

July 5, 2019

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

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

Scrip Codes:

Equity: 540798

Debt: 958280, 958281

Scrip Symbol: FSC

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

Dear Sir / Madam,

Sub: Notice of the 14th Annual General Meeting & Annual Report for the year 2018-19.

Pursuant to the above referred Regulations, please find enclosed herewith a Notice of the 14th annual general meeting ("AGM") of the Company together with the Annual Report for the financial year 2018-19.

Please further take note of below schedule of AGM and other matters related therewith:

Day & Date of AGM	:	Wednesday, July 31, 2019
Time & venue of AGM	:	At 3:00 p.m. at Sunville Banquets Hall, 9, Dr. Annie Besant Road, Worli, Mumbai 400 018
Cut-off date for e-voting on resolutions proposed at AGM	:	July 26, 2019
E-voting period	:	E-voting shall start at 9:00 a.m. on July 28, 2019 and shall end at 5:00 p.m. on July 30, 2019
Record date for determining eligibility of shareholders to receive dividend, if declared at AGM	:	July 26, 2019

Please be further informed that the Notice of the AGM, Annual Report for the financial year 2018-19, Form of Proxy and Attendance Slip shall also be available on the website of the Company www.futuresupplychains.com

Kindly take the same on your records.

Yours faithfully,
For Future Supply Chain Solutions Limited


Vimal K Dhruve
Company Secretary

Encl: as above



FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Corporate Identity Number (CIN): L63030MH2006PLC160376

Regd. Office: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

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

Email: investorrelations@futuresupplychains.com Website: www.futuresupplychains.com

Notice

NOTICE is given that the Fourteenth Annual General Meeting of the members of Future Supply Chain Solutions Limited ("AGM") will be held on Wednesday, the July 31, 2019 at 3:00 pm at Sunville Banquets, 9 - Dr. Annie Besant Road, Siddharth Nagar, Worli, Mumbai – 400018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt –
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Auditors and Directors thereon;
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Auditors thereon;
2. To declare a dividend on equity shares for the financial year 2018-19;
3. To appoint a director in place of Rakesh Biyani (DIN: 00005806) who retires by rotation and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS

4. To approve/ authorise to transact with related party/ material entity

To consider and if thought fit, to pass with or without modification, as an ordinary resolution, the following:

"RESOLVED THAT Regulation 23(4) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (including any amendments thereto from time to time or any re-enactment thereof for the time being in force) (the **"Listing Regulations"**), applicable provisions of the Companies Act, 2013 including any rules framed thereunder (the **"Act"**), in terms of the policy approved by the Board for dealing/ transacting with related parties for the time being in force (**"Policy"**) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors (including any empowered committee thereof or any director or official of the Company authorised in this behalf) to enter into transactions, either individual or taken together with previous transactions, on arms' length basis and in ordinary course of business activities with Future Retail Limited, considered to be related to the Company pursuant to the Act and/ or the Listing Regulations or the Policy (**"Related Party"**) for an aggregate amount up to ₹ 800,00,00,000/- (Rupees Eight Hundred crore only) during the financial year 2019-20.

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

5. To appoint Malini Chopra as an Independent Director

To consider and if thought fit, to pass with or without modifications, as an ordinary resolution, the following:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) thereto from time to time or any re-enactment thereof for the time being in force), provisions of Articles of Association of the Company, approval of the members be and is hereby accorded to the appointment of Malini Chopra (DIN:08195364) made by the Board of Directors, as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years with effect from February 7, 2019.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including submitting necessary return/ form with the requisite regulatory authorities.”

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

Vimal K Dhruve
Company Secretary

Mumbai, May 13, 2019

Registered Office:

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

CIN: L63030MH2006PLC160376

Email: investorrelations@futuresupplychains.com

Tel.: +91 22 66442200 Fax: +91 22 66442201

Notes:

1. A statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under item No. 4 & 5 of the Notice is annexed herewith.
2. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Proxy in the prescribed Form No. MGT – 11 is enclosed with this Notice. The form of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 (Forty-Eight) hours before the commencement of the Meeting. Proxies submitted on behalf of bodies corporate, societies, etc. must be supported by resolution of appropriate authority, as applicable.
4. Institutional shareholders intending to be present through their authorised representatives to attend the AGM are requested to send a certified copy of the resolution of appropriate authority to the Scrutiniser by email to kbindudshah@gmail.com with a copy to be marked to evoting@nsdl.co.in, authorising them to attend and vote on their behalf at the AGM.
5. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail themselves of this facility may send their nominations duly filled in the prescribed Form No. SH-13 to the Company's RTA. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
6. All resolution would be voted, by electronic voting or voting by ballot form at meeting for the members who have

not exercised electronic voting. Each Equity shareholder shall be entitled to one vote for every equity share held.

7. The Register of Directors, Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. All documents referred to in the accompanying Notice dated May 13, 2019 including MOA & AOA are kept open for inspection at the Registered Office of the Company between 10:00 am and 5:00 pm on all working days except Saturdays, Sundays and National holidays till the date of AGM.
9. The Company has fixed July 26, 2019 as the record date for determining entitlement of members to final dividend for the financial year 2018-19.
10. The Board of Directors has recommended a dividend of ₹ 1.25 i.e. 12.50% per Equity share for the year ended March 31, 2019 subject to the approval of the shareholders at the AGM. The dividend, if approved, will be paid within a period of 30 days from the date of declaration, to those shareholders whose names appear on the Company's Register of Members and to the beneficial owners as per the particulars to be furnished by the Depositories as on July 26, 2019.
11. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Registrar/Company.
12. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent at the following address:

LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083

Phone No. (022) 49186000; Fax No. (022) 49186060; E-mail: rnt.helpdesk@linkintime.co.in

13. Members seeking any information regarding the Financial Statements are requested to write to the Company at its Registered Office at least 7 (Seven) days in advance from the date of the meeting.
14. The Company has provided a facility to the members for payment of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agent.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit the PAN details to the Registrar and Share Transfer Agents/Company.
16. Details under Regulation 26(4) and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the AGM are given as an Annexure and forms integral part of this notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
17. Electronic copy of the Annual Report for the financial year 2018-19, Notice of AGM indicating the process and manner of e-voting along with the form of proxy, are being sent to all the members, who's e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the said documents are being sent in the permitted mode. Further, copies of the Annual Report will not be distributed at the AGM and hence, members are requested to bring their copies to the meeting. Members/Proxies are also requested to bring duly filled attendance slips at the meeting.

18. Notice of the AGM and the Annual Report for the financial year 2018-19 will also be available on the Company's website www.futuresupplychains.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours between 11.00 a.m. to 1.00 p.m. on all working days up to and including the date of the AGM. A member is also entitled to receive such communication in physical form free of any cost, upon making a request for the same. For any communication, the members may also send requests to the Company's investor relations e-mail id: investorrelations@futuresupplychains.com.

19. Voting through electronic means:

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be entitled to exercise their right at the AGM through ballot paper.
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. In case a member vote by both the modes then votes cast through remote e-voting shall prevail and the vote cast at the AGM shall be considered invalid.
- iv. The remote e-voting period commences on July 28, 2019 at 9:00 a.m. and ends on July 30, 2019 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 26, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once any vote on a resolution is cast by a member, he/ she shall not be allowed to change it subsequently.
- v. The details of the process and manner for remote e-voting are explained herein below:
Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com either on a personal computer or on a mobile phone.
 - B. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
 - C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at www.eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company

E. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address
- F. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- G. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- H. Now, you will have to click on "Login" button.
- I. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

- A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- B. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- C. Select "EVEN" of the Company.
- D. Now you are ready for e-Voting as the Voting page opens.
- E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- F. Upon confirmation, the message "Vote cast successfully" will be displayed
- G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines to Shareholders


- A. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to kbindudshah@gmail.com with a copy marked to evoting@nsdl.co.in
 - B. You are advised not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 - C. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: (pallavid@nsdl.co.in/evoting@nsdl.co.in) or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: investorrelations@futuresupplychains.com
 - D. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e July 26, 2019.
20. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. July 26, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ R & T Agent. However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the toll-free number: 1800-222-990.
 21. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the AGM through ballot paper.
 22. Bindu D. Shah, Company Secretary in Wholetime Practice (Membership No. 20066, Certificate of Practice No. 7378) has been appointed as the Scrutiniser to scrutinise the remote e-voting process and votes cast through ballot paper at the AGM in a fair and transparent manner.
 23. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 24. The Scrutiniser shall after conclusion of voting at the AGM will first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence at least 2 (Two) witnesses who are not in the employment of the Company and shall make, not later than 2 (Two) working days from the conclusion of the AGM, a consolidated Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman/ Director of the Company, who had been authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 25. The results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.futuresupplychains.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman/Director of the meeting. The result shall also be submitted to the BSE Limited and National Stock Exchange of India Limited.

Statement Pursuant To Section 102(1) Of The Companies Act, 2013

ITEM NO.4


The Company is engaged in the business of providing logistics, warehousing, distribution and supply chain services mainly to the corporate clients. The Company is a part of Future Group having its core competencies in organised retail through various formats located across the country. The Company derives its substantial portion of the revenues from Future Retail Limited in ordinary course of its business. The Audit Committee, wholly comprising of Independent Directors, has also approved to enter into transactions with the said entity. However, it is expected that the value of transaction(s) entered / to be entered into with Future Retail Limited, whether considered individually and/or taken together with previous transactions during the current financial year, would exceed the stipulated threshold of ten percent of the consolidated turnover of the Company as per the latest audited financial statements i.e. F.Y. 2018-19 ("Material Transactions"). Pursuant to the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Material Transactions require approval of the shareholders through a resolution. Further, as required under regulation 23(4) of the Listing Regulations, no related party shall vote to approve the proposed resolution.


The transactions covered under the proposed resolution are repetitive in nature and being conducted on arms' length basis. Accordingly, provisions of section 188(1) of the Companies Act, 2013 do not apply. However, as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, members are requested to take note of the below information:


 **Nature of Transactions:** Providing logistics, warehousing and distribution services including sale/ purchase of fixed assets therefor;

 **Name of the entity:** Future Retail Limited;

 **Name of the Director or Key Management Personnel who is related, if any:** None

 **Nature of Relationship:** Material entity/ Related Party;

 **Nature, Material Terms, Monetary value and particulars of the contract or arrangement:** Providing logistics and warehousing services and other supply chain management services including sale/purchase of the assets up to ₹ 800 crore on such terms and conditions as may be agreed between the Company and said Related Party subject to the provisions of the applicable laws;

 **Any other relevant or important Information:** Future Retail Limited is the single largest customer of the Company contributing the significant amount of revenues of the Company. The transactions covered under the resolution have been reviewed and approved by the Audit Committee wholly comprising of the Independent Directors.

Your Directors commend the resolution set out at Sr. No. 4 in the accompanying Notice of the AGM for your approval as an ordinary resolution.

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

ITEM NO.5

The Board of Directors of the Company at its meeting held on February 7, 2019 appointed Malini Chopra as an Additional Director (termed as an Independent Director) pursuant to the provisions of section 149, 161 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Act") and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) thereto from time to time or any re-enactment thereof for the time being in force).

In the opinion of the Board, Malini Chopra fulfil the conditions specified in the Act and the Listing Regulations for the appointment as an Independent Director. In view of the qualification, vast experience and recognition she holds, her appointment is justified in view of the Board. Further, the Company has received necessary declarations and/ or certificates from Malini Chopra confirming the provisions and requirements in order to be appointed as an Independent Director.

Pursuant to the provisions of section 150 of the Act, the said appointment is required to be approved by the members in general meeting. The Company has received a notice in writing from a member under section 160 of the Act proposing the candidature of Malini Chopra for the appointment as a Director. A brief profile of Malini Chopra and other requisite details are given in Annexure.

Your Directors commend the resolution set out at Sr. No. 5 in the accompanying Notice of the AGM for your approval as an Ordinary resolution.

None of the Directors, Key Management Personnel of the Company and the holding company including their respective relatives shall be considered to be interested in the proposed resolution. The appointee director shall be deemed to be concerned or interested to the extent of remuneration and fees, if any, payable to her as permitted under the applicable law and approved by the Board.

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

Vimal K Dhruve
Company Secretary

Mumbai, May 13, 2019

Annexure to the Notice of the 14th Annual General Meeting

Information as required pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking re-appointment at the AGM

Particulars	Rakesh Biyani		Malini Chopra	
Brief resume	Rakesh Biyani is Non-executive director and Chairman of the Company. He has over 25 years of experience in the retail, supply chain and logistics, and fashion industries. He has been awarded (i) an appreciation award by Datamatics Global Services Limited for outstanding contribution to leadership development initiative of Datamatics Global Services Limited; and (ii) an appreciation award by the Clothing Manufacturers Association of India (“CMAI”) at the CMAI Fashion Retail Summit.		Ms Malini Chopra is an Additional Director (Independent) of the Company. She is a senior business professional with an illustrious career of over 30 years in leading Indian and multinational organisations. She is a corporate profit-center head and policy maker specialising in Governance, Financial controls, Risk management & Digital transformation. She is a Certified Corporate Director from Institute of Directors - New Delhi. She is also a Certified Corporate Governance Professional from Indian Institute of Corporate Affairs, Ministry of Corporate Affairs.	
Date of Birth	April 5, 1972		September 15, 1964	
Date of first appointment	July 13, 2007		February 7, 2019	
Qualification	Bachelor’s degree in Commerce from University of Bombay and has attended the Advanced Management Program from Harvard Business School		BA (Hon.) in Economics from Miranda House, Delhi University and Masters in Business from Delhi University	
Expertise in specific functional areas	Wide and extensive experience in Strategies & planning, technology development & other commercials		Wide experience in Financial controls, risk & compliances and business development	
Disclosure of relationships between directors inter-se	None		None	
Directorship in other Companies (excluding foreign companies, private companies & Section 8 companies)	<ul style="list-style-type: none">- Future Retail Limited;- Future Lifestyle Fashions Limited.;- Futurebazaar India Limited;- Turtle Limited;- Dollar Industries Limited;- Indian Football Coaching Pvt. Limited;- Shree Balaji Umber Properties Pvt. Limited;- Shree Balaji Parbat view Properties Pvt. Limited;- Celio Future Fashion Pvt. Limited;- Ryka Commercial Ventures Pvt. Limited;		None	
Chairmanship / Membership of Committees of the Board of Directors of other Listed Companies*	Audit Committee: <ul style="list-style-type: none">- Future Retail Limited (Member);- Futurebazaar India Limited (Member) Stakeholder Relationship Committee: <ul style="list-style-type: none">- Future Lifestyle Fashions Limited (Member)		None	
No. of Board meeting attended during the year 2018-19	Entitled to attend	Attended	Entitled to attend	Attended
	5	5	1	1
Shareholding in the Company	Nil		Nil	
Remuneration	Please refer to report on Corporate Governance			

* Includes only Audit Committee and Stakeholders Relationship Committee.

The route map of the venue of the 14th AGM is given herein below. Although the AGM venue itself a well-known place, it is near Worli Naka.



PROXY – FORM NO. MGT-11

Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014



Future Supply Chain Solutions Limited

CIN: L63030MH2006PLC160376

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

14th Annual General Meeting – July 31, 2019

Name of the member(s)								
Registered address								
Registered e-mail address								
Folio No./ Client ID								
Depository Participant ID								

I/ we, being the member(s) of shares of the above named company, hereby appoint:

- (1) Name: Address: Address:
 E-mail id: Signature Or failing him;
- (2) Name: Address:
 E-mail id: Signature Or failing him
- (3) Name: Address:
 E-mail id: Signature

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 14th Annual General Meeting of the Company, to be held on Wednesday, the July 31, 2019 at 3:00 p.m. at Sunville Banquets, 9 - Dr. Annie Besant Road, Siddharth Nagar, Worli, Mumbai – 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Matter of resolution
1(a)	Adoption of Audited Financial Statements for the financial year ended March 31, 2019 together with the reports of Auditors and Directors thereon;
1(b)	Adoption of Audited Consolidated Financial Statements for the financial year ended March 31, 2019;
2	Declaration of a dividend on equity shares;
3	Reappointment of Rakesh Biyani as a Director liable to retire by rotation;
4	Approval of material transactions with Related Party;
5	Appointment of Malini Chopra as an Independent Director;

Signed this day of 2019

Affix Revenue Stamp

Signature of Proxy holder(s)

Signature of member(s)

Notes:

This form, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting (at or earlier than 3:00 p.m. on July 29, 2019)



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Future Supply Chain Solutions Limited

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

Tel No.: +91 22 6644 2200, **Fax No.:** +9122 6644 2201.

Website: www.futuresupplychains.com; **E-mail:** investorrelations@futuresupplychains.com

CIN: L63030MH2006PLC160376

ATTENDANCE SLIP

Sr. No.

Regd. Folio/DPID No. & Client ID No.	
Name and Address of the Shareholder(s)	
Joint Holder(s)	
No. of Equity Shares held	

I / We hereby record my / our presence at the Fourteenth (14th) Annual General Meeting of the Company held on Wednesday, July 31, 2019 at 3:00 PM at Sunville Banquets Hall, 9, Dr. Annie Besant Road, Siddharth Nagar, Worli, Mumbai - 400 018.

SIGNATURE OF THE MEMBER /
JOINT MEMBER(S) / PROXY /
AUTHORISED SIGNATORY

Note: Shareholder / Proxy holder wish to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the meeting hall duly signed.

NOTE: PLEASE TEAR HERE AND BRING THE ABOVE THE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	User ID	Password
110912		

Note: Please read the instructions printed under the Note No. 19 of the Notice dated May 13, 2019 of Fourteenth Annual General Meeting. The e-voting shall start from 9:00 AM on Sunday, July 28, 2019 and ends at 5:00 PM on Tuesday, July 30, 2019. The e-voting module shall be disabled by NSDL for voting thereafter.



AGILITY.
AUTHENTICITY.
CUSTOMER-CENTRICITY.

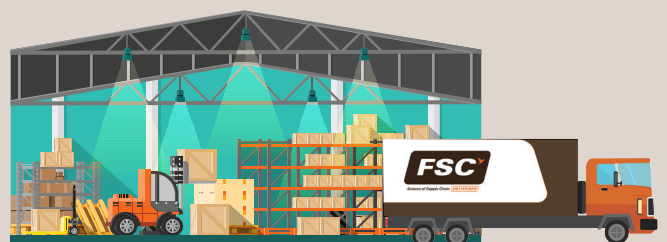


FULFILLING CUSTOMERS' ASPIRATIONS



FUTURE SUPPLY CHAIN
SOLUTIONS LIMITED

ANNUAL REPORT 2018-19







**WHEN IT COMES
TO FULFILLING
CUSTOMERS'
ASPIRATIONS,
FUTURE
SUPPLY CHAIN
SOLUTIONS
LIMITED (FSC)
IS THE NAME TO
RECKON WITH**

FSC is amongst the fastest growing supply chain companies in India. Its purpose is to add velocity to the customers' aspirations by leading the change in the dynamic and fast paced logistics industry through its customer centric approach and focus on technology. FSC remains at the forefront in adopting cutting edge technologies at the warehouses, thereby enabling faster time to market and increased reliability of the supply chain for its customers. Driven by three core values of agility, authenticity and customer centricity, FSC today has come a long way in the third-party logistics (3PL) sector. Be it smart and integrated warehouses, an efficient and wide transportation and distribution network or temperature-controlled logistics, FSC has been successfully catering to the supply chain needs of its customers, primarily in the consumption-focussed sectors.

CORPORATE INFORMATION

Statutory Auditors

GMJ & Co.

Chief Executive Officer

P V Sheshadri

Chief Financial Officer

Samir Kedia

Company Secretary and Compliance Officer

Vimal K Dhruve

Share Transfer Agents

Link Intime India Private Limited

C 101, 247 Park, LBS Marg

Vikhroli (West)

Mumbai: 400083

Tel: +91 22 49186270

Web: www.linkintime.co.in

Bankers

State Bank of India

Yes Bank

IDFC Bank

Kotak Mahindra Bank

Registered Office

Knowledge House, Shyam Nagar,

Jogeshwari Vikhroli Link Road,

Jogeshwari (East), Mumbai: 400060

Tel: +91 22 66442200

Fax: +91 22 66442201

Corporate Office

7th floor, 349 Business Point, Western

Express Highway, Andheri (East)

Mumbai: 400069

Tel: +91 22 71429100

Web: www.futuresupplychains.com





Board of Directors



RAKESH BIYANI



MAYUR TOSHNIWAL



BALA DESHPANDE



C P TOSHNIWAL



JANAT SHAH



AMAR SAPRA



MALINI CHOPRA

RAKESH BIYANI

Chairman and Non-Executive Director

DIN: 00005806

Belonging to the Promoter Group

MAYUR TOSHNIWAL

Managing Director

DIN: 01655776

Professional from India's Top Management Institute with prior experience with reputed brands

BALA DESHPANDE

Independent Director

DIN: 00020130

Head of a Venture Capital Fund

C P TOSHNIWAL

Non-Executive Director

DIN: 00036303

Seasoned Finance Professional

JANAT SHAH

Independent Director

DIN: 01625535

Academician; Professor at India's Top Management Institute

AMAR SAPRA

Independent Director

DIN: 05178849

Academician; Professor at India's Top Management Institute

MALINI CHOPRA

Additional Director (Independent)

DIN: 08195364

Vast Business Experience; Certified Corporate Governance Professional

02-21 Corporate Overview



Purpose, Vision and Core Values



Financial Performance Snapshot (Standalone)



Our Value Creation Model



Chairman's Message

22-97 Statutory Reports

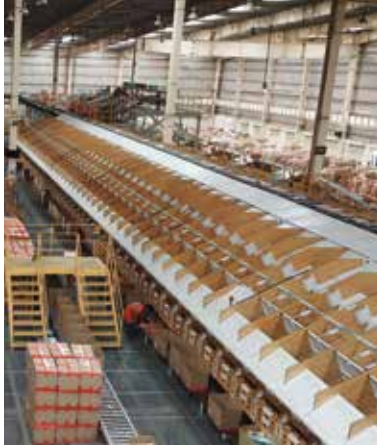
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Integrated Logistics Service Offering



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Fulfilling Indian Consumer's Aspirations



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Re-defining Food & FMCG Supply Chain in India



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Technology & Automation: A Key Differentiator



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99 Standalone

145 Consolidated

PAGES



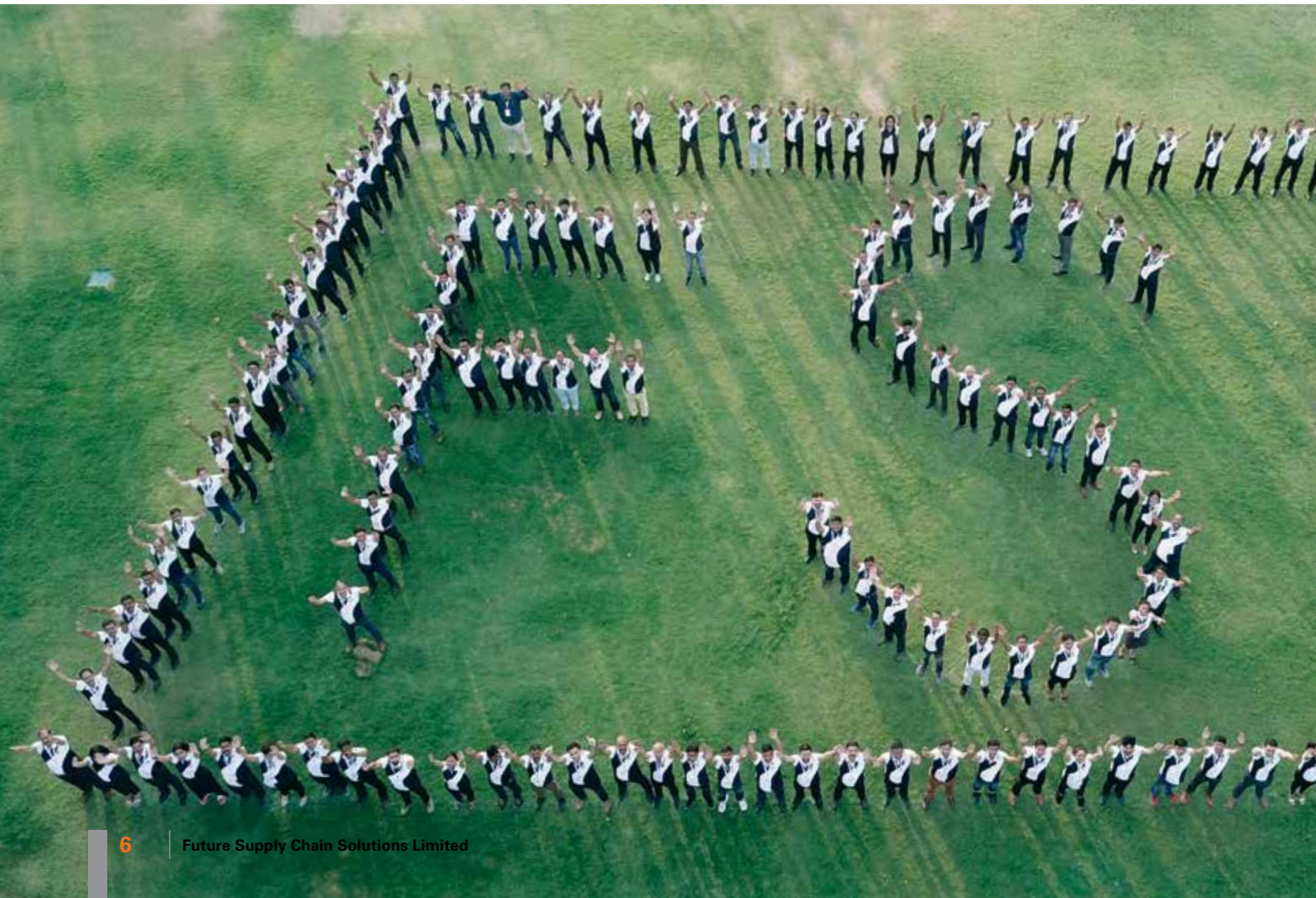
Scan to
download the
PDF version
of the report

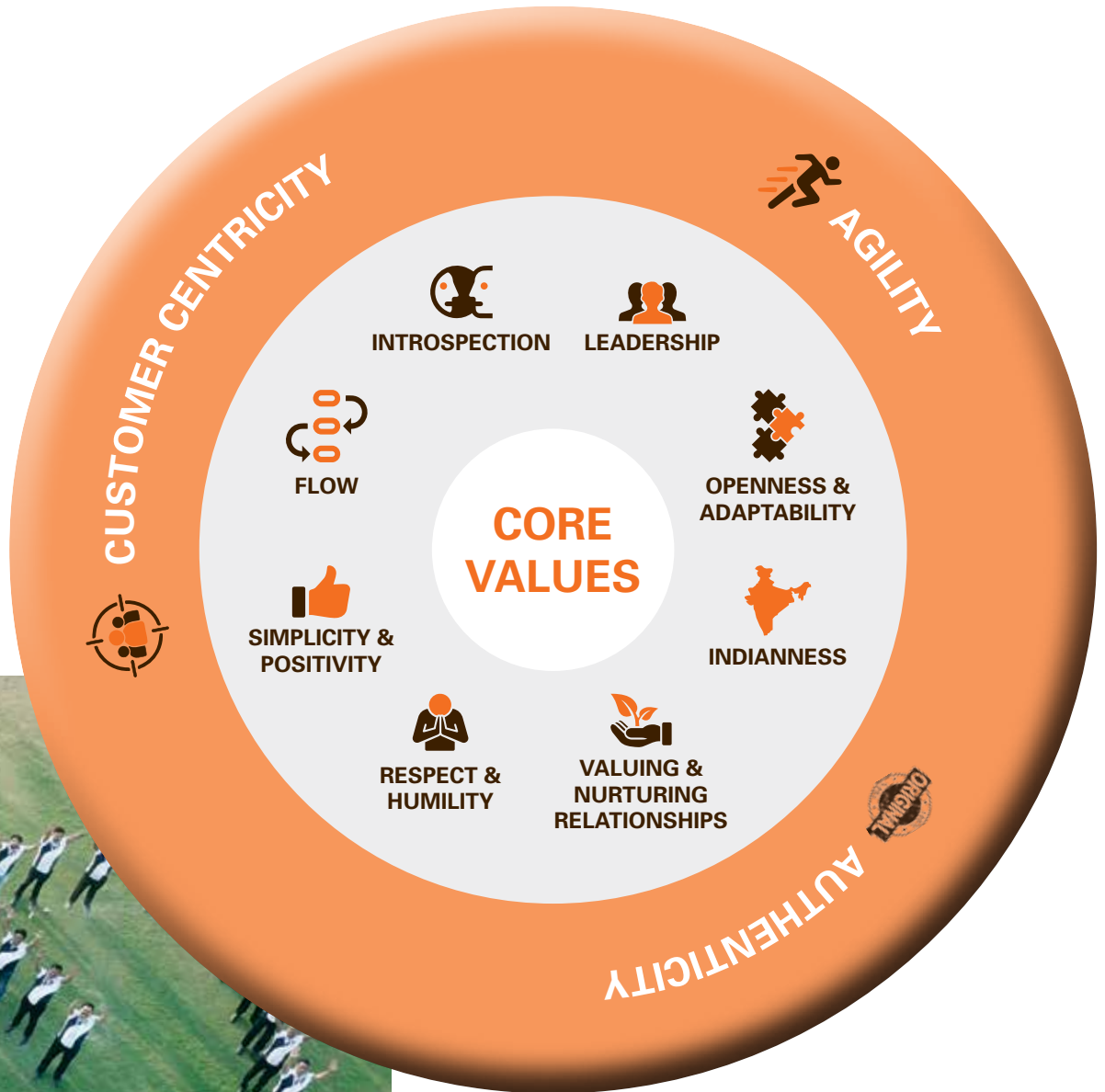
PURPOSE

We **add velocity** to our customers' aspirations.

VISION

To be a **₹10,000 crore** company by partnering with **consumer-facing businesses** offering them **agile, reliable and integrated** supply chain solutions through our **world-class, technology-enabled** infrastructure.



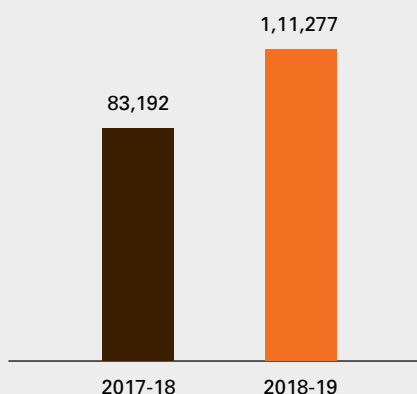


FINANCIAL PERFORMANCE SNAPSHOT

(STANDALONE)

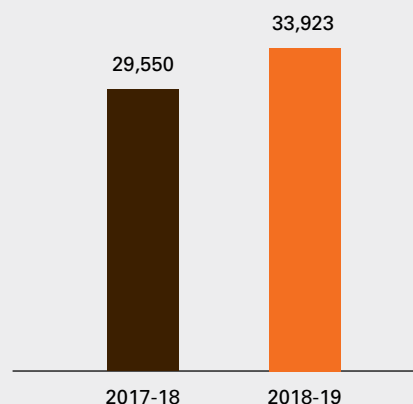
REVENUES

(₹ Lakh)



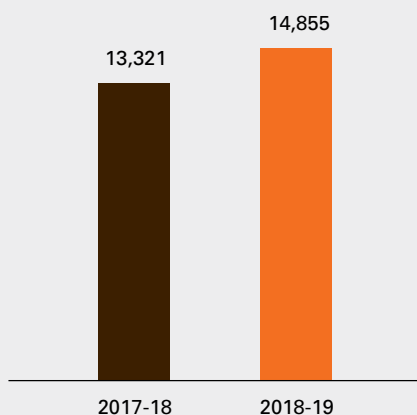
GROSS PROFIT

(₹ Lakh)



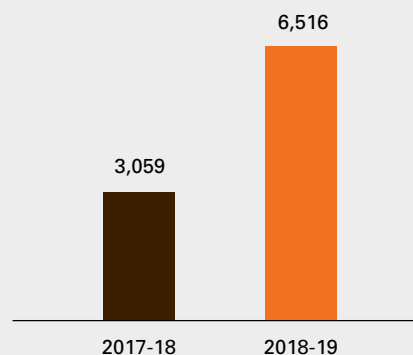
EBITDA

(₹ Lakh)



PROFIT AFTER TAX

(₹ Lakh)



NOTE- EBITDA: Earnings before interest taxes depreciation and amortisation



OPERATIONAL KPIs

7.66

million sq ft



Warehouse
Space ^{1*}

96



Number of Distribution
Centres

113

₹



Revenue per
Square Feet

195_k

tonnes



Weight Handled under
Express Logistics

14



Number of
Hubs

134



Number of Operational
Branches

768



Containerised
Vehicles ^{2*}

4



Temperature-controlled
Distribution Centres

8,439



Owned
Pallets

KPIs: Key performance indicators

1* Includes one distribution centre of customer operated by FSC with area of 0.29 mn.sq. feet of warehouse space

2* For Contract Logistics and Express Logistics as of March 2019

OUR VALUE CREATION MODEL

Each day and each year, we set out to create value, guided by our strategy and business model. This year, at FSC, we have explored our business model further around the six value creation capital that drive our business. The representation further reflects our deep commitment to our stakeholders by depicting the output and outcomes led by competitiveness and process excellence.

Input Capital



FINANCIAL CAPITAL

Refers to the financial input in the form of equity and debt. FSC has capital employed of ₹ 70,047 Lakh as of March 31, 2019.



KNOWLEDGE CAPITAL

Refers to the domain expertise and FSC's past experience in consumption-driven sectors that has helped the Company build supply chain capabilities and technological prowess in managing complex supply chain operations.



HUMAN CAPITAL

Refers to the human resources that are engaged across business processes for seamless execution. FSC has 1,905 employees & over 11,400 contract workers as of March 31, 2019.



MANUFACTURING CAPITAL

Refers to the state-of-the-art, multi-user warehouses and other supply chain infrastructure.



SOCIAL AND RELATIONSHIP CAPITAL

Refers to FSC's relationship with the key stakeholders that ensure smooth business operations with the external environment.



NATURAL CAPITAL

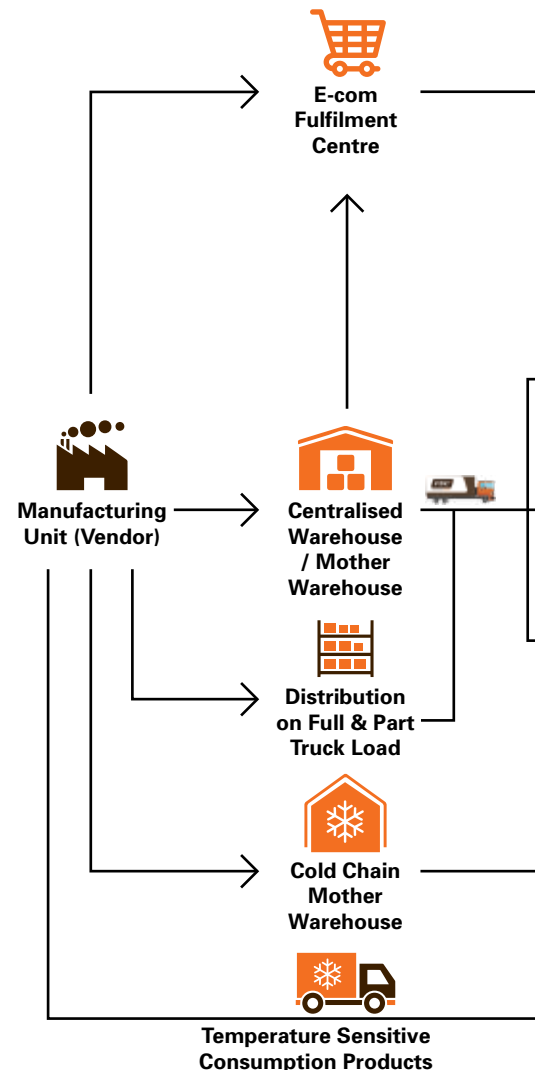
Refers to FSC's initiatives towards health, safety and environment compliances and conserving resources through stronger throughput across operations. For example, FSC has begun to replace cardboard boxes with reusable crates.

Process

FSC customises supply chain solutions for its customers through an integrated network that covers the entire gamut of supply chain capabilities.

Ref Pg 77

CORPORATE GOVERNANCE



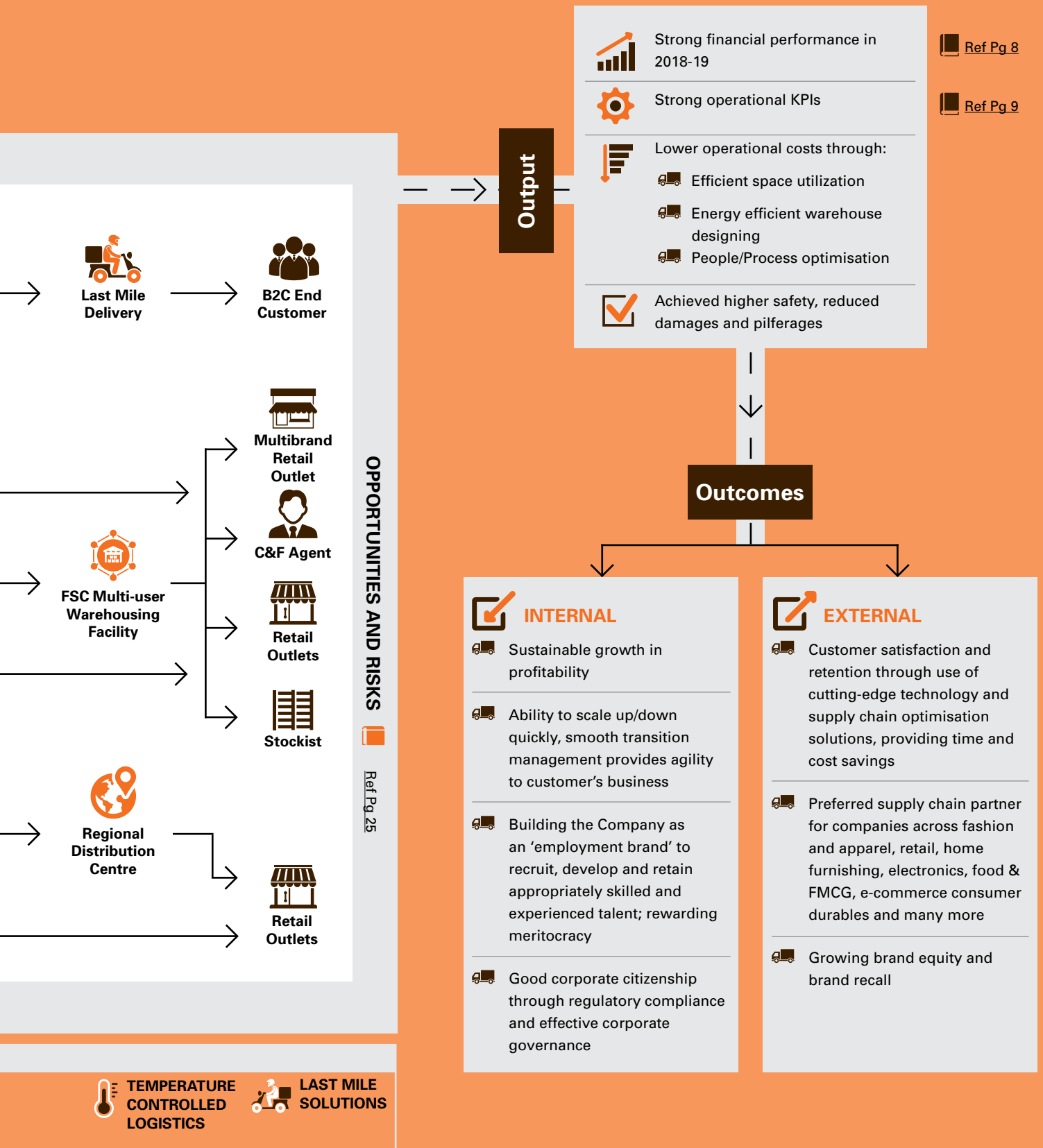
OUR KEY SERVICES



CONTRACT LOGISTICS - Warehousing Solutions



EXPRESS LOGISTICS



CHAIRMAN'S MESSAGE



During the year, we re-defined our vision to become ₹ 10,000 crore company by partnering with consumer-facing businesses offering them agile, reliable and integrated supply chain solutions through our world-class, technology-enabled infrastructure.”

Dear Stakeholders,

It is an honour to present to you our Annual Report for 2018-19. During the year, we undertook several strategic initiatives to maintain a sustainable growth and create further value for our shareholders. In doing so, we have continued to add velocity to our customers' aspirations. This led us to re-define our vision of becoming a ₹10,000 crore company by partnering with consumer-facing businesses offering them agile, reliable and integrated supply chain solutions through our world-class, technology-enabled infrastructure.

The Indian Logistics Industry was valued at around US\$ 160 billion in 2016-17. The sector is witnessing a turnaround after having historically fraught with inefficiencies, suboptimal modal mix, inadequate supply chain networks and the dominance of unorganised players. With the implementation of strong reforms like Goods and Service Taxes (GST) coupled with the Government's infrastructure push by way of several initiatives and projects, a level playing field has been set

for the organised players. Consumer product companies are also beginning to consolidate smaller warehouses across multiple states, after India became a single tax economy.

Logistics is gaining strategic importance for the manufacturers as well. The supply chain requirements have been evolving from a plain-vanilla transportation and warehousing of cargo to technology-led value-added services, thus facilitating the emergence of new-age business models. This has built up a strong doorway of opportunity for integrated logistics companies, such as FSC, that offers value-addition in the form of modern warehousing, technology enabled solutions resulting in greater efficiencies.

Our revolutionary 'India Food Grid' project has given us an opportunity to connect the entire nation through a seamless network. It can manage distribution right from the manufacturing hubs up till the final point of consumption. FMCG and Food brands can enter the grid from anywhere in the country and benefit from improved supply chain efficiencies, reduced wastages, better inventory management and increased availability of consumer products at locations where the demand is.

We are known for breaking barriers in our industry. We have driven women empowerment in the rural and semi-urban areas through our expanding warehouse footprint and distribution centres. During the year, we established an all-women run distribution centre 'Shakti' in Nimji, Nagpur. I am pleased to share that we have been positively surprised by their high productivity, low absenteeism and low attrition ratio. While it was a well-thought move to run Shakti, the success wouldn't have been possible without the passion of the women in the facility. We look forward to inducting more women in our warehousing facilities and be the flag bearer of this change.

With round-the-clock operations slowly becoming a norm, implementing sustainability initiatives is now a must in warehouse management. Warehouses typically have large areas of unutilised rooftop space and feature extensive lighting and refrigeration installations. We will be implementing rooftop solar panels across our 15 warehouses in the coming year, as our endeavour towards reducing carbon footprint.

We look at the year ahead with confidence and anticipation. We are set on our journey to achieve our objectives through dedication, hard work, capabilities and organisational strengths. We will continue to maintain high standards in good governance practices, uphold integrity and trust, and create sustainable value for our stakeholders going ahead.

With warm regards,

Rakesh Biyani



FROM THE MD'S DESK



We believe the India Food Grid Project will redefine the Food & FMCG Supply Chain in India and are excited about the growth opportunities that it will create for FSC in the near to medium term.”

Dear Shareholders,

We are a relatively young company and are building one that we believe is both, unique and distinct. We have consistently evolved to become a transparent, consistent, tech-driven and reliable supply chain solution partner for our customers. The business of logistics is changing fast and speed is of utmost importance for any company to be successful. With strong aspirations for the dynamic future, FSC is now adopting three new values – agility, authenticity and customer centricity.

We have achieved another year of strong results, putting our business in a better position for the future. Our standalone operational revenues increased 33.8%, from ₹ 83,192 Lakh in 2017-18 to ₹ 1,11,277 Lakh in 2018-19. We also posted a 113.0% growth in net profit, from ₹ 3,059 Lakh in 2017-18 to ₹ 6,516 Lakh in 2018-19.

India's Food & FMCG supply chain is highly inefficient and complex. It faces formidable challenges in terms of inventory management, availability issues, freshness of the product, distribution cost and time to market. As

a supply chain specialist, we understood this gap and embarked on a journey to set up the India Food Grid (IFG). It is a network of 38 distribution centres, which will provide a pan-India distribution coverage for Food and FMCG products. The manufacturers will get a clear visibility in terms of stock availability and consumers will get quicker delivery of the products. We believe this will redefine the food & FMCG Supply Chain in India and are excited about the growth opportunities that it will create for FSC in the near to medium term.

During the year we added around 3.08 mn square feet of warehousing capacity on a base of 4.58 mn square feet, taking the total capacity to over 7.66 mn square feet. The expansion was supported by strong revenue visibility through addition of several prestigious clients, such as Benetton India Private Limited, Universal Sportsbiz Private Limited (Wrogn), Voltbek Home Appliances Private Limited (a Voltas JV), JK Helene Curtis Limited, Tilda Limited, among others. We also continued to serve our existing clients, such as PepCart Logistics Private Limited (Pepperfry), TTK Prestige Limited, Reckitt Benckiser (India) Private Limited, Jasper Infotech Private Limited (Snapdeal), Kellogg India Private Limited, Mondelez India Foods Private Limited, Wildcraft India Private Limited, Pepe Jeans India Limited and many more.

Technology continued to remain at the forefront of our operations. During 2018-19, we implemented several new technologies in the form of voice pick and inbound automation that would lead to notable productivity improvements. For the coming year, we are also evaluating robotic arms and additional automation that will enhance our productivity levels. We are in the process of launching an integrated real-time logistics platform that would bring all stakeholders in the value chain on to a common platform, a move that will provide us with a strong competitive advantage in future.

Looking ahead, while having the right vision and strategy are important, I believe what will make an impact is the right culture. In the coming year, we will focus on embedding our strategic vision and operating culture into the organisation across levels. We are building on a strong foundation and are fully focused on successfully delivering sustainable long-term value. Just as important, our Leadership Team is supported by having the right people in place throughout the organisation. I would like to end by thanking all our talented and committed colleagues for their unstinting hard work and dedication round the year. I would also like to thank the Board members for their continuous guidance. Finally, I would like to thank you for your support and continued belief.

Best wishes,





Mayur Toshniwal

INTEGRATED LOGISTICS SERVICE OFFERING

WIDE GAMUT OF LOGISTICS SERVICES

Value-Creation Journey

What we offer:

-  Integrated built-to-suit and state-of-the-art automated warehouses
-  Transportation & Distribution
-  Value-Added Services such as kitting, packaging, bundling
-  Reverse Logistics

₹ **88,848** Lakh
Revenues in 2018-19



₹ **29,613** Lakh
Gross Profit in 2018-19

CONTRACT LOGISTICS:

 SMART WAREHOUSING, DISTRIBUTION
AND VALUE-ADDED SERVICES.



What we offer:

-  Hub & spoke distribution model pan-India
-  Real-time shipment tracking

₹ **17,908** Lakh
Revenues in 2018-19

₹ **4,028** Lakh
Gross Profit in 2018-19

EXPRESS LOGISTICS:

 TIME-DEFINITE. FULL AND PART
TRUCK-LOAD. POINT TO POINT.





**TEMPERATURE CONTROLLED
LOGISTICS:
COLD STORAGE. REEFER
TRANSPORTATION.**



What we offer:

- Cold-chain warehousing with storage temperature ranging between -25°C to +25°C
- Transportation and distribution of temperature-sensitive products
- Full cold-chain adherence and FSSAI compliant

₹ **3,282** Lakh
Revenues in 2018-19

₹ **150** Lakh
Gross Profit in 2018-19



**LAST MILE DELIVERY &
AGILITY SOLUTIONS.**



What we offer:

- Pan India tertiary distribution for customers
- Cash on delivery handling capability at customer's door
- Reverse Logistics

₹ **11,271** Lakh
Revenues in 2018-19

₹ **346** Lakh
Gross Profit in 2018-19

FULFILLING INDIAN CONSUMER'S ASPIRATIONS

CAPITALISING ON THE ROBUST GROWTH OPPORTUNITIES OFFERED BY CONSUMER-FOCUSED BUSINESSES.

India is a fast growing economy and the growth is mainly led by consumption. We believe that once the GDP per capita crosses US\$2,000, the consumption patterns undergo material changes. For example, the consumption of packaged foods increases.

Consumer-oriented businesses have a distinct set of supply chain needs, characterised by a greater importance attached to efficient outbound delivery to various stores, handling of a large number of Stock Keeping Units (SKUs), high replenishment cycles, and the need for pilferage management. With over a decade's experience in managing the distribution and warehousing requirements for such businesses, FSC has the requisite skills for managing complex consumer-oriented B2C supply chains.

Through our scale

7.66 million
square feet



Warehousing area

Over
2,400 million



Total throughput (Number of consumer products delivered / fulfilled)

Over
11,400



Number of associates working

Over
2 million



Consignments delivered



85-90% of the business is driven by the consumption-driven sectors



Fashion (Apparels & Footwear)



Food & FMCG



Consumer Durables & Electronics

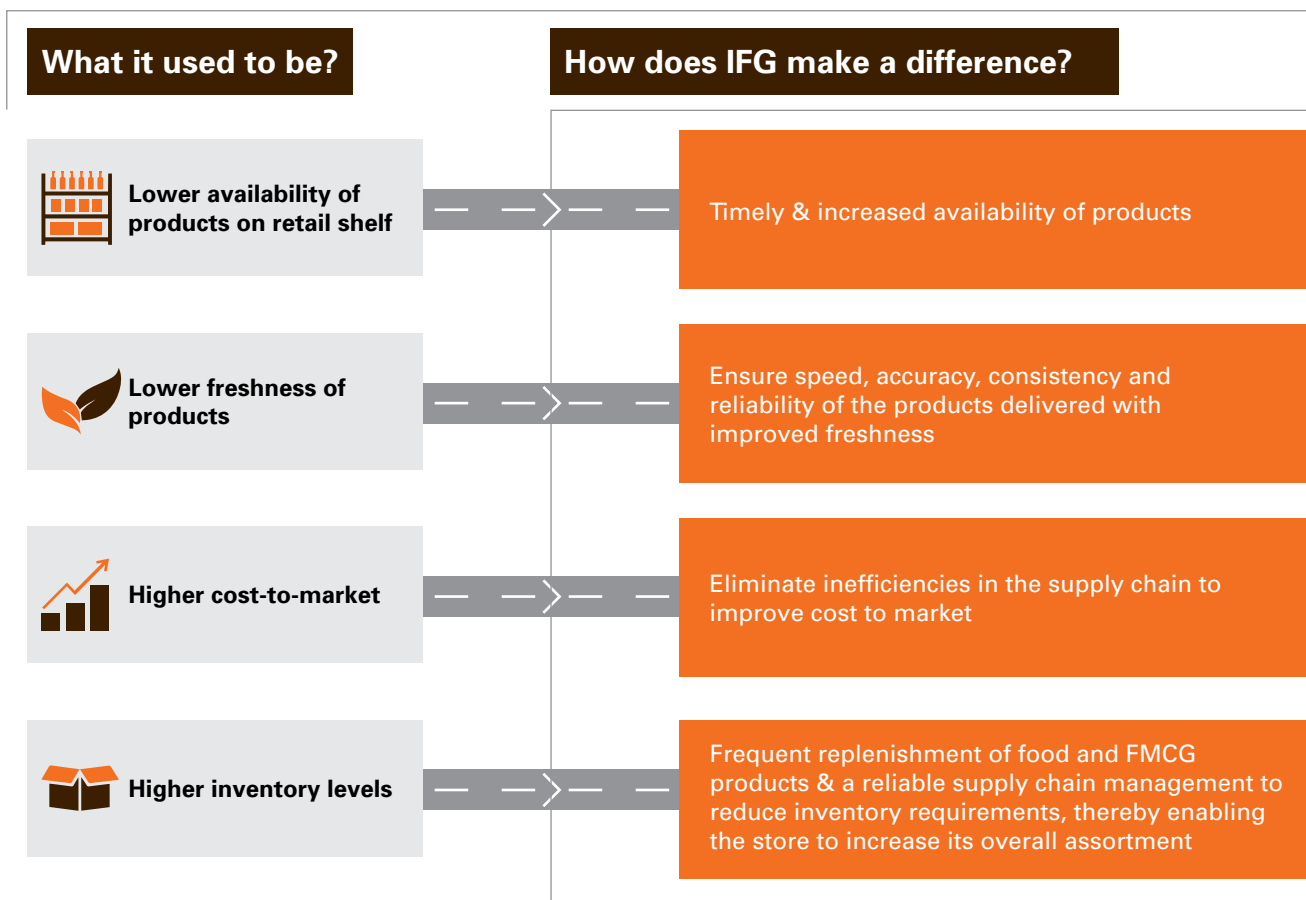


Home & Furniture

RE-DEFINING FOOD & FMCG SUPPLY CHAIN IN INDIA

IFG: A NETWORK OF INTEGRATED FOOD & FMCG DISTRIBUTION CENTRES (IFDC)

FSC has embarked on a journey to set up the IFG, a network of 38 IFDCs, which will provide pan-India distribution coverage of Food & FMCG products, right from the manufacturing hubs till the point of consumption. Brands can enter the grid from anywhere in the country for consumption anywhere, anytime. It will help improve overall supply chain efficiencies, eliminate wastages, lead to better inventory management and help increase availability of consumer products at locations where the demand is. We believe this will redefine the Food & FMCG supply chain in India and are excited about the growth opportunities that it will create for FSC in the near to medium term.





ONE NATION. ONE GRID. INDIA FOOD GRID.



*Locations planned as on March 31, 2019

Disclaimer

The map is not to scale. This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

TECHNOLOGY & AUTOMATION: A KEY DIFFERENTIATOR

AT THE FOREFRONT IN INTRODUCING NEW TECHNOLOGY AND AUTOMATION.

FSC uses technology and automation processes throughout its logistics operations to enable efficient and cost-effective operational management with an aim to build an efficient and an effortless supply chain.

The Company's high-speed cross-belt sorter at its distribution centre in MIHAN, Nagpur is the first of its kind in India, and offers sorting capacity in the distribution centre of approximately 2,000 cases per hour. This gives FSC the ability to handle higher volumes for its customers without the need for setting up additional distribution centres.



TECHNOLOGY IN THE DAY-TO-DAY BUSINESS

The Company has adopted several technologies and automation in its day-to-day business operations, including a 'Dynamic Put-to-Light' sortation system (a light-directed sortation system), which is an effective sorting technology and provides almost 40% higher speed as compared to manual sortation methods, increases processing capacity of distribution centres and enables higher accuracy of packing and labelling. It enables category-specific segregated packaging prior to shipment in order for inventory to be properly packaged and shelf-ready at its end destination, with no further sortation needed at the retail store level.



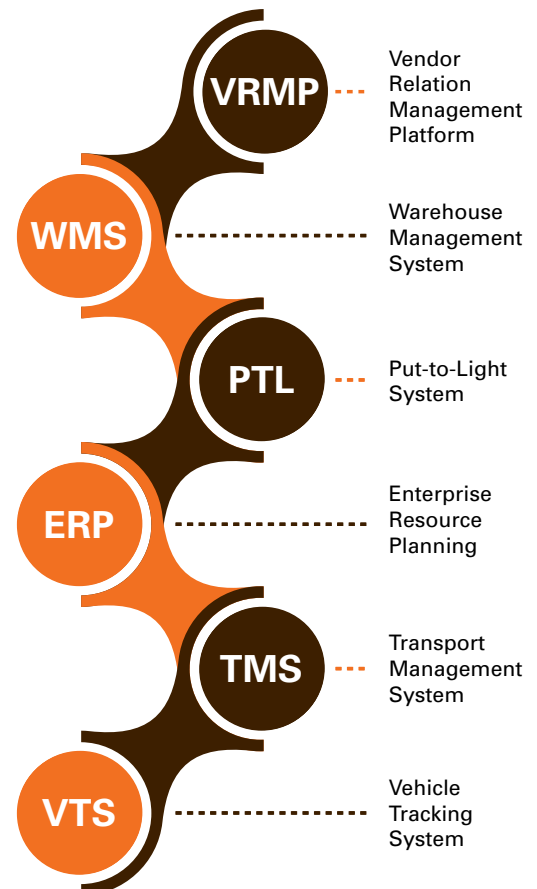
WAREHOUSE MANAGEMENT SYSTEM

Our warehouse management system facilitates seamless operations across receiving, put away, pick, pack and dispatch processes in the distribution centre. It provides customers with an inventory management tool that can be integrated directly with a customer's enterprise resource planning system, providing visibility of inventory in the distribution centre.



TRANSPORT MANAGEMENT SYSTEM

The Transport Management System (TMS) provides shipment-level visibility from pick-up, to delivery, to billing as well as routing solutions and is linked to the enterprise resource planning system. The Company also integrates its customers' technologies with its own systems so as to provide the customers with proper visibility into their supply chain and enable real-time tracking.





Inbound Automation



- 🚚 Boom Conveyors
- 🚚 Laser Scanners
- 🚚 Incline & Decline Conveyors covering 1km in length
- 🚚 Dimensioning & Weighing Machine

A DAY AT MIHAN DC

Storage



- 🚚 3.8 Lakh Bins connected by conveyors
- 🚚 5,870 Pallet Positions in SPRS

Picking



- 🚚 Batch Pick
- 🚚 Order Pick
- 🚚 Voice Picking
- 🚚 Radio Frequency Terminals

Sorting



- 🚚 High Speed Cross Belt Sorter
- 🚚 Put-to-light Sorter
- 🚚 12m high Spiral Conveyor Belt
- 🚚 Conveyors covering 4 km in length

Outbound










- 🚚 Telescopic Boom Conveyors
- 🚚 Laser Scanning

Management Discussion and Analysis

The purpose of this discussion is to provide an understanding of the Financial Statements and a composite summary of performance of our business and the eco-system in which these are operating.

Management Discussion and Analysis is structured to comprise:

-  Economy Overview
-  Industry Overview
-  Competitive Landscape
-  Business and Performance Overview
-  Risks and Internal Adequacy
-  Review of Standalone Financial Performance
-  Human Resources

Some statements in discussion may be forward looking. Future performance may, however, differ from those stated in the Management Discussion and Analysis on account of various factors such as changes in the Government regulations, tax regimes, impact of competition, demand-supply constraints, geo-political developments etc.

ECONOMY OVERVIEW

In February 2019, the Central Statistics Organisation (CSO), Ministry of Statistics and Programme Implementation pegged India's GDP growth at an estimated 7.0% for 2018-19 as opposed to their earlier forecast of 7.2%. At an estimated 7.0% GDP growth for 2018-19, India will still be the fastest growing economy in the world. The CSO expects GDP growth to come in at 7.2% in 2019-20, with higher GDP growth expectations for H2 2019-20 at 7.3-7.4% as compared to H1 2019-20 at 6.8-7.1%.

INDUSTRY OVERVIEW

India's logistics sector was valued at around US\$ 160 billion in 2016-17 and is expected to grow to US\$ 215 billion by 2019-2020 registering a CAGR of 10.5%, partly driven by GST implementation as per the Economic Survey 2017-18. The Indian logistics industry is highly fragmented and around 85% of the overall industry is dominated by unorganised players.

India ranked 44th in World Banks' Logistics Performance

Index in 2018. The key challenges that the logistics industry faces in India include high cost of logistics at 13-14% of GDP, fragmented warehousing operations, unfavourable modal mix with road contributing to around 60% of the freight volumes, absence of an efficient intermodal transport system, inefficient fleet mix, under-developed material handling infrastructure and lack of sufficient IT infrastructure and technology.

The Government aims to bring down logistics cost to under 10% of GDP by 2022 and has taken many positive steps in that direction. In February 2019, the Logistics Division under the Ministry of Commerce issued a Draft National Logistics Policy with an aim to increase transparency, increase efficiencies and enable an integrated development of the logistics sector in India. It also plans to improve availability of skilled manpower in the country and increase jobs in the logistics sector to 40 million by 2022. The Government is also launching a National Logistics Portal, an integrated IT Platform that will act as a logistics marketplace. This portal will have linkages with the IT systems of Railways, Road Transport & Highways, Shipping, Civil Aviation, CBEC, State Transport Departments etc.

The logistics sector in India has witnessed a series of developments, which are gradually driving formalisation and improving efficiencies in the entire logistics ecosystem. The development of logistics-related infrastructure, such as dedicated freight corridors, logistics parks, free trade warehousing zones and container freight stations are likely to improve overall functioning of this sector.






India's 3PL industry is at a nascent stage but growing rapidly. The implementation of GST in the past couple of years has brought tax uniformity across states in India and triggered consolidation of fragmented warehousing operations into fewer and larger warehouses. As a result, the Indian warehousing segment is witnessing a favourable structural shift with a rise in demand for modern warehousing. The cumulative supply of Grade A and Grade B warehousing space in the top 8 cities has increased from 104 mn sq. ft. in 2015 to 169 mn sq. ft. in 2018, registering a CAGR of 17.6%, as per a study by JLL India Industrial Services. JLL India expects the cumulative supply of Grade A and Grade B warehousing








Management Discussion and Analysis (Contd.)

to increase at a CAGR of 19.4% to 344 mn sq. ft. by 2022. Apart from the developments in the warehousing infrastructure, there has been a tremendous improvement in the road connectivity network of India. The year 2018-19 was declared as 'the year of construction' by the Ministry of Road Transport & Highways. It constructed around 10,800 kms of national highways in 2018-19 as against 9,829 kms achieved during 2017-18.

GROWTH DRIVERS

-  Consumption patterns of the burgeoning population driven by higher disposable income and awareness levels
-  Increasing demand from manufacturers for value-added and integrated logistics services
-  Higher need for speed and agility in supply chain operations
-  Increasing role of automation and technology in supply chain
-  Favourable Government reforms and actions towards the development of the economy, such as GST implementation

CHALLENGES

-  Presence of high percentage of unorganised players
-  Inadequate and ill-equipped material handling infrastructures
-  Poor integration of technology in handling large volumes
-  Unfavourable modal mix and lack of an efficient inter-modal system
-  Inefficient fleet mix

COMPETITIVE LANDSCAPE

The Indian logistics industry is highly fragmented in nature with the unorganised participants servicing nearly 85% of the demand. Competitiveness of various industry players is determined by several key factors such as reliability, service quality, price competitiveness and the ability to comprehensively address sector specific needs of the customers. Organised logistics services providers use technology to differentiate

and improve cost competitiveness as compared to unorganised counterparts.

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

BUSINESS & PERFORMANCE OVERVIEW

FSC is a leading organised third-party supply chain and logistics service provider, offering warehousing, distribution and other logistics solutions to a wide range of customers. Its integrated service offering, best-in-class warehousing infrastructure, pan-India distribution network, a hub-and-spoke transportation model and automated technology systems give it a competitive advantage. Its customers largely operate in consumption-driven sectors in India, including retail, fashion & apparel, food & beverage, FMCG, e-commerce, consumer durables & electronics and home & furniture.

The Company offers services in following key areas:

Contract Logistics: The core of contract logistics business involves offering state-of-the-art, technology-enabled distribution centres across India. FSC's distribution centres are generally multi-user, built-to-suit and scalable based on customers' supply chain requirement. The Company has been ahead of the curve by adopting cutting edge technologies and advanced automation systems, especially in its warehousing operations.

Express Logistics: FSC's express logistics business offers time-definite, part truck load and full truck load distribution services using hub-and-spoke distribution network and containerised fleet of technology-enabled trucks.

Temperature-Controlled Logistics: FSC's temperature-controlled logistics offering provides well-organised product-handling solutions for temperature-sensitive perishable products through its temperature-controlled warehousing as well as transportation in refrigerated trucks.

Management Discussion and Analysis (Contd.)

Last Mile Delivery & Agility Solutions: FSC provides last mile delivery solutions to online retail companies with specific focus on the e-commerce industry in India. It

offers last mile delivery services in the form of end-to-end delivery of shipment to the distributor, retail outlets or customers.

Consolidated Revenue Split (₹ in Lakh)	2018-19	2017-18
Contract Logistics	88,848	63,919
Express Logistics	17,908	15,160
Temperature-Controlled Logistics	3,282	3,084
Last Mile Delivery and Agility Solutions	11,271	9,801

Note: The Contract Logistics business under Vulcan Express (mainly the First Mile Business) has been clubbed under Contract Logistics revenue.

Key Operating Metrics	2018-19	2017-18
Contract Logistics		
Warehouse area (million sq. ft.)	7.66	4.58
Average revenue per sq. ft. (₹ per month)	113	113
Express Logistics		
Total weight handled ('000 tonnes)	195	164
Temperature-Controlled Logistics		
Number of pallets (x)	8,439	9,650

During the year 2018-19, FSC continued to increase its warehousing infrastructure to cater to the strong demand driven by GST implementation and increased outsourcing of supply chain activities by product companies. During the year, FSC added 3.08 million square feet of warehousing space and ended the year at 7.66 million square feet.

During the year, FSC launched IFG, which is a network of 38 IFDCs across the length and breadth of the country that will provide pan-India reach. The IFG will manage distribution right from the manufacturing hubs up till the final point of consumption. Brands can enter the grid from anywhere in the country for consumption anywhere, anytime. It will help improve overall supply chain efficiencies, eliminate wastages, lead to better inventory management and increase availability of consumer products at locations where the demand is. Currently FSC has operationalised five IFDCs, which cater to multiple clients and sub-categories for the Food and FMCG industry enabling higher throughputs, lower inventory, faster refills and cost optimisation for its clients. Each IFDC will be capable of handling both ambient and temperature controlled products.

BUSINESS OUTLOOK

The business outlook for third party logistics sectors continues to be strong driven by the following factors:

- 1) Product companies increasingly focus on their core competencies and outsource the non-core activities, such as supply chain management.
- 2) Evolving needs of the end consumer, compelling the product companies to focus on enhancing supply chain efficiencies and bring in more sophistication so as to improve freshness of the product, increase reliability of supply chain, ensure product availability at all times, attain faster speed and time to market, etc. This requires specific supply chain domain expertise.
- 3) Product companies re-thinking their supply chain strategy to consolidate their warehousing operations, a change triggered post GST. This will create a need for managing large scale and technology driven warehouses. Hence, the role of 3PL is likely to increase in future.

FSC believes that with its pan Indian warehousing and distribution network, GST ready business



Management Discussion and Analysis (Contd.)

model, automated technology systems and integrated service offerings, it is well poised to cater to the growth ahead.

OPPORTUNITIES & THREATS

The trend of outsourcing of supply chain management and other logistics services is expected to rise in future. Third-party logistics service providers, such as FSC, are generally able to conduct supply chain management more efficiently than comparable in-house operations run by customers primarily as a result of domain expertise, higher implementation and adoption of technology, efficient management of operations and lower and flexible employee cost structures. Further, GST is expected to favour growth in outsourced logistics, and in particular, large-scale logistics operations that will be capable of handling multi-industry customers.

FSC has consciously developed supply chain domain expertise in several consumption driven sectors, including fashion, food, FMCG, furniture, consumer durables and electronics. These sectors are less cyclical in nature and continue to witness strong secular growth, unlike many other sectors such as manufacturing or industrials. For example, the organised Food & Grocery market is expected to grow at a CAGR of 32% over 2016-17 to 2024-25. This can be partly attributed to higher share of modern retail, creation of new categories, entry of new players in the market and the launch of premium products.

FSC's business outlook is affected by prevailing economic conditions in India and indirectly affected by changes in consumer spending capacity in the sectors they serve in India. While India is a consumption-driven economy and the probability of a major slowdown scenario could be very low, any moderation in consumer demand could affect the logistics spending and may affect the Company's financial performance and business operations.

While the logistics industry in India is generally fragmented, the Company could face competition from a number of international and domestic third-party logistics service providers, especially as the trend toward larger-scale logistics service providers in India continues.

FSC's operations are dependent on technology and automation and any disruptions in or failure to update such technology or automation could have an adverse effect on the Company's operations.

STANDALONE PERFORMANCE OVERVIEW

As of March 31, 2019, FSC operations are run through 96 distribution centres across India, covering approximately 7.66 million square feet of warehouse space. The Company also utilises a "hub-and-spoke" distribution model comprising 14 hubs and 134 branches across India, covering 12,345 pin codes across the country. FSC operated four temperature controlled warehouses with total pallet capacity of 8,439. During March 2019, FSC operated approximately 768 containerised vehicles and 101 company-owned refrigerated trucks.

The Company recorded revenue of ₹ 1,11,277 Lakh and EBITDA ₹ 14,855 Lakh during 2018-19 as against revenue of ₹ 83,192 Lakh and EBITDA of ₹ 13,321 Lakh in 2017-18. Profit after Tax was recorded at ₹ 6,516 Lakh in 2018-19 as against ₹ 3,059 Lakh in 2017-18.

RISKS AND INTERNAL ADEQUACY

The business in which your Company operates has some inherent risks. This requires identifying, monitoring and mitigating risks predominantly in the areas of business, operations, finance and compliance. The Company addresses such risks through mitigating actions on a continuous basis through a system-based approach of risk management. The Internal Control systems of the Company are commensurate with the nature of its business and the size and complexity of its operations. These risks are regularly tested and are certified by the Statutory and Internal Auditors.

The Audit Committee reviews adequacy and effectiveness of the internal control process and systems and monitors the implementation of audit recommendations, with the perspective of strengthening the risk management systems of the Company.

A management assurance team additionally carries out quarterly reviews to assess the internal control environment and their adequacy concerning the business environment and make recommendations.

Management Discussion and Analysis (Contd.)

A broader system of internal controls and external audits has been defined and deployed in various businesses to effect continuous improvements and protect our businesses and Shareholders from potential risks.

REVIEW OF STANDALONE FINANCIAL PERFORMANCE

Revenue

Total Income comprises (i) revenue from operations and (ii) other income.

(i) Revenue from Operations

Revenue from Operations increased 33.8% from ₹ 83,192 Lakh in 2017-18 to ₹ 1,11,277 Lakh in 2018-19.

(ii) Other income

Other income decreased from ₹ 1,142 Lakh in 2017-18 to ₹ 561 Lakh in 2018-19.

Expenses

Our Expenses consist of

- (i) Cost of Logistics Services,
- (ii) Employee Benefit Expenses,
- (iii) Finance Costs,
- (iv) Depreciation and Amortisation Expenses and
- (v) Other Expenses.

Cost of Logistics Services

Cost of Logistics Services comprises warehouse operating charges such as warehouse rent and labour costs, transportation expenses and freight forwarding expenses. Cost of logistics services as percentage of revenue from operations increased from 64.5% in 2017-18 to 69.5% in 2018-19 due to warehousing capacity expansion and change in revenue mix.

Employee Benefit Expenses

Employee Benefit Expenses comprise salary and wages to the employees, cost of employee welfare programs, expenses incurred in providing training exercises and other speciality skill building activities and performance bonus and reward programs. Employee benefit expenses as percentage of revenue from operations declined from 10.0% in 2017-18 to 8.8% in 2018-19.

Other Expenses

Other Expenses primarily include power and fuel, repairs and maintenance, traveling and conveyance expenses, security expenses, levies & duties and statutory payments etc. Other expenses as percentage of Revenue from Operations declined from 9.5% in 2017-18 to 8.4% in 2018-19.

Depreciation and Amortisation Expenses

Depreciation and Amortisation Expenses declined from ₹ 4,563 Lakh in 2017-18 to ₹ 4,170 Lakh in 2018-19.

Finance Costs

Finance Costs increased from ₹ 870 Lakh in 2017-18 to ₹ 1,608 Lakh in 2018-19 due to increase in Gross Debt from ₹ 3,296 Lakh in 2017-18 to ₹ 21,781 Lakh in 2018-19. During the year 2018-19, the Company raised Secured, Listed, Rated, Redeemable and Non-Convertible Debentures (NCDs) aggregating to ₹ 19,900 Lakh on a private placement basis.

Profit before Tax

As a result of the foregoing factors, profit before tax increased 113.0% from ₹ 3,059 Lakh in 2017-18 to ₹ 6,516 Lakh in 2018-19.

Income Tax Expense

Income tax expense was nil for 2017-18 and 2018-19.

Profit for the Year

As a result of the foregoing factors, profit after tax increased 113.0% from ₹ 3,059 Lakh in 2017-18 to ₹ 6,516 Lakh in 2018-19. Net Profit Margin increased from 3.7% in 2017-18 to 5.9% in 2018-19.

Earnings Per Share (EPS)

Basic EPS was ₹ 7.75 for 2017-18 and ₹ 16.27 for 2018-19. Diluted EPS was ₹ 7.75 for 2017-18 and ₹ 16.24 for 2018-19.

Net Profit Margin

Net Profit Margin increased from 3.7% in 2017-18 to 5.9% in 2018-19, mainly due decline in loss from discontinued operations (LMD).

Return on Net Worth

Return on Net Worth increased from 8.1% in 2017-18 to 11.5% in 2018-19, primarily due to expansion in net profit margin from 3.7% in 2017-18 to 5.9% in 2018-19.



Management Discussion and Analysis (Contd.)

Interest Coverage Ratio

The Interest Coverage Ratio declined from 15.4x in 2017-18 to 6.5x in 2018-19. During the year, finance costs increased from ₹ 870 Lakh in 2017-18 to ₹ 1,608 Lakh in 2018-19 due to increase in Gross Debt from ₹ 3,296 Lakh in 2017-18 to ₹ 21,781 Lakh in 2018-19. The Company raised NCDs aggregating to ₹ 19,900 Lakh on a private placement basis during 2018-19.

Debt Equity Ratio

The debt equity ratio increased from 0.06x in 2017-18 to 0.36x in 2018-19 due to increase in gross debt from ₹ 3,296 Lakh in 2017-18 to ₹ 21,781 Lakh in 2018-19. The Company raised NCDs aggregating to ₹ 19,900 Lakh on a private placement basis during 2018-19.

HUMAN RESOURCES

Being a progressive organisation, FSC firmly believes in its vital assets – The People. The Human Resource (HR) team of the Company plays a vital role to attract and retain leading talents in the logistics industry. The HR team conducts both technical as well as soft skill trainings for employees to sharpen their skill sets. Key training programs include functional training programs,

IT training programs such as WMS, SAP, TMS etc. and various behavioural training programs. These programs are essential to achieve better performance, improve productivity, self-development of employees and better team work and bonding across various teams. FSC has built its leadership team from within the organization and most of their senior management team has been long associated with the Company. FSC gears its training efforts towards developing their personnel to allow for advancement and success within the organisation. The training programs are aimed at holistic development of the employees to facilitate their career progression within the Company. FSC takes pride in building a culture of rewarding the merits within the organisation. FSC also places a strong emphasis on building a healthy and rewarding work environment. The Company also undertakes number of initiatives to ensure a healthy balance between business needs and individual aspirations. FSC has in place a variety of measures to improve employee engagement and enable their career progression in right direction.

FSC's employee strength at the end of 2018-19 stood at 1,905.

Directors' report

To,
The Members
Future Supply Chain Solutions Limited

The Directors of your Company are pleased to present the 14th Annual Report of the Company for the financial year ended March 31, 2019.

STANDALONE FINANCIALS HIGHLIGHTS

	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Income	1,11,838.44	84,334.62
Profit before tax	6,515.72	3,059.48
Profit after tax	6,515.72	3,059.48
Earnings Per Share-Basic (₹)	16.27	7.75
Earnings Per Share-Diluted (₹)	16.24	7.75

OPERATIONAL PERFORMANCE

During the financial year under review, your Company's revenue increased 33.8% as compared to previous year, primarily on account of higher volumes supported by warehouse expansion, increase in throughput led by existing clients and addition of new clientele. Net profit of the Company increased 113% as compared to previous year, led by increased revenues, operational efficiencies, reduction in losses from last mile delivery operations and several initiatives taken by the management to improve the overall service delivery and internal consistency.

During the year 2018-19, the Company continued to increase its warehousing infrastructure to cater to the strong demand driven by GST implementation and increased outsourcing of supply chain activities by product companies. During the year, the Company added 3.08 million square feet of warehousing space. As of March 31, 2019, FSC operations are run through 96 distribution centres across India, covering approximately 7.66 million square feet of warehouse space. The Company also utilises a "hub-and-spoke" distribution model comprising 14 hubs and 134 operational branches across India, covering 12,345 pin codes across the country. The Company operated four temperature controlled warehouses with total pallet capacity of 8,439. During March 2019, the Company operated approximately 768 containerised vehicles, and 101 company-owned refrigerated trucks.

FUTURE OUTLOOK

The business outlook for third party logistics companies continues to be strong driven by product companies

increasing focus on their core competencies leading to outsourcing of the non-core activities, such as supply chain management. The needs of the end consumer are evolving, thus requiring the product companies to focus on enhancing supply chain efficiencies, increase reliability of supply chain, ensure product availability at all times, attain faster speed and time to market, all of which requires specific supply chain domain expertise. Product companies are re-thinking their supply chain strategy and are likely to consolidate their warehousing operations, which all together triggered post implementation of GST. This will create a need for managing large scale and technology driven warehouses to optimise the cost of overall supply chains. Your directors are very confident to achieve higher growth in future - both in terms of revenues and margins, due to your Company's proven abilities to manage supply chain in cost effective and most efficient manner supported by automation, gradual inclination of product companies towards cost effective supply chain activities for their products and further simplification of GST structure.

SCHEME OF ARRANGEMENT

During the year under review, a Scheme of Arrangement with wholly owned subsidiary of the Company, Vulcan Express Private Limited ("Vulcan"), was completed and given effect on December 14, 2018 pursuant to the provisions of the Companies Act, 2013. Pursuant to the said Scheme, the Fulfilment Business and Last Mile Delivery Business Undertakings of Vulcan vested into the Company.



Directors' report (Contd.)

DIVIDEND & RESERVES

Your Directors are pleased to recommend a dividend of ₹ 1.25 per equity share (12.50% of face value of ₹ 10/-) out of the profits of the financial year ended March 31, 2019, subject to approval by the shareholders in the ensuing Annual General Meeting. The total dividend outflow would be ₹ 603.01 Lakh inclusive of applicable taxes. No amount is proposed to be transferred to the General Reserves. As required under the provisions of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014, the Company has created requisite Debenture Redemption Reserves out of the Profits for the financial year ended March 31, 2019.

SHARE CAPITAL

During the year under review, the Company allotted 24,875 equity shares of ₹ 10/- at a premium of ₹ 340/- per equity share upon exercise of stock options granted to the employees of the Company. After such allotment, the paid-up share capital increased to ₹ 40,08,11,130/- as at March 31, 2019.

DEBENTURES

During the year under review, the Company issued and allotted 19,900 secured, rated, redeemable and non convertible debentures of ₹ 1 Lakh each on private placement basis aggregating to ₹ 19,900 Lakh (NCDs). The said NCDs are listed on Wholesale Debt Market segment of BSE Limited.

HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

During the year under review, Future Enterprises Limited – the ultimate holding company ("FEL"), transferred majority of its holding to Ritvika Trading Private Limited ("Ritvika") – a wholly owned subsidiary of FEL. Subsequent to such transfer, Ritvika became the holding company of your Company.

Vulcan Express Private Limited ("Vulcan") is a wholly owned subsidiary of the Company. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, a statement in Form AOC-1 containing the salient features of the financial statements of the subsidiary company is appended hereto as Annexure 1. After close of the financial year under review, the Board has approved and authorised to divest the entire stake held by the Company in the said subsidiary. The sale of investment is expected to be completed in the current financial year.

Leanbox Logistics Solutions Private Limited ("Leanbox") is an associate of the Company, which uses technology to improve delivery capabilities for general trade and small retail stores. During the financial year under review, the Board approved the transfer of last mile delivery (LMD) business to Leanbox with a view to consolidate the LMD business to increase focus and simplify structure along with higher operational efficiencies. Pursuant to such transfer, the Company shall be issued new equity shares in Leanbox, thereby making it a subsidiary of the Company. The transfer of said business is expected to be completed in the current financial year.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

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

The Investment and loans made by the Company were to be utilised by the investee/ loanee to meet their fund requirements in their respective business.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Transactions entered into with related parties (as defined under Section 188 (1) of the Companies Act, 2013) during the financial year under review were in the ordinary course of business and on arm's length basis. The Audit Committee also reviews and authenticates / approves, wherever applicable, transactions with the related parties. Further, requisite information in Form AOC-2 are given in Annexure 2 as required under the provisions of Section 188 (2) read with Section 188(1) of the Companies Act, 2013.

DISCLOSURES OF TRANSACTIONS WITH ANY PERSON OR ENTITY BELONGING TO THE PROMOTER/ PROMOTER GROUP WHICH HOLD(S) 10% OR MORE SHAREHOLDING IN THE COMPANY

During the year under review, Future Enterprises Limited – holding company and Promoter of the Company, held more than 10% of paid up share capital of the Company. Requisite details of transactions with the said related party is given under Note 32 to the Financial Statements for the financial year ended March 31, 2019. There were no other transactions with any entity forming part of Promoter Group and holding more than 10% of the shareholding in the Company.

Directors' report (Contd.)

DIRECTORS & KEY MANAGEMENT PERSONNEL

In terms of Section 152 of the Companies Act, 2013, Rakesh Biyani - Director of the Company, would retire at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Changes amongst Directors & KMPs during the year under review

Pursuant to Section 149 of the Companies Act, 2013, the Board appointed Malini Chopra as an Additional Director (termed as an Independent Director) with effect from February 7, 2019 subject to the approval of the shareholders. A resolution proposing her for the appointment as an Independent Director is embodied in the Notice convening the ensuing Annual General Meeting.

Additional information on appointment / re-appointment of Directors as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Notice convening the Annual General Meeting.

The Company has received requisite declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming the criteria of independence met by them as laid down in Section 149(6) of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, Shyam Maheshwari – Non-Executive Director and Rahul Garg – Independent Director of the Company, resigned on November 2, 2018 and February 7, 2019 respectively. The Board places on record its sincere appreciation for the contribution made by them during their tenure.

During the year under review, P V Sheshadri was appointed as a Chief Executive Officer of the Company w.e.f. April 25, 2018.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company's business policies and strategies. The Board met five times during the year, details of which are given in the report on Corporate Governance forming part of this Annual Report.

COMMITTEES OF THE BOARD

The following Committees have been constituted by the Board:

1. Audit Committee
2. Nomination and Remuneration Committee (NRC)
3. Stakeholders Relationship Committee (SRC)
4. Corporate Social Responsibility Committee (CSR)
5. Risk Management Committee ¹
6. Committee of Directors

The details of the Committees along with the composition, number of meetings and attendance at the meetings are provided in the report on the Corporate Governance, which forms part of this Annual Report.

PERFORMANCE EVALUATION OF DIRECTORS

Pursuant to Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, evaluation of performance of individual Directors, Board and Committees thereof were carried out in following manner:

Performer(s)	Evaluator
Non-Executive Directors	NRC except a Director being evaluated; Independent Directors
Executive Director	Members of NRC; All Independent Directors
Independent Directors	All Directors except a Director being evaluated; NRC
Board as a whole	Independent Directors
Committees of the Board	All Directors
Chairman of the Board	Independent Directors

¹ Constituted after close of the financial year under review.



Directors' report (Contd.)

The NRC has laid down various criteria for evaluating the performance of Executive, Non-Executive, Independent Directors, Committees and the Board as a whole and approved specific evaluation templates. These templates were circulated to each Director to provide feedback and further submission to the Chairman of the Board and meeting of Independent Directors.

Apart from various parameters such as composition, profile, meetings details, participation/ attendance etc., the said templates also contained, inter alia, pre-defined questionnaire with respect to role and functioning of the Director/ Committee under evaluation, various dynamics for each of the Directors evaluating the performance and the evaluator was required to provide feedback and suggestions on the overall functioning of the Board, its Committees and various Board members. The evaluator was also requested to provide any suggestion on areas of improvement, if any, required for the Board and any member or Committee thereof.

At the respective meetings of Independent Directors and NRC held on May 13, 2019, performance was reviewed and evaluated on various parameters such as level of engagement during the discussions, analysis of any matters and any consensus thereon, interactions, integrity, responsibility towards stakeholders, attendance, quality and effectiveness of any suggestions/ recommendations etc.

Further, the Independent Directors also assessed the quality, independence, relevance and timeliness of the flow of the information to the Board of Directors and were satisfied with the overall functioning of the Board, its Chairman, members and Committees.

All the Directors expressed their satisfaction with the evaluation process. Suggestions of Independent Directors were also received and considered for their implementation, wherever feasible.

CORPORATE GOVERNANCE

A report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with a certificate from Statutory Auditors of the Company regarding the compliance with the

conditions of Corporate Governance, are enclosed herewith and forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on the Management's Discussion and Analysis is appended hereto and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report is appended hereto and forms part of this Annual Report.

DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of section 73 of the Companies Act, 2013.

RISK MANAGEMENT & ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

Directors' report (Contd.)

AUDIT COMMITTEE

The Audit Committee of the Company comprises Independent Directors only. Bala Despande is the Chairperson, Malini Chopra and Janat Shah are the other members of the Audit Committee. There were no instances where the Board did not accept the recommendations and suggestions, if any, of the Audit Committee. The terms of reference, powers and roles of the Audit Committee are disclosed in the report of Corporate Governance forming part of this Annual Report.

VIGIL MECHANISM

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

AUDITORS & AUDITORS' REPORT

GMJ & Co., Statutory Auditors of the Company, are eligible to hold office as such for the financial year 2019-20 and have issued a certificate to that effect.

The Auditors have issued their report on the Financial Statements for the financial year ended March 31, 2019 with an unmodified opinion and does not contain any qualification, observation or adverse remarks.

SECRETARIAL AUDIT

K Bindu & Associates, Company Secretaries in Wholetime Practise, has carried out Secretarial Audit of the Company for the financial year 2018-19 in terms of provisions of section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report for the financial year under review is appended hereto as Annexure 3.

SECRETARIAL STANDARDS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREX EARNINGS AND OUTGO

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to energy conservation, technology absorption and foreign exchange earnings and outgo, are provided in Annexure 4 appended hereto. The Company being focused on operations within the country and does not render any services outside India, hence, there are no particulars that need to be given on export initiative.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on appointment of and payment of remuneration to Directors and other matters provided in Section 178(3) of the Companies Act, 2013 is given in the report of Corporate Governance.

DISCLOSURES ON POLICIES & OTHER STATUTORY DOCUMENTS

Details of programs for familiarisation of Independent Directors are available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Policy for determining material subsidiaries of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Policy for determining Materiality of Events and the Information is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Archival policy of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Code of Conduct of Board of Directors and Senior Management Personnel of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Policy for dealing with related party transactions is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>



Directors' report (Contd.)

The Dividend Distribution Policy is given as Annexure 5 to this report. The same is also available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Remuneration Policy of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of the Companies Act, 2013 and the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

A draft of the Annual Return as specified under Section 92 of the Companies Act, 2013 for the financial year ended March 31, 2019 is hosted on the website of the Company at <http://www.futuresupplychains.com/annual-reports.html>

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company, based on recommendation made by CSR Committee, has formulated and approved a CSR Policy for the Company. The CSR Committee is chaired by C P Toshniwal - Non-Executive Director. Amar Sapra - Independent Director and Rakesh Biyani - Non-Executive Director are other members of the CSR Committee. At its meeting held on November 2, 2018, CSR Committee identified the program(s) to be undertaken for spending the CSR amount and recommended to the Board. The disclosures according to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in prescribed form which is appended hereto as Annexure 6.

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.

MATERIAL CHANGES AND COMMITMENTS

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

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure 7 appended hereto.

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

EMPLOYEE STOCK OPTION PLAN

Details required to be provided under Section 62 of the Companies Act, 2013 and Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014) and SEBI (Share Based Employee Benefits) Regulations, 2014 are given in Annexure 8 appended hereto.

Directors' report (Contd.)

EXTRACT OF ANNUAL RETURN



In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended March 31, 2019 is given in Annexure 9 appended hereto.





CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India are given in this Annual Report. In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein Standalone and Consolidated Financial Statements of the Company and the Audited Financial Statements of the subsidiary company have been placed on the website of the Company – www.futuresupplychains.com. The Audited Financial Statements of the subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of ensuing Annual General Meeting. The aforesaid documents relating to subsidiary company can be made available to any member interested in obtaining the same upon a request in that regard made to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, Directors of the Company state that –

-  in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
-  they had 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 profits of the Company for that year;

-  they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
-  they had prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis;
-  they had laid down internal financial controls to be followed by the Company and such financial controls are adequate were operating effectively; and
-  they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AWARDS AND RECOGNITION

During the year under review, your Company was awarded with the following recognitions:

-  **Brand of the Decade** - Logistics, Supply Chain & Warehousing;
-  **Best Cold chain 3PL Service Provider** at Global Award for Excellence in Logistics & Supply Chain;
-  **Overall Excellence in Logistics and Supply Chain** at Global Award for Excellence in Logistics & Supply Chain;
-  **Best 3PL company of the year** at ELSC 2018; and
-  **Supply Chain Excellence in Apparel Distribution** at Global Logistics show.

SEXUAL HARASSMENT POLICY

The Company is committed to foster a healthy working environment that enables the employees to work without fear of prejudice, gender bias and sexual harassment. The Company seeks to ensure that every gender should have equal opportunity and no preferential or discriminatory treatment is meted out to anyone on grounds of sex alone. The Company has in place a strong policy on prevention of sexual harassment at workplace,



Directors' report (Contd.)

which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company conducts programs to spread awareness to prevent gender related harassment or discrimination, and in the event of such an occurrence, provides recourse to the concerned individual. This policy extends to all employees and is incorporated in the service conditions code of conduct of all employees. This policy is consistent and designed to comply with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formed Internal Complaints Committee (ICC) across all zones in India, which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. The ICC is chaired by Nupur Singh and has representation from Sheetal Niwalkar who is empanelled with other renowned corporates and is a subject matter expert. The Committee works towards creating an atmosphere that promotes equality, non-discrimination and gender justice. It facilitates measures to ensure there is no hostile environment towards employees at the workplace. It also monitors and reviews the implementation and effectiveness of sexual harassment policy acting as highest point of escalation in case of complaint in the Company.

ACKNOWLEDGEMENT

Your Directors desire to place on record, their appreciation to all employees at all levels, who during the year under review, with sustained dedicated effort, enabled the Company to deliver a remarkable performance.

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

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

Mayur Toshniwal
Managing Director

C P Toshniwal
Director

Mumbai, May 13, 2019

Annexure 1

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

PART A: SUBSIDIARY

(₹ in Lakh)	
Name of the Subsidiary Company	Vulcan Express Private Limited
Date of Acquisition	February 2, 2018
Reporting period for the subsidiary	March 31, 2019
Reporting currency	INR
Share Capital	1,506.01
Reserves & Surplus	(1,753.42)
Total Assets	218.16
Total Liabilities	465.57
Investments	Nil
Turnover	294.23
Profit before Taxation	(164.32)
Provision for Taxation	Nil
Profit after Taxation	(164.32)
Proposed Dividend	Nil
% of Shareholding	100.00

PART B: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate & Joint Ventures

Name of Associate	Leanbox Logistics Solutions Private Limited
Latest audited Balance Sheet Date	March 31, 2019
No. of shares of Associate held by the Company on the year end	1,78,500
Amount of investment in Associate	899.99
Extend of Holding (%)	50.00
Description of how there is significant influence	Shareholding more than 20%
Reason why the associate is not consolidated	Not Applicable
Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakh)	229.65
Profit/(Loss) for the year (₹ in Lakh)	
- Considered in consolidation	(209.86)
- Not considered in consolidation	

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

Mayur Toshniwal **C P Toshniwal**
Managing Director Director

Mumbai, May 13, 2019



Annexure 2

FORM AOC-2

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

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

PART A - DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

Sl. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	None
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

PART B - DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sl. No.	Particulars	Details
1	Name of the related party & nature of relationship	Leanbox Logistics Solutions Pvt Ltd. (" Leanbox "). Leanbox is an Associate of the Company.
2	Nature of contracts/ arrangements/ transaction	Business Transfer Agreement/ Slump Sale Agreement ²
3	Duration of the contracts/ arrangements/ transaction	N.A.
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The Agreement provides for transfer of Last Mile Delivery Business Undertaking of the Company on a going concern and as a Slump Sale basis, in exchange of 4,71,235 equity shares of ₹ 10/- to be issued to the Company by Leanbox.
5	Date of approval by the Board	February 7, 2019
6	Amount paid as advances, if any	Nil

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

Mayur Toshniwal
Managing Director

C P Toshniwal
Director

Mumbai, May 13, 2019

² Yet to be entered into.

Annexure 3

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members
Future Supply Chain Solutions Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the

extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings



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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as applicable;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable.**
- (v) Based on the representation given by the Management of the Company and as verified by me, it is stated that there are no such laws which are specifically applicable to the industry in which the Company operates.








Annexure 3 (Contd.)

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

-  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;
-  SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

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

We further report that:

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

We further Report that during the audit period of the Company there was an instance of

1. Scheme of Arrangement with the wholly owned subsidiary of the Company;
2. There were no instances of:
 - a. Demerger/ Restructuring
 - b. Redemption/ Buy-Back of Securities
 - c. Foreign Technical Collaborations

This Report is to be read with my letter of 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 Supply Chain Solutions Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis, wherever considered necessary, to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and occurrence of events.
5. 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

Membership No. A20066
CP No. 7378

Date: May 10, 2019
Place: Mumbai



Annexure 4

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY:

(I) The steps taken or impact on conservation of energy:

Adequate measures have been taken to reduce energy consumption. The Company, to the extent possible, uses the energy saver electronic equipment to conserve the energy.

(II) The steps taken by the Company for utilising alternate source of energy:

All efforts are made to use more natural lights at office/ warehouse locations to optimise the consumption of energy.

(III) The capital investment on energy conservation equipment:

Nil

B. TECHNOLOGY ABSORPTION:

The Company has installed high speed cross belt sorter system at MIHAN distribution centre in Nagpur, which is the first of its kind in India, with a sorting capacity of approximately 2,000 cases per hour. The cross-belt sorter was developed by Germany-headquartered Beumer Group, Germany and became operational in July 2017. The said sorter system has continued to result in higher efficiency, reduced costs and minimal operational shortcomings. No further expenses were incurred on research and development on sorter system.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

There is no expenditure on R&D, Technology Absorption, adoption & innovation during the financial year under report. The Company being catering to retail sector & being in service industry, does not have any specific exports initiatives to report to members.

	(₹ in Lakh)	
Foreign Exchange Earnings & Outgo	2018-19	2017-18
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo:		
Travel	5.41	3.82
Freight Forwarding	24.31	37.07
Software License	Nil	30.37
Professional Fees	1.72	215.97
Spare Part	4.85	9.24
Fixed Asset Purchase	241.18	162.63

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

Mayur Toshniwal
Managing Director

C P Toshniwal
Director

Mumbai, May 13, 2019

Annexure 5

DIVIDEND POLICY

COMPANY'S PHILOSOPHY:

Future Supply Chain Solutions Limited ('FSC') strives to ensure and preserve stakeholders' value and work towards enhancing net worth of the Company as well as overall stakeholders' value. While achieving the above objective, the Company also ensures protecting the interest of all stakeholders, including the society at large. FSC looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximise long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our Dividend philosophy is in line with the above principles. Our Dividend payout ratio would be ranging from 25% to 60% of the earned profits for the year, after adjusting any carried forward losses. Dividend Payout ratio would be reviewed every three year and would be based upon profitability and retained earnings and would be further subject to business requirements and general economic conditions. The Company will attempt to maintain a consistent dividend record to reward shareholders.

DECLARATION OF DIVIDEND:

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

PER SHARE BASIS:

The dividend will be declared on per share basis only.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY NOT EXPECT DIVIDEND:

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








FINANCIAL PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND:

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



INTERNAL AND EXTERNAL FACTORS CONSIDERED WHILE DECLARING DIVIDEND:

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

Internal:






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

External

-  Macro-economic environment
-  Competition



Annexure 5 (Contd.)

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

USAGE OF RETAINED EARNINGS:

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders

via Dividends or other means as permitted by applicable regulations.

PARAMETERS THAT ARE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

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 6

Statement on Corporate Social Responsibility

Pursuant to section 134(O) of the Act and Rule 9 of the Corporate Social Responsibility Rules, 2014

I. A Brief outline on Company's CSR Policy:

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

II. The composition of the CSR Committee as at March 31, 2019 is as under:

- C P Toshniwal (Chairman & Non-Executive Director)
- Amar Sapra (Independent Director)
- Rakesh Biyani (Non-Executive Director)

III. Average net profit of the Company for last three financial years: ₹ 6,353.03 Lakh

IV. Prescribed CSR expenditure (two per cent of the amount as in item III above): ₹ 127.06 Lakh

V. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹ 127.06 Lakh
- Amount unspent, if any: NIL
- Manner in which the amount spent during the financial year is detailed below:

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 was undertaken	Amount outlay (budget) Project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
1	Program 'Odha do Zindagi' undertaken by NGO 'Goonj'	Measures for reducing inequalities faced by socially and economically backward groups	Wayanad, Idduki, Kannur, Thrissur, Malappuram, Kottayam, Pathanamthitta, Palakkad, Alappuzha and Ernakulam (Kerala)	91.72	91.72	91.72	Implementing Agency



Annexure 6 (Contd.)

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 was undertaken	Amount outlay (budget) Project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
2	Creating livelihood opportunities for women self-help groups of Aastha Lok Sanchalit Sandhan Kendra	Employment enhancing vocational skills among differently abled and livelihood enhancement projects	Nagpur (Maharashtra)	22.67	22.67	22.67	Implementing Agency
3	Reducing hunger, poverty and malnutrition by improving the nutritional status of children between the age of 0 to 6 years through All India Institute of Local Self Government	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare	Bhadwad, Bhiwandi (Maharashtra)	12.66	12.66	12.66	Implementing Agency

* Excludes the unspent amount of previous year(s)

Sone Ki Chidiya Foundation ('SKC Foundation') – implementing agency, is set up with objective of empowering communities in various ways by engaging the people around strong social relevance of inclusive growth. SKC Foundation aims towards supporting economically challenged people to meet their social needs. In order to attain the objectives, SKC Foundation aligns its activities and works towards creating livelihood opportunities, supporting nutrition initiatives while reducing inequalities in society.

VI. 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.: N.A.

VII. The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For Future Supply Chain Solutions Limited

C P Toshniwal **Mayur Toshniwal**
Chairman-CSR Committee Managing Director

Mumbai, May 13, 2019

Annexure 7

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

- I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2018-19:

(₹ in Lakh)

Name of the Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2018-19*	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to MRE for Financial Year 2017-18
	1	2	3 = (1/ MRE)
Mayur Toshniwal – Managing Director	226.26	15%	59
P V Sheshadri – Chief Financial Officer #	132.04	15%	34
Samir Kedia – Chief Financial Officer	72.79	16%	19
Vimal K Dhruve – Company Secretary	34.26	40%	9

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

Since April 25, 2018

- II. In the financial year 2018-19, there was a decrease of 12% in the MRE.
- III. There were 1,905 permanent employees on the rolls of Company as on March 31, 2019.
- IV. The average percentage increase made in the remuneration of employees other than the managerial personnel for the financial year 2018-19 was 12% whereas the increase in managerial remuneration for the same financial year was 15%.
- V. There was no variable component in remuneration for any other non-executive directors. The Company has not paid any remuneration to the non-executive directors during the year 2018-19 or during the previous year. The variable component in the remuneration of the executive directors is in line with the remuneration policy of the Company taking into consideration the performance of the Company as well of the concerned director.
- 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 of
Future Supply Chain Solutions Limited

Mayur Toshniwal **C P Toshniwal**
Managing Director Director

Mumbai, May 13, 2019



Annexure 8

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED EMPLOYEES STOCK OPTION PLAN – 2017

Future Supply Chain Solutions Limited has granted stock options to eligible employees under Employee Stock Option Plan (“**FSC ESOP 2017**”) with a view to attract and retain key talent working with the Company, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Disclosure with respect to FSC ESOP 2017 as at March 31, 2019

I	Date of Shareholders’ approval	August 8, 2017 (and ratified on August 22, 2018 pursuant to reg.12 of SEBI (SBEB) Regulations, 2014.)
II	Total number of options approved	4,00,000 stock options exercisable into equal number of equity shares of ₹ 10/- each.
III	Vesting requirements	Options granted under FSC ESOP 2017 would vest in accordance with the terms of Grant, subject to maximum period of 3 years from the date of grant of such Options.
IV	Exercise price or pricing formula	₹ 350/-
V	Maximum term of options granted	3 years from the date of vesting
VI	Source of shares (primary, secondary or combination)	Primary
VII	Variation in terms of options	None
VIII	Lock-in period	None
VIII	Method used to account for ESOP	Black Scholes Method

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 2018-19: ₹ 371.80 Lakh.

Option movement during the year ended on March 31, 2019

SL. No.	Particulars	Details of FSC ESOP 2017
1	Details Number of options outstanding at the beginning of the year	2,69,700
2	Number of options revised during the Year during the year	Nil
3	Number of options granted during the year	Nil
4	Number of options forfeited / Cancelled /lapsed during the year	5,625
5	Number of options vested during the year	52,815
6	Number of options exercised during the year	24,875
7	Number of shares arising as a result of exercise of options	24,875
8	Exercise Price (₹)	350
9	Money realised by exercise of options, if scheme is implemented directly by the Company (₹)	87,06,250
10	Loan repaid by the Trust during the year from exercise price received	N.A.
11	Total number of options outstanding (in force) at the end of the year	2,39,200
12	Number of options exercisable at the end of the year	27,940

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

Annexure 8 (Contd.)

Employee-wise details of options granted under FSC ESOP 2017 during three years prior to IPO:

I. Senior Managerial Personnel & KMPs

Name and Designation	Options granted ³ under FSC ESOP 2017 at an exercise price of ₹ 350/-
Mayur Toshniwal (Managing Director)	42,000
P V Sheshadri (CEO)	42,000
C P Toshniwal (Non-Executive Director)	35,000
Sougato Shome	21,600
Vimal K Dhruve (Company Secretary)	15,000
ASR Prasad	15,000
Divyansh Rathore	15,000
Sanjeev Mandal	14,400

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

Name	No. of options granted ³ under FSC ESOP 2017
Mayur Toshniwal	42,000
P V Sheshadri	42,000
C P Toshniwal	35,000
Sougato Shome	21,600
Vimal K Dhruve	15,000
ASR Prasad	15,000
Divyansh Rathore	15,000
Sanjeev Mandal	14,400

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

Details regarding allotment of shares made under FSC ESOP 2017:

I. Number of shares issued under FSC ESOP 2017 during the financial year 2018-19

24,875

II. The price at which such shares were issued

₹ 350/-

III. Employee wise details of the shares issued against exercise of stock options:

Senior Management Personnel	Number of shares
- Mayur Toshniwal	8,400
- Vimal K Dhruve	1,850
- A S R Prasad	3,000
- Sanjeev Mandal	2,000
Any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year	None
Identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the Company at the time of issuance	None

³ Granted during the F.Y.2017-18.



Annexure 8 (Contd.)

IV. 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

 **Method and Assumptions used to estimate the fair value of options granted during the year:** Refer to Note No. 33 in the Notes to Financial Statements.

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

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

Mayur Toshniwal
Managing Director

C P Toshniwal
Director

Mumbai, May 13, 2019

Annexure 9

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	: L63030MH2006PLC160376
Registration Date	: March 8, 2006
Name of the Company	: Future Supply Chain Solutions Limited
Category / Sub-Category of the Company	: Public Limited Company
Address of the Registered office and contact details	: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060 Tel.: +91 22 6644 2200
Whether listed company	: Yes
Name, Address and Contact details of Registrar and Transfer Agent	: Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 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: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Logistics Services (Warehousing and Storage, Support Service for Transportation)	52101, 52102, 52109, 52219	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Future Enterprises Limited Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400060	L52399MH1987PLC044954	Ultimate holding company	0.00	Section 2(46) & 2(87)(ii)
2	Ritvika Trading Private Limited Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400060	U74999MH2017PTC292801	Holding company	51.19	Section 2(46) & 2(87)(ii)
2	Vulcan Express Private Limited 61/1, Block III, Kirti Nagar, WHS New Delhi 110015	U63090DL2013PTC261203	Subsidiary company	100.00	Section 2(87)(ii)
3	Leanbox Logistics Solutions Pvt. Limited C-603, Mangalya Building, Marol Maroshi Road Gamdevi, Near Leafio Hotel, Andheri - East Mumbai 400059	U74999MH2016PTC282290	Associate company	50.00	Section 2(6)



Annexure 9 (Contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

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. Promoters									
(1) Indian									
Individual/HUF	200	Nil	200	Nil	200	Nil	200	0.00	Nil
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	2,10,15,717	Nil	2,10,15,717	52.47	2,10,15,717	Nil	2,10,15,717	52.43	(0.04)
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	2,10,15,917	Nil	2,10,15,917	52.47	2,10,15,917	Nil	2,10,15,917	52.43	(0.04)
(2) Foreign									
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2,10,15,917	Nil	2,10,15,917	52.47	2,10,15,917	Nil	2,10,15,917	52.43	(0.04)
B. Public Shareholding									
1. Institutions									
Mutual Funds	52,51,223	Nil	52,51,223	13.11	50,63,468	Nil	50,63,468	12.63	(0.48)
Banks / FI	90,315	Nil	90,315	0.23	73,059	Nil	73,059	0.18	(0.05)
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Funds/ Alternate Investment Fund	19,81,211	Nil	19,81,211	4.95	22,59,011	Nil	22,59,011	5.64	0.69
Insurance Companies	24,331	Nil	24,331	0.06	24,331	Nil	24,331	0.06	Nil
FIs/ FPIs	22,88,004	Nil	22,88,004	5.71	18,46,999	Nil	18,46,999	4.61	(1.10)
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	96,35,084	Nil	96,35,084	24.05	92,66,868	Nil	92,66,868	23.12	(0.93)
2. Non-Institutions									
a) Bodies Corp.									
- Indian	5,55,071	Nil	5,55,071	1.39	7,26,688	Nil	7,26,688	1.81	0.42
- Overseas	67,81,430	Nil	67,81,430	16.93	67,81,430	Nil	67,81,430	16.92	(0.01)

Annexure 9 (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
Individual shareholders holding nominal share capital upto ₹ 1 Lakh	10,17,530	5	10,17,535	2.54	8,91,072	5	8,91,077	2.22	(0.32)
Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	9,61,214	Nil	9,61,214	2.40	13,05,575	Nil	13,05,575	3.26	0.86
NBFCs	Nil	Nil	Nil	Nil	46	Nil	46	0.00	0.00
HUF	62,070	Nil	62,070	0.16	50,938	Nil	50,938	0.13	(0.03)
Firm	8,209	Nil	8,209	0.02	Nil	Nil	Nil	Nil	(0.02)
NRI	9,553	Nil	9,553	0.02	20,939	Nil	20,939	0.05	0.03
Clearing members	10,133	Nil	10,133	0.03	11,613	Nil	11,613	0.03	0.00
Director	22	Nil	22	0.00	10,022	Nil	10,022	0.03	0.03
Sub-total (B)(2):-	94,05,232	5	94,05,237	23.48	97,98,323	5	97,98,328	24.45	0.97
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,90,40,316	5	1,90,40,321	47.53	1,90,65,191	5	1,90,65,196	47.56	0.03
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	4,00,56,233	5	4,00,56,238	100.00	4,00,81,108	5	400,81,113	100.00	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	Future Enterprises Limited	2,05,15,917	51.22	Nil	100	0.00	Nil	(51.22)
2	Ritvika Trading Private Ltd.	Nil	Nil	Nil	2,05,15,817	51.19	Nil	51.19
3	Suhani Trading & Investment Consultants Pvt Ltd	4,99,700	1.25	Nil	4,99,700	1.25	Nil	(0.00)
4	Future Retail Limited	100	0.00	Nil	100	0.00	Nil	Nil
5	Kishore Biyani	100	0.00	Nil	100	0.00	Nil	Nil
6	Vijay Biyani	100	0.00	Nil	100	0.00	Nil	Nil
7	Retail Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Infra Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	2,10,15,917	52.47	Nil	2,10,15,917	52.43	Nil	(0.03)



Annexure 9 (Contd.)

(iii) Change in Promoters' Shareholding

	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
Future Enterprises Limited	2,05,15,917	51.22		
(Decrease): December 28, 2018	(2,05,15,817)	(51.22)		
At the End of the year			100	0.00
Ritvika Trading Private Limited	Nil	Nil		
Increase: December 28, 2018	2,05,15,817	51.19		
At the End of the year			2,05,15,817	51.19

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

Sl. No.		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	Griffin Partners Limited	58,63,475	14.64		
	At the End of the year			58,63,275	14.63
2	L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	23,74,973	5.93		
	Increase: April 6, 2018	15,462	0.04		
	Increase: April 13, 2018	10,538	0.03		
	Increase: April 20, 2018	27,000	0.07		
	Increase: April 27, 2018	1,00,363	0.25		
	Increase: May 4, 2018	5,000	0.01		
	Increase: May 25, 2018	1,721	0.00		
	Increase: June 1, 2018	10,829	0.03		
	Increase: June 8, 2018	7,058	0.02		
	Increase: July 13, 2018	2,000	0.00		
	Increase: March 8, 2019	1,00,000	0.25		
	Increase: March 22, 2019	1,28,428	0.32		
	Increase: March 29, 2019	1,000	0.00		
	At the End of the year			27,84,372	6.95
3	Edelweiss Alternative Investment Opportunities Trust - Edelweiss Crossover Opportunities Fund	15,70,857	3.92		
	Increase: May 13, 2018	3,374	0.01		
	Increase: May 25, 2018	22,575	0.06		
	Increase: July 6, 2018	1,54,000	0.38		
	Increase: July 20, 2018	5,000	0.01		
	Increase: August 3, 2018	5,000	0.01		
	Increase: August 10, 2018	1,00,000	0.25		
	Increase: September 7, 2018	5,500	0.01		
	At the End of the year			18,66,306	4.66

Annexure 9 (Contd.)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Kotak Funds - India Midcap Fund	13,40,538	3.34		
	(Decrease): October 12, 2018	(10,040)	(0.03)		
	(Decrease): October 26, 2018	(14,513)	(0.04)		
	(Decrease): November 16, 2018	(110)	(0.00)		
	(Decrease): November 23, 2018	(982)	(0.00)		
	(Decrease): November 30, 2018	(7,973)	(0.02)		
	(Decrease): December 7, 2018	(2,973)	(0.01)		
	At the End of the year			13,03,947	3.25
5	GTI Capital Gamma Pvt Ltd.	9,17,955	2.29		
	At the End of the year			9,17,955	2.29
6	Reliance Capital Trustee Co. Ltd - a/c Reliance Small Cap Fund	4,96,825	1.24		
	Increase: April 27, 2018	5,536	0.01		
	Increase: May 18, 2018	10,948	0.03		
	Increase: May 25, 2018	2,25,000	0.56		
	Increase: June 1, 2018	3,292	0.01		
	Increase: June 22, 2018	86,887	0.22		
	Increase: January 25, 2019	1,279	0.00		
	At the End of the year			8,29,767	2.07
7	IDFC Sterling Value Fund	6,14,116	1.53		
	Increase: April 6, 2018	21,688	0.05		
	Increase: April 13, 2018	9,116	0.02		
	Increase: April 20, 2018	1,557	0.01		
	Increase: May 4, 2018	22,970	0.06		
	Increase: May 11, 2018	3,817	0.01		
	Increase: June 22, 2018	11,718	0.02		
	Increase: June 30, 2018	3,282	0.01		
	Increase: July 13, 2018	18,500	0.05		
	Increase: July 20, 2018	9,782	0.02		
	(Decrease): August 31, 2018	(52,907)	(0.13)		
	(Decrease): September 7, 2018	(60,366)	(0.15)		
	(Decrease): September 14, 2018	(23,273)	(0.06)		
	Increase: September 21, 2018	385	0.00		
	Increase: September 29, 2018	4,635	0.01		
	Increase: October 19, 2018	600	0.00		
	Increase: October 26, 2018	4,765	0.01		
	Increase: November 23, 2018	2,000	0.00		
	Increase: January 25, 2019	1,455	0.01		
	(Decrease): February 8, 2019	(1,999)	(0.01)		
	Increase: February 22, 2019	316	0.00		
	Increase: March 1, 2019	1,229	0.01		
	At the End of the year			5,93,386	1.48



Annexure 9 (Contd.)

Sl. No.		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
8	Anshuman Singh	5,10,771	1.28		
	Increase / Decrease during the year	Nil	Nil		
	At the End of the year			5,10,771	1.27
9	HDFC Trustee Company Ltd. A/C HDFC Balance Advantage Fund	12,78,123	3.19		
	Increase: April 6, 2018	1,30,000	0.32		
	(Decrease): July 6, 2018	(1,43,449)	(0.36)		
	(Decrease): July 20, 2018	(5,233)	(0.01)		
	(Decrease): August 10, 2018	(1,00,000)	(0.25)		
	(Decrease): September 7, 2018	(3,55,700)	(0.90)		
	(Decrease): September 14, 2018	(10,200)	(0.03)		
	(Decrease): February 15, 2019	(1,53,120)	(0.39)		
	(Decrease): March 1, 2019	(1,00,000)	(0.25)		
	(Decrease): March 22, 2019	(50,000)	(0.12)		
	At the End of the year			4,90,421	1.22
10	India Opportunities Growth Fund Ltd - Pinewood Strategy	Nil	Nil		
	Increase: September 7, 2018	20,000	0.05		
	Increase: September 14, 2018	1,44,489	0.36		
	Increase: September 21, 2018	35,301	0.09		
	Increase: September 29, 2018	57,088	0.14		
	Increase: October 5, 2018	51,652	0.13		
	Increase: October 12, 2018	49,364	0.12		
	Increase: October 19, 2018	15,435	0.04		
	Increase: October 26, 2018	9,492	0.02		
	Increase: November 2, 2018	5,848	0.01		
	Increase: November 9, 2018	4,843	0.01		
	Increase: November 23, 2018	1,000	0.00		
	Increase: November 30, 2018	10,488	0.03		
	Increase: December 7, 2018	1,712	0.00		
	Increase: December 14, 2018	500	0.00		
	Increase: February 8, 2019	5,999	0.02		
	Increase: February 22, 2019	7,500	0.02		
	Increase: March 29, 2018	3,209	0.01		
	At the End of the year			4,23,920	1.06

Annexure 9 (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director/ KMP For Each of the Directors and KMP	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	Mayur Toshniwal	22	Nil		
	Increase: June 8, 2018	1,300	0.00		
	Increase: July 2, 2018	300	0.00		
	Increase: January 24, 2019	4,000	0.01		
	Increase: March 19, 2019	4,400	0.01		
	At the End of the year			10,022	0.02
2	P V Sheshadri	Nil	Nil		
	Increase / Decrease during the year	Nil	Nil		
	At the End of the year			Nil	Nil
3	Samir Kedia	Nil	Nil		
	Increase / Decrease during the year	Nil	Nil		
	At the End of the year			Nil	Nil
4	Vimal K Dhruve	Nil	Nil		
	Increase: July 13, 2018	25	0.00		
	Increase: January 24, 2019	1,250	0.00		
	Increase: March 19, 2019	600	0.00		
	At the End of the year			1,875	0.00

V. INDEBTEDNESS

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

(₹ in Lakh)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,343.06	Nil	Nil	3,343.06
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition	22,150.67	Nil	Nil	22,150.67
Reduction	3,343.06	Nil	Nil	3,343.06
Net Change	18,807.61			18,807.61
Indebtedness at the end of the financial year				
i) Principal Amount	21,115.84	Nil	Nil	21,115.84
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1,034.83	Nil	Nil	1,034.83
Total (i+ii+iii)	22,150.67	Nil	Nil	22,150.67



Annexure 9 (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mayur Toshniwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	225.95	225.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22.92	22.92
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option (Nos.)	42,000 ⁴	
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit		
	- others		
5	Others	Nil	Nil
	Total (A)	248.87	248.87
	Ceiling as per the Act	300.00	300.00

B. Remuneration to other Directors

Independent Directors

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of the Independent Director					Total Amount
		Bala Despande	Rahul Garg	Janat Shah	Amar Sapra	Malini Chopra	
1	Fees for attending the Board and Committee meetings	3.15	2.85	0.90	1.50	0.30	8.70
2	Commission	Nil	Nil	Nil	Nil	Nil	Nil
3	Any other	Nil	Nil	Nil	Nil	Nil	Nil
	Total (I)	3.15	2.85	0.90	1.50	0.30	8.70
	Ceiling as per the Act	₹ 1 Lakh to each Director per meeting of the Board of Directors and Committee thereof					

Other Non-Executive Directors

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of the Non-Executive Director			Total Amount
		Rakesh Biyani	Shyam Maheshwari	C P Toshniwal	
1	Fees for attending the Board and Committee meetings	1.80	Nil	1.80	3.60
2	Commission	Nil	Nil	Nil	Nil
3	Any other	Nil	Nil	Nil	Nil
	Total (II)	1.80	Nil	1.80	3.60
	Overall ceiling as per the Act	₹ 1 Lakh to each Director per meeting of the Board of Directors and Committee thereof			

⁴ Granted during the F.Y.2017-18.

Annexure 9 (Contd.)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		P V Sheshadri ⁵	Vimal Dhruve	Samir Kedia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	134.52	33.93	72.46	238.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.37	5.77	0.32	6.47
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option (Nos.) ⁶	42,000	15,000	Nil	57,000
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others				
5	Any other	Nil	Nil	Nil	Nil
	Total	134.89	39.70	72.78	244.53

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

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

Mayur Toshniwal **C P Toshniwal**
Managing Director Director

Mumbai, May 13, 2019

⁵ From April 25, 2018.

⁶ Granted during the F.Y.2017-18.



Business Responsibility Report

OVERVIEW

Future Supply Chain Solutions Limited ("FSC" or the "Company") provides smart warehousing, an efficient transportation and distribution system, temperature controlled logistics and last mile delivery logistics. The solution architecture is orchestrated through sophisticated and highly automated state-of-the-art technology systems, pan-India distribution network, integrated warehouse management systems and hub and spoke transportation model enabling innovative service offerings to the customers in an optimised and cost efficient manner.

FSC caters to corporates in Fashion & Apparels, Food & Beverages, Consumer Electronics & High Tech, Automotive & Engineering, Home & Furniture,

Healthcare, General Merchandise and E-Commerce sectors.

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Directors of FSC hereby present the Business Responsibility Report ("BRR") of the Company for the financial year ended March 31, 2019.




This BRR defines FSC'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	L63030MH2006PLC160376
2	Name of the Company	Future Supply Chain Solutions Limited
3	Registered address	Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futuresupplychains.com
5	E-mail id	investorrelations@futuresupplychains.com
6	Financial Year reported	2018-19
7	Sectors(s) that the Company is engaged in (industrial activity code-wise)	Logistics Services (Warehousing and Storage, Support Service for Transportation) NIC Codes: 52101, 52102, 52109, 52219
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Warehousing and Storage; ii. Transportation; and iii. Cold Chain operations
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	None
	(b) Number of National Locations	As on March 31, 2019, the Company operations are run through 96 warehouses across India. Its "hub-and-spoke" distribution model comprising 14 hubs and 134 operational branches across India, covering 12,345 pin codes across India.
10	Markets served by the Company - Local/State/ National/International	National

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PART B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 4,008.11 Lakh
2	Total Turnover (INR)	₹ 1,11,838.44 Lakh (Standalone)
3	Total profit after taxes (INR)	₹ 6,515.72 Lakh (Standalone)
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 ₹ 127.06 Lakhs 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 ₹ 6,353.04 lakhs, which spent by the Company during the year.
5	List of activities in which expenditure in 4 above has been incurred	<p>During the year under review, the Company spent its' CSR contribution through "Sone Ki Chidiya Foundation" ('SKC Foundation'), which in-turn has deployed these funds towards the following avenues for fund disbursement:-</p> <ul style="list-style-type: none">  Measures for reducing inequalities faced by socially and economically backward groups;  Promoting livelihood enhancement opportunities;  Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare <p><i>(For further details please see the Corporate Social Responsibility Report forming part of Directors' Report)</i></p>

PART C: OTHER DETAILS

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	FSC has one subsidiary company for the year ended March 31, 2019
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)	Yes, one subsidiary company
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Based on discussion with suppliers and distributors, currently less than 30% of other entities participate in BR initiatives of the Company.



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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)	01655776
2	Name	Mayur Toshniwal
3	Designation	Managing Director
4	Telephone number	022-7142-9100
5	E-mail ID	Mayur.toshniwal@futuregroup.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 marginalised.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

BR Policies and coverage of NVG Nine principles:

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

Sr. No.	Questions	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

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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
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 Managing Director								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of policy?	Yes, the FSC's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	http://www.futuresupplychains.com/code-policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	In the reporting period, Future Group has instituted a Sustainability Cell, which has developed the Future Group's sustainability vision, framework and policies. Evaluation and deployment of these policies and processes will be in line with the international guidelines. 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								



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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 2018-19 forms part of the Annual Report, which is published and is also available on the website of the Company: http://www.futuresupplychains.com/annual-reports.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. FSC'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.

FSC'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 & 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 further 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 Services", "Resource Efficiency", "Responsible Supply Chain" and "Happy Communities". The coming reporting period will see engagements with different members of the value chain, deployment of these policies on the basis of these four pillars through strengthening of processes, creation of roadmaps, 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.

Vigil Mechanism

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

FSC'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 Anti Bribery and Anti-Corruption (ABAC) officer empowered to enquire into the matter.

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FSC has deployed the whistle blower protection policy to safeguard the identity of person(s) who has reported the violation.

There were no complaints received by FSC under the Whistle Blower Policy as on March 31, 2019.

Grievance Redressal Mechanism

FSC 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 basis of caste, religion and gender. During the reporting period, there were no complaints received by the Company.

The committee on Prevention of Sexual Harassment (POSH) comprising 25 members addresses all sexual harassment complaints. A POSH policy of the Company is also available on the intranet for easy access to all employees.

Any complaints with regard to sexual harassment can be reported at poshcommittee@futuresupplychains.com in order to resolve grievance. The Company has not received any complaint on sexual harassment during the reporting year.

Investors

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

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

During the year under review, the Company

received total 6 investor complaints, which have been satisfactorily resolved by the Company and its Registrar and Transfer Agents.

Customers

Customers of FSC can raise their concerns regarding service deficiencies vide an escalation matrix mutually understood by both FSC and the Customer through both offline and online interfaces, which includes voice or email and all these concerns are 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.


Principle 2: Stewardship

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

FSC offers automated and IT enabled warehousing, distribution and other logistics solutions to a wide range of customers. The Company's service offerings, warehousing structure, pan-India distribution network, "hub-and spoke" transportation model and automated technology systems including amongst others a "Dynamic Put-to-Light (PTL) sortation system and a high-speed cross-belt sorter at its distribution centre at Nagpur to support its competitive market position.


Service Proficiency


The Company's business model enables it to act as a green service provider that can comprehensively cover customers' supply chain needs, which improves performance, reduces wastage, optimises cost, increases efficiencies, shortens lead-time to market, and positively impacts product life cycles.

 **Warehouse Management System (WMS)** - Provides customers with an inventory management tool that can be integrated directly with a customer's enterprise resource planning system, providing visibility of inventory in the distribution centre.



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 **Transport Management System (TMS)** - Provides shipment level visibility from pick-up to delivery to billing as well as routing solutions, and is linked to the enterprise resource planning system. The Company also integrates its customers' technologies with its own systems so as to provide the customers with proper visibility into their supply chain and enable real-time tracking.

 **Vehicle Tracking System (VTS)**- Provides real-time updates on location of the vehicle.

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

Sustainable sourcing

The Company is in the process of integrating sustainability criteria as per the supply chain CoC. The Company expects that its critical suppliers comply with 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.

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 services.

Truck Driver Safety

Ergonomic risks due to difficult and fixed seating postures, working and sleeping in congested spaces, long term exposure to air pollution, lack of hygiene and nutritious food, alcoholism and narcotics result in health issues.

Understanding the difficulties faced by the Indian truck driver community, FSC organised for a week's training programme and interactive sessions across all operations on the importance of safety, health, physical fitness and hygiene for them, while upholding their dignity and acknowledging their role.

Local Logistics

FSC has a network of around 700 logistics service providers including small scale transport agencies and fleet owners. This ensures cost optimisation and promotes local entrepreneurship.

The Company in association with the Logistics Skill Council (LSC) intends to induct nearly 1,500 apprentices in the logistics stream across India at operator and supervisory roles through the SHREYAS program and is committed to increase the female participation at workplace. The Company actively participates in the National Apprenticeship Promotion Scheme (NAPS) to create support in skill development and creating local employment opportunities for people living outside metros.

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

Principle 3: Employee Welfare

Business should promote the well-being of all employees

FSC's HR processes are guided by the inherent values of Future 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 logistics and warehousing solutions – offering new possibilities and encouraging people to rise up to new challenges every day.

FSC'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

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

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The manpower strength at FSC as on March 31, 2019 was as follows:

Total Employee Strength	
Contractual	Permanent
11,402	1,905

Break-up of manpower at FSC as on March 31, 2019 was as follows:

Level	Offices		Warehouses		Total	
	Female	Male	Female	Male	Female	Male
1	11	27	16	595	27	623
2	21	75	22	697	43	772
3	25	115	5	212	30	327
4	6	37	0	20	6	57
5	0	21	0	0	0	21
	63	275	43	1525	105	1800




Gender Diversity and Women Empowerment

FSC currently employs around 6% women in their workforce at Company level.

Recruitment Programmes

Parichay

“FSC Parichay” is a comprehensive program due to its unique and inclusive features of robust assessments, regular feedback mechanism, mentoring / buddy program and on-going development through virtual learning platform. Every year FSC hires Engineering Trainees and Management Trainees who undergo a year-long induction program designed to equip them with technical / functional expertise, management techniques, and the corporate way of working. The three important elements of the program include:

-  Class Room Training (CRT) designed to give orientation and insight of organisation, supply chain industry, concepts and functional specifics.
-  Field Induction to acclimatise trainees with their work environment across our various establishments.
-  On-the-Job Training in their respective functions as per their Job Description.

FSC Summer Samurai:

FSC engaged with 19 students from premier Business Schools for two months of their Summer Internship. During their internship, they were mentored by various Business Heads and got hands on experience.

Promotion and Recognition:

The Company through an internal evaluation process has advanced a number of its employees, providing them with both a higher rate of pay and financial incentives.

Employee Promotion for 2018-19

Gender	Inter Band Promotions	Intra Band Promotions	Total Promotions
Male	73	52	125
Female	8	4	12



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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 at Group level for eligible employees as per their grade. Employees are provided the liberty of a flexi time window that enable employees to achieve a work life balance.

Under FSCs' Khushali Programme, the Company has also partnered with various corporates to provide benefits for various employees such as:

Housing Benefits

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

Healthcare Benefits

The Company provides health insurance to employees and their dependents, free ambulance and health check-up service at leading hospitals / medical check-up centres, and further discounts for other services. Through the Company's initiative, employees of the Company are benefitted with medical test and nutritionist support.

Cash discounts to the Employees:

The employees of the Company are provided benefits in the form of cash discount that can be availed on purchase of any merchandise, food products or any other products available at

various stores operated within Future Group. Cash discounts offered to the employees are over and above their remuneration/ salary.

Facilities for employees with special needs

The Company makes its facilities accessible to persons with disability (PWD) through ramps and wheelchairs, thereby creating opportunities for the disadvantaged community for employment and economic development.

Employee Retention

Overall development of the employee at Group level, including customised growth plans, is integrated to make employees journey at FSC 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 encourages employees to apply for Internal Job Postings so as to explore other formats and verticals.

Employee growth, training and development and overall well-being

The Company ensures continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. At FSC, an assessment of training needs is conducted at the warehouse, Head offices, branches and satellite offices for all employees. The training needs are mapped and such trainings are imparted accordingly.

Some of the training programs conducted this reporting year are as follows:

Training Name	Training Description	Employees Trained	Training hrs per employee	Training Man-Hrs	Training Man Days
SOP Training	Training on various operational SOPs in the Warehouse & Branches	951	5	4,755	594
Induction	Training for organisational orientation delivered for all new joiners	775	24	18,600	2,325
Stress Management	Training to effectively managing workplace stress, to improve productivity and personal well-being.	188	4	752	94

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Training Name	Training Description	Employees Trained	Training hrs per employee	Training Man-Hrs	Training Man Days
Material Handling Training	A training course to create an awareness of the potential hazards associated with handling materials and precautions to be taken to prevent injuries.	404	2	808	101
IT & Systems Training	Various IT trainings for the effective utilisation of current IT systems like Fareye, TMS and Advanced Excel	10	8	80	10
Innovation & Productivity Training	A training focused to increase productivity and innovation in the workplace	88	2	176	22
Application Training	Training on use of Future 360 platform to apply for regularisation, leaves, reimbursements and travel request	1,557	1.5	2,335	292
Attrition Management	Sensitising Managers for their role in attrition management	16	1	16	2
Quality: Six Sigma/5S Training	Process Improvement training with training on models like six sigma, 5S and quality circle	24	5	120	15
Finance: E-bay Bill & GST	The GST training is a comprehensive guide to the new Goods and Service Tax regulations.	24	4	96	12

POSH Training

Awareness on the CoC and the sexual harassment policy is provided to all new employees during induction. POSH Committee training workshop for new employees covers topics related to investigation skills, basic counselling skills like listening, paraphrasing and dealing with biases through various kind of case studies and role plays activities based on real life examples. Workshop training also focused on the role of the Committee members, critical attitudes of a member, investigation process and report writing.

The Company also organises POSH trainings for its existing employees at various offices and warehouses to sensitise 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.

Particulars	Nos.
POSH Committee Meetings conducted	12
Committee Members	25
Awareness Sessions for Employees	5
Employees Participated	95

FSC has scheduled other training sessions for raising awareness on sexual harassment of women at workplace for employees yet to attend the training program.














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Creating an environment that is healthy and safe:

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




FSC through project contractors has a dedicated person at warehouse level who is responsible for implementing the health and safety policy. Its safety systems are certified by the United Kingdom Accreditation Service (UKAS) for implementation of OHSAS 18001. The vendors (and their employees working at the site, wherever applicable) are formally inducted into the health and safety system and an undertaking is taken with respect to adherence of the code of practice with remedial measures by FSC in case of violations. The functions of the project contractor includes:

-  Ensure training of contract / permanent employees during induction or via tool box talks;
-  Ensuring that their direct and indirect employee(s) perform and commit themselves to the Occupational Safety Plan;
-  Ensure employees including contractual employees wear the mandated personal protective equipment (as per the International Safety standards and in good working conditions) at all times within the premises on basis of their function at the site;
-  On site fire fighting system checks, testing and demonstrations, conducting mock drill;
-  Ensure safe access and egress to the site by ensuring traffic rules are followed by vehicles / movement of goods at the premises, displaying necessary safety signages and barricades at areas having risk at workplace and undertake root cause analysis for all accidents / fatalities if any;

-  Ensure that hazardous material are collected, stored, disposed of or recycled in proper and sound manner without causing any harm to any property, person and environment;
-  Organising awareness campaigns around National Safety Week;
-  Organise safety meets with high representation of the contract employees;
-  Monitoring and evaluating safety performance effectively and take all appropriate actions to rectify and improve overall Safety performance;
-  Implementation of No Alcohol/Narcotics policy;
-  Ensure that all vehicles used for transportation & material handling equipment are fit for use and have valid certifications.

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

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

-  **Fall Protection**– Full body harness should be used by all its employees working at the sites at all times when working at a height (more than 1.5 meters from the ground). Additional fall protection equipment's like safety nets may be made available and used at the sites.
-  **Cutting/Grinding/Welding**– The Project Contractors employees carrying out the activity shall wear safety goggles and masks in order to prevent eye injury.
-  **Handling sharp objects** – Project Contractors employees should handle such objects only after wearing anti-cut gloves.

During the year under review, the Company undertook training programs to sensitise employees about the EHS policy

Training Name	Employees Trained		Contractual Employees		Permanent Employees	
	Male	Female	Male	Female	Male	Female
Occupational Health and Safety Training	36	8	30	7	6	1
Workplace Safety Training	479	127	403	108	76	19

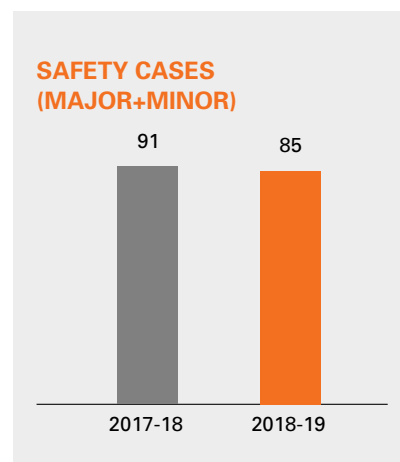
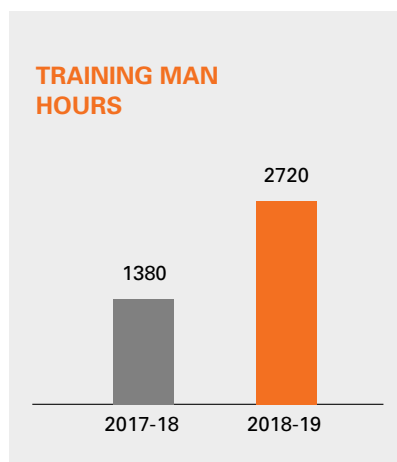
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Training Name	Employees Trained	Training Duration (hrs)	Training Man-Hrs	Training Man Days
Occupational Health and Safety Training	44	4	176	22
Workplace Safety Training	636	4	2,544	318

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

Health and Safety

Key matters	2018-19	2017-18
Lost time accident	1	4
Minor cases	30	36
Near miss cases	54	51
Total cases	85	91



Food Safety

The Mehsana Units are in the process of implementing ISO 22000 (Food Safety Standards), the accreditation is expected in the coming financial year.

National Safety Week

The theme to the National Safety week held during March 4, 2019 to March 10, 2019 was "Cultivate and Sustain a Safety Culture for building Nation". "Safety

Culture" is the baseline for the success of Safety efforts in any organisation and it is an attitude that every member at a workplace requires to own, to prevent harm to its peers. Safety pledge within the organisation recites as "Safety starts with "S" but begins with "U".

The Company engaged with employees through various activities including drawing, essay writing, poster making and slogan competitions on warehouse safety

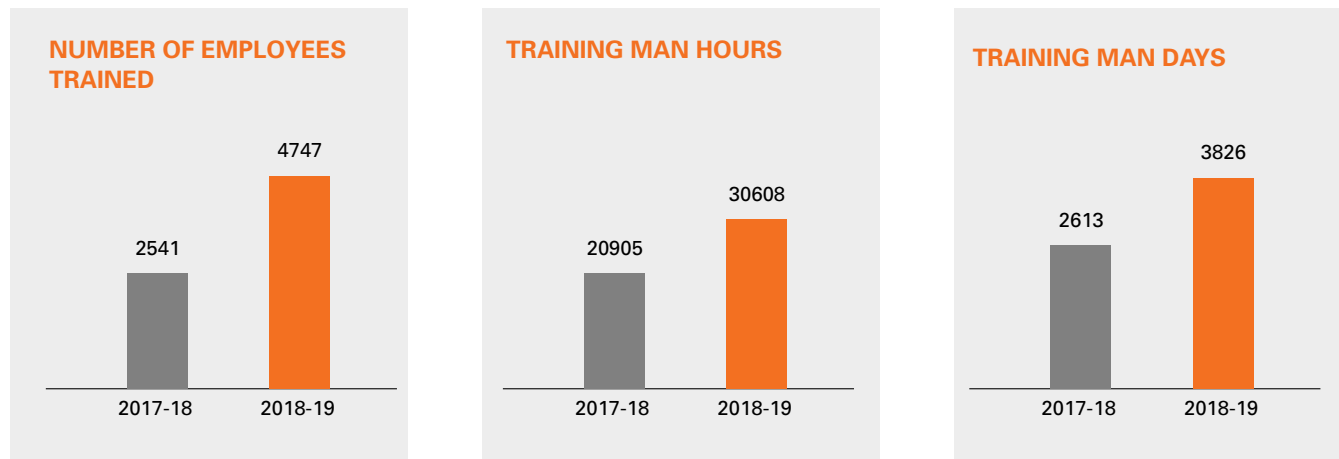


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themes, quiz competitions and crosswords to highlight the importance of Safety, Health and Environment at workplace and to instill responsibility amongst

employees to make their working environment safer. The organisation organised a safety march and mock drill to further deepen the understanding.

Training Performance Summary



Principle 4: Stakeholder Engagement

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

FSC'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".

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

The company is in the process of strengthening its stakeholder engagement process, understanding material issues, impacts and expectations. The progress of the same will be presented during the coming financial year.

The Company proactively engages with stakeholders through formal and informal channels and create a common dialogue that allows learning, understanding

of the operating environment, pooling of resources to positively impact and resolve problems that makes the organisation perform better.

Statutory bodies

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

Investor Engagement / Shareholders

The Company has an Investor Relations department, which proactively reaches out to institutional investors through participation in investor conferences that target institutional investors and high net worth individuals.

During the reporting period, some of the major conferences attended by the Company include:

1. Edelweiss GWAM Emerging Ideas Conference on November 27, 2018, Mumbai;
2. Antique India Conference on February 12, 2019, Mumbai;
3. Edelweiss India Conference on February 13, 2019, Mumbai;
4. Philip Capital Conference on March 14, 2019, Mumbai.

Business Responsibility Report (Contd.)

FSC has also engaged with an external PR agency, with the objective to create awareness on FSC in Financial Media, so that investors have wide access to information. Any information that is shared with media is also filed on the stock exchanges and is available to all relevant stakeholders. The Company issues a press release when it wants to share any new business development.

FSC 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.

Employee Engagement

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

The Company engaged with its employees including contractual employees on various events during the year, by:

-  Celebrating dates of national importance such as Republic Day and Independence Day by flag hoisting, remembering the brave martyrs of our land through songs, dance and drama;
-  Organising sports tournaments like cricket, badminton and carom;
-  Celebrating World Yoga Day by promoting good health and fitness;
-  Celebrating birthdays of employees;
-  Celebrating Women's Day by organising a cultural event of song, dance and fun events;
-  Organising frequent FSC Knowledge Café at Head Office to induce a culture of knowledge sharing and inspiration that strengthens team spirit and expands thought process;
-  Camping and trekking;
-  Recreating on regional festivals such as Durga Puja and Diwali.

Customer Engagement

FSC has defined Service Level Agreements (SLAs) for each of its customers, which focus on timely delivery to stores, safety of stocks, no damaged or defective products and no pilferage. The Company engages with customers to design solutions for new business opportunities.

Review meetings are conducted on monthly / quarterly basis with the customers to discuss the business plans ahead, issues if any and suggest solutions for the same.

Supplier / Vendor Engagement

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






Recently, the company hosted Reimagine, a special two-day meet at Nagpur to connect with its vendor partners to felicitate them and discuss both long term vision and opportunities of growth.

FSC'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, Safety and Moral.

Communities

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

The Company engages with its community through various initiatives including:-

-  **Blood Donation Drive:** Organised blood donation camps across 17 cities and contributed 708 units of blood;
-  **National Road Safety Week:** Created awareness on road safety, health & hygiene in the truck driver community through training and practical demonstrations
-  **Health Check-up camps**
-  **Tree plantation drives**
-  **Joy of Giving:** Celebrated Diwali with the theme "Joy of Giving"; FSC team visited students who are visually impaired and intellectually disabled at schools and donated books, clothes, food and water filters.



Business Responsibility Report (Contd.)

During the reporting period FSC deployed funds set aside for its community social responsibility activities through the Sone Ki Chidiya Foundation to support the vulnerable and the marginalised through actions that addressed basic needs, including nutrition and livelihood interventions. (Please refer to Principle 8 for more details)

Principle 5: Human Rights

Business should respect and promote human rights

Future Group's human rights policy extends to all entities in the Group, including FSC. The Company is committed to upholding human rights, and recognises and respects human rights of all stakeholders within and beyond the workplace. The intent of this is being conveyed to all 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 applicable deductions including PF, ESIC, contributions to various funds like Gratuity and other retirement benefits.

The Company ensures collection of age and identity proofs and PAN cards wherever applicable of all candidates hired and contracted with to ensure compliance to a 'no child labour policy'. FSC ensures non-discrimination by giving equal opportunity to all candidates irrespective of their caste, race, religion or gender.

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

Karta se Charcha

FSC provides its employees ample opportunities to voice their needs. Senior management team follows an open door policy approach to hear any grievances, feedback or suggestion from concerned employees. Karta se Charcha is one of the initiatives taken to establish a senior management connect with employees across the country.

Once a quarter, the CEO along with other senior management representatives addresses the employees

across zones via webinar. The session usually lasts for 2-3 hours where the CEO communicates recent achievements and developments along with initiatives for the next quarter.

FSC's employees express challenges and grievances via an online platform to senior management representatives. Adequate feedback and response mechanisms encourage openness and quick resolutions, hence FSC's employees do not feel the need to participate in collective bargaining activities.

The Company ensures that stakeholders impacted by the business have access to grievance mechanisms. No such complaints in this regards were received during the period under review.

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. FSC recognises the environmental challenges that the society faces and is committed to work throughout their value chain to help solve them. Environmental issues that are material include energy, water, emissions, fuel supply and waste.

FSC strives to comply with all applicable environmental norms, within the local and national boundaries.

Energy Efficiency and Climate Stewardship:

During the reporting period FSC proactively initiated actions to improve its energy performance across distribution centres, in keeping with the Group's Energy and Carbon Policy that outlines low carbon transformation through reduced energy consumption and procuring energy from renewable sources.

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

The Company has undertaken feasibility studies for installation of solar panels at 15 warehouse locations and endeavours to switch from conventional to renewable sources of energy to reduce its carbon footprint.

Business Responsibility Report (Contd.)

Air Emissions:

FSC audits its emissions and conducts checks in order to comply with emission norms from DG sets, as defined by concerned Pollution Control Boards (PCBs) at periodic intervals. All vehicles on duty at FSC undergo vehicle emission tests and comply with emission norms as defined by the concerned PCBs.

Water Conservation:

The Company has instituted its water stewardship policy, which encourages its operations to initiate water conservation measures.

The Company consciously explores ways to reduce water consumed in its operations, one such example is the implementation of the crate washing system. The water consumed is recycled through a closed loop system of automated processes including pre-washing, hot water wash, detergent wash, sensing and drying. The crate moves forward on a conveyer belt assembly at a specified speed as per level of dirt and cleaning required, thus optimising water consumed.

Going forward the Company will plan and initiate water conservation programs wherever feasible across its pan India operations.

Waste management:

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

There were no incidents of non-compliance with regulations resulting in penalty or notice or fine was received by the Company. 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

FSC is committed to public good. However, the Company has not advocated or lobbied with Government officials or institutions. FSC actively participates in industry events and is a member of the Confederation of Indian Industries (CII)-National Committee on Logistics and Shipping.

Management and the senior leadership team interact with various professional bodies and organisations 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

FSC works with various communities, employs young Indians in rural and urban areas, engages with regional logistics and service providers, works closely with suppliers and distribution systems across the country and interacts with various stakeholders who are closely linked to its business.

In the global business arena, diversity and inclusion are no longer about workplace compliance. Rather, they are core drivers of business growth and central to a Company's identity. Workplace diversity in an inclusive atmosphere fosters greater creativity, innovation, and effectiveness. Diversity of experience, knowledge and ideas strengthen an organisation. To accomplish this experience at FSC, the Company works tirelessly to eliminate the barriers that stand between minorities and women in their attempts to succeed and lead.

All Women Distribution Centre- Nimji, Nagpur

A positive step towards women empowerment

The Company believes, "She who has immense power and determination in her is a woman. She does everything, plays so many roles wearing a smile on her face." The women who run the distribution centre (DC) at Nimji, handle everything from inventory management to dispatch efficiently.

The Company has established an all-women run DC 'Shakti' in Nimji, Nagpur. The DC is fully equipped with Transportation Management System and Warehouse Management Systems softwares.

Logistics sector has historically been male-dominated and perceived to be labour intensive and the Company takes pride through this initiative not only to promote diversity and inclusion in workplace but also due to the increasing productivity of its workforce.






Business Responsibility Report (Contd.)

Humanitarian Support

Disasters create devastating human suffering that demands coordinated, swift relief efforts. Humanitarian crises can disrupt businesses operations, destroy infrastructure, and bring most forms of productive commerce to a halt. FSC organised and delivered essential goods such as drinking water, biscuits, in a timely manner during various disasters such as Kerala flood relief, and Nathupur fire, Gurgaon that took place in the reporting period.

During the reporting period, the Company spent ₹ 1.27 crore on CSR projects and activities as per Schedule VII of the Companies Act, 2013.

The 'Sone Ki Chidiya Foundation' - the implementing agency, has carried out the following CSR projects:

-  Reducing inequalities faced by socially and economically backward groups through access to basic goods worth ₹ 91.72 Lakh through Goonj which has benefited 17,000 households across Kerala
-  Creating livelihood opportunities for 55 women between the ages of 18 to 40 years who are widowed/single mothers from below poverty line (BPL) households having minimum 5th standard pass by setting up a tailoring unit at Nagpur through Aastha Lok Sanchalit Sandhan Kendra vide donations in cash worth ₹ 22.67 Lakh.
-  Reducing hunger, poverty and malnutrition by improving the nutritional status of children between the ages of 0 to 6 years in 200 households while imparting scientific knowledge to the community with respect to nutrition, clean drinking water, sanitation and hygiene(WASH), and enable behavior change through community based mechanisms in partnership with the All India Institute of Local Self Government through cash donations of ₹ 12.66 Lakh.

(For further details on CSR, please refer to CSR Report annexed to Directors' Report for the year ended March 31, 2019).







Principle 9: Value to customers

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

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

The Company's activities are governed by its knowledge of the requirements of customers and the market. The Company includes and prioritises customer focus in all its business processes, projects and dealings. Knowing that the Company will be measured by its ethical, social and environmental performance as much as by the quality of its service, FSC strives for best practice in all these areas to secure customer trust and goodwill and thus enhance its reputation.

The Company's Service Level Agreements delineate the following value proposition to its customers:-

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

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, to

Business Responsibility Report (Contd.)

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

The Company is not in the business of manufacturing products, hence product labelling is not a primary concern to the Company. However the service level agreement with customers provide information on the health and safety aspects during loading/unloading

of material and standard operating procedures with respect to billing, acceptance and return of product and in case of losses a defined redressal process.

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 the current financial year.



Corporate Governance Report

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company places strong emphasis on best governance practices and considers it as an integral part of the business. The Company's philosophy on corporate governance is to demonstrate good corporate citizenship through sound governance practices, environmental awareness and ethical behaviour not only to attain corporate objectives but also to align them with economic and social goals for the betterment of all stakeholders and community at large.

The framework of corporate governance provides for conducting the business according to the system, practices and processes, which are further strengthened with adoption and implementation of various codes and policies in compliance with the applicable regulatory provisions and ensures transparency and accountability at various organisation levels including the Board and its various Committees. Various codes and policies are available on Company's website www.futuresupplychains.com. These codes and policies ensure the best standards of Corporate Governance by maintaining strong business fundamentals through persistent focus on the core values and principles such as commitment to bring efficiencies in business operations, best services to its customers, assuring adequate health and safety measures for its people, equal opportunities in employment, meeting corporate social responsibilities, fair and timely disclosures, compliance with the relevant rules and regulations and maximising overall stakeholders' value.

The Company has in place a code of conduct for the Board of Directors and senior management personnel ("Code of Conduct") laying down the corporate ethics to be practised by entire management cadre. Your Company ensures compliance with the regulations 17 to 27 read with Chapter V and clause (b) to (i) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") and also the applicable provisions of the Companies Act, 2013 including amendments thereto (the "**Act**").

II. GOVERNANCE STRUCTURE

A. Board Of Directors

The composition of the Board of Directors is in conformity with the requirements of the Act and Listing Regulations with an optimum combination of Executive, Non-Executive and Independent Directors. The Board approves corporate strategies, which are intended to allocate corporate resources for long term growth and build sustainable long-term value for the stakeholders. In addition to the information and documents pertaining to any specific agenda items, the Board of Directors is regularly provided the information as prescribed under Part A of Schedule II to the Listing Regulations for its review/ suggestions/ approvals. As on March 31, 2019, the Board comprises seven Directors including two women. None of the Directors on the Board is serving as an Independent Director in more than the limits as specified in Regulation 25 of the Listing Regulations.

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

The Board skills matrix provides a guide as to the skills, knowledge, experience and other criteria appropriate for the functioning of the Board. The Board has identified this matrix as a tool to assist with professional development initiatives for Directors. The Company believes in skills-based composition of the Board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. These are broadly categorised under following aspects:

Governance

This category includes skills relevant to performing the Board's key functions such as strategic planning, policy development, financial performance, risk & compliance oversight, overall experience, age and business understanding.

Industry specific

This category includes skills relevant to the industry or section in which the Company operates such as business development, vendor management, technology, marketing & communication and operational efficacy.

Corporate Governance Report (Contd.)

Personal attributes & qualities

This category includes criteria which are generally considered desirable to be an effective Director possessing specific qualities like leadership, effective communication, honesty, independence, commitment, professionalism etc.

2. Relevant information on composition of the Board during financial year ended March 31, 2019

Name of Director & Category	Name of other Listed entities where he/she is a director & (category of directorship)	No. of Directorships ¹		No. of Memberships / Chairmanships of Committees in public companies ²		No. of equity securities held in the Company
		Public	Private / Non-profit	Memberships	Chairmanship	
Rakesh Biyani (Chairman & Non-Executive)	- Future Retail Ltd. (Executive); - Future Lifestyle Fashions Ltd. (Non-Executive); - Dollar Industries Ltd. (Independent)	6	6	3	Nil	Nil
Bala Despande (Independent)	- Future Enterprises Ltd. (Independent); - Info Edge (India) Limited (Non-Executive)	3	5	3	1	Nil
C P Toshniwal (Non-Executive)	- Future Lifestyle Fashions Ltd. (Non-Executive);	7	3	3	1	Nil
Janat Shah (Independent)	- Orient Cements Ltd. (Independent);	2	1	2	0	Nil
Mayur Toshniwal (Executive)	None	1	2	1	0	10,022 (Equity shares)
Amar Sapra (Independent)	None	0	0	1	0	Nil
Malini Chopra ³ (Independent)	None	1	0	1	0	Nil
Rahul Garg ⁴ (Independent)	Future Retail Limited (Non-Executive)	0	0	2	0	Nil
Shyam Maheshwari ⁵ (Non-Executive)	None	0	0	0	0	Nil

None of the Directors of the Company has any inter-se relationship amongst themselves. The details of the familiarisation program of the Independent Directors are available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

¹ Does not include directorships in foreign companies

² Only Audit Committees and Stakeholders' Relationship Committees that of the Company are included

³ Appointed w.e.f. February 7, 2019 subject to approval of shareholders

⁴ Resigned w.e.f. February 7, 2019

⁵ Resigned w.e.f. November 2, 2018



Corporate Governance Report (Contd.)

3. Meetings and attendance

During the year under review, total five meetings of Board of Directors were held on April 25, 2018, August 7, 2018, September 25, 2018, November 2, 2018, February 7, 2019. The gap between two meetings did not exceed number of days as prescribed in the Listing Regulations and the Act. Details of meetings and attendance by the Directors of the Company are as under:

Name of Director	No. of Board Meetings		Attended AGM held on August 22, 2018
	Entitled to attend	Attended	
Rakesh Biyani	5	5	Yes
Bala Despande	5	5	Yes
C P Toshniwal	5	5	Yes
Janat Shah	5	2	No
Mayur Toshniwal	5	5	Yes
Amar Sapra	5	4	No
Malini Chopra	1	1	N.A.
Rahul Garg	5	4	No
Shyam Maheshwari	4	4	No

4. Resignation of Independent Director

During the year under review, Rahul Garg – Independent Director of the Company, resigned before the expiry of his tenure. Rahul Garg tendered his resignation with a view to avoid any conflict of interest possibly arising on investment in other group company(ies) by the investment fund where he is part of the management. A written representation has also been received by the Company from Rahul Garg stating that there was no other material reason of his tendering the resignation. The said representation was also submitted to the Stock Exchanges pursuant to the Listing Regulations.

5. Code of Conduct

The Board has laid down Code of Conduct for all Directors and Senior Management of the Company to conduct their activities in the best interest of the Company and exercising due care and diligence while performing their duties. The said Code of Conduct is hosted on website of the Company at <http://www.futuresupplychains.com/code-policies.html>

All Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2019. A declaration to this effect signed by the Managing Director forms part of this Corporate Governance Report.

6. Confirmation

The Board of Directors confirms that in its opinion, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent from the management of the Company.

B. Audit Committee

The Audit Committee of the Company comprises three Directors. All the members of the Committee are Independent Directors. Bala Despande is the Chairperson of the Audit Committee. All the members of the Committee possess adequate accounting and financial knowledge. The Company Secretary functions as a Secretary to the Committee. During the year, four meetings of the Audit Committee were held on April 25, 2018, August 7, 2018, November 2, 2018 and February 7, 2019.

Corporate Governance Report (Contd.)

1. Relevant information on composition of the Audit Committee during the financial year ended March 31, 2019








Name of Director	Category	Designation	No. of Meetings	
			Entitled to attend	Attended
Bala Despande	Independent Director	Chairperson	4	4
Janat Shah	Independent Director	Member	4	1
Malini Chopra ⁶	Independent Director	Member	None	Nil
Rahul Garg ⁷	Independent Director	Member	4	4

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

2. 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:















-  oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
-  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 auditor's 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 utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
-  reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

⁶ Inducted on February 7, 2019







⁷ Ceased to be member of the Audit Committee on February 7, 2019



Corporate Governance Report (Contd.)

-  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.
-  Effective from April 1, 2019, role of the Audit Committee also includes reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

3. Review of 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 utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Corporate Governance Report (Contd.)

4. Related Party Transactions

Transactions with related parties 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 any related party 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, 2019. Policy on dealing with related party transactions is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

5. 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. The whistle blower policy, inter-alia, provides a direct access to the Chairperson of the Audit Committee. No person has been denied access to the Audit Committee. The establishment of vigil mechanism is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>. A policy on whistle blower is available on Company's website at <http://www.futuresupplychains.com/code-policies.html>.

C. Nomination And Remuneration Committee

The Nomination and Remuneration Committee of the Company ("NRC") plays a leadership role in shaping the corporate governance of the Company, strives to build an engaged and diverse Board whose composition is appropriate in light of the Company's requirements and strategies. The NRC develops an executive compensation philosophy, adopts and oversees the implementation of compensation policies that designs compensation packages for the Directors and Senior Management Personnel to incentivise for the creation of long-term value, and develops meaningful goals for performance-based compensation that support the Company's long-term value creation strategy. The NRC comprises three Non – Executive Directors, out of whom majority are Independent Directors. During the year under review, total two meetings of the NRC were held on April 25, 2018 and February 7, 2019.

1. Relevant information on composition of the NRC during the financial year ended March 31, 2019

Name of Director	Category	Designation	No. of Meetings	
			Entitled to attend	Attended
Bala Despande	Independent Director	Chairperson	2	2
Rakesh Biyani	Non -Executive Director	Member	2	2
Rahul Garg ⁸	Independent Director	Member	2	2
Malini Chopra ⁹	Independent Director	Member	None	NA

2. Terms of reference:

The terms of reference are reviewed from time to time by the Board. The NRC has been mandated to comply with the requirements as specified in Part D of the Schedule II to the Listing Regulations,









⁸ Resigned on February 7, 2019

⁹ Inducted on February 7, 2019



Corporate Governance Report (Contd.)

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 NRC, inter-alia, includes the following:

-  To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
-  To formulate criteria for evaluation of Independent Directors and the Board;
-  To devise a policy on Board diversity;
-  To Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
-  Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent 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 of grants to be made under ESOP / ESOS; and
-  To review Company's remuneration and human resources policy.
-  Effective from April 1, 2019, role of NRC also includes to recommend to the Board, all remuneration, in whatever form, payable to Senior Management cadre of the Company.

3. Performance evaluation criteria for Independent Directors

The Board works with the NRC to lay down the evaluation criteria for the performance of the Chairman, the Board, Committees, Executive Directors, Non-Executive Directors and Independent Directors through a peer evaluation, excluding the Director being evaluated. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

4. 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 and other benefits and also rewarding performance of key employees by granting stock options to contribute and participate in the overall corporate growth and financial success. The remuneration policy is in line with the industry standards and also aligned with the practices prevailing within the Group.

5. Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances and variable bonus to the Managing Director, as approved by the Board and the shareholders of the Company. In determining the remuneration package of the Executive Directors, the NRC evaluates various criteria like competency, experience and ability of the candidate, remuneration prevailing in industry, specific skills required for the business operations etc. and thereafter makes its recommendation to the Board. Annual increments are decided/ recommended by the NRC within the scale of remuneration as may be permissible under the statutory provisions. Performance criteria for Executive Director entitled to variable bonus are determined by NRC in accordance with the remuneration policy.

Corporate Governance Report (Contd.)

6. Criteria of making payments to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending meetings of the Board and Committee (except CSR Committee) of the Board including meeting of Independent Directors, as decided from time to time by the Board. The Company reimburses other out of pocket expenses incurred by the Non Executive Directors for attending the meetings. The Company does not pay any other remuneration to any Non Executive Director.

7. Details of payment of remuneration to Managing Director / Executive Director / CEO

The remuneration paid to the Managing Director / Executive Director / CEO for the year ended March 31, 2019 is as under:

Name	Salary including bonus (₹ in Lakh)	Perquisites (₹ in Lakh)	Total (₹ in Lakh)	Total Contract Period	Notice period in months	Stock Options granted (Nos.)
Mayur Toshniwal (Managing Director)	225.94	22.93	248.87	3 years	1	Nil
P V Sheshadri (CEO)	134.52	0.37	134.89	N.A.	1	Nil

8. Details of payment of remuneration to Non-Executive Directors

Sitting fees paid to Non-Executive Directors during the year under review is as under:

(₹ in Lakh)			
Name of Director	Sitting fees paid	Name of the Director	Sitting fees paid
Rakesh Biyani	1.80	C P Toshniwal	1.80
Bala Despande	3.15	Rahul Garg	2.85
Amar Sapra	1.50	Janat Shah	0.90
Shyam Maheshwari	Nil	Malini Chopra	0.30

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

D. Stakeholders' Relationship Committee

The Stakeholder Relationship Committee ("SRC") meets as and when required to consider the transfer proposals and attend various aspects of interest of the security holders. During the year under review, total two meetings of SRC were held on April 25, 2018, and August 7, 2018.

1. Relevant information on composition of the SRC during the financial year ended March 31, 2019





Name of Director	Designation	No. of meetings	
		Entitled to attend	Attended
C P Toshniwal	Chairman	2	2
Amar Sapra	Member	2	2
Mayur Toshniwal	Member	2	2

Vimal Dhruve - Company Secretary, is the Compliance Officer of the Company.



Corporate Governance Report (Contd.)

2. Role of SRC ¹⁰

-  Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
-  Review of measures taken for effective exercise of voting rights by shareholders;
-  Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
-  Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Registrar & Transfer Agent of the Company – Link Intime India Private Limited.

3. Investors' Grievance Redressal

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

Complaints at the start of the year	Received during the year	Resolved during the year	Complaints pending at the end of the year
0	6	6	0

4. Unclaimed Dividend of earlier year(s)

During the year no unclaimed dividend is due for transfer to Investor Education & Protection Fund. The details of unclaimed dividend of earlier year(s) are available on the website of the Company www.futuresupplychains.com.

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

5. Unclaimed Shares

There are no shares lying in the unclaimed suspense account as on March 31, 2019.

6. Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form, if any, are registered and returned within a period of 15 days from the date of receipt of the documents, provided the documents are valid and complete in all respects. Investors are requested to take note that pursuant to the respective notification by the Ministry of Corporate Affairs, BSE Limited and the National Stock Exchange of India Limited, transfer of shares held in physical mode is not permissible from April 1, 2019. No transfer of securities held in physical mode is permitted from the said date. In view of this, investors are advised and recommended to dematerialise the security of the Company held by them at earliest to avoid any delay for transfer. A detailed process for dematerialising the securities is available on the website of the Company www.futuresupplychains.com

¹⁰ Revised w.e.f. April 1, 2019 in view of statutory amendments

Corporate Governance Report (Contd.)

7. Voting by shareholders

The Committee strongly emphasises and recommends to the shareholders to cast their valuable votes on any resolution proposed to them. To enable the shareholders to exercise their voting rights, the Company provides dual facility of voting most convenient and suitable to them.

E-Voting: In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Company provides to its shareholders a facility to exercise their votes on any resolution proposed to them through electronic mode ("e-voting"). The shareholders who are not able to attend any general meeting of the Company may use this facility of casting their votes by using an electronic voting system of a Depository to be engaged by the Company for the purpose. Since electronic system does not allow change of vote once exercised, shareholders are advised to make sure of his voting pattern before casting of vote through e-voting. A notice of any general meeting/ postal ballot generally contains the detailed procedure for the benefit of the shareholders to enable them to exercise their voting rights through e-voting.

Voting at general meeting: Shareholders may cast their votes at any general meeting of the Company through a ballot paper to be provided by the Company at such general meeting if they have not exercised their voting rights through e-voting.

Voting on any resolution more than once is not permitted. In case shareholders vote by both the means i.e. e-voting as well as through ballot paper at the general meeting, then votes cast through remote e-voting is considered. Further, any shareholder who has exercised his vote through e-voting is also entitled to attend the relevant general meeting but shall not be entitled to vote thereat.

E. Corporate Social Responsibility Committee

Your Company is committed to empower the society and improve the quality of life of the communities through its various corporate social responsibility ("CSR") initiatives. The CSR Committee is constituted in line with the provisions of Section 135 of the Act. C P Toshniwal - Non-Executive Director, is the Chairman of the CSR Committee. Other members of the CSR Committee are Rakesh Biyani - Non-Executive Director and Amar Sapra - Independent Director. One meeting of CSR committee was held during the year on August 7, 2018. The meeting was attended by all the members. The Committee had identified the program(s) and recommended to the Board for spending CSR amount thereon. The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form, which is appended to the Board's Report. The Company carries out its CSR activities through 'Sone Ki Chidiya' foundation. The Policy adopted by the Company can be viewed at <http://www.futuresupplychains.com/code-policies.html>. The terms of CSR Committee include the matters specified in the Section 135 of the Companies Act, 2013, Schedule VII to the Act and applicable rules made thereunder. The minutes of the meetings of CSR Committee are taken note of by the Board of Directors.

F. Committee of Directors

The Board of Directors have constituted a Committee of Directors comprising C P Toshniwal, Rakesh Biyani and Mayur Toshniwal to ensure support routine operations and activities of the Company in addition to the specific powers delegated by the Board. The committee meets as and when required.

G. Risk Management

The Company has a well-defined risk management framework in place commensurate with the size and nature of the operations, 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 minimisation 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



Corporate Governance Report (Contd.)

the Annual Report. Provision relating to the Risk Management Committee under Regulation 21 of the Listing Regulations were not applicable to the Company during the year under review. However, after the close of the year under review, the Company has constituted a Risk Management Committee for monitoring and evaluating the effectiveness of the risk management framework and overseeing the implementation of plans to mitigate such risks. The Risk Management Committee presently comprises Mayur Toshniwal - Managing Director, C P Toshniwal - Non-Executive Director and Samir Kedia - Chief Financial Officer.

H. Independent Directors

As per Regulation 17 of the Listing Regulations as well as pursuant to Section 149 of the Act read with Schedule IV thereto, the Board comprises not less than fifty per cent of Independent Directors. A separate meeting of Independent Directors was held on April 25, 2018, inter alia, to review the performance of non-independent directors and the Board as a whole, performance of the Chairman and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

I. Code of Fair Disclosure Of Unpublished Price Sensitive Information

The Company has formulated a Code of Conduct for prevention of insider trading in the securities of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 applicable to the Designated Persons ('Code of Conduct'). The Board has also laid down Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate any communication of any unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Fair Disclosure Code. The Code of Conduct and Fair Disclosure Code together regulate trading in securities by the Designated Persons of the Company. The Code of Conduct requires pre-clearance for certain dealing in the Company's securities by the Designated Persons and also prohibits dealing with Company's securities by Designated Persons while in possession of unpublished price sensitive information. The Fair Disclosure Code is posted on Company's website at <http://www.futuresupplychains.com/code-policies.html>.

J. Communication with Stakeholders

Communication to the shareholders is primarily made through disclosure to the Stock Exchanges. Quarterly, half yearly and annual financial results are published in leading English and Marathi dailies, viz. "The Free Press Journal" (English Daily) and "Nav Shakti" (Marathi Newspaper) pursuant to Regulation 47 of the Listing Regulations. Annual Reports, financial results, shareholding pattern and other required disclosures are also hosted on the Company's website www.futuresupplychains.com as required under Regulation 46 of the Listing Regulations and also by the Stock Exchanges on their respective websites. All filings, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to make such information generally available. The Company also informs the Stock Exchanges in advance about any schedule of meetings with any investors/ analysts. The presentation, if any, made to them are furnished to the Stock Exchanges and the same are also hosted on the website of the Company www.futuresupplychains.com














K. General Body Meetings

1. Schedule of previous three Annual General Meetings

Year	Date	Time	Venue
2018	August 22, 2018	4:00 pm	Rangaswar, Fourth Floor, Y.B Chavan Center, Gen. Jagannath Bhosale Marg, Mumbai-400021
2017	August 08, 2017	9.15 am	Future Group Office, 5th Floor, SOBO Central, M M Malviya Marg, Tardeo, Mumbai – 400034
2016	September 14, 2016	2:00 pm	Future Retail Home Office, 247 Park, Tower C, 10th Floor, LBS Marg, Vikhroli (West), Mumbai 400083

Corporate Governance Report (Contd.)

2. Special resolutions passed in previous three Annual General Meetings

Year	Matters approved through Special Resolutions
2018	 Ratification of the Employee Stock Option Plan 2017;  Approval for transaction with related party/ material entity;  Increase of remuneration of Managing Director;
2017	 Appointment of Mayur Toshniwal as Managing Director & CEO;  Increase the investment limits in equity share capital by foreign portfolio investors;  Alteration of the Articles of Association of the Company;  Amendment to the Memorandum of Association of the Company;  Authority to the Board of Directors to borrow money;  Authority to the Board to create charge on assets of the Company;  Authority to the Board to give loan, make investment or give security or guarantee;  Implementation of Employee Stock Option Plan 2017;  Grant of Employee Stock Options to the employees of the Company under Employee Stock Option Plan 2017;  Grant of Employee Stock Options to the employees of the holding company and subsidiary company(ies), if any, of the Company;
2016	None

3. Extraordinary General Meeting

During the year under review, no extraordinary general meeting was held.

4. Postal Ballot

During the year under review, no business was separately carried out through postal ballot.

III. GENERAL INFORMATION FOR SHAREHOLDERS

1. Date, time and venue of the 14th Annual General Meeting

Wednesday, July 31, 2019 at 3:00 p.m. at Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018.

2. Financial Year

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

3. Dividend payment date

The Dividend, when declared at the 14th Annual General Meeting, shall be paid within 30 days from the declaration thereof.

The Company provides a facility for direct credit of the dividend amount to the bank accounts of the shareholders. Such facility ensures safe and speedy credit of dividend amount into bank account. Members who hold shares in dematerialised mode should inform their Depository Participant, whereas members holding shares in physical form are advised to provide the bank account details to the Company/ RTA for payment of dividend amount. In cases where the bank details are not available, the Company shall issue dividend warrants to the members.

4. Listing Details

The equity shares of the Company are listed on BSE Limited and The National Stock Exchange of India Limited. Non-convertible debentures are listed on wholesale debt market segment of BSE Limited.



Corporate Governance Report (Contd.)

5. Listing Fees

Applicable listing fees pertaining to equity shares and non-convertible debentures for the financial year 2019-20 have been paid to the Stock Exchanges where the securities of the Company are listed.

6. Securities Codes

Type of security	ISIN	Scrip Code/ Symbol	
		BSE	NSE
Equity	INE935Q01015	540798	FSC
Non-Convertible Debentures - Series I	INE935Q07012	958280	-
Non-Convertible Debentures - Series II	INE935Q07020	958281	-

7. Corporate Identity Number

The Corporate Identity Number allotted by the Ministry of Corporate Affairs is L63030MH2006PLC160376.

8. Stock Performance

The price performance of the equity shares of the Company at the Stock Exchanges during the year under review is as follows:

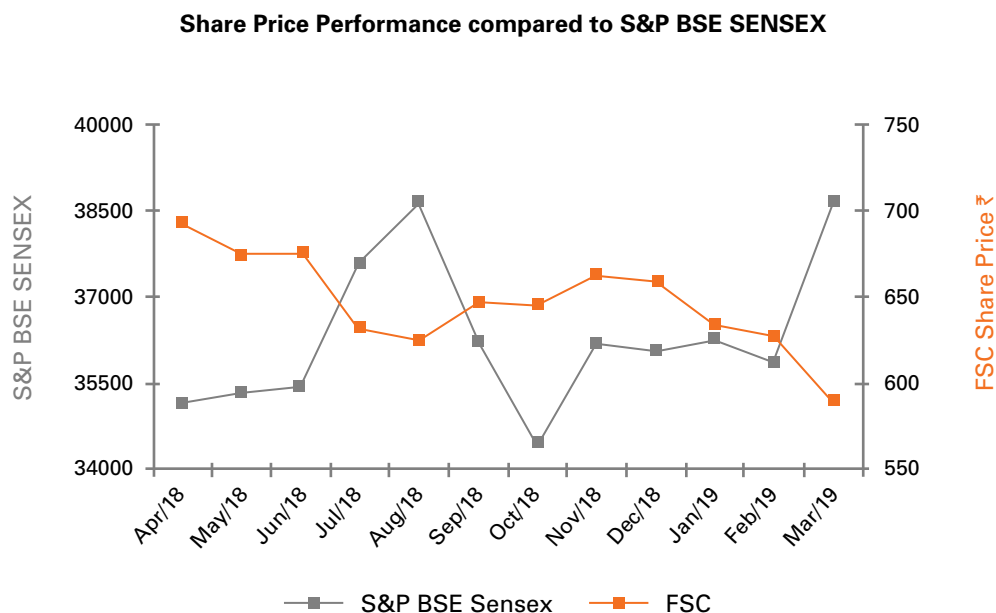
Month & Year	BSE (in ₹)		NSE (in ₹)	
	High	low	High	Low
April 2018	725.00	659.30	726.00	655.10
May 2018	697.95	647.05	696.95	650.00
June 2018	750.00	620.00	760.00	619.05
July 2018	689.95	600.10	690.00	620.55
August 2018	675.00	596.00	675.10	599.25
September 2018	665.00	608.00	666.20	605.20
October 2018	680.80	620.10	690.65	621.40
November 2018	675.00	632.00	676.00	639.70
December 2018	694.00	643.10	679.95	645.55
January 2019	664.80	630.00	665.60	629.00
February 2019	640.00	600.05	699.00	600.00
March 2019	670.00	559.75	648.00	554.20

There was no trading volume reported during the financial year 2018-19 with respect to the non-convertible debentures.

Corporate Governance Report (Contd.)

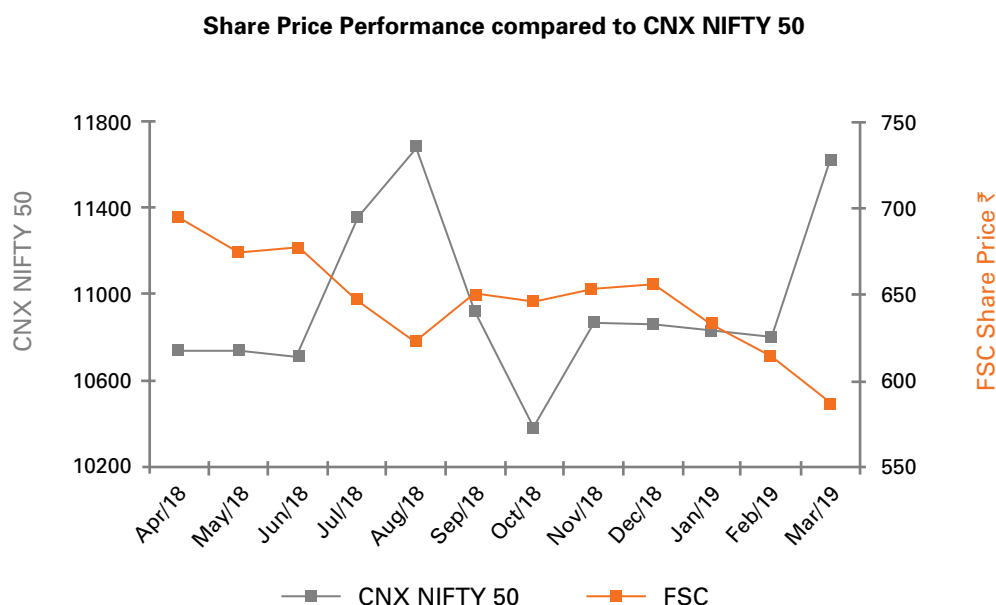
9. Performance of Share Price of the Company in comparison to the S&P BSE Sensex ¹¹

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



10. Performance of Share Price of the Company in comparison to the CNX NIFTY 50 ¹¹

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



¹¹ Source: BSE and NSE, respectively.



Corporate Governance Report (Contd.)

11. De-materialisation of shares

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of NSDL or CDSL. A detailed process for dematerialising the securities is available on the website of the Company at <http://www.futuresupplychains.com/investor-contact.html>. Entire shareholding of Promoter and Promoter Group is in dematerialised form. Non-convertible debentures are wholly in dematerialised form. Status of dematerialisation of equity shares as on March 31, 2019 is as under:

Particulars	No. of Shares	% of total Issued Capital
National Securities Depository Limited	11,842,616	29.55
Central Depository Services (India) Limited	28,238,492	70.45
Total Dematerialised	4,00,81,108	100.00
Physical	5	0.00
Total	40,081,113	100.00

12. Outstanding GDR/ ADR or warrants or any convertible instruments

The Company has not issued any GDRs/ ADRs/ Warrants etc., during the financial year 2018-19. However, as on March 31, 2019, a total of 2,39,200 stock options were outstanding under "Future Supply Chain Solutions Limited Employee Stock Option Plan 2017". Each stock option is convertible into one equity share of ₹ 10 each. Further details of such FSC ESOP 2017 are given in Annexure 8 appended to the Board's report.

13. Shareholding Pattern as on March 31, 2019

Category	No. of Equity shares	%
Promoters and Promoter Group	2,10,15,917	52.43
Mutual funds	50,63,468	12.63
Banks & Financial institutions	73,059	0.18
Alternate investment funds	22,59,011	5.64
Foreign companies	67,81,430	16.92
Insurance companies	24,331	0.06
Foreign portfolio investor	18,46,999	4.61
NRIs	20,939	0.05
Bodies corporate	7,26,688	1.81
Indian individuals	21,96,652	5.48
Directors & their relatives	10,022	0.02
Clearing members	11,613	0.03
HUFs	50,938	0.13
NBFCs	46	0.00
Total	4,00,81,113	100.00

14. Plant Locations

The Company is engaged in warehousing/ distribution services and providing logistics solutions. It has 96 warehouses across the country and 768 dedicated vehicles as of March 31, 2019. It has 14 hubs and 134 operational branches.

Corporate Governance Report (Contd.)

15. Distribution of Shareholding of Equity Shares as on March 31, 2019

Distribution range	Shareholders		Equity Shares	
	No.	%	No.	%
1-500	31,297	99.44	8,11,669	2.03
501-1000	63	0.20	49,640	0.12
1001-2000	30	0.10	42,078	0.11
2001-3000	23	0.07	59,005	0.15
3001-4000	4	0.01	13,326	0.03
4001-5000	3	0.01	15,000	0.04
5001-10000	11	0.03	91,845	0.23
10001 & above	43	0.14	3,89,98,550	97.30
Total	31,474	100.00	4,00,81,113	100.00

16. Registered Office/ Address for Correspondence

The registered office of the Company is situated at "Knowledge House", Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400060.

Corporate office of the Company is situated at 7th Floor, 349, Business Point, Western Express Highway, Andheri East, Mumbai – 400069.

17. Investor Correspondence

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

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

Vimal K Dhruve

Company Secretary

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

Tel No: +91 22 6644 2200; Fax No: +91 22 6644 2201

E-mail: investorrelations@futuresupplychains.com

Website: www.futuresupplychains.com

Debenture Trustees (for Non-Convertible Debentures)

IDBI Trusteeship Services Limited

Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001

Tel No.: +91 22 4080 7000; Fax No.: +91 22 6631 1776

E-mail: itsl@idbitrustee.com; response@idbitrustee.com

Website: www.idbitrustee.com



Corporate Governance Report (Contd.)

18. Credit ratings

As at the end of the financial year, the Company has credit ratings on following facility/ instrument:

Facility/ Instrument	Name of the Rating Agency	Rating assigned
Long Term Bank Facilities – Fund based	CARE Ratings Ltd.	CARE AA-; (Outlook Stable)
Long Term Bank Facilities – Term Loan	CARE Ratings Ltd.	CARE AA-; (Outlook Stable)
Short Term Bank Facilities – Non-Fund Based	CARE Ratings Ltd.	CARE A1+
Non-Convertible Debentures	CARE Ratings Ltd.	CARE AA-; (Outlook Stable)
Commercial Paper ¹¹	CARE Ratings Ltd.	CARE A1+

19. Website

The Company maintains a functional website www.futuresupplychains.com. Apart from other business/ operational information, various information, disclosures, financial results, codes & policies, reports, contact details etc. as required under the Listing Regulations and the Act are hosted on such website under a separate section “Investor Relations”.

IV. OTHER DISCLOSURES

1. Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006, in the preparation of its Financial Statements.

2. Commodity price risk or foreign exchange risk and hedging activities

The business operations of the Company were carried out within the country. Hence, there is no material exposure of the foreign exchange, which may have any adverse impact on the financial position of the Company. Further, the Company does not deal/trade in any commodity and is not exposed to any commodity risk and hence, requirements of hedging foreign exchange does not arise. In view of this, prescribed disclosure regarding commodity risk is not relevant.

3. Policy for determination of material subsidiary

The Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>.

4. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations

The funds raised through issue of Non-Convertible Debentures aggregating to ₹ 19,900 Lakh have been fully utilised during the financial year 2018-19 for the stated objectives.

5. Certificate from a Company Secretary in Wholetime Practice

A certificate from a Company Secretary in Whole time Practice certifying that none of the Directors on the Board of the Company has been debarred or disqualified by the SEBI/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as a Director of the Company is annexed to this report.

6. Non acceptance of any recommendations of any Committee for the Board's approval

During the financial year under review, there are no instances where the Board did not accept any recommendation/ submissions of any Committee for the approval of the Board, which is mandatorily required.

¹¹ Proposed but not availed/ issued.

Corporate Governance Report (Contd.)

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

The Company has paid an aggregate amount of ₹17.00 Lakh to the Auditors towards the audit remuneration and other services. There was no other payment made to any entity in the network firm of which the Auditors is a part.

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

No. of complaints filed during the financial year	No. of complaints disposed of during the financial year	No. of complaints pending as on end of financial year
None		

9. Details of non-compliance

The Company has complied with all the requirements of regulatory authorities. 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.

V. 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.

VI. 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, 2019.

VII. DISCRETIONARY REQUIREMENTS UNDER PART E OF SCHEDULE II OF LISTING REGULATIONS

1. Board of Directors

The Chairman of the Board is a Non-Executive Director. The Company reimburses expenses, if any, incurred in maintenance of his office and performance of his duties.

2. Shareholders' Rights

Financial results of the Company (quarterly, half yearly and annually) are furnished to the Stock Exchanges, published in the newspapers and uploaded on website of the Company. Significant events are submitted to the Stock Exchanges and also posted on the Company's website. Hence, the Company does not furnish any statement on half yearly financial results or summary of any significant events to individual member.

3. Modified opinion(s) in audit report

The Company has received unmodified audit opinion on the Company's Financial Statements for the financial year ended March 31, 2019.



Corporate Governance Report (Contd.)

4. Reporting of Internal Auditor

Internal Auditors are regularly invited to the meetings of Audit Committee to make presentation on various internal controls existed in the Company together with observations, if any, during the course of their Internal Audit. The internal auditors are also entitled to seek any external assistance while preparing/ submitting their reports before the Audit Committee.

Declaration on Compliance of Code of Conduct

The Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2019.

For **Future Supply Chain Solutions Limited**

Mayur Toshniwal
Managing Director

Mumbai, May 13, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To,
The Members of
Future Supply Chain Solutions Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Future Supply Chain Solutions Limited bearing CIN L63030MH2006PLC160376 and having its registered office situated at Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400060 (hereinafter referred to as the 'Company'), furnished to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with para C of Clause 10(i) of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications carried out by us, including status of Directors Identification Number (DIN) on the portal www.mca.gov.in, we hereby certify that none of the Directors on the Board of the Company during the financial year ended on 31st March, 2019 has been disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Company. Our responsibility is to express an opinion based on our verification.

For **K Bindu & Associates**
Company Secretaries

Bindu Darshan Shah

Proprietor

Membership No.: 20066

COP No.: 7378



Independent Auditors' Certificate on Corporate Governance

To
The Members of
Future Supply Chain Solutions Limited

1. We, GMJ & Co, Chartered Accountants, the Statutory Auditors of Future Supply Chain Solutions Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out and examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **GMJ & Co.**
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
M. No. 038755
UDIN: 19038755AAAACP6995

Place: Mumbai
Date: June 29, 2019



Financial Section



Independent Auditors' Report

To the Members of **Future Supply Chain Solutions Limited**

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of **Future Supply Chain Solutions Limited**, ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION











We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Auditor's Response
1. Revenue Recognition: Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of IND AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:  Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

Independent Auditors' Report (Contd.)

Key audit matter	Auditor's Response
	<p> Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</p> <p>We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p> Tested the relevant information technology systems access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p> <p> Selected a sample of continuing and new contracts and performed the following procedures:</p> <p> Read, analysed and identified the distinct performance obligations in these contracts.</p> <p> Compared these performance obligations with that identified and recorded by the Company.</p> <p> Performed analytical procedures for reasonableness of revenues.</p>
<p>2. Disclosure of related party transactions:</p> <p>Due to high volume of business transactions with related parties during the year ended March 31, 2019, the matter pertaining to completeness of disclosures of related party transactions at arm's length price is considered as key audit matter.</p>	<p>Principal Audit Procedures</p> <p> Assessed the procedures adopted by the management in order to establish arm's length price.</p> <p> Obtaining an understanding of the Company's procedures in identification of related parties and process followed for ensuring completeness of accounting and disclosures of related party transactions and balances.</p> <p> Reading the statutory records and books of records to identify related party transactions and audit committee approvals for related party transactions.</p> <p> Verification of balance confirmations received from related parties and testing the transaction amounts and closing balances.</p>

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditors' Report (Contd.)

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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





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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a


material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

-  Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
-  Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
-  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
-  Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

Independent Auditors' Report (Contd.)

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

 Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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 paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under Section 133 of the Act, read with relevant rule issued there under.
 - e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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**" our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.



Independent Auditors' Report (Contd.)

- g. With respect to the other matters to be included in the Auditor's Report in accordance with requirement of section 197(16) of the Act, as amended:
 - i. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For **GMJ & Co.**

Chartered Accountants

Firm Registration No. : 103429W

Sanjeev Maheshwari

Partner

Membership Number: 038755

Place: Mumbai

Date: May 13, 2019

Annexure - A

to the Independent Auditor's Report

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

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. The Company did not have any immovable property of freehold or leasehold land and building as at March 31, 2019. Therefore paragraph 3(i) (c) of Order is not applicable.
- ii. The management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material having regard to the size of the operations of the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments and guarantees made to or on behalf of the Directors or to any other persons in whom the Directors are interested during the year. Therefore, paragraph 3 (iv) of the Order is not applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019. Therefore, paragraph 3 (v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Therefore, paragraph 3(vi) of the Order is not applicable.
- vii. a. According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- c. Details of dues of Service Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Lakh)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	391.80	FY 2012-13 to FY 2016-17	Additional Director General



Annexure - A to the Independent Auditor's Report (Contd.)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from banks or debenture holders. The Company has not taken any loans from Government or any Financial Institution.
- ix. In our opinion and according to the information and explanations given to us, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the provisions of section 197 of the Act.
- xii. In our opinion and according to the information given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on our examination of the records, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records, Company has not entered into any non-cash transactions with the directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **GMJ & Co.**

Chartered Accountants

Firm Registration No. : 103429W

Sanjeev Maheshwari

Partner

Membership Number: 038755

Place: Mumbai

Date: May 13, 2019

Annexure - B

to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Future Supply Chain Solutions Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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



Annexure - B to the Auditors' Report (Contd.)

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 **GMJ & Co.**

Chartered Accountants

Firm Registration No. : 103429W

Sanjeev Maheshwari

Partner

Membership Number: 038755

Place: Mumbai

Date: May 13, 2019

Balance Sheet

As at March 31, 2019

(₹ in Lakh)			
Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	4	41,101.87	31,513.64
Capital Work In Progress		6,389.81	254.94
Intangible Assets	4	122.08	219.76
Financial Assets			
Investments	5	6,312.26	6,312.26
Other Financial Assets	6	5,312.60	3,232.22
Other Non Current Assets	7	6,611.04	4,474.36
Total Non-Current Assets		65,849.66	46,007.18
Current Assets			
Inventories	8	552.95	-
Financial Assets			
Investments	9	0.70	0.70
Trade Receivables	10	34,875.00	25,908.85
Cash and Cash Equivalent	11	11,708.55	7,861.47
Bank Balances other than Cash and Cash Equivalent	12	60.65	106.55
Other Financial Assets	13	483.06	1,071.35
Other Current Assets	14	1,235.06	1,486.11
Assets classified as held for sale	40	3,626.55	-
Total Current Assets		52,542.52	36,435.03
Total Assets		1,18,392.18	82,442.21
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	15	4,008.11	4,005.62
Other Equity	16	56,026.66	49,475.42
Total Equity		60,034.77	53,481.04
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Non Current Borrowings	17	21,781.48	2,511.28
Other Non Current Financial Liabilities	18	90.05	169.95
Provisions	19	408.49	456.38
Total Non-Current Liabilities		22,280.02	3,137.61
Current Liabilities			
Financial Liabilities			
Trade Payables			
- Micro and Small Enterprises	31	166.83	-
- Others		23,500.94	17,644.34
Other Current Financial Liabilities	20	6,112.42	5,847.65
Other Current Liabilities	21	2,893.38	2,003.25
Provisions	22	719.71	328.32
Liabilities associated with assets classified as held for sale	40	2,684.11	-
Total Current Liabilities		36,077.39	25,823.56
Total Equity And Liabilities		1,18,392.18	82,442.21
Notes to the Financial Statements	1-44		

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

P V Sheshadri
(Chief Executive Officer)

C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)



Statement of Profit and Loss

For the year ended March 31, 2019

(₹ in Lakh)			
Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue From Operations	23	1,11,277.10	83,192.24
Other Income	24	561.34	1,142.38
Total Income		1,11,838.44	84,334.62
Expenses			
Cost of Logistics Services		77,354.26	53,642.03
Employee Benefits Expense	25	9,770.04	8,313.33
Depreciation and Amortisation Expense	4	4,170.10	4,562.96
Finance Costs	26	1,608.14	870.15
Other Expenses	27	9,297.82	7,916.29
Total Expenses		1,02,200.36	75,304.76
Profit Before Tax		9,638.08	9,029.86
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit for the year from continuing operations		9,638.08	9,029.86
Loss for the year from discontinued operations		(3,122.36)	(5,970.38)
Tax expense of discontinued operations		-	-
Loss for the year from discontinued operations after tax		(3,122.36)	(5,970.38)
Profit for the year		6,515.72	3,059.48
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurement of the defined benefit plan		62.05	25.68
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		62.05	25.68
Total Comprehensive Income for the year		6,577.77	3,085.16
Earnings per equity share (for continuing operations) (Face Value ₹ 10/- each):	34		
Basic (₹)		24.06	22.87
Diluted (₹)		24.03	22.86
Earnings per equity share (for discontinued operations) (Face Value ₹ 10/- each):			
Basic (₹)		(7.79)	(15.12)
Diluted (₹)		(7.79)	(15.11)
Earnings per equity share (for continuing and discontinued operations) (Face Value ₹ 10/- each):			
Basic (₹)		16.27	7.75
Diluted (₹)		16.24	7.75
Notes to the Financial Statements	1-44		

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

P V Sheshadri
(Chief Executive Officer)

C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)

Statement of Changes in Equity

For the year ended March 31, 2019

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) EQUITY SHARE CAPITAL		
Opening Balance	4,005.62	3,913.83
Add : On account of conversion of Fully Convertible Debentures	-	91.79
Add : Equity Shares issued under Employee Stock Option Plan (ESOP)	2.49	-
Closing Balance	4,008.11	4,005.62
(B) OTHER EQUITY		
Retained Earnings		
Opening Balance	27,892.66	1,912.60
Profit for the Year	6,515.72	3,059.48
Pursuant to Scheme of Arrangement	-	22,894.90
Other Comprehensive Income for the year (net of tax)	62.05	25.68
Dividend Paid (including Dividend Distribution Tax)	(482.90)	-
Transfer to Debenture Redemption Reserve	(2,500.00)	-
Closing Balance	31,487.53	27,892.66
Securities Premium		
Opening Balance	21,403.32	15,995.12
Add : On account of conversion of Fully Convertible Debentures	-	5,408.20
Add: Equity shares issued under ESOP	84.57	-
Add : Transfer from share options outstanding account on exercise of ESOP	76.10	-
Closing Balance	21,563.99	21,403.32
Debenture Redemption Reserve		
Opening Balance	-	-
Add: Transfer from surplus in Statement of Profit and Loss	2,500.00	-
Closing Balance	2,500.00	-
Share Options Outstanding		
Opening Balance	179.44	-
Add : Recognition of share based payments	371.80	179.44
Less : Transfer to Securities Premium on exercise of ESOP	(76.10)	-
Closing Balance	475.14	179.44
Total Other Equity	56,026.66	49,475.42

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

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(Director)
DIN: 00036303

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)



Cash Flow Statement

For the year ended March 31, 2019

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	6,515.72	3,059.48
Adjusted For:		
Depreciation And Amortisation Expense	4,511.42	4,926.91
Finance Costs	1,784.83	1,599.13
Provision for Doubtful Debts	371.09	230.91
Profit on sale of Fixed Assets	(10.05)	(233.95)
Expenses on employee stock option (ESOP)	371.80	179.44
Interest Income	(248.60)	(417.65)
Cash generated from operations before working capital changes	13,296.21	9,344.27
Adjusted For:		
(Increase)/ decrease in inventories	(552.95)	-
(Increase)/ decrease in Trade receivables	(11,430.45)	(1,933.57)
(Increase)/ decrease in other Financial and other Assets	(2,353.48)	(945.06)
Increase/ (decrease) in Trade Payables, Other Liabilities and Provisions	8,662.14	3,137.09
Cash flow from Operations	7,621.47	9,602.73
Taxes Paid (Net)	(1,244.33)	(1,638.21)
Net cash from Operating Activities	6,377.14	7,964.52
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets	(18,627.19)	(8,846.87)
Sale of Property, Plant & Equipment and Intangible Assets	128.93	997.93
Purchase of Investments	-	(5,109.99)
Interest Received	248.60	417.65
Net Cash Used In Investing Activities	(18,249.66)	(12,541.28)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares on exercise of share options	87.06	-
Dividend paid (including Dividend Distribution Tax)	(482.90)	-
Repayment of Current Borrowings (net)	-	(14,546.29)
Proceeds from Non Current Borrowings (net)	17,459.35	71.59
Issue of shares by subsidiary company to its erstwhile promoters, subsequently demerged into the Company (Refer Note No. 39)	-	22,894.90
Interest Paid	(731.61)	(1,130.73)
Net Cash from Financing Activities	16,331.90	7,289.47
Net Increase in Cash and Cash Equivalents (A+B+C)	4,459.38	2,712.71
Cash and Cash Equivalents at the beginning of the year	7,968.02	5,255.31
Cash and Cash Equivalents at the end of the year	12,427.40	7,968.02
Less: Cash and Cash Equivalents at the end of the year from discontinued operations	658.20	-
Cash and Cash Equivalents as per Balance Sheet	11,769.20	7,968.02

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

P V Sheshadri
(Chief Executive Officer)

C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)

Notes to the Financial Statements

1. COMPANY OVERVIEW

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

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

2. REVISED INDIAN ACCOUNTING STANDARD (“IND AS”) ISSUED BUT NOT EFFECTIVE

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, ‘Leases’ as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019. It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its

obligation to make lease payments. The standard also requires enhanced disclosures requirements for lessees. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17.

The Company’s operating leases mainly relate to Warehouses and Office Premises, which are on lease terms of up to 20 years. The Company is currently in the process of evaluating the impact, this standard will have on its Financial Statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Statement of Compliance

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

3.2. Basis of Preparation and Presentation

These Financial Statements are prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.




Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Financial Statements is



Notes to the Financial Statements (Contd.)

determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 'Share-based payment', leasing transactions that are within the scope of Ind AS 17 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

-  Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
-  Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
-  Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3. Property, Plant and Equipment

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

Costs directly attributable to acquisition are capitalised until the property, plant and

equipment are ready for use, as intended by the management.

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

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

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

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

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

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'.

3.4. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable

Notes to the Financial Statements (Contd.)

to preparing the asset for its intended use, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Assets	Useful Life
Softwares	6 years
Exclusive Business Rights	10 years

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

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

3.5. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct

costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6. Financial Instruments

3.6.(i) Initial recognition

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

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

3.6.(ii) Subsequent measurement

a. Non-derivative financial instruments

- (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost



Notes to the Financial Statements (Contd.)

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

Effective interest method

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

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

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

amount outstanding.

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

(iii) Financial assets at fair value through profit or loss

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

(iv) Financial liabilities

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

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting

Notes to the Financial Statements (Contd.)

all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c. Compound Instruments

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

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

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity

date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

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

3.6.(iii) Derecognition of financial instruments

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

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

3.7. Foreign Currency

Functional currency

The functional currency of the Company is the Indian Rupee ("₹").

i. Initial recognition

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



Notes to the Financial Statements (Contd.)

ii. Conversion

- a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.
- b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported in Indian Rupee using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

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

- a. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

3.8. Borrowing Costs

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

Statement of Profit and Loss.

3.9. Revenue Recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue recognition prescribed in five-step model:

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

Step 2: Identify the separate performance obligations in the contract – Performance obligations are explicitly or implicitly promised goods or services in a contract as well those arising from customary business practices. An entity needs to identify performance obligations which are distinct.

Step 3: Determine the transaction price – The transaction price is the amount of consideration to which an entity expects to be entitled. It includes variable consideration, impact of significant financing components, fair value of non-cash consideration and impact of consideration payable to the customer.

Step 4: Allocate the transaction price to the separate performance obligations – The standard requires allocation of the total contract price to the various performance obligations based on their relative stand-alone selling prices, with limited exceptions.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation – Revenue recognition can occur either over time or at a point in time. Revenue recognition for a performance obligation occurs over time only if it meets one of the three prescribed criteria.

Interest Income




For all financial instruments measured at amortised cost, interest income is recorded

Notes to the Financial Statements (Contd.)

using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.




3.10. 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, or
-  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, or
-  Due to be settled within twelve months after the reporting period, or
-  There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

3.11. Employee Benefits

Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined

using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. Net interest expense or income; and
- c. Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.



Notes to the Financial Statements (Contd.)

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.12. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised utilised. Such

deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.13. Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for

Notes to the Financial Statements (Contd.)

the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.14. Provisions, Contingent liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-

occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

3.15. Impairment

a. Financial assets

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

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and



Notes to the Financial Statements (Contd.)

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

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

3.16. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period,

the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.17. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company

Notes to the Financial Statements (Contd.)

reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase.

If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 'Revenue' ("Ind AS 18").

3.18. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories

are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.19. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in Balance sheet.

3.20. Key sources of estimation uncertainty and critical accounting judgments

In the course of applying the accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the



Notes to the Financial Statements (Contd.)

period of the revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. Provisions, liabilities and contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

3.21. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.22. Investment in Subsidiary, Joint Ventures and Associates

Investment in subsidiaries, joint ventures and associates are shown at cost in accordance with Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised as impairment loss in the Statement of Profit and Loss (refer policy on impairment of non-financial assets). On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Notes to the Financial Statements (Contd.)

4. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Leasehold Improvement	Plant and Equipment	Office Equipment	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total
(₹ in Lakh)								
Cost								
As at April 1, 2018	2,705.17	24,573.39	1,093.77	3,048.98	5,053.37	3,672.74	520.35	40,667.77
Additions	-	6,936.52	585.91	3,736.39	1,116.29	2,388.82	-	14,763.93
Deletions	28.56	18.18	-	23.85	6.13	31.03	131.28	239.03
Assets classified as held for sale	583.78	151.71	283.34	723.22	943.45	333.33	-	3,018.83
As at March 31, 2019	2,092.83	31,340.02	1,396.34	6,038.30	5,220.08	5,697.20	389.07	52,173.84
Accumulated depreciation								
As at April 1, 2018	1,107.16	3,176.51	480.79	1,427.51	1,804.51	989.12	168.53	9,154.13
Depreciation for the year	476.08	1,881.30	168.98	833.00	307.05	405.58	78.56	4,150.55
Deletions	14.58	8.78	-	22.59	3.96	12.17	58.08	120.16
Assets classified as held for sale	528.34	77.05	172.11	480.81	750.01	104.23	-	2,112.55
As at March 31, 2019	1,040.32	4,971.98	477.66	1,757.11	1,357.59	1,278.30	189.01	11,071.97
Net book value								
As at March 31, 2019	1,052.51	26,368.04	918.68	4,281.19	3,862.49	4,418.90	200.06	41,101.87
As at March 31, 2018	1,598.01	21,396.88	612.98	1,621.47	3,248.86	2,683.62	351.82	31,513.64

Intangible assets	Computer Softwares	Exclusive Business Rights	Total
(₹ in Lakh)			
Cost			
As at April 1, 2018	450.21	29.47	479.68
Additions	11.97	-	11.97
Deletions	-	-	-
Assets classified as held for sale	145.07	-	145.07
As at March 31, 2019	317.11	29.47	346.58
Accumulated amortisation			
As At April 1, 2018	235.45	24.47	259.92
Amortisation for the year	14.55	5.00	19.55
Deletions	-	-	-
Assets classified as held for sale	54.97	-	54.97
As at March 31, 2019	195.03	29.47	224.50
Net book value			
As at March 31, 2019	122.08	-	122.08
As at March 31, 2018	214.76	5.00	219.76



Notes to the Financial Statements (Contd.)

5. INVESTMENTS

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Investments		
Non - Trade Investment (at cost)		
Unquoted		
Associate		
1,78,500 (2018: 1,78,500) Equity Share of ₹ 10 each of Leanbox Logistics Solutions Private Limited	899.99	899.99
Subsidiary		
1,50,60,063 (2018: 23,00,60,063) Equity Share of ₹ 10 each of Vulcan Express Private Limited	5,312.27	5,312.27
Others		
19,833 (2018: 19,833) Compulsory Convertible Debentures of ₹ 10 each of Leanbox Logistics Solutions Private Limited	100.00	100.00
	6,312.26	6,312.26

6. OTHER FINANCIAL ASSETS

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Financial Assets - Others		
Unsecured Considered Good		
Security Deposits	5,212.60	3,219.22
Bank Deposit (under lien)	100.00	13.00
	5,312.60	3,232.22

7. OTHER NON CURRENT ASSETS

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	-	52.95
MAT credit	1,666.44	721.14
Advance tax (net of provisions)	4,944.60	3,700.27
	6,611.04	4,474.36

8. INVENTORIES

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Packing materials	552.95	-
	552.95	-

Notes to the Financial Statements (Contd.)

9. INVESTMENTS

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current Investment		
Unquoted		
National Saving Certificate* (under lien)	0.70	0.70
* Financial Assets carried at amortised cost		
	0.70	0.70

10. TRADE RECEIVABLES

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good	34,875.00	25,908.85
Trade Receivables - Credit Impaired	881.72	745.24
Less: Allowances for expected credit loss	(881.72)	(745.24)
	34,875.00	25,908.85

11. CASH AND CASH EQUIVALENT

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
In current accounts	11,697.10	7,749.14
Cash on hand	11.45	112.33
	11,708.55	7,861.47

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits (under Lien)	60.65	106.55
	60.65	106.55



Notes to the Financial Statements (Contd.)

13. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Financial Assets		
Inter Corporate Deposit	50.00	-
Security Deposits		
Unsecured, Considered Good	433.06	1,071.35
Security Deposits- Credit Impaired	107.19	103.28
Less: Allowance for doubtful deposits	(107.19)	(103.28)
	483.06	1,071.35

14. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Insurance claim receivables	30.89	19.61
Balances with Government authorities	496.41	93.77
Others (include prepaid expenses, advance to suppliers etc.)	707.76	1,372.73
	1,235.06	1,486.11

15. SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised				
Equity Shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued, Subscribed and fully Paid up				
Equity Shares of ₹ 10 each fully paid up	4,00,81,113	4,008.11	4,00,56,238	4,005.62
	4,00,81,113	4,008.11	4,00,56,238	4,005.62

(i) Reconciliation of Number of Shares

Equity Shares of ₹ 10/- each

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of Shares	Number of Shares
Opening balance	4,00,56,238	3,91,38,283
Add : On account of conversion of Fully Convertible Debentures	-	9,17,955
Add : Equity Shares issued under ESOP	24,875	-
	4,00,81,113	4,00,56,238

Notes to the Financial Statements (Contd.)

(ii) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per Share. Holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

(iii) Holding company

Name of Shareholder	As at March 31, 2019	As at March 31, 2018
	No. of Shares	No. of Shares
Equity Shares		
Future Enterprises Limited	100	2,05,15,917
Ritvika Trading Private Limited	2,05,15,817	-

(iv) More than 5 percent shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in the Company are as under :

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Future Enterprises Limited	100	0.00	2,05,15,917	51.22
Ritvika Trading Private Limited	2,05,15,817	51.19	-	-
Griffin Partners Limited	58,63,475	14.63	58,63,475	14.64
L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	27,84,372	6.95	23,74,973	5.93

(v) Share options granted under the ESOP

Share options granted under the ESOP carry no rights as to dividend and voting.

(vi) As at March 31, 2019, total 2,39,200 (2018 : 2,69,700) equity shares are reserved for issuance toward outstanding employee stock options granted. (Refer Note no. 33)

16. OTHER EQUITY

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Retained Earnings	31,487.53	27,892.66
Securities Premium	21,563.99	21,403.32
Debenture Redemption Reserve	2,500.00	-
Employee Stock Option Outstanding	475.14	179.44
Total Other Equity	56,026.66	49,475.42

16.1 Description of Reserves

Securities Premium

This reserve is created to transfer a sum equal to the aggregate amount of the premium received on shares issued as per the applicable provisions of the Companies Act, 2013.



Notes to the Financial Statements (Contd.)

Debenture Redemption Reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of the profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the Debenture Redemption Reserve cannot be utilised by the Company except to redeem debentures.

Employee Stock Option Outstanding

This reserve relates to share options granted by the Company to its employees and directors under ESOP. Further information about share-based payments to employees is set out in Note no. 33.

Retained Earnings

This represents the surplus/ (deficit) of the Statement of Profit and Loss. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate Financial Statements of the Company and also considering the requirements of the Companies Act, 2013.

17. NON CURRENT BORROWINGS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Term Loan		
Term Loan from Banks*	1,028.17	2,511.28
Non Convertible Debentures	20,753.31	-
* Financial Liabilities carried at amortised cost (Refer Note No.36)		
	21,781.48	2,511.28

18. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Non Current Financial Liabilities		
Security Deposits*	90.05	169.95
* Financial Liabilities Carried at Amortised Cost		
	90.05	169.95

19. NON-CURRENT - PROVISIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	257.10	299.57
Leave encashment (Refer Note No. 37)	151.39	156.81
	408.49	456.38

Notes to the Financial Statements (Contd.)

20. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Borrowings	-	784.98
Security Deposits	4.40	3.60
Capital Creditors	3,259.92	976.33
Payable on Purchase of Investment	-	1,202.26
Other Payables	2,848.10	2,880.48
	6,112.42	5,847.65

21. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Dues	1,222.20	1,156.50
Other Payables (includes advance from customers etc.)	1,671.18	846.75
	2,893.38	2,003.25

22. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	7.71	11.42
Leave Encashment (Refer Note No. 37)	4.75	16.90
Provision for Bonus	707.25	300.00
	719.71	328.32

23. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Logistics Services	1,11,277.10	83,192.24
	1,11,277.10	83,192.24

24. OTHER INCOME

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on		
- Bank Deposits	102.81	5.38
- Others	133.45	411.54
Profit on Sale of Fixed Assets	10.05	233.95
Miscellaneous Income	315.03	491.51
	561.34	1,142.38



Notes to the Financial Statements (Contd.)

25. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, Wages and Bonus	8,724.32	7,695.26
Contribution to Provident and Other Funds	282.02	153.11
Expenses on ESOP (Refer note no.33)	371.80	179.44
Staff Welfare Expenses	391.90	285.52
	9,770.04	8,313.33

26. FINANCE COSTS

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Expense	1,608.14	870.15
	1,608.14	870.15

27. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Power and Fuel	1,955.95	1,360.79
Repairs and Maintenance		
- Building	189.49	123.02
- Machinery	621.64	722.21
- Others	413.23	259.11
Insurance	161.90	130.35
Rates and Taxes	165.54	64.70
Rent	184.78	203.85
Travelling and Conveyance Expenses	1,297.50	945.21
Auditors' Remuneration		
- Statutory Audit Fees	15.50	15.50
- Tax Audit Fees	-	0.25
- Other Services	1.50	28.82
Security Expenses	1,804.20	1,515.69
Corporate Social Responsibility	127.06	90.92
Allowance for Expected Credit Loss	275.98	170.29
Provision for Doubtful Advances	95.11	60.62
Miscellaneous Expenses	1,988.44	2,224.96
	9,297.82	7,916.29

Notes to the Financial Statements (Contd.)

28. FINANCIAL RISK MANAGEMENT

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

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

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

Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximising the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debt (total debt offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimise capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company at regular interval. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Company has a target Debt to Equity ratio of 1:1 determined as the proportion of net debt to equity. The Company had net debt to equity ratio of 0.17x as on March 31, 2019 (March 31, 2018: Nil)

Interest Rate Risk

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

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

Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is insignificant for its purchase from overseas suppliers in various foreign currencies.

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

(₹ in Lakh)		
Trade Payable	As at March 31, 2019	As at March 2018
In USD	38,079	12,993
₹ in Lakh	26.40	8.46
Conversion date of USD	March 31, 2019	March 31, 2018



Notes to the Financial Statements (Contd.)

Foreign exchange risk sensitivity:

The Company analyses a 10% variation (sensitivity) in the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

Particulars	(₹ in Lakh)			
	Year ended March 31, 2019		Year ended March 31, 2018	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(2.64)	2.64	(0.85)	0.85

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 34,875.00 Lakh and ₹ 25,908.85 Lakh as of March 31, 2019 and March 31, 2018 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.

Apart from Future Retail Limited, Future Lifestyle Fashion Limited and Praxis Home Retail Limited, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk did not exceed 14% of gross trade receivable as at the end of reporting period (2017-18: 25%) for Future Retail Limited, did not exceed 13% of gross trade receivable as at the end of reporting period (2017-18 : 8%) for Future Lifestyle Fashion Limited and did not exceed 12% of gross trade receivable as at the end of reporting period (2017-18 : 7%) for Praxis Home Retail Limited. No other single customer accounted for more than 10% of total trade receivable.

The average credit period on sale of services is 30 to 90 days. No interest is charged on trade receivables.

Credit Risk Exposure

Movement in expected credit loss:

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Opening balance	745.24	419.33
Movement in expected credit loss	136.48	325.91
Closing balance	881.72	745.24

Notes to the Financial Statements (Contd.)

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2019, the Company had a working capital of ₹ 15,522.70 Lakh including cash and cash equivalent of ₹ 11,708.55 Lakh and current investment of ₹ 0.70 Lakh.

As of March 31, 2018, the Company had a working capital of ₹ 10,611.47 Lakh including cash and cash equivalent of ₹ 7,861.47 Lakh and current investment of ₹ 0.70 Lakh.

29. CONTINGENT LIABILITIES NOT PROVIDED FOR:

Disputed Service tax demand ₹ 391.80 Lakh (2017-18: ₹ 391.80 Lakh)

30. Estimated amounts of contracts remaining to be expected on capital account: ₹ 3,755.18 Lakh (net of advances) (2017-18: ₹ 1,927.95 Lakh)

31. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company.

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	166.83	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	2.86	-
Interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	2.86	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



Notes to the Financial Statements (Contd.)

32. RELATED PARTY DISCLOSURES

Names of Related Parties and nature of relationship

Holding/ Ultimate holding company	- Future Enterprises Limited
Holding company	- Ritvika Trading Private Limited till (w.e.f. December 24, 2018)
Subsidiary company	- Vulcan Express Private Limited
Associate company	- Leanbox Logistics Solutions Private Limited
Fellow subsidiary	- Work Store Limited

Group entities:

- Future Lifestyle Fashions Limited
- Future Consumer Limited
- Future Retail Limited
- Future Ideas Company Limited
- Praxis Home Retail Limited
- Galaxy Entertainment Corporation Limited
- Future Speciality Retail Limited
- Future Stylelab Limited
- Rachika Trading Limited
- Aadhar Wholesale and Distribution Limited
- Future Generali India Life Insurance Company Limited
- Apollo Design Apparel Park Limited
- Goldmohur Design and Apparel Park Limited
- Nufuture Digital(India) Limited
- S J Retail Private Limited
- Clarks Future Footware Private Limited
- Future Corporate Resources Private Limited
- Integrated Foodpark Private Limited
- Sublime Foods Private Limited
- The Nilgiris Dairy Farm Private Limited
- Hain Future Natural Products Private Limited
- Turtle Limited

Key Management Personnel

- Mayur Toshniwal (Managing Director) (w.e.f August 5, 2017)
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Notes to the Financial Statements (Contd.)

During the year, following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Lakh)

Nature of Transactions	Ultimate holding company	Subsidiary company	Associate company	Fellow subsidiary	Group entities	Key Management Personnel
Purchase of fixed assets	-	-	-	-	4,383.32	-
	(1.77)	(-)	(-)	(-)	(4,633.89)	(-)
Sale of fixed assets	-	-	-	-	-	-
	(-)	(-)	(4.16)	(-)	(-)	(-)
Income from operation	2,397.39	-	78.07	74.02	74,544.62	-
	(1,503.42)	(-)	(25.89)	(33.12)	(51,754.51)	(-)
Reimbursement of expenses	136.42	-	-	-	233.68	-
	(154.48)	(-)	(-)	(-)	(198.02)	(-)
Expenses	-	-	-	113.38	1,049.81	-
	(4.07)	(-)	(-)	(39.41)	(913.17)	(-)
Remuneration	-	-	-	-	-	248.87
	(-)	(-)	(-)	(-)	(-)	(115.13)
Investments	-	-	-	-	-	-
	(-)	(1,300)	(100.00)	(-)	(-)	(-)
Inter corporate deposit	-	-	50.00	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Advance given	-	397.27	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
As at March 31, 2019						
Receivables	2,298.01	-	12.88	30.27	16,339.70	-
	(1,152.68)	(-)	(18.67)	(14.15)	(10,669.78)	(-)
Payables	17.78	-	-	67.48	1,076.06	-
	-	(-)	(-)	(17.73)	(134.64)	(-)
Inter corporate deposit receivables	-	-	50.00	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Deposit payable	-	-	-	-	-	-
	(-)	(-)	(-)	-	(30.00)	(-)
Advance	-	397.27	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

Break up of Material Related Party Transactions:

- Purchase of Fixed Assets includes Future Retail Limited ₹ 4,382.49 Lakh (2017-18: ₹ 4,633.89 Lakh)
- Income from Operation includes Future Retail Limited ₹ 58,410.87 Lakh (2017-18: ₹ 43,024.05 Lakh)
- Reimbursement of expenses includes Future Consumer Limited ₹ 43.16 Lakh (2017-18: ₹ 31.61 Lakh), Future Corporate Resources Private Limited ₹ 27.51 Lakh (2017-18: Nil), Future Lifestyle Fashions Limited ₹ 62.96 Lakh (2017-18: ₹ 45.26 Lakh) and Future Retail Limited ₹ 83.48 Lakh (2017-18: ₹ 121.14 Lakh)
- Expenses includes Future Corporate Resources Private Limited ₹ 180 Lakh (2017-18: ₹ 180.23 Lakh), Future Generali India Life Insurance Company Limited ₹ 153.11 Lakh (2017-18: ₹ 19.69 Lakh), Integrated Foodpark Private Limited ₹ 236.50 Lakh (2017-18: ₹ 256.31 Lakh) and Nufuture Digital(India) Limited ₹ 401.13 Lakh (2017-18: ₹ 336.14 Lakh)



Notes to the Financial Statements (Contd.)

- e) Receivables includes Future Lifestyle Fashions Limited ₹ 4,469.85 Lakh (2017-18: ₹ 2,087.68 Lakh), Future Retail Limited ₹ 4,945.38 Lakh (2017-18: ₹ 6,497.70 Lakh) and Praxis Home Retail Limited ₹ 4,217.13 Lakh (2017-18: ₹ 1,833.13 Lakh)
- f) Payables includes Future Retail Limited ₹ 17.63 Lakh (2017-18: ₹ 98.79 Lakh), Future Corporate Resources Private Limited ₹ 920.99 Lakh (2017-18: ₹ (105.71) Lakh), Integrated Foodpark Private Limited ₹ 25.68 Lakh (2017-18: ₹ 64.97 Lakh) and Nufuture Digital (India) Limited ₹ 140.96 Lakh (2017-18: ₹ 71.24 Lakh)

33. SHARE BASED PAYMENTS

(i) Details of the employee share based plan of the Company:

- a) The ESOP titled as Future Supply Chain Solutions Limited Employees Stock Option Plan 2017 ("FSC ESOP 2017") was approved by the Board on August 5, 2017 and by the Shareholders on August 8, 2017. FSC ESOP 2017 was also ratified by the Shareholders in terms of Regulation 12(3) of SEBI (Share Based Employee Benefits) Regulations, 2014 at the annual general meeting held on August 22, 2018. In aggregate, 4,00,000 options were covered under the FSC ESOP 2017 for 4,00,000 equity shares of ₹ 10 each.

During the year 2017-18, the Nomination and Remuneration Committee ("NRC") of the Company granted 2,83,763 options under the FSC ESOP 2017 to certain directors and employees of the Company. The options granted are convertible into equal number of equity shares. The exercise price of each option is ₹ 350 (including ₹ 340 as share premium)

The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

- b) The following share-based payment arrangements were in existence during the previous year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year:

Inputs	FSC ESOP 2017
Expected volatility (%)	25.26
Option life (Years)	2.50-4.50
Dividend yield (%)	0.00
Risk-free interest rate (Average)	6.75% - 7.01%

Notes to the Financial Statements (Contd.)

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	2,69,700	350	-	-
Granted during the year	-	-	2,83,763	350
Exercised during the year	24,875	350	-	-
Cancelled during the year	5,625	350	14,063	350
Balance at end of year	2,39,200	350	2,69,700	350

(iv) Share options exercised during the year

The following share options were exercised during the year:

Option scheme	Number exercised	Exercise date	Share price at exercise date (₹)
FSC ESOP 2017	15,875	January 24, 2019	657.00
FSC ESOP 2017	9,000	March 19, 2019	593.95

(v) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,483 days (2017-18: 1,799 days).

Out of the ESOPs outstanding, the number of options exercisable are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
FSC ESOP 2017	27,940	-

(vi) The expenses recognised for employee services received during the year is shown in the following table:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
Expenses arising from equity settled share based payment transactions	371.80	179.44

34. EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic earnings per share		
From continuing operations	24.06	22.87
From discontinued operations	(7.79)	(15.12)
Total basic earnings per share	16.27	7.75



Notes to the Financial Statements (Contd.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Diluted earnings per share		
From continuing operations	24.03	22.86
From discontinued operations	(7.79)	(15.11)
Total diluted earnings per share	16.24	7.75

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year from continuing operations (₹ in Lakh)	9,638.08	9,029.86
Weighted average number of equity shares outstanding during the year for Basic EPS	4,00,59,473	3,94,85,345
Add: Weighted Average number of equity shares on account of Employee Stock Options outstanding	57,042	9,174
Weighted average number of equity shares outstanding during the year for Diluted EPS	4,01,16,515	3,94,94,519
Earnings per share of ₹10/- each from continuing operations		
- Basic (in ₹)	24.06	22.87
- Diluted(in ₹)	24.03	22.86

35. LEASE

The Company has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements, which are non-cancellable, range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Cost of Logistics Services amounting to ₹ 12,095.26 Lakh (2017-18 : ₹ 9,097.75 Lakh). Lease Rent payable not later than one year is ₹ 6,618.43 Lakh (2017-18: ₹ 2,954.47 Lakh), payable later than one year but not later than five year is ₹ 12,663.45 Lakh (2017-18: ₹ 7,279.04 Lakh) and payable later than five years is ₹ 3,077.23 Lakh (2017-18: ₹ 1,517.67 Lakh).

36. SECURITY CLAUSE IN RESPECT TO SECURED BORROWINGS.

A. Short Term Borrowing

Nil (2017-18: Nil) is secured by (a) first pari-passu charge on current assets of the Company (b) second pari-passu charge on fixed assets (c) secured by personal guarantee of a Director.

B. Long Term Borrowing

During the year, the Company has issued and allotted 19,900 secured, rated, redeemable and non convertible debentures (NCDs) of ₹ 1 Lakh each aggregating to ₹ 19,900 Lakh on a private placement basis. The NCDs have been listed on Wholesale Debt Market segment of BSE Limited. The NCDs are secured by maintaining an overall minimum asset cover/ security cover of 1.25 times on net block of fixed assets on first pari passu basis on the outstanding amount. The NCDs were issued in Series I and Series II of ₹ 9,900 Lakh and ₹ 10,000 Lakh with tenure of 3 and 4 years from date of allotment, respectively. The NCDs carry an interest @10.15% payable annually and on redemption. The redemption dates for Series I & Series II are September 26, 2021 and September 26, 2022, respectively. Amount repayable includes principal sum of ₹ 9,900 Lakh in 2021-22 and ₹ 10,000 Lakh in 2022-23,

Notes to the Financial Statements (Contd.)

along with interest payment of ₹ 2,020 Lakh in 2019-20, ₹ 2,020 Lakh in 2020-21, ₹ 2,020 Lakh in 2021-22 and ₹ 1,015 Lakh in 2022-23.

The Company has taken a term loan of ₹ 1,216 lakh from Yes Bank Limited. The same is secured by way of first pari-passu charge on entire fixed assets (excluding land) and second pari passu charge on current assets along with personal undertaking of Kishore Biyani. Amount repayable is ₹ 304 Lakh each in 2020-21, 2021-22, 2022-23 and 2023-24. Rate of interest is 0.55% over and above 6 month MCLR and will be reset semi-annually and every half year thereafter. Interest shall be paid monthly.

37. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 25 under the "Contribution to Provident and Other Funds" of Statement of Profit and Loss ₹ 282.02 Lakh (2017-18: ₹ 153.11 Lakh).

Defined Benefit Plan – Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested, it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefit are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the Government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Change in Present Value of Defined Benefit Obligation

Particulars	(₹ in Lakh)			
	Gratuity (Unfunded)		Leave Encashment	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Present value of obligation at the beginning of the year	238.69	208.35	126.77	103.23
Current service cost	58.39	49.94	51.90	39.29
Interest cost	18.60	15.59	9.88	7.72
Remeasurement-Actuarial (gain)/ loss	(7.86)	(13.79)	6.80	56.41
Past service cost	-	5.68	-	-
Benefits paid by the Company	(39.56)	(27.08)	(39.21)	(80.33)
On account of business combination	-	-	-	0.45
Present value of obligation at the end of the year	268.26	238.69	156.14	126.77



Notes to the Financial Statements (Contd.)

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	3.20	2.98
Investment Income	0.25	0.22
Fair value of plan assets at the end of the year	3.45	3.20

Net Defined Benefit Liability / (Assets)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	268.26	238.69
Fair value of plan assets	(3.45)	(3.20)
Surplus / (Deficit)	264.81	235.49
Net defined benefit liability / (assets)	264.81	235.49

Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	58.39	49.94	51.90	39.29
Past service cost	-	5.68	-	-
Net interest on the net defined benefit liability / asset	18.36	15.37	9.88	7.72
Remeasurement on (gain) / loss	-	-	6.80	56.41
Total expenses recognised in Statement of Profit and Loss	76.75	70.99	68.58	103.42

Re-measurement Effects recognised in Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial (gains) / loss	(7.86)	(13.79)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	-	-
Total (gain) / loss included in OCI	(7.86)	(13.79)

Financial Assumptions used for the purpose of the actuarial valuations were as follow:

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discounted rate (per annum)	7.70%	7.80%	7.70%	7.80%
Expected rate of future salary increase	5%	5%	5%	5%
Mortality rate (% of IALM 06-08)	100%	100%	100%	100%
Withdrawal rate (per annum)	1%	1%	1%	1%
Normal retirement age	58 Years	58 Years	58 Years	58 Years

Notes to the Financial Statements (Contd.)

Sensitivity analysis: Gratuity

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity is given below:

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation (Base)	268.26	238.69

Particulars	(₹ in Lakh)			
	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	306.61	236.11	281.54	221.67
Salary Growth rate (- / + 1%)	235.79	306.52	221.66	281.14
Attrition rate (- / + 50% of attrition rates)	264.30	271.92	254.08	245.67
Mortality rate (- / + 10% of mortality rates)	267.94	268.57	248.79	249.33

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

38. FINANCIAL INSTRUMENTS

All categories of financial assets and financial liabilities are measured at amortised cost.

39. BUSINESS COMBINATION

During the year, the Board of Directors of the Company had approved a Scheme of Arrangement under Sections 230-232 read with Section 66 of the Companies Act, 2013 ("Scheme") between the Company and its wholly owned subsidiary Vulcan Express Private Limited ("Vulcan") and their respective Shareholders and Creditors. The Scheme received all the requisite approvals and has been given effect to in the books with effect from the appointed date as mentioned in the Scheme. The Scheme became effective on December 14, 2018.

The Scheme envisages demerger of "Fulfilment Business Undertaking" and "Last Mile Delivery Business Undertaking" of Vulcan and vest into the Company on October 1, 2016 on a going concern basis. In view of Vulcan being the wholly owned subsidiary of the Company, no consideration was proposed to be paid for the arrangements embodied in the Scheme.

Assets acquired and liabilities recognised on the appointed date under pooling of interest method:

Particulars	(₹ in Lakh)
Current assets	
Cash and cash equivalents	523.82
Trade and other receivables	2,914.24
Other Current Assets	1,410.45
Non-current assets	
Property, plant and equipment	5,565.03



Notes to the Financial Statements (Contd.)

Particulars	(₹ in Lakh)
Capital work in progress	1,221.12
Intangible Assets	132.61
Other Non-Current Assets	809.64
Current liabilities	
Borrowings	9,140.00
Trade and other payables	5,247.96
Other Current Liabilities and Provisions	713.15
Non-current liabilities	
Other Non Current Liabilities	64.98
Other Equity	(2,589.18)

40. ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Board of Directors of the Company at its meeting held on February 7, 2019, approved sale of Last Mile Delivery Business ("Division") of the Company on a Slump Sale basis to Leanbox Logistics Solutions Private Limited ("Leanbox"), an Associate company. The transaction is expected to be completed in 2019-20. Consideration of slump sale would be settled by allotment of shares to the Company by Leanbox thereby making it a subsidiary of the Company.

Assets and Liabilities of this division are accordingly classified as held for sale and no impairment loss is recognised. The major classes of assets and liabilities of the division at the end of the reporting period are as follows:

(i) Assets of business held for sale and Liabilities associated

Particulars	(₹ in Lakh)
	As at March 31, 2019
Assets related to business	3,626.55
Liabilities associated with assets held for sale	2,684.11

Particulars	(₹ in Lakh)
	As at March 31, 2019
Property, Plant And Equipment	564.95
Intangible Assets	90.10
Other Financial Assets	214.62
Trade Receivables	2,093.23
Cash and Cash Equivalent	658.20
Other Current Assets	5.45
Assets of business classified as held for sale	3,626.55
Provisions	120.97
Trade Payables	2,473.82
Other Current Financial Liabilities	89.32
Liabilities associated with assets held for sale	2,684.11

Notes to the Financial Statements (Contd.)

(ii) Analysis of Profit and Loss from discontinued operations

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	11,270.52	9,801.46
Other Income	20.43	115.72
Total Revenue	11,290.95	9,917.18
Cost of Logistics Services	10,924.72	10,041.34
Employee Benefits Expense	1,885.33	2,984.65
Depreciation and Amortisation Expense	341.32	363.95
Finance Costs	176.69	728.98
Other Expenses	1,085.25	1,768.64
Total Expense	14,413.31	15,887.56
Profit before tax	(3,122.36)	(5,970.38)
Attributable income Tax Expense	-	-
Loss from discontinued operations	(3,122.36)	(5,970.38)

(iii) Cash flows from discontinued operations

The cash from operation activity for discontinued operation is ₹ (2,214.62) Lakh for 2018-19 and the same is financed from internal accruals.

The cash flow investing and financing activity for discontinued operation is Nil for 2018-19

41. The current tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax from continuing operations	9,638.08	9,029.86
Loss before tax from discontinued operations	(3,122.36)	(5,970.38)
Profit for the year	6,515.72	3,059.48
Income tax expenses calculated at 34.94% (2017-18 : 34.61%)	2,276.85	1,058.82
Effect of allowance to the extent of income tax expenses	(2,276.85)	(1,058.82)
Current tax expenses recognised in the Statement of Profit and Loss	-	-

42. The Company is engaged only in Logistics services in India and there are no separate reportable business and geographical segments under Ind AS 108 relating to operating segments.

43. As required under clause (4) of Section 186 of the Companies Act 2013, the Company had made an investment of Nil (2017-18: ₹ 6,312.26 Lakh) and given an Inter Corporate Deposit (ICD) of ₹ 50.00 Lakh (2017-18: Nil) during the year. The interest rate on ICD is 12.5% p.a. and is given for general corporate purpose for a period of 1 year.

As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Company has an outstanding loan amount of ₹ 50.00 Lakh (2017-18: Nil) given to Leanbox Logistics Solutions Private Limited (Associate company). Maximum Loan amount outstanding is ₹ 50.00 Lakh (2017-18: Nil).

44. APPROVAL OF FINANCIAL STATEMENT

The Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on May 13, 2019.

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

P V Sheshadri
(Chief Executive Officer)

C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)



Independent Auditors' Report

To the Members of **Future Supply Chain Solutions Limited**

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of **Future Supply Chain Solutions Limited**, ("the Company") and its subsidiaries and associate (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION











We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Auditor's Response
1. Revenue Recognition: Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of IND AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	Principal Audit Procedures We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:  Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

Independent Auditors' Report (Contd.)

Key audit matter	Auditor's Response
	<p> Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</p> <p>We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p> Tested the relevant information technology systems access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p> <p> Selected a sample of continuing and new contracts and performed the following procedures:</p> <p> Read, analysed and identified the distinct performance obligations in these contracts.</p> <p> Compared these performance obligations with that identified and recorded by the Company.</p> <p> Performed analytical procedures for reasonableness of revenues.</p>
<p>2. Disclosure of related party transactions:</p> <p>Due to high volume of business transactions with related parties during the year ended March 31, 2019, the matter pertaining to completeness of disclosures of related party transactions at arm's length price is considered as key audit matter.</p>	<p>Principal Audit Procedures</p> <p> Assessed the procedures adopted by the management in order to establish arm's length price.</p> <p> Obtaining an understanding of the Group's procedures in identification of related parties and process followed for ensuring completeness of accounting and disclosures of related party transactions and balances.</p> <p> Reading the statutory records and books of records to identify related party transactions and audit committee approvals for related party transactions.</p> <p> Verification of balance confirmations received from related parties and testing the transaction amounts and closing balances.</p>

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report. but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditors' Report (Contd.)

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.





The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high


level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

-  Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
-  Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
-  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
-  Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

Independent Auditors' Report (Contd.)

report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

 Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with Ind AS specified under Section 133 of the Act, read with relevant rule issued there under.
 - e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors of the Company and its Subsidiaries incorporated in India and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies is disqualified as on March 31, 2019, 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 A**" which is based on the auditor's report of the Company and its Subsidiary Companies incorporated in India.



Independent Auditors' Report (Contd.)

Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with requirement of section 197(16) of the Act, as amended:
 - i. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company and associate company.

For **GMJ & Co.**
Chartered Accountants
Firm Registration No. : 103429W

Sanjeev Maheshwari
Partner
Membership Number: 038755
Place: Mumbai
Date: May 13, 2019

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Future Supply Chain Solutions Limited** ("the Company") and its Subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

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 Consolidated 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 Consolidated



Annexure - A to the Auditors' Report (Contd.)

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 Consolidated 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies 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 **GMJ & Co.**

Chartered Accountants

Firm Registration No. : 103429W

Sanjeev Maheshwari

Partner

Membership Number: 038755

Place: Mumbai

Date: May 13, 2019

Consolidated Balance Sheet

As at March 31, 2019

(₹ in Lakh)			
Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	4	41,778.23	31,627.45
Capital Work In Progress		6,389.81	254.94
Intangible Assets	4	183.81	219.76
Financial Assets			
Investment in Associate	5	733.03	942.89
Other Financial Assets	6	5,530.72	3,235.72
Other Non Current Assets	7	6,611.15	4,474.36
Total Non-Current Assets		61,226.75	40,755.12
Current Assets			
Inventories	8	552.95	-
Financial Assets			
Investments	9	0.70	0.70
Trade Receivables	10	36,957.71	25,961.10
Cash and Cash Equivalent	11	12,366.75	7,861.63
Bank Balances other than Cash and Cash Equivalent	12	60.65	106.55
Other Financial Assets	13	495.30	1,121.29
Other Current Assets	14	973.02	1,486.11
Total Current Assets		51,407.08	36,537.38
Total Assets		1,12,633.83	77,292.50
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	15	4,008.11	4,005.62
Other Equity	16	50,211.53	44,023.03
Total Equity		54,219.64	48,028.65
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Non Current Borrowings	17	21,781.48	2,511.28
Other Non Current Financial Liabilities	18	90.05	169.95
Provisions	19	489.18	456.85
Total Non-Current Liabilities		22,360.71	3,138.08
Current Liabilities			
Financial Liabilities			
Trade Payables			
- Micro and Small Enterprises	31	166.83	-
- Others		26,016.75	17,947.12
Other Current Financial Liabilities	20	6,201.74	5,802.70
Other Current Liabilities	21	2,908.16	2,048.10
Provisions	22	760.00	327.85
Total Current Liabilities		36,053.48	26,125.77
Total Equity And Liabilities		1,12,633.83	77,292.50
Notes to the Financial Statements	1-41		

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

P V Sheshadri
(Chief Executive Officer)

C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)



Consolidated Statement of Profit and Loss

For the year ended March 31, 2019

(₹ in Lakh)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue From Operations	23	1,22,841.85	93,780.49
Other Income	24	581.76	1,258.09
Total Income		1,23,423.61	95,038.58
Expenses			
Cost of Logistics Services		88,604.18	64,420.83
Employee Benefits Expense	25	11,725.30	11,175.97
Depreciation and Amortisation Expense	4	4,542.21	4,966.25
Finance Costs	26	1,784.83	1,599.12
Other Expenses	27	10,404.23	9,772.12
Total Expenses		1,17,060.75	91,934.29
Profit Before Tax		6,362.86	3,104.29
Tax Expenses:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit after taxation before Share of Associate		6,362.86	3,104.29
Share of loss in Associate Company		(209.86)	(57.10)
Profit after Share of Associate		6,153.00	3,047.19
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurement of the defined benefit plan		62.05	25.68
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		62.05	25.68
Total Comprehensive Income for the year		6,215.05	3,072.87
Earnings per equity share (Face Value ₹ 10/- each)	34		
Basic (₹)		15.36	7.72
Diluted (₹)		15.34	7.72
Notes to the Financial Statements	1-41		

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

P V Sheshadri
(Chief Executive Officer)

C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)

Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
(A) EQUITY SHARE CAPITAL		
Opening balance	4,005.62	3,913.83
Add : On account of conversion of Fully Convertible Debentures	-	91.79
Add : Equity Shares issued under Employee Stock Option Plan (ESOP)	2.49	-
Closing Balance	4,008.11	4,005.62
(B) OTHER EQUITY		
Retained Earnings		
Opening balance	20,726.76	1,912.60
Profit for the Year	6,153.00	3,047.19
Pursuant to Scheme of Arrangement	-	15,741.29
Other Comprehensive Income for the year (net of tax)	62.05	25.68
Dividend paid (including Dividend Distribution Tax)	(482.90)	-
Transfer to Debenture Redemption Reserve	(2,500.00)	-
Closing balance	23,958.91	20,726.76
Capital Reserve		
Opening balance	1,713.51	1,713.51
Add : On account of acquisition of Subsidiary	-	-
Closing balance	1,713.51	1,713.51
Securities Premium		
Opening balance	21,403.32	15,995.12
Add : On account of conversion of Fully Convertible Debentures	-	5,408.20
Add: Equity shares issued under ESOP	84.55	-
Add : Transfer from Share Options outstanding account on exercise of Share Options	76.10	-
Closing balance	21,563.97	21,403.32
Debenture Redemption Reserve		
Opening balance	-	-
Add: Transfer from surplus in the Statement of Profit and Loss	2,500.00	-
Closing balance	2,500.00	-
Shares Options Outstanding		
Opening balance	179.44	-
Add : Recognition of share based payments	371.80	179.44
Less : Transfer to Securities Premium on exercise of ESOP	(76.10)	-
Closing balance	475.14	179.44
Total Other Equity	50,211.53	44,023.03

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
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P V Sheshadri
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C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)



Consolidated Cash Flow Statement

For the year ended March 31, 2019

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	6,153.00	3,047.19
Adjusted For:		
Depreciation and amortisation Expenses	4,542.21	4,966.25
Share of (Profit)/Loss in Associates	209.86	57.10
Finance Costs	1,784.83	1,599.12
Provision for Doubtful Debts	371.09	286.53
Profit on sale of Fixed Assets	(10.05)	(233.95)
Excess Provision Written Back	-	(64.38)
Expenses on employee stock option(ESOP)	371.80	(61.03)
Interest Income	(248.60)	(417.65)
Cash generated from operations before working capital changes	13,174.14	9,179.18
Adjusted For:		
(Increase)/ decrease in inventories	(552.95)	-
(Increase)/ decrease in Trade receivables	(11,367.70)	(2,041.44)
(Increase)/ decrease in other Financial and other Assets	(2,048.27)	(998.50)
Increase/ (decrease) in Trade Payables, Other Liabilities and Provisions	8,371.28	4,750.22
Cash flow from Operations	7,576.50	10,889.46
Taxes Paid (Net)	(1,244.43)	(1,638.21)
Net cash from Operating Activities	6,332.07	9,251.25
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets	(18,582.25)	(9,043.83)
Sale of Property, Plant & Equipment and Intangible Assets	128.92	997.93
Purchase of Investments	-	(999.99)
Pursuant to Scheme of Arrangement	-	17,695.28
Interest Received	248.60	417.65
Net cash used in Investing Activities	(18,204.73)	9,067.04
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares on exercise of share options	87.04	-
Dividend paid (including Dividend Distribution Tax)	(482.90)	-
Repayment of current borrowings (net)	-	(14,546.29)
Proceeds from non current borrowings (net)	17,459.35	71.59
Interest paid	(731.61)	(1,130.72)
Net Cash from Financing Activities	16,331.88	(15,605.42)
Net increase In cash and cash equivalents (A+B+C)	4,459.22	2,712.87
Cash and cash equivalents at the beginning of the year	7,968.18	5,255.31
Cash and cash equivalents at the end of the year	12,427.40	7,968.18

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

P V Sheshadri
(Chief Executive Officer)

C P Toshniwal
(Director)
DIN: 00036303

Samir Kedia (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)

Notes to the Consolidated Financial Statements

1. COMPANY OVERVIEW

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

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

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

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019. It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its

obligation to make lease payments. The standard also requires enhanced disclosures requirements for lessees. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17.

The Group's operating leases mainly relate to Warehouses and Office Premises which are on lease terms of up to 20 years. The Group is currently in the process of evaluating the impact, this standard will have on its Financial Statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Statement of Compliance

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

3.2. Basis of Preparation and Presentation

These Financial Statements are prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.




Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Financial Statements is



Notes to the Consolidated Financial Statements (Contd.)

determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 'Share-based payment', leasing transactions that are within the scope of Ind AS 17 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets'.




In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

-  Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
-  Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
-  Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3. Basis of Consolidation





The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company and its subsidiary (together referred to as the "Group"). Control is achieved when the Group:

-  has power over the investee;
-  is exposed, or has rights, to variable returns from its involvement with the investee; and
-  has the ability to use its power to affect its returns.

The Group reassesses whether or not it

controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

-  the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
-  Potential voting rights held by the Group, other vote holders or other parties;
-  rights arising from other contractual arrangements; and
-  any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Consolidated Financial Statements (Contd.)

All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated

in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.



Notes to the Consolidated Financial Statements (Contd.)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained

interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's Consolidated Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Consolidated Financial Statements of the Group comprises Financial Statement of Future Supply Chain Solutions Limited and the following companies:

Name of the Company	Relationship	Country of Incorporation	Principle Activity	(₹ in Lakh)	
				Proportion of ownership interest and voting power held by the Company	
				As at March 31, 2019	As at March 31, 2018
Vulcan Express Private Limited	Subsidiary	INDIA	Logistics Services	100%	100%
Leanbox Logistics Solutions Private Limited	Associate	INDIA	Logistics Services	50%	50%

3.4. Property, Plant and Equipment

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

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

The carrying amount of any component

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

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

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

The residual values estimated useful lives and methods of depreciation of property, plant and

Notes to the Consolidated Financial Statements (Contd.)

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

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'.

3.5. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Assets	Useful Life
Softwares	6 years
Exclusive Business Rights	10 years

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

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

3.6. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.7. Financial Instruments

3.7.(i) Initial recognition

Financial assets and financial liabilities



Notes to the Consolidated Financial Statements (Contd.)

are recognised when the Group becomes a party to the contractual provisions of the instruments.

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

3.7.(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly

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

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

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

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

Notes to the Consolidated Financial Statements (Contd.)

(iii) Financial assets at fair value through profit or loss

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

(iv) Financial liabilities

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

b. Equity instruments

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

c. Compound instruments

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

At the date of issue, the fair value of

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

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

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



Notes to the Consolidated Financial Statements (Contd.)

3.7.(iii) Derecognition of financial instruments

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

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

3.8. Foreign Currency

Functional currency

The functional currency of the Group is the Indian Rupee ("₹").

i. Initial recognition

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

ii. Conversion

- a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.
- b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported in Indian Rupee using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Group accounts for exchange differences arising on translation/

settlement of foreign currency monetary items as below:

- a. Realised gains and losses on settlement of foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss.
- b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

3.9. Borrowing Costs

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

3.10. Revenue Recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue recognition prescribed in five-step model:

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

Step 2: Identify the separate performance obligations in the contract – Performance obligations are explicitly or implicitly promised goods or services in a contract as well those arising from customary business practices.

Notes to the Consolidated Financial Statements (Contd.)

An entity needs to identify performance obligations which are distinct.

Step 3: Determine the transaction price – The transaction price is the amount of consideration to which an entity expects to be entitled. It includes variable consideration, impact of significant financing components, fair value of non-cash consideration and impact of consideration payable to the customer.

Step 4: Allocate the transaction price to the separate performance obligations – The standard requires allocation of the total contract price to the various performance obligations based on their relative stand-alone selling prices, with limited exceptions.




Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation – Revenue recognition can occur either over time or at a point in time. Revenue recognition for a performance obligation occurs over time only if it meets one of the three prescribed criteria.

Interest Income

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




3.11. 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, or
-  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, or
-  Due to be settled within twelve months after the reporting period, or
-  There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

3.12. Employee Benefits

Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Group's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Consolidated Statement of Profit and Loss.

ii. Defined Benefits Plan:




For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period



Notes to the Consolidated Financial Statements (Contd.)

to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

-  service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
-  net interest expense or income; and
-  Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash

outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.13. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in

Notes to the Consolidated Financial Statements (Contd.)

the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.14. Earnings Per Share

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

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

3.15. Provisions, Contingent liabilities & Contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain

that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

3.16. Impairment

a. Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through Consolidated Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the



Notes to the Consolidated Financial Statements (Contd.)

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 the Consolidated Statement of Profit and Loss.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

b. Non-financial assets

Intangible assets and property, plant and equipment

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

If such assets are considered to be impaired, the impairment to be recognised in the Consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable

amount of the asset. An impairment loss is reversed in the Consolidated Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

3.17. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.18. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related

Notes to the Consolidated Financial Statements (Contd.)

costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase.

If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in

stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 'Revenue' ("Ind AS 18").

3.19. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.20. Key sources of estimation uncertainty and critical accounting judgments

In the course of applying the accounting policies, the Group is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in



Notes to the Consolidated Financial Statements (Contd.)

the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. Provisions, liabilities and contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

3.21. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Notes to the Consolidated Financial Statements (Contd.)

4. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Leasehold Improvements	Plant and Equipment	Office Equipments	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total
Cost								(₹ in Lakh)
As at April 1, 2018	2,789.73	24,663.60	1,103.75	3,099.97	5,077.42	3,681.65	520.35	40,936.47
Additions	-	6,936.52	585.92	3,736.38	1,116.29	2,388.82	-	14,763.93
Deletions	28.56	18.18	-	23.84	6.13	31.03	131.28	239.02
As at March 31, 2019	2,761.17	31,581.94	1,689.67	6,812.51	6,187.58	6,039.44	389.07	55,461.38
Accumulated depreciation								
As at April 1, 2018	1,179.85	3,196.69	487.03	1,456.53	1,826.56	993.83	168.53	9,309.02
Depreciation for the year	515.98	1,901.99	211.95	1,002.85	347.53	435.43	78.56	4,494.29
Deletions	14.58	8.78	-	22.60	3.96	12.16	58.08	120.16
As at March 31, 2019	1,681.25	5,089.90	698.98	2,436.78	2,170.13	1,417.10	189.01	13,683.15
Net book value								
As at March 31, 2019	1,079.92	26,492.04	990.69	4,375.73	4,017.45	4,622.34	200.06	41,778.23
As at March 31, 2018	1,609.88	21,466.91	616.72	1,643.44	3,250.86	2,687.82	351.82	31,627.45

Intangible assets	Computer Softwares	Exclusive Business Rights	Total
Cost			(₹ in Lakh)
As at April 1, 2018	450.21	29.47	479.68
Additions	11.97	-	11.97
Deletions	-	-	-
As at March 31, 2019	462.18	29.47	491.65
Accumulated amortisation			
As At April 1, 2018	235.45	24.47	259.92
Amortisation for the year	42.92	5.00	47.92
Deletions	-	-	-
As at March 31, 2019	278.37	29.47	307.84
Net book value			
As at March 31, 2019	183.81	-	183.81
As at March 31, 2018	214.76	5.00	219.76



Notes to the Consolidated Financial Statements (Contd.)

5. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Associate		
Non-Current Investments		
Non - Trade Investment (at cost)		
Unquoted		
Associate		
1,78,500 (2018: 1,78,500) Equity Share of ₹ 10 each of Leanbox Logistics Solutions Private Limited	633.03	842.89
Others		
19,833 (2018: 19,833) Compulsory Convertible Debentures of ₹ 10 each of Leanbox Logistics Solutions Private Limited	100.00	100.00
	733.03	942.89

6. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Financial Assets - Others		
Unsecured Considered Good		
Security Deposits	5,427.22	3,219.22
Bank Deposits (under lien)	103.50	16.50
	5,530.72	3,235.72

7. OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	-	52.95
MAT credit	1,666.45	721.14
Advance tax (net of provisions)	4,944.70	3,700.27
	6,611.15	4,474.36

8. INVENTORIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Packing materials	552.95	-
	552.95	-

Notes to the Consolidated Financial Statements (Contd.)

9. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Investment		
Unquoted		
National Saving Certificate (under lien)*	0.70	0.70
* Financial Assets carried at amortised cost		
	0.70	0.70

10. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good	36,957.71	25,961.10
Trade Receivables - Credit Impaired	881.72	745.24
Less: Allowances for expected credit loss	(881.72)	(745.24)
	36,957.71	25,961.10

11. CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
In current accounts	12,341.78	7,749.30
Cash on hand	24.97	112.33
	12,366.75	7,861.63

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits (under lien)	60.65	106.55
	60.65	106.55



Notes to the Consolidated Financial Statements (Contd.)

13. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Financial Assets		
Inter Corporate Deposit	50.00	-
Security Deposits	445.30	1,121.29
Unsecured, Considered Good		
Security Deposits- Credit Impaired	107.19	103.28
Less: Allowance for Doubtful Deposits	(107.19)	(103.28)
	495.30	1,121.29

14. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Insurance Claim Receivables	30.89	19.61
Balances with Government authorities	528.92	93.77
Others (includes prepaid expenses, advances to suppliers etc.)	413.21	1,372.73
	973.02	1,486.11

15. SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised				
Equity Shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued, subscribed and fully paid up				
Equity Shares of ₹ 10 each fully paid up	4,00,81,113	4,008.11	4,00,56,238	4,005.62
	4,00,81,113	4,008.11	4,00,56,238	4,005.62

(i) Reconciliation of Number of Shares

Equity Shares of ₹ 10/- each

Particulars	As at March 31, 2019 Number of Shares	As at March 31, 2018 Number of Shares
Opening balance	4,00,56,238	3,91,38,283
Add : On account of conversion of Fully Convertible Debentures	-	9,17,955
Add : Equity Shares issued under ESOP	24,875	-
	4,00,81,113	4,00,56,238

Notes to the Consolidated Financial Statements (Contd.)

(ii) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per Share. Holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

(iii) Holding company

Name of Shareholder	As at March 31, 2019	As at March 31, 2018
	No. of Shares	No. of Shares
Equity Shares		
Future Enterprises Limited	100	2,05,15,917
Ritvika Trading Private Limited	2,05,15,817	-

(iv) More than 5 percent shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in the Company are as under:

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Future Enterprises Limited	100	0.00	2,05,15,917	51.22
Ritvika Trading Private Limited	2,05,15,817	51.19	-	-
Griffin Partners Limited	58,63,475	14.63	58,63,475	14.64
L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	27,84,372	6.95	23,74,973	5.93

(v) Share options granted under the ESOP

Share options granted under the ESOP carry no rights as to dividend and voting.

(vi) As at March 31, 2019, total 2,39,200 (2018: 2,69,700) equity shares are reserved for issuance toward outstanding employee stock options granted. (Refer Note no. 33)

16. OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	23,958.91	20,726.76
Capital Reserve	1,713.51	1,713.51
Securities Premium	21,563.97	21,403.32
Debenture Redemption Reserve	2,500.00	-
Employee Stock Option Outstanding	475.14	179.44
Total Other Equity	50,211.53	44,023.03

(₹ in Lakh)

16.1 Description of Reserves

Capital Reserve

Capital reserve is created for excess of fair value of assets taken and liabilities assumed over the consideration transferred pursuant to acquisition of subsidiary.



Notes to the Consolidated Financial Statements (Contd.)

Securities Premium

This reserve is created to transfer a sum equal to the aggregate amount of the premium received on shares issued as per the applicable provisions of the Companies Act, 2013.

Debenture Redemption Reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a Debenture Redemption Reserve out of the profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the Debenture Redemption Reserve cannot be utilised by the Company except to redeem debentures.

Employee Stock Option Outstanding

This reserve relates to share options granted by the Company to its employees and directors under ESOP. Further information about share-based payments to employees is set out in Note no.33.

Retained Earnings

This represents the surplus/ (deficit) of the Consolidated Statement of Profit and Loss. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate Financial Statements of the Company and also considering the requirements of the Companies Act, 2013.

17. NON CURRENT BORROWINGS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Term Loan		
Term Loan from Banks*	1,028.17	2,511.28
Non Convertible Debentures	20,753.31	-
* Financial Liabilities Carried at Amortised Cost (Refer Note No.36)		
	21,781.48	2,511.28

18. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Non Current Financial Liabilities		
Security Deposits*	90.05	169.95
* Financial Liabilities Carried at Amortised Cost		
	90.05	169.95

19. NON-CURRENT - PROVISIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	303.17	300.04
Leave Encashment (Refer Note No. 37)	186.01	156.81
	489.18	456.85

Notes to the Consolidated Financial Statements (Contd.)

20. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Borrowings	-	784.98
Security Deposits	4.40	3.60
Capital Creditors	3,259.92	931.38
Payable on Purchase of Investment	-	1,202.26
Other Payables	2,937.42	2,880.48
	6,201.74	5,802.70

21. OTHER CURRENT LIABILITIES

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Dues	1,237.00	1,156.50
Other Payables (includes advance from customers etc.)	1,671.16	891.60
	2,908.16	2,048.10

22. PROVISIONS

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	8.00	10.95
Leave Encashment (Refer Note No. 37)	5.45	16.90
Provision for Bonus	746.55	300.00
	760.00	327.85

23. REVENUE FROM OPERATIONS

(₹ in Lakh)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Logistics Services	1,22,841.85	93,780.49
	1,22,841.85	93,780.49

24. OTHER INCOME

(₹ in Lakh)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on		
- Bank Deposits	103.79	5.38
- Income Tax Refund	11.36	-
- Others	133.45	412.27
Profit on Sale of Fixed Assets	10.05	233.95
Excess Provisions/Liabilities Written Back	-	64.38
Miscellaneous Income	323.11	542.11
	581.76	1,258.09



Notes to the Consolidated Financial Statements (Contd.)

25. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	10,468.57	10,443.78
Contribution to Provident and Other Funds	399.33	338.25
Expenses on ESOP (Refer note No. 33)	371.80	(61.03)
Staff Welfare Expenses	485.60	454.97
	11,725.30	11,175.97

26. FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense	1,784.83	1,599.12
	1,784.83	1,599.12

27. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel	1,986.12	1,394.88
Repairs and Maintenance		
- Building	189.49	123.07
- Machinery	621.64	469.26
- Others	515.44	658.81
Insurance	221.56	173.32
Rates and Taxes	196.50	266.60
Rent	243.34	349.39
Travelling and Conveyance Expenses	1,358.82	1,034.25
Auditors' Remuneration		
- Statutory Audit Fees	15.70	18.00
- Tax Audit Fees	0.10	0.25
- Other Services	1.50	28.82
Security Expenses	2,202.71	2,067.67
Corporate Social Responsibility	127.06	90.92
Allowance for Expected Credit Loss	275.98	225.91
Provision for Doubtful Advances	95.11	60.62
Miscellaneous Expenses	2,353.16	2,810.35
	10,404.23	9,772.12

Notes to the Consolidated Financial Statements (Contd.)

28. FINANCIAL RISK MANAGEMENT

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

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

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

Capital Management

The Group manages its capital to ensure that Group will be able to continue as going concern while maximising the return to shareholders by striking a balance between debt and equity. The capital structure of the Group consists of net debt (total debt offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings). The Group is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimise capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Group at regular interval. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Group has a target Debt to Equity Ratio of 1:1 determined as the proportion of net debt to equity. The Group had net debt to equity of 0.17x as on March 31, 2019 (March 31, 2018: Nil)

Interest Rate Risk

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

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

Foreign Currency Risk

The Group's exposure to exchange fluctuation risk is insignificant for its purchase from overseas suppliers in various foreign currencies.

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

Trade Payable	As at March 31, 2019	As at March 31, 2018
In USD	38,079	12,993
₹ in Lakh	26.40	8.46
Conversion date of USD	March 31, 2019	March 31, 2018



Notes to the Consolidated Financial Statements (Contd.)

Foreign exchange risk sensitivity:

The Group analyses a 10% variation (sensitivity) in the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

Particulars	(₹ in Lakh)			
	Year ended March 31, 2019		Year ended March 31, 2018	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(2.64)	2.64	(0.85)	0.85

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 36,957.71 Lakh and ₹ 25,961.10 Lakh as of March 31, 2019 and March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

The average credit period on sale of services is 30 to 90 days. No interest is charged on trade receivables.

Credit Risk Exposure

Movement in expected credit loss:

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Opening balance	745.24	419.33
Movement in expected credit loss	136.48	325.91
Closing balance	881.72	745.24

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Notes to the Consolidated Financial Statements (Contd.)

As of March 31, 2019, the Group had a working capital of ₹ 15,353.60 Lakh including cash and cash equivalent of ₹ 12,366.75 Lakh and current investment of ₹ 0.70 Lakh.

As of March 31, 2018, the Group had a working capital of ₹ 10,411.62 Lakh including cash and cash equivalent of ₹ 7,861.63 Lakh and current investment of ₹ 0.70 Lakh.

29. CONTINGENT LIABILITIES NOT PROVIDED FOR:

Disputed Service tax demand ₹ 391.80 Lakh (2017-18: ₹ 391.80 Lakh)

30. Estimated amounts of contracts remaining to be executed on capital account: ₹ 3,755.18 Lakh (net of advances) (2017-18: ₹ 1,927.95 Lakh)

31. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Group.

(₹ in Lakh)		
Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	166.83	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	2.86	-
Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	2.86	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



Notes to the Consolidated Financial Statements (Contd.)

32. RELATED PARTY DISCLOSURES

Names of Related Parties and nature of relationship

Holding/ Ultimate holding company	- Future Enterprises Limited
Holding company	- Ritvika Trading Private Limited (w.e.f. December 24, 2018)
Associate company	- Leanbox Logistics Solutions Private Limited
Fellow subsidiary	- Work Store Limited

Group entities:

- Future Lifestyle Fashions Limited
- Future Consumer Limited
- Future Retail Limited
- Future Ideas Company Limited
- Praxis Home Retail Limited
- Galaxy Entertainment Corporation Limited
- Future Speciality Retail Limited
- Future Stylelab Limited
- Rachika Trading Limited
- Aadhar Wholesale and Distribution Limited
- Future Generali India Life Insurance Company Limited
- Apollo Design Apparel Park Limited
- Goldmohur Design and Apparel Park Limited
- Nufuture Digital (India) Limited
- S J Retail Private Limited
- Clarks Future Footware Private Limited
- Future Corporate Resources Private Limited
- Integrated Foodpark Private Limited
- Sublime Foods Private Limited
- The Nilgiris Dairy Farm Private Limited
- Hain Future Natural Products Private Limited
- Turtle Limited

Key Management Personnel

- Mayur Toshniwal (Managing Director) (w.e.f August 5, 2017)
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Notes to the Consolidated Financial Statements (Contd.)

During the year, following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Lakh)					
Nature of Transactions	Ultimate holding company	Associate company	Fellow subsidiary	Group entities	Key Management Personnel
Purchase of fixed assets	-	-	-	4,383.32	-
	(1.77)	(-)	(-)	(4,633.89)	(-)
Sale of fixed assets	-	-	-	-	-
	(-)	(4.16)	(-)	(-)	(-)
Income from operation	2,397.39	78.07	74.02	75,110.25	-
	(1,503.42)	(25.89)	(33.12)	(51,754.51)	(-)
Reimbursement of expenses	136.42	-	-	233.68	-
	(154.48)	(-)	(-)	(198.02)	(-)
Expenses	-	-	113.38	1,049.81	-
	(4.07)	(-)	(39.41)	(913.17)	(-)
Remuneration	-	-	-	-	248.87
	(-)	(-)	(-)	(-)	(115.13)
Investments	-	-	-	-	-
	(-)	(100.00)	(-)	(-)	(-)
Inter corporate deposit	-	50.00	-	-	-
	(-)	(-)	(-)	(-)	(-)
Advance given	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
As at March 31, 2019					
Receivables	2,298.01	12.88	30.27	16,789.85	-
	(1,152.68)	(18.67)	(14.15)	(10,669.78)	(-)
Payables	17.78	-	67.48	1,076.06	-
	-	(-)	(17.73)	(134.64)	(-)
Inter corporate deposit receivables	-	50.00	-	-	-
	(-)	(-)	(-)	(-)	(-)
Deposit payable	-	-	-	-	-
	(-)	(-)	(-)	(30.00)	(-)
Advance	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Break up of Material Related Party Transaction:

- Purchase of fixed assets includes Future Retail Limited ₹ 4,382.49 Lakh (2017-18: ₹ 4,633.89 Lakh)
- Income from operation includes Future Retail Limited ₹ 58,976.52 Lakh (2017-18: ₹ 43,024.05 Lakh)
- Reimbursement of expenses includes Future Consumer Limited ₹ 43.16 Lakh (2017-18: ₹ 31.61 Lakh), Future Corporate Resources Private Limited ₹ 27.51 Lakh (2017-18: Nil), Future Lifestyle Fashions Limited ₹ 62.96 Lakh (2017-18: ₹ 45.26 Lakh) and Future Retail Limited ₹ 83.48 Lakh (2017-18: ₹ 121.14 Lakh)
- Expenses includes Future Corporate Resources Private Limited ₹ 180 Lakh (2017-18: ₹ 180.23 Lakh), Future Generali India Life Insurance Company Limited ₹ 153.11 Lakh (2017-18: ₹ 19.69 Lakh), Integrated Foodpark Private Limited ₹ 236.50 Lakh (2017-18: ₹ 256.31 Lakh) and Nufuture Digital(India) Limited ₹ 401.13 Lakh (2017-18: ₹ 336.14 Lakh)
- Receivables includes Future Lifestyle Fashions Limited ₹ 4,469.85 Lakh (2017-18: ₹ 2,087.68 Lakh), Future Retail Limited ₹ 5,395.53 Lakh (2017-18: ₹ 6,497.70 Lakh) and Praxis Home Retail Limited ₹ 4,217.13 Lakh (2017-18: ₹ 1,833.13 Lakh)



Notes to the Consolidated Financial Statements (Contd.)

- f) Payables includes Future Retail Limited ₹ 17.63 Lakh (2017-18: ₹ 98.79 Lakh), Future Corporate Resources Private Limited ₹ 920.99 Lakh (2017-18: ₹ (105.71) Lakh), Integrated Foodpark Private Limited ₹ 25.68 Lakh (2017-18: ₹ 64.97 Lakh) and Nufuture Digital (India) Limited ₹ 140.96 Lakh (2017-18: ₹ 71.24 Lakh)

33. SHARE BASED PAYMENTS

(i) Details of the employee share based plan of the Group:

- a) The ESOP titled as Future Supply Chain Solutions Limited Employees Stock Option Plan 2017 ("FSC ESOP 2017") was approved by the Board on August 5, 2017 and by the Shareholders on August 8, 2017. FSC ESOP 2017 was also ratified by the Shareholders in terms of Regulation 12(3) of SEBI (Share Based Employee Benefits) Regulations, 2014 at the annual general meeting held on August 22, 2018. In aggregate 4,00,000 options are covered under the FSC ESOP 2017 for 4,00,000 equity shares of ₹ 10 each.

During the year 2017-18, the Nomination and Remuneration Committee ("NRC") of the Group granted 2,83,763 options under the FSC ESOP 2017 to certain directors and employees of the Group. The options granted are convertible into equal number of equity shares. The exercise price of each option is ₹ 350 (including ₹ 340 as share premium).

The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

- b) The following share-based payment arrangements were in existence during the previous year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

- (ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year:

Inputs	FSC ESOP 2017
Expected volatility (%)	25.26
Option life (Years)	2.50-4.50
Dividend yield (%)	0.00
Risk-free interest rate (Average)	6.75% - 7.01%

- (iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	2,69,700	350	-	-
Granted during the year	-	-	2,83,763	350
Exercised during the year	24,875	350	-	-
Cancelled during the year	5,625	350	14,063	350
Balance at end of year	2,39,200	350	2,69,700	350

Notes to the Consolidated Financial Statements (Contd.)

(iv) Share options exercised during the year

The following share options were exercised during the year:

Option Scheme	Number exercised	Exercise date	Share price at exercise date (₹)
FSC ESOP 2017	15,875	January 24, 2019	657.00
FSC ESOP 2017	9,000	March 19, 2019	593.95

(v) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,483 days (2017-18: 1,799 days).

Out of the ESOPs outstanding, the number of options exercisable are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
FSC ESOP 2017	27,940	-

(vi) The expenses recognised for employee services received during the year is shown in the following table:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expenses arising from equity settled share based payment transactions	371.80	(61.03)

(₹ in Lakh)

34. EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (₹ in Lakh)	6,153.00	3,047.19
Weighted average number of equity shares outstanding during the year for Basic EPS	4,00,59,473	3,94,85,345
Add: Weighted Average number of equity shares on account of Employee Stock Options outstanding	57,042	9,174
Weighted average number of equity shares outstanding during the year for Diluted EPS	4,01,16,515	3,94,94,519
Earnings per share of ₹ 10/- each		
- Basic (in ₹)	15.36	7.72
- Diluted (in ₹)	15.34	7.72

35. LEASE

The Group has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements, which are non-cancellable, range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Cost of Logistics Services amounting to ₹ 13,042.94 Lakh (2017-18: ₹ 10,325.65 Lakh). Lease Rent payable not later than one year is ₹ 6,618.43 Lakh (2017-18: ₹ 2,960.57 Lakh), payable later than one year but not later than five year is ₹ 12,663.45 Lakh (2017-18: ₹ 7,279.04 Lakh) and payable later than five years is ₹ 3,077.23 Lakh (2017-18: ₹ 1,517.67 Lakh)



Notes to the Consolidated Financial Statements (Contd.)

36. SECURITY CLAUSE IN RESPECT TO SECURED BORROWINGS

A. Short Term Borrowing

Nil (2017-18: Nil) is secured by (a) first pari-passu charge on current assets of the Group (b) second pari-passu charge on fixed assets (c) Secured by personal guarantee of a director.

B. Long Term Borrowing

During the year, the Company issued and allotted 19,900 secured, rated, redeemable and non convertible debentures (NCDs) of ₹ 1 Lakh each aggregating to ₹ 19,900 Lakh on a private placement basis. The NCDs have been listed on Wholesale Debt Market segment of BSE Limited. The NCDs are secured by maintaining an overall minimum asset cover/security cover of 1.25 times on net block of fixed assets on first pari passu basis on the outstanding amount. The NCDs were issued in Series I and Series II of ₹ 9,900 Lakh and ₹ 10,000 Lakh each with tenure of 3 and 4 years from date of allotment, respectively. The NCDs carry an interest @10.15% payable annually and on redemption. The redemption dates for Series I & Series II are September 26, 2021 and September 26, 2022, respectively.

Amount repayable includes principal sum of ₹ 9,900 Lakh in 2021-22 and ₹ 10,000 Lakh in 2022-23 along with interest payment of ₹ 2,020 Lakh in 2019-20, ₹ 2,020 Lakh in 2020-21, ₹ 2,020 Lakh in 2021-22 and ₹ 1,015 Lakh in 2022-23.

The Company has taken a term loan of ₹ 1,216 Lakh from Yes Bank Limited. The same is secured by way of first pari-passu charge on entire fixed assets (excluding land) and second pari passu charge on current assets along with personal undertaking of Kishore Biyani.

Amount repayable is ₹ 304 Lakh each in 2020-21, 2021-22, 2022-23 and 2023-24. Rate of interest is 0.55% over and above 6 month MCLR and will be reset semi-annually and every half year thereafter. Interest shall be paid monthly.

37. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 27 under the "Contribution to Provident and Other Funds" of Consolidated Statement of Profit and Loss ₹ 399.33 Lakh (2017-18: ₹ 338.25 Lakh).

Defined Benefit Plan – Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested, it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefit are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the Government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Notes to the Consolidated Financial Statements (Contd.)

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

Change in Present Value of Defined Benefit Obligation

Particulars	(₹ in Lakh)			
	Gratuity (Unfunded)		Leave Encashment	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Present value of obligation at the beginning of the year	314.20	254.59	173.72	152.13
Current service cost	77.54	83.90	110.27	63.82
Interest cost	24.48	18.99	13.54	11.31
Remeasurement-Actuarial (gain) / loss	(62.05)	(25.68)	(66.85)	89.28
Past service cost	-	5.68	-	-
Benefits paid by Group	(39.56)	(27.96)	(39.21)	(143.72)
On account of business combination	-	4.68	-	0.90
Present value of obligation at the end of the year	314.61	314.20	191.47	173.72

Change in Fair Value of Plan Assets

Particulars	(₹ in Lakh)	
	Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	3.20	2.98
Investment Income	0.25	0.22
Fair value of plan assets at the end of the year	3.45	3.20

Net Defined Benefit Liability / (Assets)

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	314.61	314.20
Fair value of plan assets	(3.45)	(3.20)
Surplus / (Deficit)	311.16	311.00
Net defined benefit liability / (assets)	311.16	311.00

Expenses recognised in Consolidated Statement of Profit and Loss

Particulars	(₹ in Lakh)			
	Gratuity (Unfunded)		Leave Encashment	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	77.54	83.90	110.27	63.82
Past service cost	-	5.68	-	-
Net interest on the net defined benefit liability / asset	24.24	18.77	13.54	11.31
Remeasurement on (gain) / loss	-	-	(66.85)	89.28
Total expenses recognised in Consolidated Statement of Profit and Loss	101.78	108.35	56.96	164.41



Notes to the Consolidated Financial Statements (Contd.)

Re-measurement Effects recognised in Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial (gains) / loss	(62.05)	(25.68)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	-	-
Total (gain) / loss included in OCI	(62.05)	(25.68)

Financial Assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discounted rate (per annum)	7.70%	7.80%	7.70%	7.80%
Expected rate of future salary increase	5%	5%	5%	5%
Mortality rate (% of IALM 06-08)	100%	100%	100%	100%
Withdrawal rate (per annum)	1%	1%	1%	1%
Normal retirement age	58 Years	58 Years	58 Years	58 Years

Sensitivity analysis: Gratuity

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity is given below :

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation (Base)	314.61	314.20

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	306.61	236.11	281.54	221.67
Salary Growth rate (- / + 1%)	235.79	306.52	221.66	281.14
Attrition rate (- / + 50% of attrition rates)	264.30	271.92	254.08	245.67
Mortality rate (- / + 10% of mortality rates)	267.94	268.57	248.79	249.33

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

38. FINANCIAL INSTRUMENTS

All categories of financial assets and financial liabilities are measured at amortised cost.

Notes to the Consolidated Financial Statements (Contd.)

39. BUSINESS COMBINATION

During the year, the Board of Directors of the Company had approved a Scheme of Arrangement under section 230-232 read with Section 66 of the Companies Act, 2013 ("Scheme") between the Company and its wholly owned subsidiary Vulcan Express Private Limited ("Vulcan") and their respective Shareholders and Creditors. The Scheme received all the requisite approvals and has been given effect to in the books with effect from the appointed date as mentioned in the Scheme. The Scheme became effective on December 14, 2018.

The Scheme envisages demerger of "Fulfilment Business Undertaking" and "Last Mile Delivery Business Undertaking" of Vulcan and vest into the Company on October 1, 2016 on a going concern basis. In view of Vulcan being the wholly owned subsidiary of the Company, no consideration was proposed to be paid for the arrangements embodied in the Scheme.

Assets acquired and liabilities recognised on the appointed date under pooling of interest method:

Particulars	(₹ in Lakh)
Current assets	
Cash and cash equivalents	523.82
Trade and other receivables	2,914.24
Other Current Assets	1,410.45
Non-current assets	
Property, Plant and Equipment	5,565.03
Capital work in progress	1,221.12
Intangible Assets	132.61
Other Non-Current Assets	809.64
Current liabilities	
Borrowings	9,140.00
Trade and other payables	5,247.96
Other Current Liabilities and Provisions	713.15
Non-current liabilities	
Other Non Current Liabilities	64.98
Other Equity	(2,589.18)

40. The Group is engaged only in Logistics services in India and there are no separate reportable business and geographical segments under Ind AS 108 relating to operating segments.

41. APPROVAL OF FINANCIAL STATEMENT

The Consolidated Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on May 13, 2019.

As per our report of even date attached
 For **GMJ & Co.**
 Chartered Accountants
 Firm Registration No: 103429W

Sanjeev Maheshwari
 Partner
 Membership No.: 038755

Place: Mumbai
 Date: May 13, 2019

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

Mayur Toshniwal
 (Managing Director)
 DIN : 01655776

P V Sheshadri
 (Chief Executive Officer)

C P Toshniwal
 (Director)
 DIN: 00036303

Samir Kedia (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)



FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019

Sl. No., Employee Name, Designation, Age, Date of Joining, Experience (in Years), Qualification, Remuneration received (in ₹), Last Employment

1. Mayur Toshniwal, Managing Director, 51, August 5, 2017, 26, MBA, 24886546, Entrepreneur 2. P V Sheshadri, Chief Executive Officer, 51, November 27, 2006, 26, B.Sc., 14221012, Welspun Retail Limited 3. Divyansh Rathore, Vice President, 47, July 21, 2011, 25, BE, 7474305, Guetermann Private Limited 4. ASR Prasad, Vice President, 48, October 31, 2007, 21, MBA, 7367832, The Himalaya Drug Company 5. Samir Kedia, Chief Financial Officer, 40, March 1, 2018, 20, Chartered Accountant, 7278661, Future Consumer Limited 6. Jitender Lal, General Manager, 44, June 1, 2018, 20, B.E., 6691520, Vulcan Express Pvt. Ltd. 7. Sougato Shome, Vice President, 46, January 12, 2006, 22, MBA, 6583696, Philips India Electronics Limited 8. Jayesh Tanaji Patil, General Manager, 44, December 12, 2007, 21, MBA, 6035941, Woodworth Wholesale 9. Hiren Kumar Ladva, General Manager, 38, April 2, 2018, 16, MBA, 5723112, Tata Communication Ltd. 10. Sanjeev Mandal, General Manager, 52, July 1, 2015, 28, M.Com., 5551369, Gati Limited.

Notes:

1. The employees have adequate experience to discharge the responsibilities assigned to them.
2. The nature of employment is contractual.
3. No employee is related to any director of the Company.
4. Gross remuneration received shown in this statement includes salary, allowances and perquisite and other terminal benefits, as applicable.
5. Terms and conditions of the employment are as per Company's rules and policy

For **Future Supply Chain Solutions Limited**

Mayur Toshniwal
Managing Director

C P Toshniwal
Director

Mumbai, May 13, 2019

Forward-Looking Statements:

This annual report contains operating forecasts of FSC and certain other statements that are not historical facts. These forward-looking statements are based on information currently available to management when the annual report was produced and contain many uncertainties. Actual performance may differ from projections for various reasons. Furthermore, the information contained in this annual report herein includes information for reference in making investment decisions. However, this does not constitute solicitation to buy or sell the shares. The final investment decision rests solely with the reader of this document.

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

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