions of:

- i. The Companies Act, 2013 and / or the Companies Act, 1956 to the extent applicable (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines (as amended from time to time) prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable to the Company during the Audit Period); and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act;
- Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates;
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and no dissenting views were carried out;
- We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

(a) There were instances of:

1. Demerger / Restructuring / Scheme of Arrangement;
2. Allotment of shares pursuant to the Scheme of Arrangement, on conversion of debentures and also under Employee Stock Option Scheme; and
3. Preferential Issue of Shares.

(b) There were no instances of:

1. Redemption / Buy-Back of Securities;
2. Foreign Technical Collaborations.

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

Annexure I to Secretarial Audit Report

To,
The Members,
Future Retail Limited
(Formerly known as Bharti Retail Limited)

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **K Bindu & Associates**
Company Secretaries

Bindu Darshan Shah
Proprietor

Place : Mumbai
Date : May 21, 2018

Membership No. A20066 / CP No. 7378

ANNEXURE – II

Dividend Distribution Policy

Company's philosophy:

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

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

Declaration of Dividend:

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

Per share basis:

The dividend will be declared on per share basis only.

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

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

Financial parameters considered while declaring dividend:

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

Internal and external factors considered while declaring dividend:

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

Internal:

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

External:

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

Usage of retained earnings:

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

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

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

ANNEXURE III

Future Retail Limited Employees Stock Option Plan – 2016 (FRL ESOP – 2016) of the Company as at March 31, 2018.

To encourage ownership of Company's equity by its employees on an ongoing basis and also in order to reward the employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to the success of the Company, it was proposed to create, grant and offer options to the Eligible Employees of the Company under Future Retail Limited Employees Stock Option Plan – 2016 (FRL ESOP – 2016) as recommended by the People Office.

Sl. No.	Particulars	FRL ESOP – 2016
A.	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 39 in Notes to Financial Statements
B.	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 38 in Notes to Financial Statements

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

I.	Date of Shareholders' approval	The Shareholders of the Company had passed necessary resolutions through Postal Ballot dated November 07, 2016 and approved the FRL ESOP – 2016 which <i>inter-alia</i> provides to offer, issue and allot at any time or to acquire by way of Secondary Acquisition (through Trust Route), to or for the benefit of Eligible Employees of the Company and / or to the Eligible Employees of the Subsidiary Company(ies) of the Company, if any.	
II.	Total number of options approved under FRL ESOP - 2016	90,00,000 (Ninety Lakh only) Equity Shares of face value of ₹ 2/- each	
III.	Vesting requirements	Option – I*	Option – II^
		Options in respect of employees transferred from FEL pursuant to the Scheme of Arrangement were vested effective December 15, 2016.	Options granted under FRL ESOP 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.
IV.	Exercise price or pricing formula	Exercise price for Options granted during the year was ₹ 10/-	Exercise price for Options granted during the year was ₹ 10/-
V.	Maximum term of options granted	3 years from the respective date of option granted	3 years from the respective date of option granted
VI.	Source of shares (primary, secondary or combination)	Primary	Primary
VII.	Variation in terms of options	None	None
VIII.	Method used to account for ESOS	Black Scholes Method	Black Scholes Method

D. The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2017-18 would be ₹ 5.13 Crore.

E. Option movement during the year ended on March 31, 2018

Sl. No.	Particulars	Details	
		Option – I*	Option – II^
I.	Details Number of options outstanding at the beginning of the year	1,73,421	6,56,710
II.	Number of options granted during the year	NIL	NIL
II.	Number of options forfeited / Cancelled /lapsed during the year	8,392	NIL
IV.	Number of options vested during the year	NIL	3,28,355
V.	Number of options exercised during the year	1,51,622	NIL

Sl. No.	Particulars	Details	
		Option – I*	Option – II^
VI.	Number of shares arising as a result of exercise of options	1,51,622	NA
VII.	Exercise Price	₹ 10/- per share	NA
VIII.	Money realized by exercise of options, if scheme is implemented directly by the Company	₹ 15,16,220/-	NA
IX.	Loan repaid by the Trust during the year from exercise price received	NA	NA
X.	Total number of options outstanding (in force) at the end of the year	13,407	6,56,710
XI.	Number of options exercisable at the end of the year	13,407	3,28,355

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

The Company has not granted any options during the year under review. However, the details pertaining to the options granted during the financial year 2016-17 are as follows:

		Option – I*	Option – II^	
		Grant on December 15, 2016	Grant on December 06, 2016	Grant on December 15, 2016
I.	Exercise price equals market price (₹)	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-
III.	Exercise price is less than market price (₹)	127.30	125.10	127.30

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

		Option – I*	Option – II^	
		Grant on December 15, 2016	Grant on December 06, 2016	Grant on December 15, 2016
I.	Exercise price equals market price (₹)	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-
III.	Exercise price is less than market price (₹)	10	10	10

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

		Option – I*	Option – II^	
		Grant on December 15, 2016	Grant on December 06, 2016	Grant on December 15, 2016
I.	Exercise price equals market price (₹)	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-
III.	Exercise price is less than market price (₹)	119.03	116.82	119.02

G. Employee-wise details of options granted during the year on March 31, 2018

Employee-wise details of options granted during the year on March 31, 2018

I.	Senior Managerial Personnel None – No fresh options were granted during the year ended March 31, 2018.
II.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year None – No fresh options were granted during the year ended March 31, 2018.
III.	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants:- None – No fresh options were granted during the year ended March 31, 2018.

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

The Company has not granted any options during the year under review. However, the details pertaining to the options granted during the financial year 2016-17 are as follows:

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

The Assumptions used in the model are as follows:

Date	Option – I*	Option – II^	
	Grant on December 15, 2016	Grant on December 06, 2016	Grant on December 15, 2016
Risk Free Interest Rate	6.34%	6.30%	6.30%
Expected Life	1.5	2.78	2.75
Expected Volatility	43.00%	43.00%	43.0%
Dividend	0	0	0
Price of underlying shares in the market at the time of Option grant (₹)	127.30	125.10	127.30
Stock Price	Average price on BSE Limited on the date of grant has been considered.		
Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period taken into account match the expected life of the option		
Risk-free rate of return	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities		
Exercise Price	Exercise Price of each specific grant has been considered		
Time to Maturity	Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live		
Expected Dividend Yield	Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant		

(*)Option - I referred to employees who were transferred from Future Enterprises Limited (FEL) to the Company pursuant to the Composite Scheme of Arrangement.

(^)^Option - II referred to employees to whom Options were granted in the Company.

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

The details *inter-alia*, in connection with transactions made by the trust meant for the purpose of administering the Future Retail Limited Employee Stock Option Plan – 2016 are as under:

i. General Information of the Trust

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

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

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

ANNEXURE – IV

A brief outline of the Company's CSR Policy:

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The CSR Policy of the Company <i>inter-alia</i> includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ('the Act').</p> <p>CSR Policy of the Company is available on the website of the Company at the link: http://www.futureretail.in/pdf/CSR_Policy.pdf</p> <p>The Company has deployed its CSR funds through - implementing agency, "Sone Ki Chidiya" Foundation ("SKC Foundation").</p>
2	The Composition of the CSR Committee	<p>The CSR Committee as on March 31, 2018 comprises of:</p> <ul style="list-style-type: none"> ● Mr. Kishore Biyani – Chairman ● Mr. Rajan Bharti Mittal – Member ● Ms. Gagan Singh – Member
3	Average net profit of the Company for last three financial years / periods.	Profit of ₹ 8.48 Crore.
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 0.17 Crore
5	Details of CSR spent during the financial year 2017-18:	
	Total amount to be spent for the financial year 2017-18	₹ 0.17 Crore
	Amount un spent, if any;	NIL
	Manner in which the amount spent during the financial year 2017-18 is detailed below:	Refer below table

(₹ In Crore)

Manner in which the CSR amount spent during the financial year 2017-18

Sl. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects or Programs 2) Overheads:	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency.
1	Program 'Odha do Zindagi' undertaken by 'Goonj' a Non-Government Organisation (NGO)	Measures for reducing inequalities faced by socially and economically backward groups	PAN India basis	0.10	0.10	0.10	Implementing Agency- SKC Foundation #

Manner in which the CSR amount spent during the financial year 2017-18

Sl. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects or Programs 2) Overheads:	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency.
2	Development and welfare of socially and economically challenged people by NGO, Seva Sahyog Foundation	Measures for reducing inequalities faced by socially and economically backward groups	District : Raighad, Thane, Mumbai, Maharashtra	0.05	0.05	0.05	Implementing Agency- SKC Foundation #
3	Welfare of women survivors affected by human trafficking under Justice and Care project undertaken by Waste Management Society	Promoting gender equality, empowering women	New Delhi, Patna, Bengaluru, Mumbai, Kolkata	0.02	0.02	0.02	Implementing Agency- SKC Foundation #

Notes:

- Overheads - Nil
 - # SKC Foundation has been set up inter-alia with objectives of undertaking the projects and activities for the benefits of various sections of the Society within India, supporting economically challenged people to meet their social needs and Corporate Social Responsibility activities as defined under Schedule VII to the Companies Act, 2013, as amended from time to time. In order to attain the above objective, SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society.
- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

Not Applicable – as the Company has spent its CSR amount through “Sone Ki Chidiya” Foundation (‘SKC Foundation’), which in-turn has spent through various eligible implementing partners, which undertakes projects, in line with the activities identified by the CSR Committee.

Responsibility Statement

The responsibility statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is stated below:-

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

Place : Mumbai
Date : May 21, 2018

Kishore Biyani
Chairman & Managing Director
Chairman of CSR Committee

Gagan Singh
Member, CSR Committee

ANNEXURE – V

FORM NO. AOC - 2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at arm's length basis.

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

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2018 are as follows:

Name of the Related Parties	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in Crore) #	Approvals
Future Enterprises Limited ("FEL")	Related Party	Payment of Lease Rental for Infrastructure Assets	N.A.	675	Necessary approvals of Audit Committee, Board of Directors and Shareholders have been obtained by the Company.
		Purchase of various products including apparels, merchandise and other products etc.	N.A.	2,500	
		Providing of Corporate Guarantee in favour of lenders / bankers of FEL	N.A.	6,375	
Future Enterprises Limited ("FEL") and it wholly owned foreign subsidiary, viz Future Merchandising & Sourcing Pte. Ltd. ("FMSPL")	Related Party	Purchase of imported products comprising of various general merchandise, fashion products, home furnishing, electronic products etc.	N.A.	Rupees equivalent to USD 350 Million	

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 21, 2018

Kishore Biyani
Chairman & Managing Director

ANNEXURE VI

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

- I. The ratio of remuneration of each Director to the Median Remuneration of the employees (MRE) of the Company for the financial year 2017-18 and the percentage (%) increase in remuneration of each Director and Key Managerial Personnel ("KMP") for the same period are under:

Name of Director / KMP and Designation	Remuneration of Director/KMP for Financial Year 2017-18 (₹ in Crore) (1)	% increase in Remuneration in the Financial Year 2017-18 (2)	Ratio of Remuneration of each Director / KMP to MRE for Financial Year 2017-18 (3 = (1) / MRE)
Managing Director/Jt. Managing Director :			
Mr. Kishore Biyani *	3.39	32.35	244.78
Mr. Rakesh Biyani *	3.37	31.74	243.32
Non-Executive/Independent Director:			
Mr. Rajan Bharti Mittal #	0.35	40.00	24.86
Mr. Ravindra Dhariwal #	0.35	40.00	24.86
Mr. Shailendra Bhandari #	0.35	40.00	24.86
Ms. Gagan Singh #	0.35	40.00	24.86
Ms. Sridevi Badiga #^	0.35	N.A.	N.A.
Other Key Managerial Personnel:			
Mr. C. P. Toshniwal - Chief Financial Officer ##	3.02	6.75	221.68
Mr. Virendra Samani - Dy. Company Secretary ##	0.41	21.53	35.47

Notes:

- (*) Percentage increase in remuneration of Managing Director/Jt. Managing Director is shown excluding Commission.
- (#) The remuneration details of Non-Executive / Independent Director includes commission proposed for the year 2017-18. The commission of ₹ 0.25 Crore for the financial year 2016-17 was paid during the year under review. There was no change in the Sitting fees for attending meetings of the Board and/or Committee thereof to the Non-Executive / Independent Director of the Company. While calculating the above, the sitting fees paid for attending Board / Committee meetings have not been considered.
- (^) Ms. Sridevi Badiga was appointed as an Independent Director effective April 20, 2017.
- (##) Percentage increase in remuneration of other KMPs is shown excluding stock option.
- II. The Median Remuneration of Employees (MRE) of the Company during the year was ₹ 1,40,774/- and for the previous year it was ₹ 1,36,091/-;
- III. The increase in MRE in the financial Year 2017-18, as compare to financial year 2016-17 was 3.44%;
- IV. There were 38,626 permanent Employees on the rolls of the Company as on March 31, 2018;
- V. Average percentage increase / decrease made in salaries of employees other than the managerial personnel in the financial year i.e. 2017-18 was 6% to 8% whereas there was around 32.35% increase in the managerial remuneration for the same financial year. The remuneration of Managing Director / Jt. Managing Director is decided based on the individual performance, inflation, prevailing industrial trends and benchmarks.
- The Commission of Non-Executive / Independent Director is decided based on various factors such as Director's participation in the Board and the Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule – IV of the Act and Listing Regulations and such other factors as may deem fit.
- VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 21, 2018

Kishore Biyani
Chairman & Managing Director

ANNEXURE – VII

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

(A) Conservation of Energy: (i) the steps taken or impact on conservation of energy	The operations of your company are not energy intensive, however adequate measures have been taken to reduce energy consumption.		
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/ store premises to optimize the consumption of energy.		
(iii) the capital investment on energy conservation equipments;	NIL		
(B) Technology absorption: (i) the efforts made towards technology absorption	N.A.		
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.		
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	N.A.		
(iv) the expenditure incurred on Research and Development.	Nil		
(C) Foreign Exchange Earnings and Outgo:	(₹ in Crore)		
	Particulars	2017-18	2016-17
	Total Foreign Exchange Used	326.52	260.15
	Total Foreign Exchange Earned	98.55	110.84

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 21, 2018

Kishore Biyani
Chairman & Managing Director

ANNEXURE – VIII

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L51909MH2007PLC268269
ii.	Registration Date	February 07, 2007
iii.	Name of the Company	Future Retail Limited (formerly known as Bharti Retail Limited)
iv.	Category / Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060 Tel No.: +91 22 6644 2200; Fax No.: +91 22 6644 2201 E-mail: investorrelations@futereretail.in Website: www.futereretail.co.in
vi.	Whether listed company, Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C – 101, 247 Park, 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

None as on March 31, 2018.

During the year under review, the Company acquired 100% of equity share capital of Hypercity Retail (India) Limited (“HRIL”) from its shareholders and consequently, it became a wholly owned subsidiary of the Company effective November 30, 2017. Subsequently, the Company entered into a Scheme of Arrangement with HRIL (“the Scheme”) whereby the Retail Business Undertaking of HRIL got demerged and vested into the Company. During the year under review, the Company transferred its stake in HRIL (consisting of Remaining Business Undertaking) on March 29, 2018 to Kalap Fabtraders Private Limited (nominee of Jas Infra Space Private Limited) and consequently, HRIL ceased to be subsidiary of the Company.

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

(i) Category-wise Shareholding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family / Nominee of Promoter	88,115	-	88,115	0.02	88,115	-	88,115	0.02	0.00
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	23,36,52,321	-	23,36,52,321	49.52	23,36,52,321	-	23,36,52,321	46.54	-2.98
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(1)	23,37,40,436	-	23,37,40,436	49.54	23,37,40,436	-	23,37,40,436	46.56	-2.98
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Body Corporates	-	-	-	-	-	-	-	-	0.00
(c)	Bank / Financial Institutions	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	23,37,40,436	-	23,37,40,436	49.54	23,37,40,436	-	23,37,40,436	46.56	-2.98
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	1,59,71,167	-	1,59,71,167	3.39	1,99,06,949	-	1,99,06,949	3.97	0.58
(b)	Financial Institutions / Banks	50,28,014	-	50,28,014	1.07	46,68,845	-	46,68,845	0.93	-0.14
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	0.00
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
(e)	Alternate Investment Funds	-	-	-	-	1,68,600	-	1,68,600	0.03	0.03
(f)	Insurance Companies	13,02,875	-	13,02,875	0.27	29,37,682	-	29,37,682	0.59	0.32
(g)	Foreign Institutional Investors	8,15,01,172	-	8,15,01,172	17.27	8,65,53,587	-	8,65,53,587	17.24	-0.03
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(i)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	Sub-Total (B)(1)	10,38,03,228	-	10,38,03,228	22.00	11,42,35,663	-	11,42,35,663	22.76	0.76
(2)	Non-Institutions									
(a)	Bodies Corporate	11,21,70,011	3,741	11,21,73,752	23.78	13,57,11,523	3,521	13,57,15,044	27.04	3.26
(b)	Individuals	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	96,33,674	11,00,649	1,07,34,323	2.28	91,82,652	10,72,778	1,02,55,430	2.05	-0.23
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	79,37,260	-	79,37,260	1.68	51,43,612	-	51,43,612	1.02	-0.66
(c)	Any Other									
	1. N R I	4,34,526	2,200	4,36,726	0.09	5,34,498	2,200	5,36,698	0.11	0.02
	2. Directors & Relatives	-	-	-	-	-	-	-	-	0.00
	3. Clearing Member	9,29,415	-	9,29,415	0.20	4,03,617	-	4,03,617	0.08	-0.12
	4. Trust	200	-	200	0.00	11,341	-	11,341	0.00	0.00
	5. Foreign Nationals	7,800	-	7,800	0.00	1,600	-	1,600	0.00	0.00
	6. Hindu Undivided Family	20,49,598	1	20,49,599	0.43	19,31,712	1	19,31,713	0.38	-0.05
	Sub-Total (B)(2)	13,31,62,484	11,06,591	13,42,69,075	28.46	15,29,20,555	10,78,500	15,39,99,055	30.68	2.22
	Total Public Shareholding (B)= (B)(1)+(B)(2)	23,69,65,712	11,06,591	23,80,72,303	50.46	26,71,56,218	10,78,500	26,82,34,718	53.44	2.98
	TOTAL (A)+(B)	47,07,06,148	11,06,591	47,18,12,739	100.00	50,08,96,654	10,78,500	50,19,75,154	100.00	0.00
(C)	Custodian for GDRs& ADRs	-	-	-	-	-	-	-	-	0.00
	GRAND TOTAL (A)+(B)+(C)	47,07,06,148	11,06,591	47,18,12,739	100.00	50,08,96,654	10,78,500	50,19,75,154	100.00	0.00

(ii) Shareholding of Promoter and Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Retail Trust ^	-	-	-	-	-	-	-
2	Future Corporate Resources Limited *	18,11,70,090	38.40	26.94	-	-	-	-38.40
3	PIL Industries Limited *	4,41,36,090	9.35	4.52	-	-	-	-9.35
4	Gargi Business Ventures Private Limited *	67,66,038	1.44	0.28	-	-	-	-1.44
5	Manz Retail Private Limited *	15,79,103	0.33	0.04	-	-	-	-0.33
6	Suhani Trading and Investment Consultants Private Limited *	-	-	-	23,36,51,321	46.54	20.17	46.54
7	Lifestyle Trust ^	-	-	-	-	-	-	-
8	Ryka Commercial Ventures Private Limited #	-	-	-	-	-	-	-
9	Consumer Goods Trust ^	-	-	-	-	-	-	-
10	Future Capital Investment Private Limited #	-	-	-	-	-	-	-
11	Akar Estate & Finance Private Limited	1,000	0.00	-	1,000	0.00	0.00	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
12	Mr. Kishore Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
13	Mr. Laxminaryan Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
14	Mr. Vijay Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
15	Mr. Anil Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
16	Mr. Gopikishan Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
17	Mr. Sunil Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
18	Mr. Rakesh Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
19	Mr. Vivek Biyani	2,121	0.00	-	2,121	0.00	0.00	0.00
20	Ms. Ashni Biyani	71,147	0.02	-	71,147	0.01	0.00	0.00
Total		23,37,40,436	49.54	31.78	23,37,40,436	46.56	20.17	-2.98

Notes:

(^) As per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the Promoter / Promoter Group / PACs.

(*) Suhani Trading and Investment Consultants Private Limited ("the Transferee Company") was added in the Promoter / Promoter Group of the Company in terms of Composite Scheme of Amalgamation among Future Corporate Resources Limited, PIL Industries Limited, Manz Retail Private Limited, Weavette Business Ventures Limited, ESES Commercials Private Limited, Gargi Business Ventures Private Limited and Suhani Trading and Investment Consultants Private Limited ("Scheme of Amalgamation") which was approved by Hon'ble National Company Law Tribunal, Mumbai Bench and made effective on November 14, 2017.

(#) Shown as a Promoter / PAC / Promoter Group in Information Memorandum filed by the Company.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	23,37,40,436	49.54	23,37,40,436	49.54
	At the end of the year	-	-	23,37,40,436	46.56

Notes:

- During the year under review, there was no change in the no. of shares held by Promoter and Promoter Group in the Company. The change in percentage of shareholding of Promoter / Promoter Group at the end of the year was calculated on expanded capital basis as the Company has issued and allotted equity shares during the year under review.
- Suhani Trading and Investment Consultants Private Limited ("the Transferee Company") was added in the Promoter / Promoter Group of the Company in terms of Composite Scheme of Amalgamation among Future Corporate Resources Limited, PIL Industries Limited, Manz Retail Private Limited, Weavette Business Ventures Limited, ESES Commercials Private Limited, Gargi Business Ventures Private Limited and Suhani Trading and Investment Consultants Private Limited ("Scheme of Amalgamation") which was approved by Hon'ble National Company Law Tribunal, Mumbai Bench and made effective on November 14, 2017.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Cedar Support Services Limited #	4,34,78,261	9.22	4,34,78,261	9.22
	October 31, 2017 - Allotment made consequent to conversion of Optionally Convertible Debentures (OCDs)	28,52,386	0.58	4,63,30,647	9.80
	At the end of the year			4,63,30,647	9.23

includes 6 (six) equity shares held through nominees at the beginning of the year.

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Brand Equity Treaties Limited	2,49,99,999	5.30	2,49,99,999	5.30
	September 08, 2017 - Market Sell	(11,00,000)	(0.22)	2,38,99,999	4.88
	November 24, 2017 - Market Sell	(1,00,000)	(0.02)	2,37,99,999	4.83
	At the end of the year			2,37,99,999	4.74
3	Bennett, Coleman and Company Limited	2,44,91,700	5.19	2,44,91,700	5.19
	September 08, 2017 - Market Sell	(4,76,959)	(0.10)	2,40,14,741	4.90
	September 29, 2017 - Market Sell	(2,00,000)	(0.04)	2,38,14,741	4.86
	November 10, 2017 - Market Sell	(7,00,000)	(0.14)	2,31,14,741	4.69
	At the end of the year			2,31,14,741	4.60
4	Heritage Foods Limited	-	-	-	-
	July 27, 2017 - Allotment made pursuant to the Scheme	1,78,47,420	3.64	1,78,47,420	3.64
	At the end of the year			1,78,47,420	3.56
5	Arisaig India Fund Limited	3,16,37,118	6.71	3,16,37,118	6.71
	August 25, 2017 - Market Sell	(8,53,601)	(0.17)	3,07,83,517	6.28
	September 01, 2017 - Market Sell	(11,32,333)	(0.23)	2,96,51,184	6.05
	September 08, 2017 - Market Sell	(7,48,269)	(0.15)	2,89,02,915	5.90
	September 15, 2017 - Market Sell	(1,82,496)	(0.04)	2,87,20,419	5.86
	September 22, 2017 - Market Sell	(16,50,464)	(0.34)	2,70,69,955	5.53
	September 29, 2017 - Market Sell	(7,81,303)	(0.16)	2,62,88,652	5.37
	October 06, 2017 - Market Sell	(1,30,390)	(0.03)	2,61,58,262	5.34
	October 13, 2017 - Market Sell	(11,95,529)	(0.24)	2,49,62,733	5.10
	October 20, 2017 - Market Sell	(1,60,645)	(0.03)	2,48,02,088	5.06
	October 27, 2017 - Market Sell	(2,74,641)	(0.06)	2,45,27,447	5.01
	November 03, 2017 - Market Sell	(2,36,035)	(0.05)	2,42,91,412	4.93
	November 10, 2017 - Market Sell	(10,41,582)	(0.21)	2,32,49,830	4.72
	November 17, 2017 - Market Sell	(25,191)	(0.01)	2,32,24,639	4.71
	November 24, 2017 - Market Sell	(8,86,744)	(0.18)	2,23,37,895	4.53
	December 01, 2017 - Market Sell	(62,934)	(0.01)	2,22,74,961	4.44
	December 08, 2017 - Market Sell	(3,47,634)	(0.07)	2,19,27,327	4.37
	December 15, 2017 - Market Sell	(9,41,311)	(0.19)	2,09,86,016	4.18
	December 22, 2017 - Market Sell	(10,30,806)	(0.21)	1,99,55,210	3.98
	December 29, 2017 - Market Sell	(2,66,658)	(0.05)	1,96,88,552	3.92
	January 05, 2018 - Market Sell	(1,26,015)	(0.03)	1,95,62,537	3.90
	January 12, 2018 - Market Sell	(5,02,686)	(0.10)	1,90,59,851	3.80
	January 19, 2018 - Market Sell	(32,446)	(0.01)	1,90,27,405	3.79
January 26, 2018 - Market Sell	(4,60,305)	(0.09)	1,85,67,100	3.70	
February 02, 2018 - Market Sell	(89,793)	(0.02)	1,84,77,307	3.68	
February 09, 2018 - Market Sell	(19,86,775)	(0.40)	1,64,90,532	3.29	
February 16, 2018 - Market Sell	(9,41,289)	(0.19)	1,55,49,243	3.10	
March 02, 2018 - Market Sell	(4,77,485)	(0.10)	1,50,71,758	3.00	

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	March 09, 2018 - Market Sell	(2,12,533)	(0.04)	1,48,59,225	2.96
	March 16, 2018 - Market Sell	(24,47,040)	(0.49)	1,24,12,185	2.47
	At the end of the year			1,24,12,185	2.47
6	L and T Mutual Fund Trustee Ltd - L and T India Value Fund	74,41,552	1.58	74,41,552	1.58
	April 07, 2017 - Market Sell	(1,09,000)	(0.02)	73,32,552	1.55
	April 14, 2017 - Market Purchase	1,00,000	0.02	74,32,552	1.58
	April 28, 2017 - Market Purchase	50,000	0.01	74,82,552	1.59
	May 05, 2017 - Market Purchase	50,000	0.01	75,32,552	1.60
	May 12, 2017 - Market Purchase	1,15,334	0.02	76,47,886	1.62
	May 26, 2017 - Market Purchase	2,59,300	0.05	79,07,186	1.68
	June 02, 2017 - Market Purchase	1,49,987	0.03	80,57,173	1.71
	June 16, 2017 - Market Purchase	56,881	0.01	81,14,054	1.72
	June 23, 2017 - Market Purchase	50,000	0.01	81,64,054	1.73
	July 07, 2017 - Market Sell	(2,39,123)	(0.05)	79,24,931	1.68
	July 14, 2017 - Market Sell	(7,46,342)	(0.16)	71,78,589	1.52
	July 21, 2017 - Market Purchase	5,00,000	0.11	76,78,589	1.63
	July 28, 2017 - Market Sell	(7,232)	(0.00)	76,71,357	1.57
	August 04, 2017 - Market Purchase	50,000	0.01	77,21,357	1.58
	August 11, 2017 - Market Sell	(1,98,279)	(0.04)	75,23,078	1.54
	August 18, 2017 - Market Purchase	1,00,000	0.02	76,23,078	1.56
	August 25, 2017 - Market Purchase	1,00,000	0.02	77,23,078	1.58
	September 29, 2017 - Market Sell	(16,57,467)	(0.34)	60,65,611	1.24
	October 06, 2017 - Market Sell	(3,29,794)	(0.07)	57,35,817	1.17
	October 13, 2017 - Market Sell	(1,24,483)	(0.03)	56,11,334	1.15
	October 20, 2017 - Market Sell	(1,08,750)	(0.02)	55,02,584	1.12
	October 27, 2017 - Market Sell	(210)	(0.00)	55,02,374	1.12
	November 03, 2017 - Market Sell	(5,134)	(0.00)	54,97,240	1.12
	November 10, 2017 - Market Purchase	1,60,744	0.03	56,57,984	1.15
	November 24, 2017 - Market Purchase	5,36,303	0.11	61,94,287	1.26
	December 01, 2017 - Market Purchase	1,00,135	0.02	62,94,422	1.25
	December 08, 2017 - Market Purchase	50,000	0.01	63,44,422	1.26
	December 15, 2017 - Market Purchase	15,244	0.00	63,59,666	1.27
	December 22, 2017 - Market Purchase	1,00,000	0.02	64,59,666	1.29
	January 12, 2018 - Market Purchase	1,95,361	0.04	66,55,027	1.33
	February 16, 2018 - Market Purchase	6,73,980	0.13	73,29,007	1.46
	March 16, 2018 - Market Purchase	75,819	0.02	74,04,826	1.48
	March 23, 2018 - Market Purchase	3,20,191	0.06	77,25,017	1.54
	At the end of the year			77,25,017	1.54

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	WGI Emerging Markets Smaller Companies Fund, LLC	98,82,211	2.09	98,82,211	2.09
	June 09, 2017 - Market Purchase	2,82,886	0.06	1,01,65,097	2.15
	August 18, 2017 - Market Sell	(10,30,800)	(0.21)	91,34,297	1.86
	August 25, 2017 - Market Sell	(6,71,190)	(0.14)	84,63,107	1.73
	September 08, 2017 - Market Purchase	65,005	0.01	85,28,112	1.74
	December 01, 2017 - Market Sell	(11,00,000)	(0.22)	74,28,112	1.48
	December 08, 2017 - Market Sell	(8,31,958)	(0.17)	65,96,154	1.31
	February 02, 2018 - Market Sell	(76,450)	(0.02)	65,19,704	1.30
	March 23, 2018 - Market Sell	(6,09,598)	(0.12)	59,10,106	1.18
	At the end of the year			59,10,106	1.18
8	Government Pension Fund Global	91,96,177	1.95	91,96,177	1.95
	April 07, 2017 - Market Sell	(32,000)	(0.01)	91,64,177	1.94
	April 27, 2017 - Market Sell	(53,000)	(0.01)	91,11,177	1.93
	April 28, 2017 - Market Sell	(75,000)	(0.02)	90,36,177	1.92
	May 05, 2017 - Market Sell	(83,388)	(0.02)	89,52,789	1.90
	May 12, 2017 - Market Sell	(5,62,788)	(0.12)	83,90,001	1.78
	May 19, 2017 - Market Sell	(86,477)	(0.02)	83,03,524	1.76
	May 26, 2017 - Market Sell	(42,165)	(0.01)	82,61,359	1.75
	June 02, 2017 - Market Sell	(1,07,373)	(0.02)	81,53,986	1.73
	June 09, 2017 - Market Sell	(1,48,168)	(0.03)	80,05,818	1.70
	June 16, 2017 - Market Sell	(3,45,378)	(0.07)	76,60,440	1.62
	June 23, 2017 - Market Sell	(3,05,584)	(0.06)	73,54,856	1.56
	June 30, 2017 - Market Sell	(1,03,046)	(0.02)	72,51,810	1.54
	July 14, 2017 - Market Sell	(99,736)	(0.02)	71,52,074	1.52
	July 21, 2017 - Market Sell	(50,000)	(0.01)	71,02,074	1.50
	July 28, 2017 - Market Sell	(9,791)	(0.00)	70,92,283	1.45
	August 04, 2017 - Market Sell	(40,209)	(0.01)	70,52,074	1.44
	August 11, 2017 - Market Sell	(3,20,000)	(0.07)	67,32,074	1.37
	August 18, 2017 - Market Sell	(1,80,000)	(0.04)	65,52,074	1.34
	August 25, 2017 - Market Sell	(50,000)	(0.01)	65,02,074	1.33
	September 01, 2017 - Market Sell	(80,000)	(0.02)	64,22,074	1.31
	September 08, 2017 - Market Sell	(1,20,000)	(0.02)	63,02,074	1.29
	September 15, 2017 - Market Sell	(50,000)	(0.01)	62,52,074	1.28
	December 01, 2017 - Market Sell	(50,000)	(0.01)	62,02,074	1.24
	January 12, 2018 - Market Sell	(50,000)	(0.01)	61,52,074	1.23
	January 19, 2018 - Market Sell	(53,000)	(0.01)	60,99,074	1.22
	January 26, 2018 - Market Sell	(77,000)	(0.02)	60,22,074	1.20
	March 02, 2018 - Market Sell	(81,913)	(0.02)	59,40,161	1.18
	March 09, 2018 - Market Sell	(74,410)	(0.01)	58,65,751	1.17
	March 16, 2018 - Market Sell	(1,11,781)	(0.02)	57,53,970	1.15
	March 23, 2018 - Market Sell	(74,158)	(0.01)	56,79,812	1.13
	March 31, 2018 - Market Sell	(35,060)	(0.01)	56,44,752	1.12
	At the end of the year			56,44,752	1.12

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	IDFC STERLING EQUITY FUND	37,77,031	0.80	37,77,031	0.80
	April 07, 2017 - Market Sell	(1,33,461)	(0.03)	36,43,570	0.77
	April 14, 2017 - Market Sell	(68,264)	(0.01)	35,75,306	0.76
	April 28, 2017 - Market Purchase	63,657	0.01	36,38,963	0.77
	May 05, 2017 - Market Purchase	73,007	0.02	37,11,970	0.79
	May 12, 2017 - Market Sell	(1,91,796)	(0.04)	35,20,174	0.75
	May 19, 2017 - Market Purchase	2,50,841	0.05	37,71,015	0.80
	May 26, 2017 - Market Purchase	1,07,734	0.02	38,78,749	0.82
	June 02, 2017 - Market Purchase	52,606	0.01	39,31,355	0.83
	June 09, 2017 - Market Sell	(19,000)	(0.00)	39,12,355	0.83
	June 16, 2017 - Market Purchase	1,17,892	0.02	40,30,247	0.85
	June 23, 2017 - Market Purchase	46,528	0.01	40,76,775	0.86
	June 30, 2017 - Market Purchase	1,02,061	0.02	41,78,836	0.89
	July 14, 2017 - Market Purchase	4,69,233	0.10	46,48,069	0.98
	July 21, 2017 - Market Sell	(61)	(0.00)	46,48,008	0.98
	July 28, 2017 - Market Sell	(50,000)	(0.01)	45,98,008	0.94
	August 11, 2017 - Market Purchase	3,71,132	0.08	49,69,140	1.01
	August 18, 2017 - Market Sell	(70,000)	(0.01)	48,99,140	1.00
	August 25, 2017 - Market Sell	(63,952)	(0.01)	48,35,188	0.99
	September 01, 2017 - Market Sell	(1,11,607)	(0.02)	47,23,581	0.96
	September 08, 2017 - Market Sell	(45,000)	(0.01)	46,78,581	0.96
	October 27, 2017 - Market Purchase	10,000	0.00	46,88,581	0.96
	November 03, 2017 - Market Purchase	20,000	0.00	47,08,581	0.96
	November 17, 2017 - Market Purchase	1,25,428	0.03	48,34,009	0.98
	November 24, 2017 - Market Sell	(5,176)	(0.00)	48,28,833	0.98
	December 01, 2017 - Market Purchase	62,645	0.01	48,91,478	0.97
	December 08, 2017 - Market Purchase	1,21,201	0.02	50,12,679	1.00
	December 15, 2017 - Market Purchase	63,783	0.01	50,76,462	1.01
	December 22, 2017 - Market Purchase	1,01,832	0.02	51,78,294	1.03
	December 29, 2017 - Market Purchase	1,02,206	0.02	52,80,500	1.05
	January 05, 2018 - Market Purchase	1,02,425	0.02	53,82,925	1.07
	January 12, 2018 - Market Purchase	15,000	0.00	53,97,925	1.08
	January 26, 2018 - Market Purchase	17,316	0.00	54,15,241	1.08
	February 02, 2018 - Market Purchase	20,000	0.00	54,35,241	1.08
	February 23, 2018 - Market Purchase	40,857	0.01	54,76,098	1.09
	March 02, 2018 - Market Purchase	4,143	0.00	54,80,241	1.09
	March 09, 2018 - Market Purchase	16,028	0.00	54,96,269	1.09
	At the end of the year			54,96,269	1.09

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	Tata Mutual Fund - Tata Equity P/E Fund	29,55,470	0.63	29,55,470	0.63
	April 07, 2017 - Market Purchase	300	0.00	29,55,770	0.63
	April 14, 2017 - Market Sell	(1,050)	(0.00)	29,54,720	0.63
	April 21, 2017 - Market Purchase	4,50,000	0.10	34,04,720	0.72
	April 28, 2017 - Market Purchase	3,00,000	0.06	37,04,720	0.79
	May 05, 2017 - Market Purchase	1,25,000	0.03	38,29,720	0.81
	May 12, 2017 - Market Sell	(47,500)	(0.01)	37,82,220	0.80
	May 26, 2017 - Market Purchase	3,20,800	0.07	41,03,020	0.87
	June 02, 2017 - Market Sell	(17,800)	(0.00)	40,85,220	0.87
	June 09, 2017 - Market Sell	(50,000)	(0.01)	40,35,220	0.86
	June 16, 2017 - Market Purchase	10,000	0.00	40,45,220	0.86
	June 23, 2017 - Market Sell	(25,000)	(0.01)	40,20,220	0.85
	June 30, 2017 - Market Sell	(6,400)	(0.00)	40,13,820	0.85
	July 07, 2017 - Market Purchase	5,000	0.00	40,18,820	0.85
	July 21, 2017 - Market Purchase	5,000	0.00	40,23,820	0.85
	July 28, 2017 - Market Purchase	3,000	0.00	40,26,820	0.82
	August 04, 2017 - Market Purchase	1,09,400	0.02	41,36,220	0.84
	August 11, 2017 - Market Purchase	7,71,000	0.16	49,07,220	1.00
	August 18, 2017 - Market Sell	(20,000)	(0.00)	48,87,220	1.00
	September 08, 2017 - Market Sell	(3,00,125)	(0.06)	45,87,095	0.94
	September 15, 2017 - Market Sell	(40,000)	(0.01)	45,47,095	0.93
	September 29, 2017 - Market Purchase	17,000	0.00	45,64,095	0.93
	October 06, 2017 - Market Purchase	2,375	0.00	45,66,470	0.93
	October 13, 2017 - Market Sell	(52,000)	(0.01)	45,14,470	0.92
	October 20, 2017 - Market Sell	(10,000)	(0.00)	45,04,470	0.92
	October 27, 2017 - Market Purchase	11,000	0.00	45,15,470	0.92
	November 03, 2017 - Market Purchase	24,000	0.00	45,39,470	0.92
	November 10, 2017 - Market Purchase	6,300	0.00	45,45,770	0.92
	November 24, 2017 - Market Sell	(83,000)	(0.02)	44,62,770	0.91
	December 08, 2017 - Market Purchase	41,000	0.01	45,03,770	0.90
	December 15, 2017 - Market Purchase	89,000	0.02	45,92,770	0.91
	December 29, 2017 - Market Purchase	63,000	0.01	46,55,770	0.93
	January 05, 2018 - Market Purchase	32,000	0.01	46,87,770	0.93
	January 12, 2018 - Market Purchase	35,000	0.01	47,22,770	0.94
	January 26, 2018 Market Purchase	65,000	0.01	47,87,770	0.95
	February 02, 2018 - Market Sell	(4,000)	(0.00)	47,83,770	0.95
	February 09, 2018 - Market Sell	(3,600)	(0.00)	47,80,170	0.95
	February 23, 2018 - Market Purchase	75,000	0.01	48,55,170	0.97
	March 23, 2018 - Market Purchase	13,000	0.00	48,68,170	0.97
	March 31, 2018 - Market Sell	(4,500)	(0.00)	48,63,670	0.97
	At the end of the year			48,63,670	0.97

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Kishore Biyani - Chairman & Managing Director	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
2	Mr. Rakesh Biyani - Jt. Managing Director	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
3	Mr. Rajan Bharti Mittal - Non - Executive Director	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
4	Mr. Ravindra Dhariwal - Independent Director	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5	Mr. Shailendra Bhandari - Independent Director	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
6	Ms. Gagan Singh - Independent Director	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
7	Ms. Sridevi Badiga - Independent Director	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
8 (a)	Mr. C. P. Toshniwal - Chief Financial Officer	11,000	0.00	11,000	0.00
	At the end of the year			11,000	0.00
8 (b)	Mr. C. P. Toshniwal - Chief Financial Officer (HUF)	20,000	0.00	20,000	0.00
	At the end of the year			20,000	0.00
9	Mr. Virendra Samani - Dy. Company Secretary	5,450	0.00	5,450	0.00
	At the end of the year			5,450	0.00

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	978.73	265.40	-	1,244.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.01	-	0.01
Total (i+ii+iii)	978.73	265.41	-	1,244.14
Change in Indebtedness during the financial year				
i) Addition	308.82	-	-	308.82
ii) Reduction	(1.14)	(265.41)	-	(266.55)
Net Change	307.68	(265.41)	-	42.27
Indebtedness at the end of the financial year				
i) Principal Amount	1,286.41	-	-	1,286.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,286.41	-	-	1,286.41

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Mr. Kishore Biyani	Mr. Rakesh Biyani	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 [#]	3.02	3.00	6.02
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 [#]	0.01	0.01	0.02
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	2.00 [^]	1.25 [^]	3.25
	Others	NIL	NIL	NIL
5	Retiral Benefits [#]	0.36	0.36	0.72
	Total (A)	5.39	4.62	10.01
	Ceiling as per the Act	10% of profit under Section 198 of the Companies Act, 2013.		

([^]) The said amount was paid during the year 2017-18 as Commission which was for the financial year 2016-17.

([#]) Rounded off to ₹ in Crore and is part of exempted perquisites.

B. Remuneration to other directors:

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of Directors				Total
		Ms. Gagan Singh	Mr. Ravindra Dhariwal	Mr. Shailendra Bhandari	Ms. Sridevi Badiga	
1.	Independent Directors					
	Fees for attending Board / Committee Meetings [#]	0.19	0.18	0.11	0.15	0.63
	Commission*	0.25	0.25	0.25	0.25	1.00
	Others	NIL	NIL	NIL	NIL	NIL
	Total (1)	0.44	0.43	0.36	0.40	1.63
2.	Other Non-Executive Directors	Mr. Rajan Bharti Mittal				
	Fee for attending Board / Committee Meetings [#]	0.05				0.05
	Commission*	0.25				0.25
	Others	NIL				NIL
	Total (2)	0.30				0.30
	Total (B) = (1 + 2)	1% of profit under Section 198 of the Companies Act, 2013.				1.93
	Total Managerial Remuneration (A+B)					11.94
	Overall Ceiling as per the Act	11% of profit under Section 198 of the Companies Act, 2013.				

(*) Commission of ₹ 25.00 Lakh for the financial year 2016-17 was paid during the year under review.

([#]) Rounded off to ₹ in Crore

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

(₹ in Crore)

Sl. No.	Particulars of Remuneration Particulars	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Mr. C. P. Toshniwal	Mr. Virendra Samani	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961#	2.81	0.40	3.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961#	0.00*	0.00**	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	Others	0.00	0.00	0.00
5	Retiral Benefits#	0.21	0.01	0.22
	Total	3.02	0.41	3.43

Notes:

(*) Represents ₹ 39,600/-

(**) Represents ₹ 32,400/-

(#) Rounded off to ₹ in Crore

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences under Companies Act, 2013 during the financial year ended March 31, 2018.

CORPORATE GOVERNANCE REPORT

Your Company consistently followed the principles of good corporate governance and strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes / policies, pursuant to the applicable provisions of the Companies Act, 2013 or Companies Act, 1956 as may be applicable ('the Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations')

During the financial year under review, the Company has complied with all the applicable provisions of the Listing Regulations.

CODE OF CONDUCT

The Company has laid down a Code of Conduct ('Code') for the Board of Directors and Senior Management Personnel of the Company. The Company has also adopted code of conduct for Independent Directors as prescribed under Schedule IV of the Act. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Chairman & Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website www.futureretail.co.in.

COMPOSITION OF THE BOARD

The composition of the Board of Directors ('the Board') is in conformity with the requirement of the Act and Regulation 17 of the Listing Regulations. As on March 31, 2018, the Board comprises of 7 (Seven) Directors including 2 (Two) Women Directors. None of the Directors on the Board are serving as an Independent Director in more than 7 (Seven) / 3 (Three) Listed entities, as the case may be, as specified in Regulation 25 of the Listing Regulations.

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

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

The information on composition of the Board, category and their Directorships/Committee Membership across all the Companies in which they were Directors, as on March 31, 2018 is as under:

Name of Director	Category	Date of Appointment as a current designation	No. of Directorships*		No. of Memberships / Chairmanships of Committees in public companies**	
			Public	Private / Non profit	Memberships	Chairmanships
Mr. Kishore Biyani	Chairman & Managing Director (Promoter Group)	May 02, 2016	7	2	3	1
Mr. Rakesh Biyani	Jt. Managing Director (Promoter Group)	May 02, 2016	6	6	3	0
Mr. Rajan Bharti Mittal	Non-Executive Director	April 30, 2016	6	11	4	1
Mr. Ravindra Dhariwal	Independent Director	April 30, 2016	5	3	5	1
Mr. Shailendra Bhandari	Independent Director	April 30, 2016	1	0	1	1
Ms. Gagan Singh	Independent Director	April 30, 2016	2	0	4	2
Ms. Sridevi Badiga	Independent Director	April 20, 2017	2	0	2	1

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

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

The details of equity shares held by the Directors in the Company as on March 31, 2018 are as follows:

Name of Director	Number of Equity Shares held#
Mr. Kishore Biyani	2,121
Mr. Rakesh Biyani	2,121
Mr. Rajan Bharti Mittal	NIL
Mr. Ravindra Dhariwal	NIL
Mr. Shailendra Bhandari	NIL
Ms. Gagan Singh	NIL
Ms. Sridevi Badiga	NIL

(#) The Company has not issued any convertible instrument to any Director during the year under review.

The details of the familiarization program of the Independent Directors is available on the website of the Company at the link http://futureretail.in/pdf/ID_Familiarization.pdf

None of the Directors of the Company is *inter-se* related to each other.

BOARD MEETINGS AND LAST AGM DETAILS

During the year under review, total 9 (Nine) Meetings of Board of Directors were held on April 20, 2017, May 23, 2017, July 29, 2017, August 08, 2017, October 05, 2017, October 31, 2017, November 07, 2017, December 06, 2017 and February 06, 2018.

The gap between two Meetings did not exceed 120 (One Hundred and Twenty) days as prescribed in the Listing Regulations. Tenth (10th) Annual General Meeting of the Company was held on August 29, 2017.

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

Name of Directors	No. of Board Meetings		10 th AGM (August 29, 2017)
	Held	Attended	
Mr. Kishore Biyani	9	8	Yes
Mr. Rakesh Biyani	9	6	Yes
Mr. Rajan Bharti Mittal	9	3	No
Mr. Ravindra Dhariwal	9	8	Yes
Mr. Shailendra Bhandari	9	7	Yes
Ms. Gagan Singh	9	8	Yes
Ms. Sridevi Badiga	9	8	Yes

AUDIT COMMITTEE

As on March 31, 2018, the Audit Committee of the Company comprised of 4 (Four) Directors out of which 3 (Three) are Independent Directors. Ms. Gagan Singh, Chairperson of the Committee is an Independent Director. All the Members of the Committee possess accounting and financial management expertise. The Chairperson of the Committee was present at the 10th Annual General Meeting of the Company held on August 29, 2017.

The Dy. Company Secretary functions as Secretary to the Committee.

During the year under review, total 8 (Eight) Meetings of the Audit Committee were held on April 20, 2017, May 23, 2017, July 29, 2017, August 08, 2017, October 05, 2017, November 07, 2017, December 06, 2017 and February 06, 2018.

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

Name of Directors / Members	Category	Designation	No. of Meetings	
			Held	Attended
Ms. Gagan Singh	Independent Director	Chairperson	8	8
Mr. Ravindra Dhariwal	Independent Director	Member	8	8
Ms. Sridevi Badiga	Independent Director	Member	8	6
Mr. Rakesh Biyani	Jt. Managing Director	Member	8	5

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

Terms of Reference

The 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. The terms of reference are reviewed from time to time by the Board.

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

- overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties; [Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed];
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Reviewing of the following information

- management discussion and analysis of financial condition and results of operations;

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

NOMINATION AND REMUNERATION COMMITTEE

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

During the year under review, total 2 (Two) Meetings of the Nomination and Remuneration Committee were held on April 20, 2017 and May 23, 2017.

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

Name of Directors / Members	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Ravindra Dhariwal	Independent Director	Chairman	2	2
Mr. Shailendra Bhandari	Independent Director	Member	2	2
Mr. Rajan Bharti Mittal	Non-Executive Director	Member	2	1

Terms of Reference

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

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

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

Performance evaluation criteria for Independent Directors

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

Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate

remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organization. The remuneration policy is in consonance with the existing industry practice.

Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to the Managing Director / Jt. Managing Director as approved by the Board and the Members of the Company. In determining the remuneration package of the Managing Director / Jt. Managing Director, the Nomination and Remuneration Committee ("NRC") *inter-alia* evaluates the remuneration paid by comparable organisations and thereafter makes its recommendation to the Board. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Managing Director / Jt. Managing Director as per terms of appointment and based on the performance of the individual as well as the Company.

Criteria of making payments to Non-Executive Directors

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

Remuneration to Directors

(a) Managing Director / Jt. Managing Director

The remuneration paid to the Managing Director / Jt. Managing Director for the year ended March 31, 2018 is as under:

(₹ in Crore)

Name	Salary	Performance Bonus / Commission*	Company's Contribution to Funds	Perquisites and allowance	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Kishore Biyani	3.02	2.00	0.36	0.01	5.39	3 years (w.e.f. May 02, 2016)	6	Nil
Mr. Rakesh Biyani	3.00	1.25	0.36	0.01	4.62	3 years (w.e.f. May 02, 2016)	6	Nil

(*) The said amount was paid during the year 2017-18 as Commission which was pertaining for the year 2016-17

Notes:

- All the above components of remuneration, except Performance Bonus / Commission, are fixed in nature.
- There is no separate provision for payment of severance fees.
- In view of inadequacy of profits, the above remuneration will be subject to the approval of the Central Government as provided under the applicable provisions of the Companies Act read with applicable Rules thereto.

(b) Non-Executive / Independent Directors

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

(₹ in Crore)

Name of Director	Sitting Fees paid	Commission	
		Paid for FY 2016-17	Payable for FY 2017-18
Mr. Rajan Bharti Mittal	0.05	0.25	0.35
Mr. Ravindra Dhariwal	0.18	0.25	0.35
Mr. Shailendra Bhandari	0.11	0.25	0.35
Ms. Gagan Singh	0.19	0.25	0.35
Ms. Sridevi Badiga	0.15	-	0.35

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee presently comprised of Mr. Shailendra Bhandari, Independent Director as a Chairperson of the Committee, Mr. Rajan Bharti Mittal, Non-Executive Director and Ms. Gagan Singh, Independent Director, as the other Members of the Committee.

Compliance Officer

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

During the year under review, total 4 (Four) Meetings of Stakeholders' Relationship Committee were held on May 23, 2017, August 08, 2017, November 07, 2017 and February 06, 2018.

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

Name of Directors / Members	Designation	No. of meetings	
		Held	Attended
Mr. Shailendra Bhandari	Chairman	4	4
Mr. Rajan Bharti Mittal	Member	4	3
Ms. Gagan Singh	Member	4	4

Terms of reference of the Committee

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated *inter-alia* to comply with the requirements as specified in Part D of the Schedule II of the Listing Regulations and the provisions of Section 178 of the Act. The reference *inter-alia* includes:

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

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

Share Transfer Committee

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

Investors' Grievance Redressal

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

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	11	11	0

Code of Conduct for Prevention of Insider Trading

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

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on May 23, 2017. The said meeting was attended by all the Independent Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted in line with the provisions of Section 135 of the Act. Presently, the Committee comprises of Mr. Kishore Biyani Chairman & Managing Director, Ms. Gagan Singh, Independent Director and Mr. Rajan Bharti Mittal, Non-Executive Director as Members of the Committee. During the year under review, 1 (One) Meeting of Corporate Social Responsibility Committee was held on November 07, 2017.

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

Name of Directors / Members	Designation	No. of meetings	
		Held	Attended
Mr. Kishore Biyani	Chairman	1	1
Ms. Gagan Singh	Member	1	1
Mr. Rajan Bharti Mittal	Member	1	-

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

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

COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Chairman & Managing Director and Mr. Rakesh Biyani, Jt. Managing Director as a Members of the Committee. The main function of Committee is to handle day to day operations and activities of the Company and to ensure smooth functioning and for regular day to day operations. The Committee is further authorised to delegate some of its powers to employees / executives of the Company as authorised therein. Total 23 (Twenty Three) Meetings of the Committee were held during the year under review.

RISK MANAGEMENT COMMITTEE

Provision relating to the Risk Management Committee under Regulation 21 of the Listing Regulations is not Applicable to our Company. However, for the purpose of better governance the Company has constituted the Committee.

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

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which *inter-alia* includes implementing and monitoring of risk management plan and policy of the Company. 1 (One) meeting of the Committee was held on March 20, 2018 during the year under review.

RISK MANAGEMENT

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

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

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

GENERAL BODY MEETINGS

Annual General Meeting

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

Year	Day, Date & Time of AGM	Venue	Special Resolutions Passed
2016-17	Tuesday, August 29, 2017 at 09:30 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai – 400 021.	<ul style="list-style-type: none"> ❖ Approval for revision in remuneration of Mr. Kishore Biyani as Managing Director; ❖ Approval for revision in remuneration of Mr. Rakesh Biyani as Jt. Managing Director; and ❖ Increase in the investment limit in Equity Share capital by Registered Foreign Portfolio Investors (“RFPIs”) and Foreign Institutional Investors (“FIIs”).
2015-16	Monday, August 29, 2016 at 09:30 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai – 400 021.	<ul style="list-style-type: none"> ❖ Approval for entering into Related Party Transaction.
2014-15	Monday, August 10, 2015 at 11:00 AM	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070.	None

Extraordinary General Meeting

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

Day, Date & Time of the Meeting	Venue	Special Resolutions passed
Friday, November 03, 2017 at 10:30 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai – 400 021	❖ Issue of Equity Shares on Preferential Allotment / Private Placement basis.

National Company Law Tribunal Convened Meeting

During the year under review, 2 (Two) National Company Law Tribunal (“NCLT”) convened meetings of the equity shareholders of the Company were held and the details of which are as follows:

Day, Date & Time of the Meeting	Venue	Particulars of Resolution passed
Thursday, April 06, 2017 at 10:30 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai – 400 021	A meeting was held in pursuance of the Order of Hon’ble NCLT, Mumbai Bench in the matter related to the Composite Scheme of Arrangement among Heritage Foods Limited and Heritage Foods Retail Limited and Future Retail Limited and their respective Shareholders and Creditors. A meeting was held and the resolution was passed with the requisite majority.
Tuesday, September 26, 2017 at 10:00 AM	Rangaswar, Fourth Floor, Y.B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai – 400 021	A meeting was held in pursuance of the Order of Hon’ble NCLT, Mumbai Bench in the matter related to the Composite Scheme of Arrangement among Future Retail Limited and Bluerock eServices Private Limited and Praxis Home Retail Limited and their respective Shareholders. A meeting was held and the resolution was passed with the requisite majority.

Postal Ballot

During the year under review, the Company had completed 1 (One) process of obtaining the approval of its Members through Postal Ballot as per provisions of Section 110 of the Act and Rules made thereunder.

The approval of Members obtained through Postal Ballot was pertaining to :-

Sl. No.	Particulars	Type of resolution Special / Ordinary
1.	Sale of equity shares of Hypercity Retail (India) Limited (“HRIL”), a wholly owned subsidiary of the Company	Special

The results of above matter was announced on March 19, 2018.

Voting Pattern and Procedure for Postal Ballot:

- (i) The Company has appointed Mr. Anant Gude, Prop: M/s. Anant Gude & Associates, Practicing Company Secretary, as the Scrutiniser for conducting the Postal Ballot voting process;
- (ii) Process for the Postal Ballot was carried out in a fair and transparent manner. The Postal Ballot forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms;
- (iii) All Postal Ballot forms received / receivable up to the close of working hours on March 18, 2018 the last date and time fixed by the Company for receipt of the forms in the Postal Ballot, had been considered by Scrutiniser in his scrutiny;
- (iv) Envelopes containing Postal Ballot forms received after March 18, 2018 for the respective Postal Ballot had not been considered for his scrutiny;
- (v) The result of the Postal Ballot was announced on March 19, 2018 as per Scrutiniser's Report the details of which are as under:

Resolution Required : (Special)			1 - Approval of sale of equity shares of Hypercity Retail (India) Limited ("HRIL"), a wholly owned subsidiary of the Company					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/[1]*100	[4]	[5]	[6]=[4]/[2]*100	[7]=[5]/[2]*100
Promoter and Promoter Group	E-Voting	23,37,40,436	23,37,40,436	100.0000	23,37,40,436	0	100.0000	0.0000
	Poll		Not Applicable					
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		23,37,40,436	100.0000	23,37,40,436	0	100.0000	0.0000
Public Institutions	E-Voting	10,95,93,463	7,88,07,285	71.9087	7,84,15,402	3,91,883	99.5027	0.4973
	Poll		Not Applicable					
	Postal Ballot		18,35,620	1.6749	18,35,620	0	100.0000	0.0000
	Total		8,06,42,905	73.5836	8,02,51,022	3,91,883	99.5141	0.4859
Public Non Institutions	E-Voting	15,86,41,255	12,47,91,730	78.6628	12,47,90,541	1,189	99.9990	0.0010
	Poll		Not Applicable					
	Postal Ballot		3,52,735	0.2227	3,49,870	2,865	99.1878	0.8122
	Total		12,51,44,465	78.8855	12,51,40,411	4,054	99.9968	0.0032
Total		50,19,75,154	43,95,27,806	87.5598	43,91,31,869	3,95,937	99.9099	0.0901

MEANS OF COMMUNICATION

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

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

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

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of the Eleventh Annual General Meeting

Wednesday, on August 29, 2018 at 09:30 AM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.

Financial Year

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

Financial Reporting for

Quarter	Release Date (tentative & subject to change)
1 st Quarter ending June 30, 2018	First / Second week of August, 2018
2 nd Quarter/ Half- year ending September 30, 2018	First / Second week of November, 2018
3 rd Quarter ending December 31, 2018	First / Second week of February, 2019
4 th Quarter/ Year ending March 31, 2019	End of May, 2019

Note: The above dates are indicative.

Dividend

The Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2018.

Record Date / Book Closure

The Company has fixed August 22, 2018 as the Record Date for the purpose of Eleventh Annual General Meeting and matters related thereto.

Listing on Stock Exchanges

Equity Shares

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

❖ BSE Limited

P. J. Towers, Dalal Street, Mumbai – 400 001

❖ National Stock Exchange of India Limited

Exchange Plaza, C - 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

Debt Securities

During the year under review, Cedar Support Services Limited (“CEDAR”) which were holding 1,542 Optionally Convertible Debentures (“OCDs”) of ₹ 10 Lakh each aggregating to ₹ 154.20 Crore consequent to the effect of the Composite Scheme of Arrangement between Future Enterprises Limited (formerly known as Future Retail Limited) (“FEL”) and Future Retail Limited (formerly known as Bharti Retail Limited) (FEL-FRL Scheme). The said OCDs held by CEADR were converted into 28,52,386 Equity Shares of the Company on October 31, 2017 and allotted to CEDAR at a price of ₹ 540.60 per equity shares.

Listing Fees

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

Stock Code

Shares / Debentures	ISIN No.	Stock Code	
		BSE	NSE
Equity Shares	INE752P01024	540064	FRETAIL
Optionally Convertible Debentures ('OCDs')	INE752P08011	N.A.	N.A.

Corporate Identification Number (CIN)

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

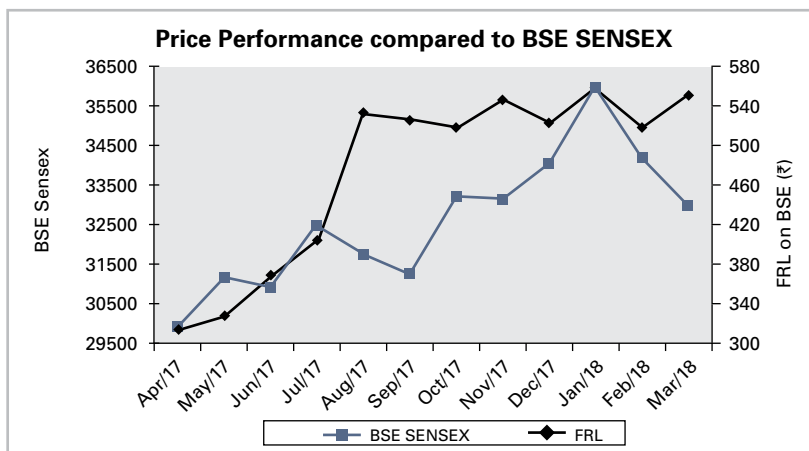
Stock Performance

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

Months	BSE (in ₹)		NSE (in ₹)	
	High	low	High	Low
Apr-17	325.50	255.90	325.50	262.00
May-17	399.00	282.50	361.00	282.20
Jun-17	407.70	328.00	408.00	328.00
Jul-17	448.00	367.00	450.00	366.00
Aug-17	541.90	382.90	544.00	382.60
Sep-17	592.70	500.20	592.00	500.10
Oct-17	559.00	501.30	559.50	501.00
Nov-17	660.00	465.10	656.00	465.00
Dec-17	569.90	502.10	569.90	502.40
Jan-18	584.65	501.60	584.50	498.00
Feb-18	580.00	471.85	562.90	472.55
Mar-18	573.20	482.00	575.00	482.10

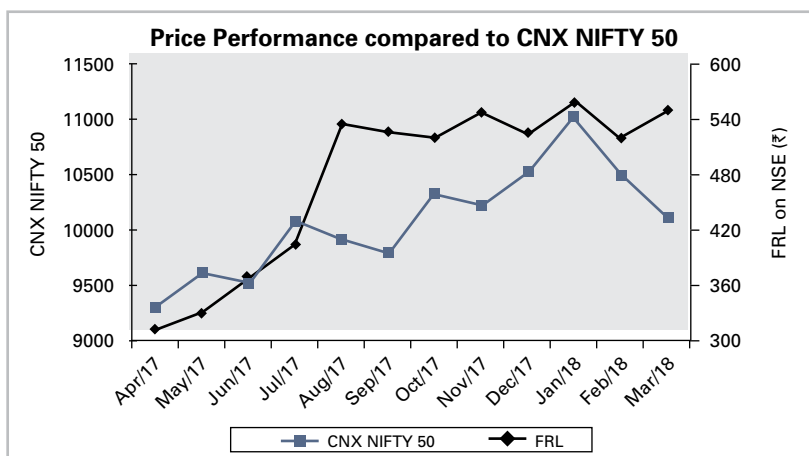
[Source: This information is compiled from the data available from the websites of BSE and NSE]

Performance of Share Price of the Company in comparison to the BSE Sensex



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

Performance of Share Price of the Company in comparison to the NSE CNX NIFTY 50



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

Share Transfer System

Trading in Equity Shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form. Shares sent for transfer in physical form are registered and returned within a period of 15 (Fifteen) days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company. The Share Transfer Committee and Stakeholders' Relationship Committee meet as and when required to consider the transfer proposals and attend to Investors' grievances.

De-materialisation of shares

99.78% of the Equity Shares of the Company have been dematerialised as on March 31, 2018. The Company has entered into agreements with both National Securities Depository Limited and Central Depository Services (India) Limited whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form. Status of Dematerialisation of Equity Shares as on March 31, 2018 is as under:

Particulars	No. of Shares	% of total Paid-up Capital*
National Securities Depository Limited	40,10,26,199	79.89
Central Depository Services (India) Limited	9,98,70,455	19.89
Total Dematerialised	50,08,96,654	99.78
Physical	10,78,500	0.22
Total	50,19,75,154	100.00

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

Distribution of Shareholding of Equity Shares as on March 31, 2018

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	47,221	89.38	34,14,197	0.68
501-1000	3,552	6.72	23,53,702	0.47
1001-2000	897	1.70	12,98,525	0.26
2001-3000	301	0.57	7,54,687	0.15
3001-4000	149	0.28	5,23,276	0.10
4001-5000	82	0.16	3,78,679	0.08
5001-10000	185	0.35	13,31,146	0.27
10001 and above	444	0.84	49,19,20,942	97.99
Total	52,831	100.00	50,19,75,154	100.00

Shareholding Pattern as on March 31, 2018

Category	No. of Equity shares	% of holding
Promoters and Promoter Group	23,37,40,436	46.56
Mutual Funds	1,99,06,949	3.97
Alternate Investment Fund	168,600	0.03
Banks, Financial Institutions	46,68,845	0.93
Venture Capital Funds	-	-
Insurance Companies	29,37,682	0.59
Foreign Portfolio Investor	8,65,53,587	17.24
Non Resident Indians	536,698	0.11
Bodies Corporate	13,57,15,044	27.04
Indian Public (Individual)	1,53,99,042	3.07
Directors & their Relatives	-	-
Clearing Members	403,617	0.08
Trust	11,341	0.00
Hindu Undivided Family	19,31,713	0.38
Foreign Nationals	1,600	0.00
Total	50,19,75,154	100.00

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

On October 31, 2017, the Company has made allotment of total 28,52,386 Equity Shares of ₹ 2/- each at a premium of ₹ 538.60 per share to Cedar Support Services Limited ("CEDAR") upon conversion of Optionally Convertible Debentures (OCDs) which were originally allotted to CEDAR pursuant to the Composite Scheme of Arrangement between the Company and Future Enterprises Limited and their respective Shareholders and Creditors ("FEL – FRL Scheme"). After conversion, there are no outstanding OCDs remains in the Company.

The Company has not issued any other GDR / ADR / Warrants or any convertible instruments during the year under review.

Unclaimed Shares

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

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2017	184	1,00,710
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	184	1,00,710

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

Plant Locations

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

Registered Office

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

Address for Investor Correspondence

- **For securities held in physical form**
Registrar and Share Transfer Agents
Link Intime India Private Limited
C – 101, 247 Park,
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
- **For securities held in demat Form**
Investors' concerned Depository Participant(s) and / or Link Intime India Private Limited
- **For any query on the Annual Report**
Mr. Virendra Samani, Dy. Company Secretary
Future Retail Limited
Knowledge House, Shyam Nagar,
Off. Jogeshwari - Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060
Tel No.: +91 22 6644 2200
Fax No.: +91 22 6644 2201
E-mail: investorrelations@futureretail.in; Website: www.futureretail.co.in

Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies. The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

DISCLOSURES

Related Party Transactions

Related party transactions were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in Notes forming part of the financial statements for the year ended March 31, 2018. Policy on dealing with related party transactions is available on the website of the Company at the link http://futurairetail.in/pdf/RPT_Policy.pdf

Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards in the preparation of its Financial Statements.

Management

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

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

CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2018.

Subsidiary Companies

The Company does not have any subsidiary company as on March 31, 2018. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link http://futurairetail.in/pdf/Policy_for_Determining_Material_Subsiary.pdf

Details of non-compliance

The Company has complied with all the requirements of regulatory authorities. During the financial year under review, 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.

Establishment of Whistle Blower Policy/Vigil Mechanism

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

Compliance with Mandatory requirements

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

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

The Board: The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

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

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

Separate posts of Chairperson and CEO: The positions of Chairman & Managing Director are not separately held.

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Future Retail Limited

We have examined the compliance of conditions of Corporate Governance by Future Retail Limited ("the Company") for the financial year ended on March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

Ashok A. Trivedi
Partner
Membership No. 042472

Place : Mumbai
Date : May 21, 2018

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,
The Members of
Future Retail Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2018.

For Future Retail Limited

Kishore Biyani
Chairman & Managing Director

Place : Mumbai
Date : May 21, 2018

BUSINESS RESPONSIBILITY REPORT

Overview

Future Retail Limited (“FRL”/“Company”), is the flagship company of Future Group, among India’s retail pioneers catering to the consumption desires of urban and rural consumers across the country through its various formats viz, Big Bazaar, fbb (Fashion @ Big Bazaar), easyday, Foodhall, Heritage and also the newly acquired Hypercity. The Company is looking to expand its retail chain through small format stores, coupling physical and online businesses and going omni channel through its Retail 3.0 model, which will make stores more accessible to communities through technology including social media, thus bridging the socio-economic gap across urban-rural divides.

Sustainability has been the core of Group’s strategy and business practices. Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Directors of FRL hereby present the Business Responsibility Report (“BRR”) of the Company for the financial year ended March 31, 2018.

This BRR delineates FRL’s endeavours to conduct business with responsibility and accountability towards all its stakeholders keeping in view the nine principles of the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ released by Ministry of Corporate Affairs. This BRR is in line with the format proposed by Securities and Exchange Board of India (“SEBI”).

Part A: General Information about the Company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L51909MH2007PLC268269
2	Name of the Company	Future Retail Limited (formerly known as Bharti Retail Limited)
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futureretail.co.in
5	E-mail id	investorrelations@futureretail.in
6	Financial Year reported	2017-18
7	Sectors(s) that the Company is engaged in (industrial activity code-wise)	Multi Brand Retail Trade NIC Code: 47 (Retail Trade, except of motor vehicles and motorcycles)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Apparels / Garments; ii. Food and Grocery; and iii. Consumer Durables / Electronics
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	We are not operating from any International locations as on March 31, 2018
	(b) Number of National Locations	As on March 31, 2018, we have a pan India presence with 1,035 stores in 321 cities covering various formats of the Company
10	Markets served by the Company - Local/State/ National/International	National

Part B: Financial details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 100.39 Crore
2	Total Turnover (INR)	₹ 18,477.97 Crore (standalone)
3	Total profit after taxes (INR)	₹ 11.31 Crore (standalone) – after adjusting non-cash exceptional item of ₹ 603.87 Crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	With regard to the year under review, the Company was required to spend ₹ 0.17 Crore on CSR activities, since the average net profits of the Company made during the three immediately preceding financial years, as calculated under Section 198 of the Companies Act, 2013 was ₹ 8.48 Crore, which was spent by the Company during the year.

Sr. No.	Particulars	Company Information
5	List of activities in which expenditure in 4 above has been incurred	During the year under review, the Company spent its CSR contribution through the "Sone Ki Chidiya Foundation" ('SKC Foundation'), which in-turn has deployed these funds towards measures that reduces inequalities by improving access to basic goods or needs for socially and economically backward groups through not-for-profit organizations. <i>(For further details please see the Corporate Social Responsibility Report forming part of Directors' Report)</i>

Part C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	FRL does not have any subsidiary company for the year ended March 31, 2018
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)	Not Applicable
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%]	During the year under review, the Group has approved sustainability policies and framework which in coming years will see familiarisation amongst its prominent business partners. Based on discussion with suppliers and distributors, currently less than 30% of other entities participate in BR initiatives of the Company.

Part D: BR Information

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

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

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

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

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

BR Policies and coverage of NVG Nine principles:

(a) Details of compliance (Reply in Y/N)										
Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes – the policies have been approved by the Board and signed by the Chairman & Managing Director.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of policy?	Yes, the FRL's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	www.futureretail.co.in/investors/Policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	In the reporting period, Future Group has instituted a Sustainability Cell which has developed the Group's sustainability vision, framework and policies. Evaluation and deployment of these policies, processes will be in line with international guidelines and on achieving sufficient robustness, your Company will internally audit or invite a third party to verify performance.								
(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.	The Board of Directors of the Company and its Committees shall continue to assess various business responsibility initiatives undertaken by the Company annually.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for the year 2017-18 forms part of the Annual Report, which is published and is also available on the website of the Company: www.futureretail.co.in/investors/Policies.html

Part E: Principle-wise Performance

Principle 1 : Ethics, Transparency & Accountability

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

Governance

The Company conducts its business legally, ethically, with integrity and transparency with all stakeholders. FRL's employees at all levels are expected to comply with the Future Group's internal policy and code of conduct. All employees are provided and made conversant with details of policies to be complied with during induction training program.

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

Mitigating key business risks through high level of transparency and accountability, the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee and Risk Management Committees ensures that business adopts these guidelines and discharge their responsibility on relevant disclosures while catering to the growing needs of the stakeholders.

The reporting period witnessed strengthening of governance in areas of social, environmental and economic performance within the Future Group by establishing a group level sustainability cell, developing guidelines and policies (including anti-corruption and stakeholder engagement) in this direction, thus laying down the foundation stones towards improved transparency and disclosure within business.

'Happiness Matters' is the cornerstone of the Group's sustainability framework. Future Group is committed towards creating a happy ecosystem. The Group's sustainability vision is "Striving to grow responsibly and achieve our dual goal of a happy environment and society, both of which are necessary ingredients for business continuity and growth." The four pillars of the sustainability framework are "Responsible Products", "Resource Efficiency", "Responsible Supply Chain" and "Happy Communities". The coming reporting period will see deployment of these policies on the basis of these four pillars through strengthening of processes, creation of road maps, target setting and performance management. The Company will extend the same to its value chain stakeholders and promote adoption of the same.

On achieving sufficient robustness, your Company will internally audit or invite a third party to verify performance.

Vigilance Policy

The Future Group treats any act of fraud, bribery and corruption very seriously and expects its business partners to adopt the same approach.

FRL's vigil mechanism enables stakeholders having concerns about suspected misconduct, unethical behavior, actual or suspected fraud, or any action that violates the code of conduct or any business responsibility policy to express their concerns with confidence to the reporting officer empowered to enquire into the matter. FRL has deployed the whistle blower protection policy to safeguard the identity of person(s) who have reported the violation.

There were no complaints received by FRL under the Whistle Blower Policy as on March 31, 2018.

Grievance Redressal Mechanism

FRL has put in place grievance mechanisms that addresses and resolves stakeholder complaints. This enables the Company to mitigate any negative business impacts, address grievances transparently and provide satisfactory feedback to concerned stakeholders.

- **Employees**

The Company redresses complaints received on grounds of harassment or any act that is found to be abusive or discriminatory on the basis of caste, religion, gender, through the Internal Complaints Committee ("ICC"). A total of Sixty Four (64) members are represented at a Group level on pan India basis, out of which Forty Three (43) members are FRL representatives, 50% of these being female. During FY 2017-18, no complaint was received by ICC.

The committee on Prevention of Sexual Harassment (POSH) addresses all sexual harassment complaints. A POSH policy is also available on the intranet for easy access to all employees.

Any complaints with regard to sexual harassment can be reported at posh@futuregroup.in in order to resolve grievance. The Company has received no complaints on sexual harassment during the reporting year.

- **Investors**

FRL has a mechanism for servicing Investor related queries and grievances, through its Registrar and Share Transfer Agent and the Compliance Officer is responsible for the same. On periodic and need basis, the Stakeholders' Relationship Committee, addresses, reviews and resolves complaints and grievances received through the investor grievance redressal mechanism.

The Company has a designated e-mail ID – investorrelations@futureretail.in for addressing investor complaints.

During the year under review, the Company received total 11 investor complaints which have been satisfactorily resolved by the Company and its Registrar and Share Transfer Agents.

- **Customers**

Customers of FRL can raise their concerns regarding service deficiencies through both offline and online interfaces which includes walk-in, voice, e-mail or social media, and all these concerns are mapped on database in CRM systems and taken up for necessary action by concerned team members. The customer is updated about actions being taken and to ensure the redressal was satisfactory a confirmation call is made on random basis to resolve the complaint via maker-checker mechanism.

Complaints received based on billing issues and product quality are generally resolved within 72 hours subject to availability of data and information from the concerned person. However, where cases or complaints require physical check of the product and/or quality back-checks on the batch of manufacture, a higher lead time in resolution of such complaints is observed.

The details of consumer complaints :

Opening Balance - 111; Received during the year - 108; Resolved during the year - 60; and Pending at the end of the year - 159; due to legal cases / matters in the reporting period.

Principle 2 : Product Stewardship / Products contributing to Sustainability

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

FRL operates more than 1,000 Big Bazaar, fbb, easyday, Heritage fresh and other stores in 321 cities across the country. The Company understands that every input material or product that is sourced whether in raw, fresh, semi-processed and finished form and its packaging materials have far reaching environmental and social impacts throughout all life cycle stages from production to end use, hence the Company believes that addressing social and environmental concerns at design stage, including influencing positive consumer behaviour to reduce negative impacts is critical to the entire process.

In keeping with the same, FRL's services and product ranges addresses environmental and / or social concerns, wherever possible. Some of the initiatives undertaken by your Company are presented herewith:

Green Service

- Cloth bags made of 100% grey cotton replaced plastic bags in Maharashtra, Kerala and Karnataka;

- Plastic bags are being replaced with Biodegradable bags on rolls and disposable;
- Billing paper used is 100% BPA free;
- FSSAI approved Recycled paper bags are being utilized for F&V packaging;

The recent notification by government on plastic carry bags in Maharashtra has provided livelihood opportunities for producers of cloth bags including small scale local businesses and not-for-profit organizations working with self-help groups. Your Company has initiated necessary steps in this regard and plastic bags are replaced with cotton and /or cloth bags.

FRL's "Aap Ke Liye" campaign has improved its customer shopping experience through enhanced assistance for customers especially those with disabilities.

Various other interventions and feedback in this direction have resulted in reduction in manual interventions for billing and increased automated home delivery in the reporting period.

Green Products

The Company works closely with supply chain partners to create, innovate and bring to market quality products that add value to society while minimizing environmental impact.

During the reporting year, FRL's in-house private brand "Koryo" launched its 5 star labelled inverter based air conditioners, certified by the Bureau of Energy Efficiency (BEE) which reduces energy consumption by approx. 66% and provides 30% faster cooling compared to normal 5 star air conditioners.

The Company also provides a range of portable air conditioners for the convenience of the customer. These 3 star and 5 star rated air conditioners use eco-friendly refrigerants, a multi stage filtration process ensures negligible emissions, while sensors installed indicate periodic filter cleaning and refrigerant leakages.

Air purifiers sold under "Koryo" brand help monitor and improve air quality in a room, which is now a social concern in all metros where air quality is poor.

Koryo washing machine of larger capacity reduces water consumption which is a concern in many Indian cities like Bengaluru, Chennai and Delhi. The product feature also reduces energy consumption.

Similarly, with the desire to harness energy from renewable sources, and promote its usage amongst consumers, the Company introduced solar lanterns under its Koryo portfolio with high capacity battery powered by a 3W solar panel. Koryo's energy efficient BEE star rated refrigerators, geysers and storage water heater, air fryers encourage the society to become both environment and health conscious.

Sustainable Sourcing

The Company is in the process of conducting supply chain audits for its critical suppliers and are in the process of evaluating suppliers based on specific key parameters, which *inter-alia* includes quality, compliance to applicable regulations, human rights, health & safety and environment. The Company intends to monitor progress periodically and ensure our suppliers adhere to our broad based sustainability targets for responsible supply chain in coming years.

Procurement teams at Koryo, sources from large vendors who demonstrate compliance to local/national statutory requirements so as to cater to modern and retail requirements.

FRL procures unique products from local and small artisans, self-help groups and craftsmen throughout the year including during festive seasons. FRL procures about 30% of its annual procurement requirement from local vendors thereby contributing to value creation and indirect employment generation in local communities.

There were no known incidents 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 products in production, use or disposal.

Local Procurement

FRL considers local procurement as any procurement made within the state for meeting the requirements of stores. This ensures minimum environmental impact from logistics and transportation 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 item from registered vendors who are geographically more diverse.

FRL purchases around 70% of vegetables and 50% of fruits directly from farmers located around Tier I and Tier II cities wherein products are delivered at stores within 24 hours of collection. In order to provide customers with seasonal produce found at specific geographies at good quality and competitive price, FRL directly sources fruits and vegetables like strawberries from Mahabaleshwar, oranges from farmer producer companies in the orange production belt of Nagpur, green peas from Solan, bananas and mangoes from Andhra Pradesh, apples from Himachal and Kiwi from Kiwi grower cooperatives.

Product Labelling

FRL ensures products with appropriate labelling and signage in accordance with the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 notified by the Food Safety and Standards Authority of India (FSSAI)

and the Legal Metrology Act, 2009 are made available to customers.

The Company ensures that all garments carry appropriate labelling and signages as per the Indian Care Labelling System and provides information to communicate how the garment must be handled, washed or treated.

FRL's private brand "Koryo" adheres to labelling requirements of the Bureau of Indian Standards and other labelling requirements as required to comply with the E-waste Management Rules, 2016 as amended from time to time. The information leaflet provided with the product describes various details of product, the hazardous constituents, information on hazards of improper handling, disposal, accidental breakage, damage or improper recycling of e-waste, instructions for handling and disposal of the equipment after its use in addition to normal Do's and Don'ts. Customers can also contact the authorized e-waste handler directly through the information made available in the leaflet.

Recycling

FRL continuing its practice of organising "Exchange Mela" at Big Bazaar stores which on one hand increases the customers' purchasing power (through discount on purchase of new products), promotes recycling, and encourages customers to bring back old products or wastes such as paper, clothes, furniture, footwear etc., which in turn are handed over to waste handlers for recycling or for disposal.

In the coming years, FRL will explore tie-ups with authorised recyclers to lend credence to the mantra "Wealth from Waste" and maximise re-utilization of each scrap material.

In compliance with E-waste Management Rules, 2016, FRL's electronics brand Koryo has tied up with authorised e-waste handlers to meet the compliance requirements and have developed an information leaflet which is shared with customers at the retail end. Koryo has developed appropriate take - back channels including the buyback process from the customer end and is in the process of applying for appropriate licenses from Central Pollution Control Board ('CPCB') to initiate e-waste collection and recycling.

Principle 3 : Employee Welfare

Business should promote the well-being of all employees

FRL's HR processes are guided by the inherent values of the Group and are aligned with labour and human rights regulations that is applicable from time to time. It aspires to be an employer of choice in Indian retail – offering new possibilities and encouraging people to rise up to new challenges every day.

FRL's HR policies ensure that there is no child labour, forced labour or any form of involuntary labour, paid or unpaid at any of its premises.

Non-Discrimination in Recruitment and Employment

FRL follows a streamlined process, to conduct a fair and effective recruitment and career development process free off caste, creed, age, colour or gender biases, which is consistent with employment related legislations. To be an inclusive employer, FRL provides equal opportunities to people with disabilities. In order to build a pro-inclusion mind-set and create a positive environment amongst stakeholders, FRL has designed appropriate communication and training programs.

Today, the Company has amongst its employees, eight ex-Servicemen who work at our Loss Prevention Cell. The permanent manpower at FRL as on March 31, 2018 was as follows:

Total Employee Strength	No. of Female Employees	No. of Differently abled
38,626	7,754	120

Sensitising Employees to PWDs

- AVESHA - a day long classroom session conducted for the store teams to be inclusivity minded and thus become more receptive to Persons with Disability ('PWD') customers and employees. Around 1,045 employees were trained in the reporting year;
- 'Samanta' employee training, which focused on creating awareness & sensitizing employees on PWD - an introduction to sign language and do's and don'ts while dealing with PWDs through role plays, scenario activities and posters were conducted at stores in Maharashtra.

Gender Diversity and Women Empowerment

FRL currently employs around 20% women in their workforce at the Company level.

Recruitment Programmes

Future Business Innovator Program (FBI):

FRL had conducted total 11 FBIs at Symbiosis Institute of Business Management (SIBM), T. A. Pai Management Institute (TAPMI) and Xavier Labour Relations Institute (XLRI). FBI is a Management Trainee Program for Tier 1B Schools. In this program, FRL has hired students for general management roles, and the new joinees will be mapped to a role as per business requirement and individual preferences.

Future Summer Samurai:

FRL's summer internship program for Tier 1B Schools have engaged with 28 interns from IIM-C, IIM-L, MICA, JBIMS and NMIMS in the month of April-May 2017

for 2 months of their Summer Internship. During their internship, they are mentored by Business Heads and get hands on experience.

Facilities for employee well-being ('Khushali')

Policies such as Maternity leave as well as Paternity leave continue to be in place as required by governing laws. Insurance policies such as Mediclaim, EDLI and Life security plans have been continued on a group level for eligible employees as per their grade. Employees are provided the liberty of a flexi time window to enable employees to achieve a work life balance.

Under FRL's Khushali Programme, the Company has also partnered with various corporates to provide benefits for various employees like:

- Housing Benefits

FRL has partnered with reputed real estate developers to provide discount to employees while buying a house and also other benefits such as buy back offerings, and flexi-payment plan for houses at their desired location.

- Healthcare Benefits

FRL employees and their dependents can avail free ambulance and health check-up service at leading hospitals / medical check-up centers, while availing discounts for other services. Through the Company's initiative with other organisation, employees of the Company are benefited with medical test and nutritionist support.

- Childcare and Education Service Benefits

The Company has accounted for day care and pre-school requirements of employees' children by fostering relations with various organisation / agencies, so that employees can avail this service at incentivized rates.

- Catering to Daily Needs

During the reporting period, FRL has extended the Employee discount benefits additionally to three dependents as nominated by the employee.

- Facilities for Employees with special needs

It has been every team's objective to make FRL offices and stores PWD friendly, there has been an introduction of sensitive design ideas in ergonomics, space management and facility creation. (Please refer to Principle 8 for more details related to PwDs).

- Employee Retention

Overall development of the employee at a Group level, including customized growth plans is integrated to make employees journey at FRL fruitful.

Along with this, an employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall well-being. The Company encourage employees to apply for Internal Job Postings so as to explore other formats and verticals.

Employee Growth, Training & Development and Overall well-being

The Company ensures continuous skill and competence upgradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. At FRL, training needs assessment are conducted at the Store/Zonal/HO offices with all employees. The training needs are mapped and trainings are imparted according to schedule and need of employees. During the year, 11% of employees, 10% of women employees and 5% of PWDs were trained for both safety and skill development. Some of the other training programs conducted on periodic/ annual basis are as follows:

- AVATAR - Assistant manager, assistant stores manager and team leaders undergo training to enable them to achieve their career objectives;
- STRIDE - Training to improve the skills of Assistant Store Manager to build competencies;
- LEAP - Training intervention is defined to develop competencies of managers to create a leadership pool to take up larger responsibilities;
- LEAD - Fast track training programme for existing store managers;
- DESIGN DIALOGUE - Store employees responsible for sales are updated on new product launches on regular basis via this platform;
- EDGE - Training programme for store/zone level visual merchandise team;
- LIVING ON THE EDGE - Training for cross functional learning of experienced designers who are EDGE certified;
- STORE KARTA DEVELOPMENT PROGRAMME- Training interventions to develop required competencies of store managers to manage the dynamics of a retail store;
- AVESHA - Training to sensitise employees on inclusion and thus become more receptive to PWD customers.
- PRARAMBH - Trainee of new joiners for a 10 day store level induction programme;
- SPO TRAINING - Training to develop store HR capability to handle real time challenges in-store;
- BOCCONI - A programme for senior people interested for higher studies;

- MDP (Management Development Programme) - A short term certification courses for senior people conducted by renowned institutions;
- LEADERSHIP ACADEMY - An intricately curated 10 month intervention for leaders

“Foodhall” is a one-stop destination for the well-travelled urban consumer who understands the nuances of gourmet cooking. With novel concepts, extensive global variety from around the world on one platter, the Foodhall team undergoes some of additional specialised trainings like:

- Tea Specialist;
- Arqa Specialist;
- Cheese Specialist;
- Meat Market Specialist;
- Packaging Specialist;
- Personality Development;

POSH Training

Awareness on the code of conduct and the sexual harassment policy is provided to all new employees during induction. A two day ICC training workshop was conducted on topics related to investigation skills, basic counselling skills like listening, paraphrasing and dealing with biases through various kind of case studies and role play activities based on real life examples. Workshop training also focused on the role of ICC, critical attitudes of an ICC member, investigation process and report writing.

The Company also organises POSH trainings for its employees at various offices and stores to sensitize them about the definition of sexual harassment, identifying sexual harassment, protecting oneself from becoming a victim of sexual harassment and the reporting procedure of sexual harassment complaints.

Health and Safety:

FRL embraces the Group’s policy of health and safety to ensure employee welfare through accident free operations. FRL has a dedicated person at store level who is responsible for inspection of safety concerns.

Standard operation procedures including wearing of personal protective equipment, maintaining personal hygiene to prevent contamination of food.

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

Principle 4: Stakeholder Engagement

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

FRL's manifesto encourages its stakeholders to explore the unexplored areas and write new rules to create new opportunities and success as we continue believing in our mantra **"Rewrite Rules, Retain Values"**.

FRL's stakeholders include its shareholders / investors, employees, community, suppliers and customers. FRL through its stakeholder engagement policy encourages transparency in dealings, effective communication and deploying effective grievance mechanisms for responding to stakeholder concerns.

FRL proactively engages with stakeholders to create a common dialogue that allows learning, understanding of the operating environment, pooling of resources to positively impact and resolve problems that makes the organization perform better.

Statutory bodies

FRL maintains all its records as statutorily required and ensures internal and external compliances. FRL whilst ensuring compliances also interacts with various authorities and concerned statutory bodies as and when required.

Employee Engagement

The Company engages with its employees at all levels in order to boost their morale, provide equal opportunities

for them to nurture talent and develop their creativity, help in increasing their commitment and passion towards their individual goals and self-development. Various programs and activities were conducted during the year under review.

Employees were also engaged by participation in various festivals celebrated at stores and offices like Holi, Makarsankranti, Diwali, Pongal, Dussehra, Ganesh Chaturthi etc. Honouring our employees through bestowing long service awards and outstanding contribution to key projects awards during the year.

Certain identified activities were also undertaken during the year, which are summarized below:

- Big Bazaar's Kids Fun fare on Christmas day by inviting children of employees for screenings of Jungle Book, and organizing fun-learning and gaming stalls;
- Monsoon Mania;
- Providing surprise gift hampers and overall grooming sessions for all women, while they inspired others through leadership talks on Women's Day. Self defence training was provided to all employees on this day at Delhi NCR;
- Participating in Corporate Talent Championship, a pan India corporate event where employees demonstrated their skills in dancing, singing and theatre competitions;
- Big Bazaar organized an employee welfare programme by setting up dental camp for staff promoting health & fitness for employees.

Customer Engagement

The Indian community is diverse and their aspirations in life are never a constant.

FRL works towards addressing the needs of the immediate community through active involvement of employees and customers, and collaborating with institutions and not-for-profits to carry out various activities. Some of these activities conducted at various Big Bazaar ("BB") stores are mentioned below :

Social Activities	North Zone	West Zone	East Zone	South Zone
Free Eye Check Up	<ul style="list-style-type: none"> • BB-Omax • BB-Opulent 			<ul style="list-style-type: none"> • BB- Bannerghatta • BB- Kompally • BB-Shimoga
Cancer Awareness and Health Check Up campaigns	<ul style="list-style-type: none"> • BB-Yamunanagar • BB- Inderlok • BB-Vasant Square Mall 		BB-Siliguri	<ul style="list-style-type: none"> • BB-Hosur • BB-Rajajinagar • BB-Puttenahalli • BB-Kormangala
Hearing Test Camp (Audiology Test)				BB-Mysore
Blood Donation Camp	BB-Vasant Square Mall		BB- Liluah	BB-Kormangala
Road Safety	BB-Baddi			
Gender Equality and Women Empowerment	BB-Rohini			
Education Scholarships		BB-Calangute		<ul style="list-style-type: none"> • BB-Vijayawada • BB-Nellore • BB-Maheshwari

This financial year employees celebrated regional festivals and days of national/international importance with the community, thereby exhibiting inclusive growth within and beyond the organizational boundaries. Celebration by way of participation by few stores are noted herein:

- Celebrated 100th Annasantharpane at Mysore;
- “Kudiyan Di Lohri” for families blessed with a baby girl;
- World Environment Day and Earth Day by planting trees and organising cleanliness drives for a plastic free environment;
- Children’s day through celebration and children led shopping experience;
- Young elders day vide Walkathons, Yoga camps, Painting contests etc;
- World Disability Day by organizing drawing competition for children with special needs;
- Ganesh Chaturthi by organizing Ganesh Idol making competitions;

Further, customer engagement activities were organized to celebrate various festivals during the year across India.

Investor Engagement / Shareholders

FRL values investor concerns and at every investor meet the Company presents initiatives taken by the Company to improve key performance indicators and projections in business growth. In the second quarter review in the reporting period, FRL presented the Group’s sustainability vision, framework, goals 2021 and also presented a broad road map. The Company would like to proactively manage its environmental and social risks to ensure business continuity and growth.

The Company has a mechanism in place to deal with investor’s grievance handling and providing any other service as required with the support of its Registrar and Share Transfer Agents. The Board of Directors have already constituted “Stakeholders’ Relationship Committee” which periodically ensures that all queries, grievances and complaints received or reported are redressed and resolved on timely basis.

Supplier / Vendor Engagement

FRL engages actively with suppliers / vendors to ensure timely and proper supply of products and services and quality considerations. FRL also partners with its suppliers on new product development initiatives. As part of its initiative to recognize and develop key suppliers, identified suppliers were invited to “SPARK”, which is FRL’s annual business event wherein awards and recognitions were bestowed for excellence in quality. The

Company also regularly organizes meetings, shows and conference to give opportunities to suppliers to showcase new product offerings.

During the reporting period, fbb (fashion @ Big Bazaar) hosted a special two-day meet at Nagpur in July 2017 to connect with its vendor partners and discuss both long term vision and opportunities of growth.

FRL’s suppliers are also provided with managerial and technical assistance at regular intervals and on need basis to train them on practices and procedures that will ensure improvements in Productivity, Quality, Cost, Delivery, Safety and Moral (POCDSM).

Communities

FRL involves communities surrounding its operations to bring about a positive change in their lives through holistic, sustainable and integrated development.

FRL has identified the disadvantaged, vulnerable and marginalized stakeholders and engages to undertake community mobilization and capacity building (Please refer to Principle 8 for more details)

Principle 5: Human Rights

Business should respect and promote human rights

The Company is committed to upholding human rights, the Group’s human rights policy extends to all entities within the Group. FRL recognizes and respect the human rights of concerned stakeholders within and beyond the workplace. The intent of this is being conveyed to relevant stakeholders.

The contracts with suppliers, contractors and vendors states various compliances to be made by them under applicable labour laws, salary / wage payments within prescribed time limits, medical facilities to be provided, and also ensuring compliance of applicable deductions including PF, ESIC, contributions to various funds like Gratuity and other retiral benefits.

The Company ensures collection of age proofs and PAN cards of all candidates hired to ensure compliance to no child labour policy. FRL ensures non-discrimination while communicating the job description through recruitment channels to give equal opportunity to all candidates irrespective of their caste, race, religion or gender. At FRL, employees are encouraged to identify and eliminate any foreseeable safety hazards and represent themselves jointly on any issues that affect their work and lives.

The Company ensures that all concerned individuals impacted by the business have access to grievance mechanisms, and as such no complaints were received during the period under review.

Collective Bargaining

FRL provides its employees ample opportunities to voice their needs. FRL's employees express challenges, and grievances through grievance mechanisms, representations, weekly meetings at stores to communicate their concerns to senior staff and management. Adequate feedback and response mechanisms encourage openness and quick resolutions, hence FRL's employees do not feel the need to participate in collective bargaining activities.

The Chairman & Managing Director regularly interacts with all employees through his email(s) and regular briefings, and all employees are encouraged to directly write to him on his email address. Senior management team at Company level follows open door policy to hear any grievances, feedback or suggestion from concerned employees.

The Company ensures that stakeholders including consumers and communities 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 any organisation. FRL encourages the efficient use of resources and strives to comply with applicable environmental norms within the local and national boundaries. Environment and Health & Safety policies have been adopted by FRL and is being communicated to relevant stakeholders on need basis.

Your Company's operations are not largely energy intensive. However, adequate measures are taken to reduce consumption of energy, water and other material resources on continuous basis. Some of FRL's offices and stores are located in buildings that are LEED (Leadership in Energy and Environmental Design) certified.

Energy Efficiency and Climate Stewardship:

During the reporting period, the Group has developed its Energy and Carbon Policy with a commitment towards low carbon transformation through reduced energy consumption and procuring energy from renewable sources. In a dynamic environment where store designs keep evolving to enhance customer experience, FRL has proactively initiated actions across few stores that has aided optimization of lighting and related energy.

The Company has reduced its' carbon footprint through various actions, some of these are mentioned herein:

- Replacement of 2X28W LED lighting fixtures with 1x28W LED lighting fixtures at Big Bazaar Stores

resulting in approximately 46% saving in energy from lighting purpose;

- Installing manually operated LED lights at our corporate office;
- Replacement of ductable air conditioning systems with VRV systems at fbb stores resulting in approximately 15% energy savings;
- Converting open door chillers to closed door chillers resulting in energy savings of approximately 10-15% and similarly use of air conditioning judiciously based on weather and load factors has supported cost optimisation drives in few pilot projects.

Air emissions

FRL audits its emissions and conducts checks in order to comply with emission norms from DG sets as defined by CPCB at periodic intervals.

Water conservation:

The Group has instituted its water stewardship policy which encourages both stores and corporate offices to initiate water conservation measures.

Studies are being conducted to identify water conservation efforts that is feasible for implementation at various sites.

Waste management:

Waste generated at its offices / stores is managed as per applicable norms and e-waste generated is disposed through e-waste recyclers. FRL segregates dry and wet waste at all stores and hands over the segregated waste to authorized municipal waste handlers.

No incidents of non-compliance with regulations resulting in penalty or notice or fine received by the Company concerning health and safety impacts of FRL's products in production, use or disposal. Further, during the reporting year, there were no show cause and legal notices received by the Company which are pending from the CPCB or SPCB at any of the Company's operations.

Principle 7: Public Advocacy

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

FRL is committed to public good, however the Company has not actively advocated or lobbied directly with government officials or institutions. FRL actively participates in industry events and is a member of the Retailers Association of India (RAI).

Management and the senior leadership team interacts with various professional bodies and organizations to anticipate and understand the government regulations,

economic scenario, industrial environment and advancement of public goods and services.

Principle 8: Inclusive Growth

Business should support inclusive growth and equitable development

FRL works with various communities; it employs young Indians in rural and urban areas, engages with its consumers, works closely with factories, suppliers and distribution systems across the country and interacts with various stakeholders who are closely linked to its business.

Inclusive growth and sustainability is at the core of strategy and business practices at FRL. In the process of developing a hyper local approach in serving customers, FRL strives to understand, adapt and integrate local culture, food and traditions of individual areas or regions, listens to the voice of the marginalized and disadvantaged and strives to support these in partnership with its customers. As the Company engages with its customers, it also shares and look for ways to address their concerns.

FRL has partnered with Pankh, an initiative by TRRAIN and other not for profit organisations to train and create livelihood opportunities for Persons with Disability (PwD) in the retail industry. In the reporting period, FRL has hired multiple resources from the initiative who are employed as cashiers and at back end operations.

Further disclosures with reference to non-discrimination at the work place including persons with disabilities and minorities, respecting employee dignity and human rights may be referred to under Principle 3, Principle 4 and Principle 5 of this report.

Corporate Social Responsibility

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

The Company aims to fund not-for-profit organizations that aligns with its implementing agency, viz, "Sone Ki Chidiya" Foundation ("SKC Foundation") in years to come.

SKC Foundation has been set up inter-alia with objectives of undertaking the projects and activities for the benefits of various sections of the Society within India, supporting economically challenged people to meet their social needs and Corporate Social Responsibility activities. SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society in order to attain the above objective.

SKC Foundation's vision and passion, help address inequalities and inspire our employees and value chain members to volunteer and participate on key issues that affects communities in areas where stores, warehouses are located.

The Company was mandated to spend ₹ 0.17 Crore on CSR project, which the Company has successfully spent on projects / activities that helped in reducing inequalities faced by socially and economically backward groups during the year under review (for further details, please refer to CSR Report annexed to Directors' Report for the year ended March 31, 2018).

Principle 9: Value to customers and consumers

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

FRL values its customers and works towards increasing customer loyalty by adhering to highest standards of quality and compliance requirements, while addressing social and environmental concerns of the community.

Being a customer centric organization FRL launched 'Aap Ke Liye' campaign in all Big Bazaar stores across India. A special pledge to serve customers better was crafted and is now being referred to by all stores and thought leaders.

Learning and Development Team and the Operations SPOC are involved in training of employees from Customer Service Team on pan India basis for better customer service, improving knowledge of technology, especially the CRM at the Customer interface to cater to customer grievances and feedback.

The customer based survey, internally branded as Voice of Customer (VOC) runs on the Net Promoter Score (NPS) platform. Customer feedback is obtained post purchase, wherein the customer can provide feedback through the web link received vide SMS. Customer rating (from a score of 0-10) ad-verbatim helps make improvements to systems and processes. Detractors receive outcalls to ensure that issues are resolved while promoters are acknowledged for their motivational inputs. Accordingly, various reward and recognition systems are also put in place based on VOC (Voice of Customer). In the reporting year the Company's NPS has improved and it has set out an internal target for FY 2018-19.

Key feedback categories include staff helpfulness, range and assortment, billing and store ambience, recommendations for new product inclusion, regional assortment of food, gift vouchers and promotional offers.

The Company proactively interacts with customers for better and higher customer centricity (Please refer to Principle 4 for more details related to customers) and have set in place a robust grievance mechanism,

conducted through CRM software to address complaints (Please refer to Principle 1 for more details on grievance mechanism).

To achieve internal operational excellence in providing customers a hassle-free checkout experience, Big Bazaar introduced the concept of “Gati” at all stores. The initiative was activated through training of store Kartas and deploying ideas like checkout supervisors and stock service desk.

A dedicated call center with PRI (Primary Rate Interface) facility based out of Future Group Call Centre at Ahmedabad addresses queries and complaints raised by

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

FRL ensures that its marketing and advertising campaign and communications do not confuse or mislead the consumers or violate any of the principles in these Guidelines. (Please refer to Principle 2 for more details with regards to Product Labeling).

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

3 YEARS FINANCIAL SUMMARY

Key Highlights of Financial Position

(₹ In Crore)

Particulars	Mar-18 ^{##}	Mar-17 [^]	Mar-16 [*]
Share Capital	100.40	94.36	8.70
Reserves & Surplus	2,995.87	2,459.30	1,779.92
Net Worth	3,096.27	2,553.66	1,874.19
Total Borrowings	1,286.41	1,244.13	1,122.40
Capital Employed	4,382.68	3,797.79	2,996.59
Net Block	1,018.56	553.78	260.93
Investments	0.01	0.00	-
Inventory	4,417.41	3,735.16	3,297.24

Key Highlights of Financial Results

(₹ In Crore)

Particulars	Mar-18 ^{##}	Mar-17 [^]	Mar-16 [*]
	12 Months	12 Months	12 Months
Sales & Operating Income	18,477.97	17,075.09	6,844.96
Total Income	18,489.64	17,098.89	6,860.47
COGS	13,740.68	12,834.35	5,065.12
EBITDA	843.99	605.09	101.06
Interest	175.38	204.23	49.75
Depreciation	53.43	32.58	36.76
Profit Before Tax (excluding non-cash exceptional item)	615.18	368.28	14.55
Profit After Tax	11.31 [#]	368.28	14.55

Key Financial Ratios

Particulars	Mar-18 ^{##}	Mar-17 [^]	Mar-16 [*]
COGS / Sales & Operating Income (%)	74.36%	75.16%	74.00%
Interest / Total Income (%)	0.95%	1.19%	0.73%
EBITDA / Interest (Debt-Service Ratio)	4.81	2.96	2.03
EBITDA / Total Income (%)	4.56%	3.54%	1.48%
PBT (excluding non-cash exceptional item) / Total Income (%)	3.33%	2.15%	0.21%
PAT / Total Income (%)	0.06%	2.15%	0.21%
Basic EPS (₹)	0.23	7.81	0.66
Debt Equity Ratio	0.42	0.49	0.60

Note: * The Company's Retail business was realigned pursuant in FY 2015-16 to the scheme of arrangement between Future Retail Limited and Future Enterprises Limited (FEL) and vesting of Retail business of FEL with the Company and transfer of Retail Infrastructure business to FEL.

[^] Financial numbers of the year ended March 31, 2017 onwards are prepared as per IND AS, hence not comparable with previous years.

[#] In the current financial year, the company has a non-cash exceptional item of ₹ 603.87 Crore resulting in reduction of profit by the same amount.

^{##} The financial results for the year ended March 31, 2018 are not comparable with previous year, due to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail undertaking of Heritage Foods Retail Limited and Retail Business Undertaking of Hypercity Retail (India) Limited with the Company.

INDEPENDENT AUDITORS' REPORT

To,
The Members of

FUTURE RETAIL LIMITED *(formerly known as Bharti Retail Limited)*

Report on the Financial Statements

We have audited the accompanying Financial Statements of **FUTURE RETAIL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 ("Financial Statements")).

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order issued under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of information and according to the explanation given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, We report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
 - d. In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;

- e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018, from being appointed as a Director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its Financial Statements;
- ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ashok A. Trivedi
Partner
Membership No. 042472

Mumbai
May 21, 2018

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the Members of the **FUTURE RETAIL LIMITED** on the Financial Statements for the year ended March 31, 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and the records examined by us, we report that the title of immovable properties is in the process of being transferred in the name of the Company as at March 31, 2018.
- (ii) (a) As explained to us, management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, clause 3 (iii) of the Order not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the business activities of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, provident fund, employee's state insurance, income-tax, sales-tax, goods & service tax, service-tax, custom duty, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, goods & service tax, service tax, duty of customs and value added tax, cess and other

material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations

given to us, there are no dues of income tax, service tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

However, according to information and explanations given to us, the following dues of stamp duty and value added tax have not been deposited by the Company on account of dispute:

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	9.53*	FY : 2008-09 FY : 2015-16	Chief Controlling Revenue Authority, Ghaziabad, U.P. The Collector of Stamps, Preet Vihar, Delhi The Collector of Stamps (HQ), Govt. of NCT of Delhi, 5
Central Sales Tax Act and Local Sales Tax Act	Central Sales Tax and Local Sales Tax (including Value Added Tax)	8.49*	FY: 2007-08; 2008-09; 2009-10; 2010-11; 2012-13; 2014-15.	Additional Commissioner Grade 2, Kanpur; Directorate of Commercial Taxes; Dy. Commissioner of Sales Tax; Special Commissioner of VAT; Additional Commissioner (Appeals)

*Net of amount paid under protest

(viii) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from banks. The Company has not taken any loans from Government or any Financial Institution and debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, clause 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite provisions of section 197, read with Schedule V to the Act.

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

(xiii) According to the information and explanations given to us and based on our examination of the records

of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year in compliance with the requirement of section 42 of the Act and amount raised has been used for the purpose for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with its director. Therefore, clause 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Ashok A. Trivedi
Partner
Membership No. 042472

Mumbai
May 21, 2018

Annexure - B to the Independent Auditors' Report

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 RETAIL LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, 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.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGS & CO. LLP

Chartered Accountants

Firm Registration No. : 119850W

Ashok A. Trivedi

Partner

Membership No. 042472

Mumbai
May 21, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Crore)

	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	2	488.62	94.97
Capital Work-in-Progress	2	24.31	2.41
Intangible Assets	3	529.94	458.81
Intangible Assets Under Development	3	9.27	9.44
Financial Assets			
Investment	4	0.01	0.00
Loans	5	273.49	266.99
Others	6	0.31	0.33
Other Non-Current Assets	7	132.66	83.20
Total Non-Current Assets		1,458.61	916.15
2. Current Assets			
Inventories	8	4,417.41	3,735.16
Financial Assets			
Trade Receivables	9	270.10	228.06
Cash and Cash Equivalents	10	143.59	128.45
Bank Balances Other than Cash and Cash Equivalents	11	39.64	27.59
Loans	12	1,306.50	1,440.42
Others	13	82.90	14.62
Other Current Assets	14	475.73	447.08
Total Current Assets		6,735.87	6,021.38
Total Assets		8,194.48	6,937.53
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	100.40	94.36
Other Equity	16	2,995.87	2,459.30
Total Equity		3,096.27	2,553.66
Liabilities			
1. Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	223.33	0.81
Provisions	18	52.26	45.48
Other Non-Current Liabilities	19	118.50	144.16
Total Non-Current Liabilities		394.09	190.45
2. Current Liabilities			
Financial Liabilities			
Borrowings	20	1,001.41	1,077.59
Trade Payables	21	3,424.23	2,779.99
Other Financial Liabilities	22	83.27	180.62
Other Current Liabilities	23	191.24	149.55
Provisions	24	3.97	5.67
Total Current Liabilities		4,704.12	4,193.42
Total Equity and Liabilities		8,194.48	6,937.53

The accompanying notes are an integral part of the financial statements. 1-51

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP

Chartered Accountants

Kishore Biyani

Chairman & Managing Director

Rakesh Biyani

Jt. Managing Director

Ravindra Dhariwal

Director

Ashok A. Trivedi

Partner

Membership No.: 042472

Mumbai

May 21, 2018

Gagan Singh

Director

C. P. Toshniwal

Chief Financial Officer

Shailendra Bhandari

Director

Virendra Samani

Dy. Company Secretary

Sridevi Badiga

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crore)

	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
INCOME			
Revenue From Operations	25	18,477.97	17,075.09
Other Income	26	11.67	23.80
Total Income		18,489.64	17,098.89
EXPENSES			
Purchase of Stock-In-Trade		14,422.55	13,212.92
Change in Inventories of Stock-In-Trade	27	(681.87)	(378.57)
Employee Benefits Expense	28	929.95	803.44
Finance Costs	29	175.38	204.23
Depreciation and Amortization Expense	2&3	53.43	32.58
Other Expenses	30	2,975.02	2,856.01
Total Expenses		17,874.46	16,730.61
Profit Before Exceptional Items and Tax		615.18	368.28
Exceptional Items	31	(603.87)	-
Profit Before Tax		11.31	368.28
Tax Expense	35	-	-
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit For The Year		11.31	368.28
Other Comprehensive Income For The Year		1.96	(2.69)
Fair Value Changes On Investments		0.00	-
Re-measurement Gains/(Losses) on Defined Benefit Plans		1.96	(2.69)
Total Comprehensive Income For The Year		13.27	365.59
Earnings Per Equity Share of Face Value of ₹ 2/- each			
Basic And Diluted	38	0.23	7.81

The accompanying notes are an integral part of the financial statements. 1-51

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472
Mumbai
May 21, 2018

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Gagan Singh
Director
C. P. Toshniwal
Chief Financial Officer

Rakesh Biyani
Jt. Managing Director

Shailendra Bhandari
Director
Virendra Samani
Dy. Company Secretary

Ravindra Dhariwal
Director

Sridevi Badiga
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
(A) EQUITY SHARE CAPITAL		
Opening Balance	94.36	8.70
Issued Pursuant to the Scheme of Arrangement with Future Enterprises Limited (Formerly Known as Future Retail Limited)	-	85.57
Issue of Equity Shares Under Employee Stock Option Scheme	0.03	0.09
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	3.57	-
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	0.57	-
Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited (Refer Note No. 48)	1.86	-
Closing Balance	100.40	94.36
(B) OTHER EQUITY		
Share Capital Suspense		
Opening Balance	3.57	85.57
Issued Pursuant to the Scheme of Arrangement with Future Enterprises Limited (Formerly Known as Future Retail Limited)	-	(85.57)
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	(3.57)	-
Equity Shares to be Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	-	3.57
Closing Balance	-	3.57
Retained Earnings		
Opening Balance	(125.29)	(490.88)
Profit For The Year	11.31	368.28
Other Comprehensive Income/(Loss) For The Year		
Fair Value Changes On Investments	0.00	-
Re-measurement Gain/(Losses) on Defined Benefit Plans	1.96	(2.69)
Closing Balance	(112.02)	(125.29)
Capital Reserve		
Opening Balance	2,273.54	2,270.58
On Composite Scheme of Arrangement (Refer Note No. 49A)	-	2.96
On Composite Scheme of Arrangement (Refer Note No. 49B)	(92.00)	-
On Composite Scheme of Arrangement (Refer Note No. 49C)	(32.20)	-
On Composite Scheme of Arrangement (Refer Note No. 49C)	(2,273.54)	-
Closing Balance	(124.20)	2,273.54

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
Securities Premium Reserve		
Opening Balance	6.02	-
Issue of Equity Shares	1.93	6.02
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	291.43	-
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	153.63	-
Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited (Refer Note No. 48)	498.14	-
On Composite Scheme of Arrangement (Refer Note No. 49C)	2,273.54	-
Closing Balance	3,224.69	6.02
Securities Premium Reserve Suspense		
Opening Balance	291.43	-
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	-	291.43
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	(291.43)	-
Closing Balance	-	291.43
Share Options Outstanding Account		
Opening Balance	4.08	-
Employee Stock Option Expense	5.13	9.72
Exercise of Stock Options	(1.81)	(5.64)
Closing Balance	7.40	4.08
Equity Component of Optionally Convertible Debentures		
Opening Balance	5.95	-
Issue of Optionally Convertible Debentures (Equity Component)	-	5.95
Conversion of Optionally Convertible Debentures (Equity Component)	(5.95)	-
Closing Balance	-	5.95
TOTAL OTHER EQUITY	2,995.87	2,459.30

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 21, 2018

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Gagan Singh
Director

C. P. Toshniwal
Chief Financial Officer

Rakesh Biyani
Jt. Managing Director

Shailendra Bhandari
Director

Virendra Samani
Dy. Company Secretary

Ravindra Dhariwal
Director

Sridevi Badiga
Director

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crore)

	Year Ended March 31, 2018	Year Ended March 31, 2017
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	11.31	368.28
Adjustments For:		
Depreciation and Amortization Expense	53.43	32.58
Finance Costs	175.38	204.23
Loss on Sale of Investments	603.87	-
Employee Stock Option Expense	5.13	9.72
Allowance for Credit Losses	2.75	1.36
Loss on Disposal/Discard of Fixed Assets (Net)	1.41	-
Interest Income	(10.82)	(11.34)
Operating Profit Before Working Capital Changes	842.46	604.84
Adjustments For:		
Trade Receivables	(61.98)	(98.72)
Loans, Other Financial Assets and Other Assets	(26.70)	(426.44)
Inventories	(742.17)	(379.64)
Trade Payables	681.23	534.43
Other Financial Liabilities, Other Liabilities and Provisions	(76.85)	(29.38)
Cash Generated From Operations	615.99	205.08
Taxes Paid	(15.40)	(8.05)
Net Cash Flows From Operating Activities	600.59	197.03
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(375.86)	(87.02)
Purchase of Investment	(111.72)	(0.00)
Sale of Investment	7.85	-
Interest Received	10.82	11.34
Net Cash Used In Investing Activities	(468.91)	(75.68)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	148.40	6.43
Proceeds from Borrowings	(103.49)	109.39
Interest Paid	(175.38)	(204.23)
Net Cash Used In Financing Activities	(130.47)	(88.41)
On Composite Schemes of Arrangement	13.93	6.02
Net (Decrease)/Increase In Cash and Cash Equivalents	15.14	38.96
Net (Decrease)/Increase In Cash and Cash Equivalents	15.14	38.96
Cash and Cash Equivalents (Opening Balance)	128.45	89.49
Cash and Cash Equivalents (Closing Balance)	143.59	128.45

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472
Mumbai
May 21, 2018

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Gagan Singh
Director

C. P. Toshniwal
Chief Financial Officer

Rakesh Biyani
Jt. Managing Director

Shailendra Bhandari
Director

Virendra Samani
Dy. Company Secretary

Ravindra Dhariwal
Director

Sridevi Badiga
Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Company Overview and Significant Accounting Policies

1.1 Company Overview

Future Retail Limited ('Formerly Known As Bharti Retail Limited') ('the Company') is a public Company domiciled in India and incorporated on February 7, 2007. The Company is engaged in the business of retailing of fashion, household and consumer products through departmental and neighbourhood stores under various formats across the country.

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

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 21, 2018.

1.2 Basis of Preparation of Financial Statements

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

1.3 Use of Estimates

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

1.4 Revenue Recognition

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

Sale of Products

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

Rendering of Services

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

Interest Income

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

Dividend Income

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

1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

Building	:	30 years
Plant and Equipment	:	15 years
Office Equipment*	:	3 to 6 years
Furniture and Fixture	:	10 years
Leasehold Improvement*	:	Lease term or 15 years, whichever is lower
Vehicle	:	8 years

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

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

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

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

1.6 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life not exceeding ten years and assessed for impairment whenever there is an indication that the Intangible assets may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

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

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

1.7 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.8 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

1.9 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

1.10 Measurement of Fair Value

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

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

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

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

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

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

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

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

1.11 Financial Instruments

(i) Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

(ii) Subsequent Measurement

A Non-Derivative Financial Instruments

a Financial Assets Carried at Amortised Cost

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

b Financial Assets at Fair Value Through Other Comprehensive Income

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

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

c Financial Assets at Fair Value Through Profit or Loss

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

d Financial Liabilities

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

B Derivative Financial Instruments

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

Financial Assets or Liabilities, at Fair Value Through Profit or Loss:

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

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

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

(iii) Derecognition of Financial Instruments

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.12 Inventories

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

1.13 Foreign Currency

(i) Functional Currency

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

(ii) Transactions and Translations

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

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

1.14 Borrowing Costs

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

1.15 Employee Benefits

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

Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the statement of profit and loss.

1.16 Share-Based Payment

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

1.17 Income Tax

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

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

1.18 Earnings Per Share

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

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

1.19 Provisions

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

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

1.20 Impairment

(i) Financial Assets

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

(ii) Non-Financial Assets

Intangible Assets and Property, Plant and Equipment

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

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

1.21 Share Capital

Ordinary Shares

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Property, Plant and Equipment

(₹ in Crore)

Cost	Land	Building	Leasehold Improvement	Plant and Equip-ments	Office Equip-ments	Furniture and Fixtures	Vehicles	Office Equipment On Lease	Total	Capital Work-in-Progress
As At April 01, 2017	7.94	12.05	5.70	51.01	6.40	10.37	0.09	1.41	94.97	2.41
Additions / Transfer #	-	-	105.60	61.55	11.95	230.94	-	-	410.04	-
Disposals	-	-	-	-	-	-	-	1.41	1.41	-
As At March 31, 2018	7.94	12.05	111.30	112.56	18.35	241.31	0.09	-	503.60	24.31
Accumulated Depreciation										
As At April 01, 2017	-	-	-	-	-	-	-	-	-	-
Depreciation	-	0.19	3.06	4.38	2.08	5.26	0.01	0.27	15.25	-
Disposals	-	-	-	-	-	-	-	0.27	0.27	-
As At March 31, 2018	-	0.19	3.06	4.38	2.08	5.26	0.01	-	14.98	-
Net Book Value										
As At March 31, 2018	7.94	11.86	108.24	108.18	16.27	236.05	0.08	-	488.62	24.31
As At March 31, 2017	7.94	12.05	5.70	51.01	6.40	10.37	0.09	1.41	94.97	2.41

3. Intangible Assets

Cost	Computer Software	Brand / Trademark	Total	Intangible Assets Under Development
As At April 01, 2017	354.50	155.03	509.53	9.44
Additions / Transfer #	109.57	-	109.57	-
Disposals	-	-	-	-
As At March 31, 2018	464.07	155.03	619.10	9.27
Accumulated Amortisation				
As At April 01, 2017	50.72	-	50.72	-
Amortisation	38.44	-	38.44	-
Disposals	-	-	-	-
As At March 31, 2018	89.16	-	89.16	-
Net Book Value				
As At March 31, 2018	374.91	155.03	529.94	9.27
As At March 31, 2017	303.78	155.03	458.81	9.44

Includes impact of Composite Scheme of Arrangement (Refer Note No. 49C)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
4. Non-Current Financial Assets - Investment		
Quoted Fully Paid Up Equity Shares		
100 Equity Shares of Future Supply Chain Solutions Limited of ₹ 10/- each	0.01	*
*Denotes Amounting to ₹ 37,048/- (2017: Unquoted)		
	0.01	0.00
Note:		
Investment Carried At Fair Value Through Other Comprehensive Income		
Aggregate Value of Quoted Investment ₹ 66,300/-		
Aggregate Value of Unquoted Investment (2017 ₹ 37,048/-)		
5. Non-Current Financial Assets - Loans		
Security Deposits		
Unsecured, Considered Good	273.49	266.99
	273.49	266.99
6. Non-Current Financial Assets - Others		
Bank Balances Other Than Cash and Cash Equivalents		
Deposit With Banks	0.31	0.33
	0.31	0.33
7. Other Non-Current Assets		
Capital Advances		
Others Unsecured, Considered Good	-	0.24
	-	0.24
Others		
Others Unsecured, Considered Good*	132.66	82.96
	132.66	82.96
	132.66	83.20
(* Includes Balances with Government Authorities.)		
8. Inventories		
Stock-in-Trade	4,412.79	3,730.92
Goods-in-Transit of ₹ 93.28 Crore (2017: ₹ 96.59 Crore)		
Packing Materials And Others	4.62	4.24
	4,417.41	3,735.16
9. Trade Receivables		
Unsecured, Considered Good (Refer Note No. 32)	270.10	228.06
Doubtful	2.75	1.36
	272.85	229.42
Less: Allowance for Credit Losses	2.75	1.36
	270.10	228.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2018	As at March 31, 2017
10. Cash and Cash Equivalents			
	Balances with Banks		
	On Current Accounts	114.99	104.16
	Cheques on Hand	1.11	8.04
	Cash on Hand	27.49	16.25
		143.59	128.45
11. Bank Balances Other Than Cash and Cash Equivalents			
	Deposit With Banks*	39.64	27.59
		39.64	27.59
	*Held as margin money or security against the borrowings, guarantees and other commitments		
12. Current Financial Assets-Loans			
	Security Deposits		
	Unsecured, Considered Good	1,306.50	1,440.42
		1,306.50	1,440.42
13. Current Financial Assets-Others			
	Others	82.90	14.62
		82.90	14.62
14. Other Current Assets			
	Other Advances#		
	Unsecured, Considered Good	475.73	447.08
	Doubtful	1.43	-
		477.16	447.08
	Less: Provision for Doubtful	1.43	-
		475.73	447.08
	# Includes advance to suppliers, prepaid expenses etc.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Authorised				
Equity Shares of ₹ 2/- each	12,50,00,00,000	2,500.00	12,50,00,00,000	2,500.00
	12,50,00,00,000	2,500.00	12,50,00,00,000	2,500.00
Issued *				
Equity Shares of ₹ 2/- each	50,20,79,525	100.42	47,19,17,110	94.38
	50,20,79,525	100.42	47,19,17,110	94.38
Subscribed and Paid up *				
Equity Shares of ₹ 2/- each	50,19,75,154	100.40	47,18,12,739	94.36
	50,19,75,154	100.40	47,18,12,739	94.36

* Pursuant to the provisions of the Companies Act, 2013, the issue of 1,04,371 Equity Shares are kept in abeyance corresponding to their status in Future Enterprises Limited

(i) Reconciliation of Number of Equity Shares Equity Shares of ₹ 2/- each

Particulars	As at March 31, 2018	As at March 31, 2017
	Number of Shares	Number of Shares
Opening Balance	47,18,12,739	47,13,38,557
Add : Shares Issued Under Employee Stock Option Scheme	1,51,622	4,74,182
Add : Shares issued pursuant to Composite Scheme of Arrangement (Refer Note No. 49A)	1,78,47,420	-
Add : Shares issued on conversion of Optionally Convertible Debentures into Equity Shares	28,52,386	-
Add : Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited (Refer Note No. 48)	93,10,987	-
Closing Balance	50,19,75,154	47,18,12,739

(ii) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per share held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company. The Company declares and pays dividends in Indian Rupees.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Suhani Trading and Investment Consultants Private Limited	23,36,51,321	46.55		
Future Corporate Resources Limited			18,11,70,090	38.40
PIL Industries Limited			4,41,36,090	9.35
Cedar Support Services Limited	4,63,30,647	9.23	4,34,78,261	9.22
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited			3,16,37,118	6.71
Brand Equity Treaties Limited			2,49,99,999	5.30
Bennet, Coleman & Company Limited			2,44,91,700	5.19
Equity Share Suspense Account				
	As at March 31, 2018		As at March 31, 2017	
	Number	(₹ in Crore)	Number	(₹ in Crore)
1,78,47,420 Equity Shares of ₹ 2/- each, fully paid-up, issued pursuant to the Scheme of arrangement (Refer Note No. 49A)	-	-	1,78,47,420	3.57
	-	-	1,78,47,420	3.57

Nature and Purpose of Reserves:

a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares.

b) Securities Premium Reserve Suspense

Securities Premium Reserve will be created on allotment of equity shares on account of demerger of Retail Business Undertaking, pursuant to the scheme of arrangement with Heritage Foods Retail Limited.

c) Capital Reserve

During the financial year ended March 31, 2018, the capital reserve of ₹ 92.00 Crore adjusted due to demerger of Home Retail Business Undertaking, pursuant to the scheme of arrangement with Praxis Home Retail Limited.

During the financial year ended March 31, 2018, the capital reserve of ₹ 32.20 Crore adjusted due to demerger of Retail Business Undertaking of Hypercity Retail India Limited (HRIL) with the Company.

During the financial year ended March 31, 2017, the capital reserve of ₹ 2.96 Crore recognised due to demerger of Retail Business Undertaking, pursuant to the scheme of arrangement with Heritage Foods Retail Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
16. OTHER EQUITY		
Share Capital Suspense		
Opening Balance	3.57	85.57
Issued Pursuant to the Scheme of Arrangement with Future Enterprises Limited (Formerly Known as Future Retail Limited)	-	(85.57)
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	(3.57)	-
Equity Shares to be Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49)	-	3.57
Closing Balance	-	3.57
Retained Earnings		
Opening Balance	(125.29)	(490.88)
Profit For The Year	11.31	368.28
Other Comprehensive Income/(Loss) For The Year		
Fair Value Changes On Investments	0.00	-
Re-measurement Gain/(Losses) on Defined Benefit Plans	1.96	(2.69)
Closing Balance	(112.02)	(125.29)
Capital Reserve		
Opening Balance	2,273.54	2,270.58
On Composite Scheme of Arrangement (Refer Note No. 49A)	-	2.96
On Composite Scheme of Arrangement (Refer Note No. 49B)	(92.00)	-
On Composite Scheme of Arrangement (Refer Note No. 49C)	(32.20)	-
On Composite Scheme of Arrangement (Refer Note No. 49C)	(2,273.54)	-
Closing Balance	(124.20)	2,273.54
Securities Premium Reserve		
Opening Balance	6.02	-
Issue of Equity Shares	1.93	6.02
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	291.43	-
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	153.63	-
Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited (Refer Note No. 48)	498.14	-
On Composite Scheme of Arrangement (Refer Note No. 49C)	2,273.54	-
Closing Balance	3,224.69	6.02
Securities Premium Reserve Suspense		
Opening Balance	291.43	-
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	-	291.43
Issued Pursuant to the Scheme of Arrangement (Refer Note No. 49A)	(291.43)	-
Closing Balance	-	291.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
Share Options Outstanding Account		
Opening Balance	4.08	-
Employee Stock Option Expense	5.13	9.72
Exercise of Stock Options	(1.81)	(5.64)
Closing Balance	7.40	4.08
Equity Component of Optionally Convertible Debentures		
Opening Balance	5.95	-
Issue of Optionally Convertible Debentures (Equity Component)	-	5.95
Conversion of Optionally Convertible Debentures (Equity Component)	(5.95)	-
Closing Balance	-	5.95
TOTAL OTHER EQUITY	2,995.87	2,459.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
17. Non-Current Financial Liabilities - Borrowings		
Secured (Refer Note No. 46)		
Loan from Bank	223.33	-
Finance Lease Obligation	-	0.81
	223.33	0.81
18. Non-Current Liabilities - Provisions		
Provision for Employee Benefits	52.26	45.48
	52.26	45.48
19. Other Non-Current Liabilities		
Lease Equalisation Account	118.50	144.16
	118.50	144.16
20. Borrowings		
Secured		
Working Capital Loans from Banks (Refer Note No.46)	1,001.41	977.59
	1,001.41	977.59
Unsecured		
Commercial Paper (Refer Note No.47)	-	100.00
	-	100.00
	1,001.41	1,077.59
21. Trade Payables		
Trade Payables (Refer Note No. 41)	3,424.23	2,779.99
	3,424.23	2,779.99
22. Current-Other Financial Liabilities		
Optionally Convertible Debentures		
NIL (1542) 10% p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each.	-	165.40
Finance Lease Obligation	-	0.33
Current Maturities of Long-Term Borrowings	61.67	-
Interest Accrued But Not Due on Borrowings	-	0.01
Security Deposits	10.59	11.52
Others	11.01	3.36
	83.27	180.62
23. Other Current Liabilities		
Lease Equalisation Account	3.70	1.94
Advance From Customers	138.28	67.06
Other Payables	49.26	80.55
	191.24	149.55
24. Current Provisions		
Provision for Employee Benefits	3.39	5.40
Warranties	0.58	0.27
	3.97	5.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		Year Ended March 31, 2018	Year Ended March 31, 2017
25. Revenue From Operations			
	Sale of Products	19,540.53	17,591.75
	Less: Vat, Sales Tax, GST	1,628.17	905.37
	Other Operating Revenue	565.61	388.71
		18,477.97	17,075.09
26. Other Income			
	Interest Income	10.82	11.34
	Excess Provisions/Liabilities Written Back	0.05	4.42
	Miscellaneous Income	0.80	8.04
		11.67	23.80
27. Changes In Inventories of Stock-In-Trade			
	Opening Inventories		
	Stock-In-Trade	3,730.92	3,294.07
	Closing Inventories		
	Stock-In-Trade	4,412.79	3,672.64
		(681.87)	(378.57)
28. Employee Benefits Expense			
	Salaries, Wages and Bonus	843.42	725.07
	Contribution to Provident and Other Funds	54.06	45.29
	Employee Stock Option Expense	5.13	9.72
	Staff Welfare Expenses	27.34	23.36
		929.95	803.44
29. Finance Costs			
	Interest Expense	167.12	198.00
	Other Borrowing Costs	8.26	6.23
		175.38	204.23
30. Other Expenses			
	Power and Fuel	264.79	252.43
	Repairs and Maintenance	46.09	41.03
	Insurance	8.59	10.75
	Rates and Taxes	29.55	11.26
	Rent Including Lease Rentals	1,405.33	1,359.54
	Advertisement and Marketing	336.60	372.75
	Corporate Social Responsibility Expenses	0.17	-
	Allowance for Credit Losses	2.82	1.36
	Loss on Disposal/Discard of Fixed Assets (Net)	1.41	-
	Exchange Fluctuation Loss/(Gain) (Net)	(3.56)	2.17
	Miscellaneous Expenses	883.23	804.72
		2,975.02	2,856.01
31. Exceptional Items			
	Loss on Sale of Investment	603.87	-
		603.87	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Financial Risk Management

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

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

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

i Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks.

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

ii Foreign Currency Risk

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

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

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

	(₹ in Crore)	
	2017-18	2016-17
Trade Payables	134.06	101.85

iii Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 270.10 Crore and ₹ 228.06 Crore as of March 31, 2018 and March 31, 2017 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model:

	(₹ in Crore)	
	2017-18	2016-17
Opening Balance	1.36	0.22
Provided During The Year	1.39	1.36
Amounts Written off	-	0.22
Closing Balance	2.75	1.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

	(₹ in Crore)	
	2017-18	2016-17
Up to 3 Months	244.28	207.95
3 to 6 Months	16.92	13.44
More Than Six Months	8.90	6.67

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

iv Liquidity Risk

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

	(₹ in Crore)	
	2017-18	2016-17
Short Term Borrowings	1,001.41	1,077.59
Trade Payables	3,424.23	2,779.99
Other Financial Liabilities	83.27	180.62

(v) Financial Instruments Valuation

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

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

Fair value measurement hierarchy:

Particulars	As At March 31, 2018			As At March 31, 2017		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	270.10	-	-	228.06	-	-
Cash and Bank Balances	183.23	-	-	156.08	-	-
Loans	1,579.99	-	-	1,707.41	-	-
Other Financial Assets	83.21	-	-	14.95	-	-
At FVTOCI						
Investments	0.01	-	-	-	-	-
Financial Liabilities						
At Amortised Cost						
Borrowings	1,224.74	-	-	1,078.40	-	-
Trade Payables	3,424.23	-	-	2,779.99	-	-
Other Financial Liabilities	83.27	-	-	180.62	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

33. Capital Management

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

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

(₹ in Crore)

Particular	March 31, 2018	March 31, 2017
Gross Debt	1,286.41	1,078.40
Trade Payables	3,424.23	2,779.99
Other Payables	331.34	474.33
Less: Cash and Cash Equivalents	143.59	128.45
Net Debt	4,898.39	4,204.27
Equity	100.40	94.36
Other Equity	2,995.87	2,459.31
Total Capital	3,096.26	2,553.67
Capital and Net Debt	7,994.65	6,757.94
Gearing Ratio	61.27%	62.21%

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and March 31, 2017.

34. Employee Benefits - Gratuity

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

i Change in Present Value of Defined Benefit Obligation

(₹ in Crore)

	2017-18	2016-17
Defined Benefit Obligation at the beginning of the year	33.15	27.54
Service Cost	9.01	6.48
Interest Expense	2.35	2.09
Acquisition	1.80	-
Transfer of Obligation	-	-
Remeasurement-Actuarial (gains)/losses	(1.82)	2.76
Benefits Paid	(6.86)	(5.72)
Defined Benefit Obligation at the end of the year	37.63	33.15

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii Change in Fair Value of Plan Assets

(₹ in Crore)

	2017-18	2016-17
Fair Value of Plan Assets at the beginning of the year	5.30	4.62
Transfer of assets	-	-
Remeasurement-Return on plan assets excluding amounts included in Interest Income	0.29	0.36
Contributions	-	0.25
Actuarial Gain/ (Loss) on Plan Assets	0.14	0.07
Fair Value of Plan Assets at the end of the year	5.73	5.30

iii Net Defined Benefit Liability/ (Assets)

(₹ in Crore)

	2017-18	2016-17
Defined Benefit Obligation	37.63	33.15
Fair Value of Plan Assets	5.73	5.30
Surplus /(Deficit)	31.90	28.09
Effect of Assets Ceiling	-	-
Net Defined Benefit Liability/ (Assets)	31.90	28.09

iv Total Expenses Recognised in the Statement of Profit and Loss

(₹ in Crore)

	2017-18	2016-17
Current Service cost	9.01	6.48
Net interest on the net defined benefit liability/asset	2.06	1.73
Immediate recognition of (gains)/losses - other long term benefits	-	-
Total Expenses Recognised in the Statement of Profit And Loss	11.07	8.21

v Remeasurement Effects Recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	2017-18	2016-17
Actuarial (Gains)/ Losses	(1.82)	2.76
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit Liability/ (Asset)	(0.14)	(0.07)
Total (Gain) / Loss included in OCI	(1.96)	2.69

vi Reconciliation of Amounts in Balance Sheet

(₹ in Crore)

	2017-18	2016-17
Defined Benefit Obligation at the beginning of the year	27.85	22.92
Acquisitions	0.44	-
Total expenses recognised in Profit and Loss Account	11.07	8.21
Total Remeasurement included in OCI	(1.96)	2.69
Contribution paid	-	0.25
Benefits paid	5.49	5.72
Defined Benefit Obligation at the end of the year	31.90	27.85

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vii Reconciliation of Amounts in Statement of Other Comprehensive Income

(₹ in Crore)

	2017-18	2016-17
OCI Income at the beginning of year	2.97	0.27
Total Remeasurement included in OCI	(1.96)	2.69
OCI Income at the end of the year	1.01	2.96

viii Expected Maturity Profile of Defined benefit Obligation

(₹ in Crore)

	2017-18	2016-17
Year 1	3.12	2.54
Year 2	2.76	2.58
Year 3	2.93	2.50
Year 4	3.05	2.63
Year 5	3.34	2.66
Year 6 - 10	14.60	11.74

ix Financial Assumptions

	2017-18	2016-17
Discount Rate	7.70%	7.20%
Expected Rate of Salary Increase	5.00%	5.00%

x Demographic Assumptions

	2017-18	2016-17
Mortality Rate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Withdrawal Rate	2 % to 10 %	2 % to 10 %
Retirement age	58 Years	58 Years

xi Sensitivity Analysis

(₹ in Crore)

	2017-18	2016-17
Discount Rate		
a. Discount Rate -100 basis point	41.60	36.80
b. Discount Rate +100 basis point	34.27	30.07
Salary Increase Rate		
a. Rate -100 basis point	34.23	30.06
b. Rate +100 basis point	41.57	36.71

35. Income Tax Expense

i Reconciliation of Tax Expenses

(₹ in Crore)

	2017-18	2016-17
Profit Before Tax	11.31	368.28
Applicable tax rate	34.61%	34.61%
Computed expected tax expense	3.92	127.45
Effect of Non-deductible Expense	217.20	5.50
Effect of Additional deduction	(9.67)	(13.65)
Carried forward losses utilized	(211.44)	(119.30)
Tax expense charged to the Statement of Profit and Loss	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii	Amount for Which Deferred Tax Asset is Not Recognised	
	(₹ in Crore)	
	2017-18	2016-17
Unused tax losses / depreciation	451.29	552.75
Other items giving rise to temporary differences	61.55	68.17
Accelerated depreciation for tax purpose	(188.21)	(89.11)
Deferred tax asset / (liability)	324.63	531.81

36. Segment Reporting

The Company is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment.

37. Related Party Disclosures

Disclosure as required by Ind AS 24 and Companies Act, 2013 "Related Party Disclosures" are given below:

1. List of Related Parties

A Ultimate Holding Company

- i Bharti Enterprises (Holding) Private Limited (upto May 18, 2016)
- ii Bharti Enterprises Limited (upto May 18, 2016)

B Holding Company

Cedar Support Services Limited (upto May 18, 2016)

C Subsidiary Company

Hypercity Retail (India) Limited (from November 30, 2017 to March 28, 2018)

D Enterprises over which Key Managerial Personnel are able to Exercise Significant Influence

- i Bansi Mall Management Company Private Limited
- ii Bharti Airtel Limited
- iii Bharti Enterprises Limited
- iv Future Enterprises Limited (formerly known as Future Retail Limited)
- v Future Ideas Company Limited
- vi Future Sharp Skills Limited
- vii Retail Light Techniques India Limited
- viii Work Store Limited (formerly known as Staples Future Office Products Limited)
- ix Cedar Support Services Limited (from May 18, 2016)

E Entity able to Exercise Significant Influence

- i Future Corporate Resources Limited (from May 18, 2016) (merged with Suhani Trading and Investment Consultants Private Limited)

F Key Managerial Personnel

- i Mr. Kishore Biyani (from May 2, 2016)
- ii Mr. Rakesh Biyani (from May 2, 2016)
- iii Mr. C. P. Toshniwal (from May 2, 2016)
- iv Mr. Virendra Samani (from May 2, 2016)
- v Mr. Manish Sabnis (upto May 2, 2016)
- vi Mr. Anupam Goyal (upto May 2, 2016)

G Relatives of Key Managerial Personnel

- i Mrs. Bhavika Samani

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Transaction with Related Parties

(₹ in Crore)

Nature of Transaction	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	4.98 (1.94)	0.71 (0.76)	- (-)
Purchase of Goods and Services	3084.73 (903.61)	93.89 (138.90)	0.00 (0.03)
Equity Share Capital	- (-)	- (-)	- (-)
Optionally Convertible Debentures	- (-)	- (-)	- (-)
Security Deposit given	0.00 (75.00)	- (-)	- (-)
Managerial Remuneration	0.00 (-)	- (-)	13.44 (7.93)
Outstanding Balance as on March 31, 2018			
Receivable	306.59 (496.03)	- (170.85)	- (-)
Payable	1.61 (153.67)	0.02 (-)	- (-)

Note: Previous year figures are given in parenthesis.

3. Significant Related Party Transactions

- A Sale of Goods and Services includes Suhani Trading and Investments Private Limited ₹ 0.71 Crore (2017: ₹ 0.76).
- B Purchases of Goods and Services includes Suhani Trading and Investments Private Limited ₹ 93.89 Crore (2017: ₹ 138.90 Crore) & Future Enterprises Limited ₹ 3076.99 Crore (2017: ₹ 878.67 Crore).
- C Security Deposit given Future Enterprises Limited ₹ Nil (2017: ₹ 75.00 Crore).
- D Managerial Remuneration includes Mr. Kishore Biyani ₹ 5.39 Crore (2017: ₹ 2.39 Crore), Mr. Rakesh Biyani ₹ 4.62 Crore (2017: ₹ 2.38 Crore). Key Managerial Personnel Remuneration includes Mr. C. P. Toshniwal ₹ 3.02 Crore (2017: ₹ 2.12 Crore), Mr. Virendra Samani ₹ 0.41 Crore (2017: ₹ 0.35 Crore), Mr. Manish Sabnis ₹ Nil (2017: ₹ 0.09 Crore), Mr. Anupam Goyal ₹ Nil (2017: ₹ 0.60 Crore).

38. Earnings Per Share

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

	Units	2017-18	2016-17
Profit attributable to equity holders	₹ in Crore	11.31	368.28
Weighted average number of Equity Shares for Basic EPS	No. in Crore	49.40	47.14
Weighted average number of Equity Shares for Diluted EPS	No. in Crore	49.40	47.14
Nominal Value per Equity Share	₹	2	2
Earnings Per Equity Share (Basic)	₹	0.23	7.81
Earnings Per Equity Share (Diluted)	₹	0.23	7.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. Employee Stock Option Scheme

The company had received approval of the Board and Shareholders for issuance of 90,00,000 Equity Shares of ₹ 2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (FRL ESOP 2016). During the year the Company has granted Nil (2017-13,24,071) options at a price of ₹ 10 per option plus all applicable taxes, as may be levied in this regard on the Company. Out of the options granted 8,392 (2017-19,758) cancelled. The options to be granted, would vest over a maximum period of 3 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

Stock Option activity during the previous year

(₹ in Crore)

	2017-18	2016-17
Outstanding at the beginning of the year	830,131	-
Granted during the year	-	1,324,071
Forfeited / cancelled during the year	8,392	19,758
Exercised during the year	151,622	474,182
Expired during the year	-	-
Outstanding at the end of the year	670,117	830,131
Exercisable at the end of the year	341,762	173,421
Weighted average exercise price ₹	10	10

Weighted average fair value of options granted

- On December 6, 2016 : ₹ 116.82

- On December 15, 2016 : ₹ 119.02

- On December 15, 2016 : ₹ 119.03

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

	December 6, 2016	December 15, 2016	December 15, 2016
1. Date of Grant			
2. Risk Free Interest Rate	6.30%	6.34%	6.30%
3. Expected Life	2.78 Years	1.50 Years	2.75 Years
4. Expected Volatility	43.00%	43.00%	43.00%
5. Dividend Yield	0.00%	0.00%	0.00%
6. Price of the underlying share in market at the time of the option grant (₹)	125.1	127.3	127.3

40. Leases

Operating Lease

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹ 949.28 Crore (2017: ₹1,121.75 Crore), payable later than one year but not later than five year is ₹ 3365.07 Crore (2017: ₹ 2,970.49 Crore) and payable later than five years is ₹ 1309.32 Crore (2017: ₹ 1,359.72 Crore).

Finance Lease

The Company has entered into finance lease arrangements for fixed assets. The future minimum lease rental obligation under non-cancellable finance leases payable not later than one year is ₹ Nil(2017: ₹ 0.33 Crore), payable later than one year but not later than five year is ₹ Nil (2017: ₹ 0.81 Crore) and payable later than five years is ₹ Nil.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(₹ in Crore)

	March 31, 2018	March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	5.26	3.39
- Interest due on above	0.03	0.19
	5.29	3.58
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.82	0.53
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.85	0.71
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	2.42	1.57

42. Contingent Liabilities

Claims Against the Company Not Acknowledged as Debts, In respect of Value Added Tax ₹ 11.91 Crore (2017: ₹ 20.99 Crore), Letter of Credit ₹ 458.65 Crore (2017: ₹475.85 Crore), Others ₹ 88.43 Crore (2017: ₹ 75.04 Crore) and Other money for which the Company is Contingently Liable, Corporate Guarantees Given ₹ 4467.48 Crore(2017: ₹ 3237.50 Crore).

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

43. Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the company based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order company has made an aggregate deposit of ₹ 39.71 Crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the company has not made provision of ₹ 79.42 Crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.

44. Payment to the Auditor

(₹ in Crore)

	2017-18	2016-17
Statutory Audit Fees	0.95	0.83
Other Expenses	0.04	0.03
Total	0.99	0.86

45. Expenditure on Corporate Social Responsibilities

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ 0.17 Crore on Corporate Social Responsibility (CSR) activities during FY 2017-18. Against it, the Company has during the year under review spent an amount of ₹ 0.17 Crore towards CSR activities. In respect of CSR spending for the year under review, there are no amounts outstanding to be paid.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46. Security clause in respect to Secured Borrowings

Long Term Borrowings

- i ₹ Nil (2017: ₹ 1.14 Crore) Finance Lease Obligation secured by Lease Assets.
- ii ₹ 285 Crore (2017: ₹ Nil) are secured by First Pari-Passu charge on moveable Fixed Assets of the Company, carries coupon rate of 9.31% per annum.

Short Term Borrowings includes Working Capital Loans from Banks

- i ₹ 1001.41 Crore (2017: ₹ 977.59 Crore) is secured by (a) First Pari-Passu Charge on Current Assets of the Company (b) Second Pari-Passu Charge on Card Receivables (c) Secured by Corporate Guarantee of Future Enterprises Limited. Average Interest Rate 11.14% (2017: 11.14%).

47. Unsecured Short Term Loans from Bank

₹ Nil (2017: ₹ 100 Crore) Commercial Paper carries Interest Rate 8.40%.

48. Business Combination

The Company has acquired 100% Equity Stake of the Hypercity Retail (India) Limited, as on November 30, 2017 by issue of Equity share 93,10,987 of ₹ 2/- each fully paid-up at a premium of ₹ 535/- each and balance consideration paid in cash as per Share Purchase Agreement.

49. Composite Scheme of Arrangement

A The Composite Scheme of Arrangement between the Company and Heritage Foods Limited ("Transferor Company" or "HFL") and Heritage Foods Retail Limited ("Transferee Company" or "Demerged Company" or "HFRL") and their respective Shareholders and Creditors under sections 391 to 394 and sections 100 to 103 of the Companies Act, 1956 and/or sections 230 to 232 and section 66 of the Companies Act, 2013 (as applicable) and section 52 of the Companies Act, 2013, *inter-alia* involving demerger of the Retail Business Undertaking of HFL, through its wholly owned subsidiary HFRL, into the Company, was sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May 11, 2017 and the Hon'ble National Company Law Tribunal, Hyderabad Bench vide its order dated May 3, 2017. The effect of the scheme was considered in the financial statements of 2016-17.

B The Composite Scheme of Arrangement between the Company and Bluerock eServices Private Limited ("BSPL" or "Second Demerged Company") and Praxis Home Retail Limited ("PHRL" or "Resulting Company") and their respective Shareholders under sections 230 to 232 and section 66 of the Companies Act, 2013, *inter-alia* involving demerger of the Home Retail Business Undertaking of the Company into PHRL and e-Commerce Home Retail Business Undertaking of BSPL into PHRL, with effect from Appointed Date August 1, 2017 (In case of Home Retail Business Undertaking) and April 15, 2016 (In case of e-Commerce Home Retail Business Undertaking) have been given effect during current financial year.

Pursuant the Scheme, all the assets and liabilities pertaining to Home Retail Business Undertaking of the Company has been transferred to and vested in PHRL. As a consideration for the said Demerger, PHRL issued 1 fully paid Equity Share of ₹ 5 each for every 20 fully paid up shares of ₹ 2 each to the shareholders of the Company (holding shares as on Record Date, November 30, 2017).

C. The Scheme of Arrangement between the Company and it's wholly owned subsidiary, Hypercity Retail (India) Limited ("HRIL" or "Demerged Company") and their respective Shareholders under sections 230 to 232 of the Companies Act, 2013 and other applicable sections of the Companies Act, 2013, *inter-alia* involving demerger of the Retail Business Undertaking of HRIL into the Company, has been given effect in the current financial statements with effect from Appointed Date of December 1, 2017 (as defined in the Scheme) and sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated April 4, 2018.

Pursuant the Scheme, all the assets and liabilities pertaining to Retail Business Undertaking of the Hypercity Retail (India) Limited has been transferred to and vested in the Company. The amount of Capital Reserve in the books of company as on March 31, 2017 has been re-organised and recorded as Securities Premium Account in the books of the Company as per the Scheme of Arrangement as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(₹ in Crore)

S.No.	Name	Relation	Amount as at March 31, 2018(Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2017(Including Interest Accrued)	Maximum outstanding during the Previous year
A	Corporate Guarantee Given					
I	Future Enterprises Limited for various borrowing facilities.		4,467.48	Not Applicable	3,237.50	Not Applicable
B	Investments					
	Future Supply Chain Solutions Limited * Denotes amounting to ₹ 37,048		*	Not Applicable	*	Not Applicable

51. Details of Miscellaneous Expenses

(₹ in Crore)

	2017-18	2016-17
Common Area Maintenance Charges	118.14	141.79
Credit Card Charges	74.70	69.10
House Keeping Charges	77.14	86.40
Legal and Professional Charges	66.85	69.63
Security Service Charges	76.43	81.98
Travelling and Conveyance Expenses	45.23	41.99
Other Expenses	424.74	313.83
Total	883.23	804.72

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472
Mumbai
May 21, 2018

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Gagan Singh
Director

C. P. Toshniwal
Chief Financial Officer

Rakesh Biyani
Jt. Managing Director

Shailendra Bhandari
Director

Virendra Samani
Dy. Company Secretary

Ravindra Dhariwal
Director

Sridevi Badiga
Director

FUTURE RETAIL LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2018

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

1. Ajay Chablani, Head, 44, October 31, 2015, 23, B.Tech, 1,45,19,585, Future Enterprises Ltd.; 2. Animesh Kumar*, Chief People & Transformation Officer, 50, January 09, 2018, PGD-Human Resources Management, 23, 60,33,714, IDFC Group & IDFC Bank; 3. Ashwin Rajan*, Chief of Staff-Chairman's Office, 33, November 01, 2017, 14, Graduate Diploma Legal Practice, 46,65,525, Dr Babasaheb Ambedkar College of Engineering and Research; 4. Behram Kabrajee, Head-Sourcing, Quality Assurance & Technical, 57, October 31, 2015, 31, B.Com, 1,20,20,655, Future Enterprises Ltd.; 5. C. P. Toshniwal, Chief Financial Officer, 52, May 02, 2016, 28, CA & CS, 3,02,82,400, Future Lifestyle Fashions Ltd.; 6. Dhananjay Sengupta, CEO-North, Future Group, 53, October 31, 2015, 30, MBA, 1,04,64,718, Future Enterprises Ltd.; 7. Jishnu Sen, Head-Marketing, 48, January 16, 2017, 27, B.Com, 1,31,14,196, Essar Group; 8. Kishore Biyani, Managing Director, 57, May 02, 2016, 37, B.Com & PG Diploma in Management, 5,38,58,000#, Future Group CEO; 9. M. Venkateshwar Kumar, CEO-South, Future Group, 50, October 31, 2015, 27, MBA, 1,07,04,999, Future Enterprises Ltd.; 10. Mahesh Shah*, CEO-Home Town, 50, October 31, 2015, 26, MMS Management, 1,36,25,803, Future Enterprises Ltd.; 11. Manish Agarwal, CEO-East, Future Group, 48, October 31, 2015, 26, CA, 1,41,45,352, Future Enterprises Ltd.; 12. Mayur Toshniwal, Director Supply Chain Future Group, 50, July 17, 2017, 26, PGDM, 82,84,132, Allgreen Ecotech Pvt. Ltd.; 13. N Mohan*, Director – Footwear, 58, December 01, 2017, 25, BE Mechanical, 69,87,200, Asrosoles Europe; 14. Nivedita Nanda*, Head-People Office, 46, October 31, 2015, 19, MBA, 22,94,279, Future Enterprises Ltd.; 14. Rajan Malhotra, President-Strategy & Convergence, 49, October 31, 2015, 25, B.Sc Chemistry & MBA, 2,61,55,040, Future Enterprises Ltd.; 15. Rajesh Seth, Chief Operating Officer, 46, April 04, 2016, 20, B.E. Mechanical, 1,73,47,702, Future Enterprises Ltd.; 16. Rakesh Biyani, Jt. Managing Director, 46, May 02, 2016, 22, B.Com, Advance Management Programme (Harvard Business School), 4,61,53,040^, Future Group, 17. Ramesh Menon*, Head -Small Formats, 52, January 02, 2018, 19, PGDBA, 58,75,264, Hypercity Retail (India) Ltd.; 18. Sadashiv Nayak, CEO-Food Business, Future Group and Interim CEO-Future Consumer Ltd., 47, October 31, 2015, 22, B.E. Electronics & Communications, 2,98,45,760, Future Enterprises Ltd.

“*” denotes employed for part of the year.

“#” Including commission of ₹ 2.00 Crore paid during the year 2017-18.

“^” Including commission of ₹ 1.25 Crore paid during the year 2017-18

Notes:

1. Nature of employment is permanent and terminable by Notice on either side except in case of Directors, which is contractual;
2. The above employees are not related to any other Director of the Company;
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the Equity Shares of the Company;
4. Terms and conditions of employment are as per Company's Rules; and
5. The above remuneration is excluding of the ESOP Perquisites.

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 21, 2018

Kishore Biyani
Chairman & Managing Director



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This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.