

FUTURE RETAIL



August 1, 2015

To,
The Secretary
Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Scrip Code : 523574 / 570002

To,
Asst. Vice President -Listing
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

Scrip Code : FRL / FRLDVR

**Scrip Code of Debt : 947649 / 949020 / 946840 / 949039 /
952008 / 952009 / 952010 / 952045 / 952046 / 952053 /
952054 / 952074 / 952075 / 952089 / 952090 / 952097 /
952098**

Dear Sir/ Madam,

Sub.: Annual Report for financial year 2014-15

In terms of Clause 31 of the Listing Agreement, please find enclosed herewith six copies of Annual Report of the Company for the financial year 2014-15 alongwith Form A and Notice calling the Twenty-Seventh Annual General Meeting of the Company.

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

Thanking you,

Yours truly,

For Future Retail Limited

**Deepak Tanna
Company Secretary**

Encl. : A/a



FUTURE RETAIL 

ANNUAL REPORT 2014-15



**EXPERIENCE
IN INDIA**



A photograph of a modern grocery store interior. In the foreground, there are green crates filled with fresh produce, including tomatoes. In the background, there are tall shelves stocked with various packaged goods. The store has a clean, bright atmosphere with overhead lighting and some greenery hanging from the ceiling.

WE ARE COMBINING

INNOVATIVE RETAIL

ENVIRONMENTS WITH

DATA SCIENCE MULTI-

CHANNEL COMMERCE,

AND SUPERIOR CONSUMER

INSIGHTS THAT CONVERGE

TO CREATE AN EXPERIENCE

THAT BRINGS HAPPINESS

FOR ALL STAKEHOLDERS.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Kishore Biyani

DIN: 00005740
Managing Director

Rakesh Biyani

DIN: 00005806
Joint Managing Director

Vijay Biyani

DIN: 00005827
Wholetime Director

S. Doreswamy

DIN: 00042897
Director

Anil Harish

DIN: 00001685
Director

Bala Deshpande

DIN: 00020130
Director

V. K. Chopra

DIN: 02103940
Director

CHIEF FINANCIAL OFFICER

Dinesh Maheshwari

COMPANY SECRETARY

Deepak Tanna

STATUTORY AUDITORS

NGS & CO. LLP

RISK ADVISORS

Ernst & Young LLP

BANKERS

Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Central Bank of India
Corporation Bank
Dena Bank
IDBI Bank
Punjab National Bank
State Bank of Travancore

UCO Bank

Union Bank of India

Vijaya Bank

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-13, Pannala Silk Mills Compound,
LBS Marg Bhandup (West),
Mumbai – 400 078.
Tel . No. + 91 22 2594 6970
Fax No. + 91 22 2594 6969

REGISTERED & CORPORATE OFFICE

Future Retail Limited
CIN: L52399MH1987PLC044954
Knowledge House, Shyam Nagar
Off Jogeshwari-Vikhroli Link Road
Jogeshwari (East)
Mumbai - 400 060
Tel. No. : + 91 22 3084 2336
Fax No. : + 91 22 3084 2502
Website : www.futureretail.co.in
Investor Email : Investorrelations@futureretail.in



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LETTER FROM THE MANAGING DIRECTOR

Dear Stakeholders

It is said, “To live fully is to let go each passing moment, And to be reborn in each new one.”

Being in the business of retail and being closest to consumers, we see new trends being created, new segments of consumers walking in through the doors and new products and brands filling up the baskets of customers. It’s a business wherein what delivers success and what leads to failure changes rapidly. It is a business that calls for constant rebirth.

What remains constant however are the values and a simple maxim that all our colleagues swear by, ‘Retail is our religion, Customers are our Gods and Stores are our temples.’ And while all devotees can seek God from the confines of their homes, cars or workplaces, yet millions flock to temples every day; customers today can buy from any place, and yet come and visit stores. Temples are more than a place for praying. They are platforms for social interaction and amidst the hustle and bustle of other fellow worshippers that devotees find themselves closest to God.

So it is with stores. In this age of consumerism, shops are the temples. It is within these retail environments, consumers find what they need or aspire for. And like

in temples wherein the sole attraction isn’t just the worship of the Gods, it is in the physical shopping environments people find the public space where they can meet, eat and celebrate along with their friends, family and fellow shoppers. There is more to retail outlets stores than just choosing a product and paying for it. The experience of discovering a new product, or finding an affordable one, the joy of taking home a shopping bag full of goods, the smile of satisfaction after a day of shopping is what we as retailers strive for. The experience of creating these million moments of joy is what drives our passion and we find it to be a relevant for millions of customers across the country.

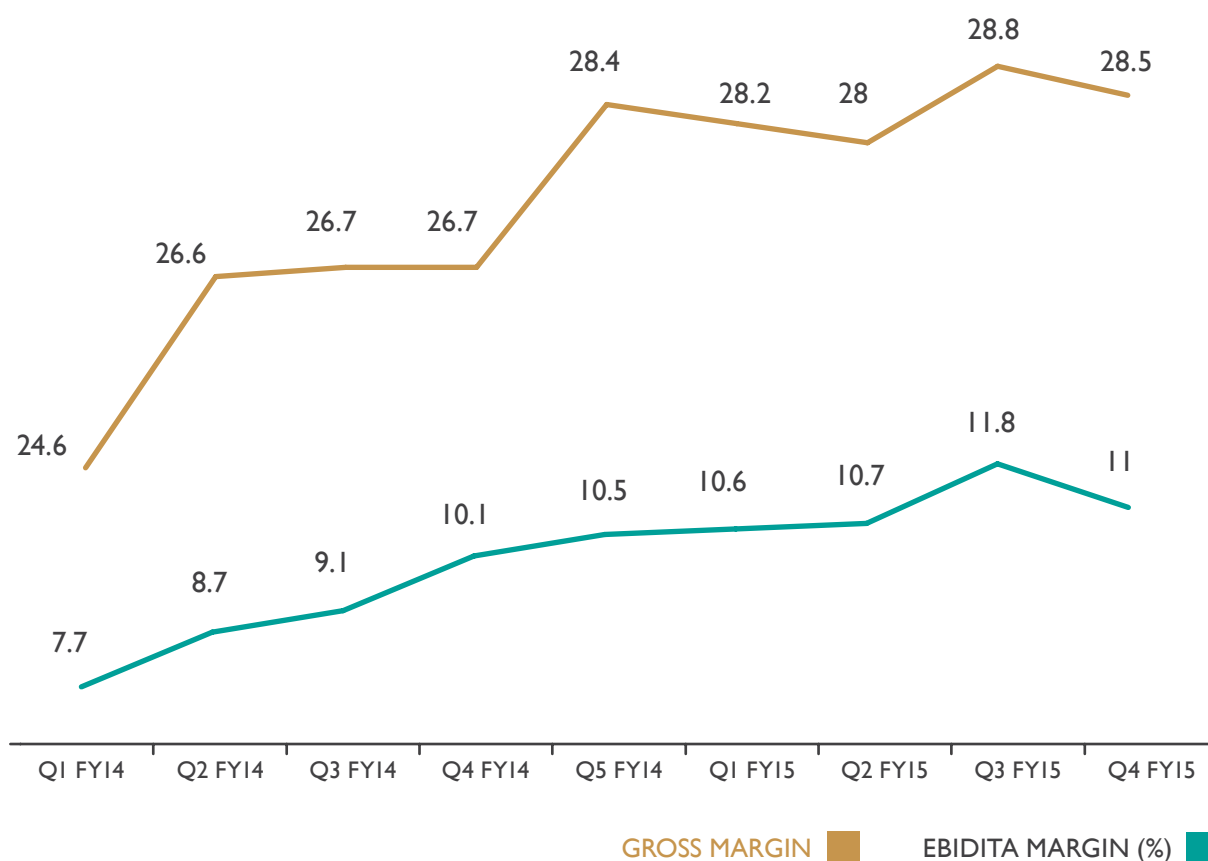
For years, we have been investing in creating this experience, again and again across cities and locations in the country. How we continuously reinvent this experience with the right merchandize, right ambience, right price points and right customer service is what defines our success. I am pleased to share with you the Annual Report that captures how we have recreated these experiences across various products, stores and customer touchpoints through this year.



CUSTOMERS ARE

OUR GODS & STORES

ARE OUR TEMPLES



GROWTH

During the year we added 102 new stores covering 1.5 million square feet of space and expanded our presence in more than 100 cities across the country. The total number of customer visits during the year touched 204 million and same store sales growth in value retailing was 10.2% while in home retailing was 9.1%.

While business was growing, so has been the profitability. Over the past nine quarters, both gross margins and operating margins has shown a significant and consistent improvement. Operating margins have grown from 7.7% to 11% during this period, while gross margins have gained 390 basis points to 28.5%. This has resulted in our EBITDA growing by 29% during this financial year to ₹ 1143 crore from 12 months of previous financial year.

I am also happy to share that not only our standalone retail business, but also our key subsidiary and joint ventures showed steady transformation and have

become positive. Your company had incubated these companies with management bandwidth and investments. Almost all of them have now started yielding financial returns. Leading the pack among the non-listed entities is our general insurance joint venture that posted a net profit of ₹ 60 crore and our supply chain subsidiary that posted a net profit of ₹ 25 crore.

As we look ahead, we are sure that we will still pursue growth, we will still aim for audacious growth, but profitable growth. For us, growth from now on will be disciplined growth. Growth from now on will come from playing on our strengths. Growth not just from adding space but from a judicious mix of organic and inorganic growth. Growth will come from partnerships, from allocating resources in the optimum manner that generates higher return on capital. We have created the plinth and the foundation. Every stage of growth from now on will create incremental returns.

We have recently finalised a scheme of arrangement Bharti Retail wherein we will combine their businesses with that your company. Bharti Retail operates 186 super markets and 14 hyper markets in 114 cities under the brand EasyDay and was built through its erstwhile joint venture partnership with Wal-Mart Inc. The combined businesses will substantially benefit from the increased scale of operations, efficiencies and reach with consumers across key markets. The agreement for this arrangement is subject to shareholders' approval and other necessary regulatory approvals.

DESIGN FOR THE FUTURE

The last few years have seen the steady 'consumerization' of digital technology. From being confined to certain industries and research labs, digital technology has become a pervasive part of every consumer's life. Technology has shrunk time and space and increased social interactions. A new generation of consumers is emerging amidst this environment. Often referred as the Gen C or Generation Connected, it is estimated there will be 450 million Indians born in this century by 2021. How we design our engagement with these consumers will define the long term sustainability of our business.

Our investments in creating a robust supply chain network, systems and processes and a strong technology backbone is now helping us scale better and more efficiently. Our supply chain network has a deployed capacity to handle around 3 lakh tons of goods every month and manage over 214 routes on a daily basis criss-crossing the country. It is GST-ready and operates some of the most technologically advanced distribution centers in the country. Our technology infrastructure generated 87 million bills generated this year, tracked sourcing, shipping and fulfilment of millions of merchandise and transactions of thousands of supply partners, captures real time data, analyzing several performance parameters and aiding managerial decisions to improve business outcomes.

We are working on how we can leverage our extensive store network, as well as our supply chain

and technology backbone to create future customer experiences that are efficient and value accretive for all stakeholders. Big Bazaar Online franchisee network that was launched in early 2014 is now has 512 franchisees covering 3079 pin codes in 101 cities - many of them wherein we do not have any physical presence. While we will continue to expand this network, we are also working on multiple platforms to take our engagement on to digital interfaces.

With hybris, an SAP company, we are working on ways to make every store a distribution center to deliver to our customers. Once live, customers can click online and collect it from our stores and or even get it delivered from the stores. Such a platform will be substantially more cost efficient than any conventional e-commerce model.

However, more than just commerce, we want technology to drive better engagement with customers and increase social interactions. One of the key steps in this direction is leveraging data science and empowering our stores and businesses to engage with customers in a more holistic manner. We have over 26 million customers in loyalty programs and along with dunhumby, a leading data science company and a few other partners we are exploring ways to create new engagement, experiences, relationships with our customers.

It is said that "People don't always remember what you say or even what you do, but they always remember how you made them feel." Businesses and brands grow on the experiences they create for consumers and stakeholders and the moments of joy that they deliver upon. And while we grow, add stores, introduce new products, deploy technology, we will continuously strive to create those experiences that deliver those moments of joy – for customers, for employees, for supply partners, for communities we work in and for every stakeholder.

Rewrite Rules, Retain Values



(Kishore Biyani)

WHERE WE ARE

OUR STORE NETWORK

■ 12M FY 2013-14

■ 12M FY 2014-15

FINANCIAL YEAR 2014-15

FINANCIAL YEAR 2013-14

STORES

401

321

AREA (SQ FT)

11357397

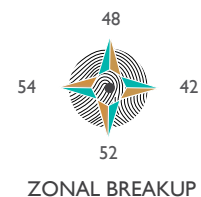
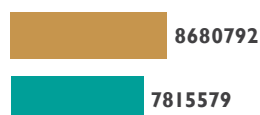
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CITIES

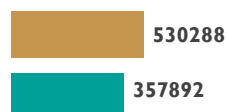
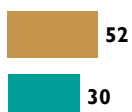
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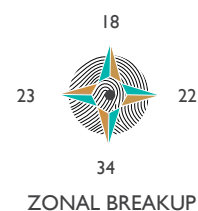
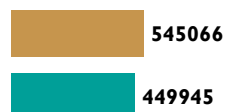
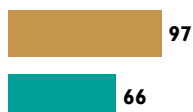
BIG BAZAAR



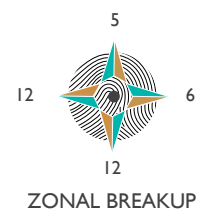
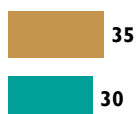
fbb



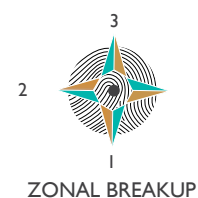
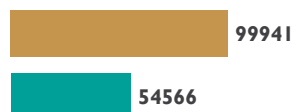
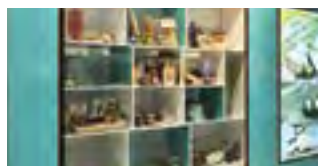
@zone



HomeTown



Foodhall



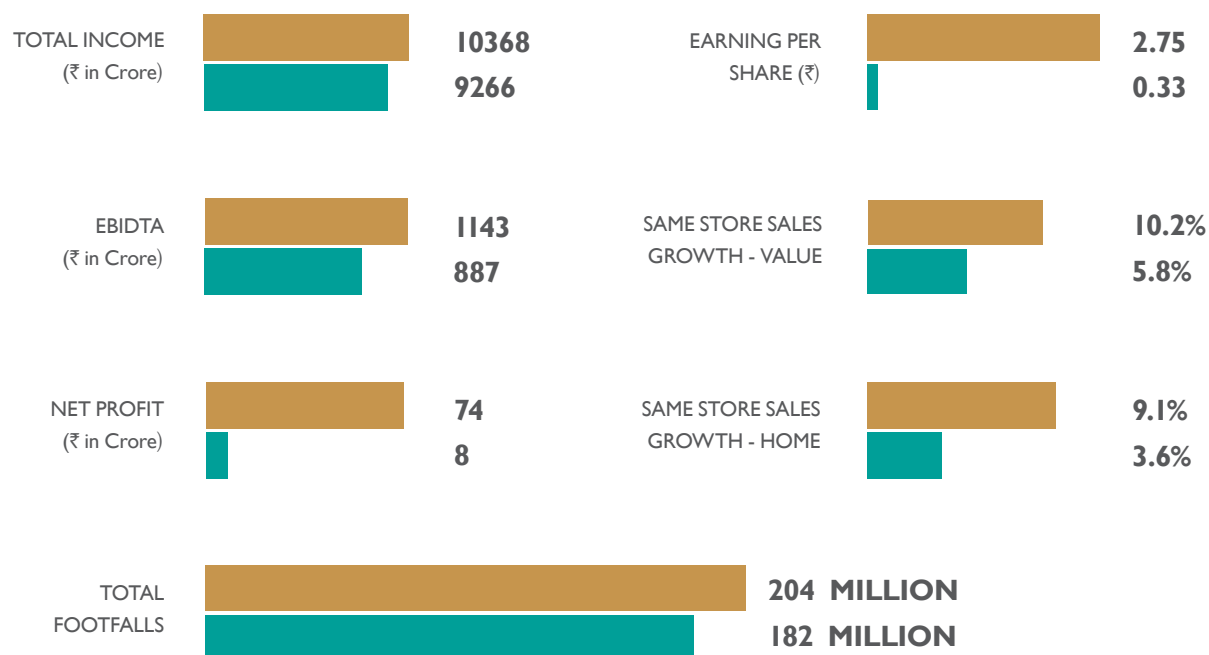
HOW WE PERFORMED?

■ 12M FY 2013-14

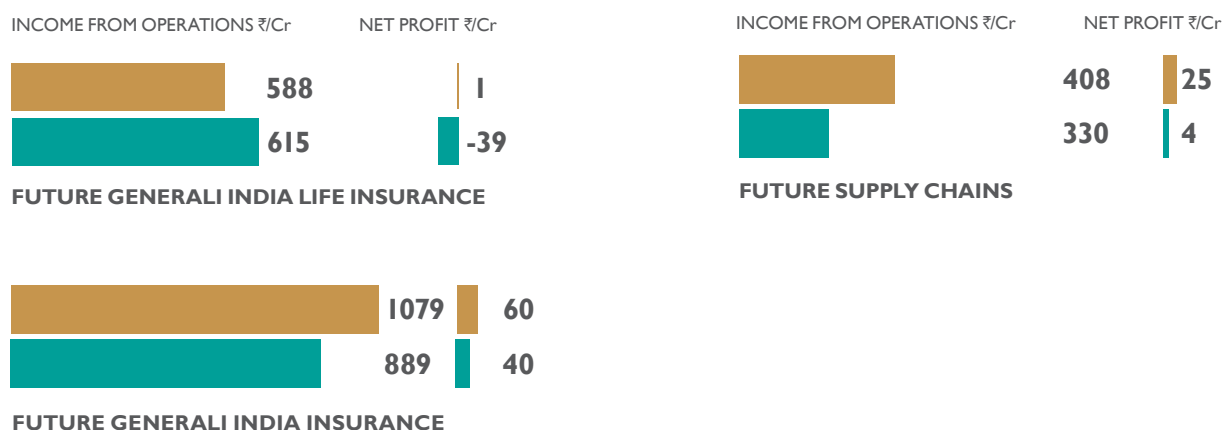
■ 12M FY 2014-15

The standalone business showed 12% growth in total income, 29% growth in operating profit and posted a net profit of ₹ 74 crore. Key subsidiary & joint venture companies also posted profits during the year.

STANDALONE FUTURE RETAIL LIMITED



FINANCIAL PERFORMANCE OF KEY SUBSIDIARY & JOINT VENTURE COMPANIES





EXPERIENCE FASHION



At Big Bazaar we realize the road to success is long and ever evolving and so is our journey in retail. To evolve with this changing consumer, and immerse in the transforming experience that modern retail provides to its customers, every year we strive to be better in what we do and bring innovation and newness to our customers.

Born out of the positioning of 'making India thoda aur stylish', Big Bazaar's fashion section, branded, fbb has been leading the transformation in experience and merchandise selection for the hypermarket chain. The mission has been to provide quality fashion that incorporates global trends and yet responds to Indian sensibilities. In terms of product quality, assortment and fashion quotient, the brand is now well positioned to take on leading global and domestic brands in its segment and is already among the leading fashion destinations in the country.

The strength for this segment is that while around ₹ 3000 crore of sales registered through fashion, accessories and footwear segment, more than 90% is through own brands of the Future Group. It gives the format the ability to respond faster to consumers and

yet maintain a high consistency and market leadership in pricing, positioning, availability and experience. Apart from its existing stable of winning brands like DJ&C, Knighthood, Shristi, Lee Cooper Originals and Chalk, a number foreign brands like Converse and Champion were introduced within the store.

In 2014-15, fbb celebrated seasons and festivals with new collections offering stand out prints, glam designs and stylish trends. fbb launched the festive collection consisting of stylish salwar-kameez-dupatta sets and desi kurtas to celebrate the festivities with grace. fbb also launched winter fashion with the overall theme highlighting warm fabrics and forest inspired colours. The format also celebrated niche product like churidars in the ethnic wear category and expanded its presence in kids and infant wear segment. The focus was on bringing in aspirational value to low involvement purchase decision and celebrate a niche category having potential double volume growth through power pricing and advertising and showcase.

Through its association with Femina Miss India pageant, the brand is reaching out to millions of Indian

women who feel empowered to celebrate who they are. Associations with fashion pageants across the country are used as a platform to build an aspirational value to the brand.

fbf, the fashion hub, brings global trends to Indian homes at inexpensive prices. While the brand had roped in cricket icon Shikhar Dhawan in 2014, in 2015, it has roped in Katrina Kaif and Varun Dhawan as its brand ambassadors. Over the past few years, Bollywood has become a popular 'ramp' for the country's youth to look out for newer trends and fbf's association with the superstars augurs very well for the country's affordable fashion destination.

Among other initiatives to reach the brand to new consumers was the launch of a co-branded credit card with the country's largest bank, SBI. The fbf SBI StyleUp card specifically targets the youth and talks their language when it comes to fashion, products, promotions and event marketing.





THE MISSION HAS

BEEN TO PROVIDE

QUALITY FASHION

THAT INCORPORATES

GLOBAL TRENDS AND

YET RESPONDS TO

INDIAN SENSIBILITIES.



EXPERIENCE FOOD



Food is the biggest consumption category in India with spending amounting to 21% of India's GDP. It is also the category that is evolving at the fastest pace – creating new opportunities for retailers, entrepreneurs and manufacturers.

The company's presence through Big Bazaar hypermarkets and more recently through Foodhall gourmet stores, allows it to target the entire cross-section of customers. Apart from catering to a very evolved and globally aware consumer, Foodhall has become as a valuable platform to give an early insight into new trends, brands and categories that are becoming mainstream. The impact of Foodhall goes much beyond the size of its business and is today shaping the experience, assortment and customer service of the food section of Big Bazaar.

From live kitchens and tasting sessions to international cuisine and home appliances to go with it, from exotic vegetables to a wider range of dairy products, learnings, skill sets and insights from Foodhall is finding its way into Big Bazaar. During the year, categories like heat and eat, frozen foods, packaged breakfast products and instant mixes witnessed significant increase in Big Bazaar stores. In categories like tea, cornflakes, and noodles the packs are getting bigger and larger. Bulk packs of even niche segments like salad dressing,

chocolates, health biscuits and spreads are order of the day. At the same time, newer products like spreads, dressings, herbs and exotic vegetables are becoming part of everyday food. To complement the wide array of spreads, jams, dips and sauces that Big Bazaar offers, it has also launched a wide assortment of fresh and flavourful breads including multi grain, whole wheat, cheese straws, focaccia, baguettes, and burger buns.

There has been a growing demand for healthier products across categories, on account of these health needs. Categories like health biscuits, organic foods, sweeteners, health drinks, green herbal tea, honey, chywanprash are growing at more than 50% within our stores.

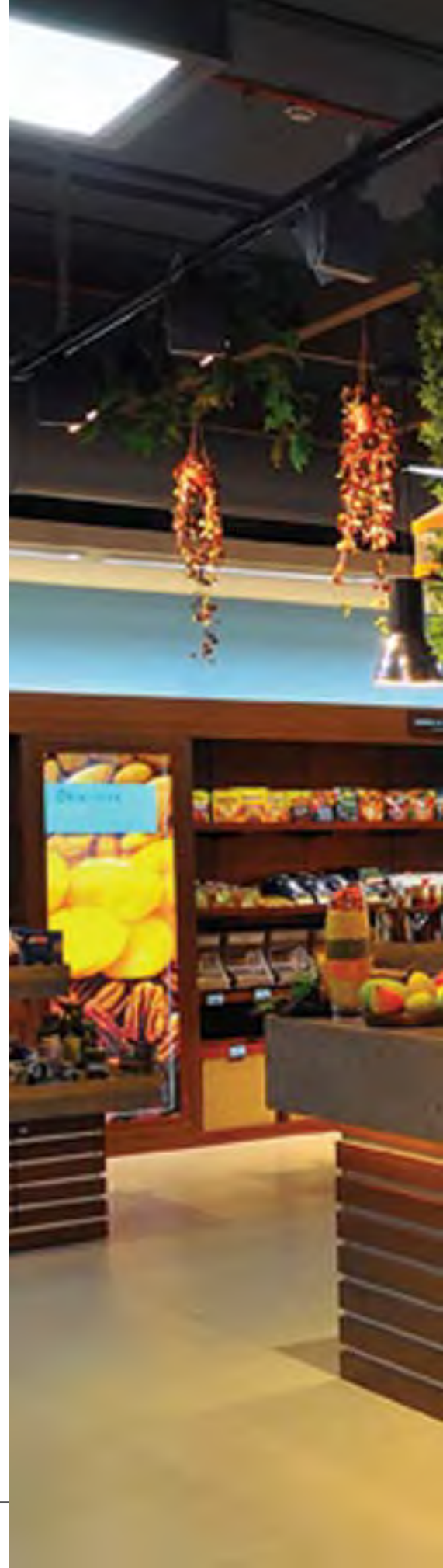
Foodhall, itself has been leading with a number of new initiatives and innovations. From tying up with foreign trade missions to introduce foreign food festivals, to building a collaborative platform with celebrity chefs and food bloggers, to building an entire line of business for gifting gourmet food products, Foodhall has led created a strong franchise for itself amongst connoisseurs of food in India.

Beyond food, beauty and personal care products have been a key focus for Big Bazaar. A number of stores

are undergoing a detailed makeover with a Beauty Section that offers national and international brand mix like Maybelline, Lakme and Color Bar as well as a whole new experience to go along with it. More number of stores now have dedicated sections for beauty products – a segment that offers high margins coupled with high consumer spends.

Big Bazaar customers visit fortnightly or monthly for their grocery shopping. However, fresh fruits and vegetables, dairy and bakery are products which bring the customer to its door steps more frequently. These are the products which are driven by their freshness quotient and therefore demand higher care, sanitation and hygiene. The company's quest to ensure abundant availability with best in class freshness quotient continues across the Big Bazaar chain.

Price leadership will continue to remain a key consumer proposition in the food business. The company's size and scale helps offer a wide range and low prices to its consumers. During the year, the company has publicised a stated policy of offering minimum 5% off on the MRP of most packaged food products. In order to further strengthen its core proposition the Big Bazaar is about to pioneer in India a first-of-its-kind Price Match App for smartphone users that promises customers an instant refund on mobile wallet, should the price of any packaged FMCG product be higher than what it has offered at any other retailer.



**FOOD IS THE BIGGEST
CONSUMPTION CATEGORY
IN INDIA WITH SPENDING
AMOUNTING TO 21%
OF INDIA'S GDP.**





EXPERIENCE HOME & ELECTRONICS



The company's homeware and electronics retailing business is spread across Big Bazaar and speciality retail chains, Home Town and eZone. Each of these formats took a leap ahead with a new and interesting product line waiting to provide more ease and higher aesthetic sense to our consumers. From the magic mops and quick-dry towels in Big Bazaar, to Hogwort six seater dining table with solid rubber wood chair at Home Town or Koryo health-fryers at eZone, new and innovative products drove growth and customer salience within each of the formats.

Today, the home-maker is evolving. The look and feel of the Big Bazaar homeware section has been aligned to the modern home maker, while keeping the space warm and familiar. Consumers' home choices go beyond function, and she is becoming increasingly sensitive to form. Big Bazaar is attempting to mirror her home in the store, making it easy for her to select and upgrade. The traditional categories of plastics, utensils and crockery in Big Bazaar has been re-imagined to cater to ever-changing requirements of the evolving, modern Indian consumer, and has

resulted in new sections - Serving Delight, Cooking Delight and Home Utility.

Home Town caters to aspirational, trendy and knowledgeable new home buyers as well as replacement customers. It currently operates 35 stores in 17 cities and has also developed partnerships with a few online retailers. It follows a hub-and-spoke model with HT Express extending Home Town's reach and presence in new catchments and smaller towns and suburbs. In the forthcoming year, it will be launching stores within Central stores with "HOMETOWN @ Central" Concept. This new concept will expand the network into cities including Vadodara, Surat, Kochi, Patna, Vijaywada, Delhi.

Furniture contributes around two-thirds of sales, while its exclusive range of Duracucine Modular Kitchens contribute almost a tenth of the business and the rest comes from homeware and home improvement products. Home Town also offers Design and Build service providing end-to-end services from interior decoration to execution and implementation.

Home Town as a format is almost unique in the Indian market offering the widest width and depth in every category and acts as a one-stop destination for all home needs. Over the years, it has also developed one of the lowest supply chain costs for sourcing and delivery of its merchandise to its consumers' homes. Around 60% of our products are imported; mainly from China and Malaysia while smaller volumes come from Thailand. Its supply chain capabilities and sourcing knowledge also provide unique advantage to its operations. For the year ahead, the format's focus will be on in-store productivity, developing and judiciously promoting its private labels and driving efficiency in inventory management leading to higher return on capital employed.

Over the years, eZone has evolved into one of the few electronics retailer that is growing and profitable. With 97 stores, the format crossed the ₹ 1000 crore sales mark and became one of the first to have a full-fledged multichannel network. Simultaneously,

the brand has built its customer facing, 'Together Forever' strategy that offers a large number of services along with the product. This helps engage the customer throughout the product life cycle and builds a differentiated proposition.

The Together Forever strategy begins with the discovery phase - wherein it hosts Masterclass or trainings for passions like cooking, photography, music or even computing and using smart phones. It offers a range of payment and EMI options for the consumer to make an easy purchase decision. It's SmartTech and TechProtec initiatives provide insurance and on-site repairing services for mobiles and tech devices while eZone Smart Choice provides extended warranty for all large appliances. A 24/7 helpline service eZone Care provides support and crucial connect between customers and brand owners. Finally, its Easy Exchange policy allows customers to upgrade while winning good value for their existing product.

DURING THE YEAR, FUTURE RETAIL SOLD:



3.3 MILLION TOWELS



26,000 BEDS



1.4 MILLION BED SHEETS



12,000 DINING TABLES



1.1 MILLION HOME APPLIANCES



14,000 WARDROBES



54,000 CARPETS



3.6 MILLION ELECTRONIC PRODUCTS SOLD

*All numbers have been rounded off.





HOME TOWN CATERS

TO ASPIRATIONAL,

TRENDY AND

KNOWLEDGEABLE NEW

HOME BUYERS AS WELL

AS REPLACEMENT

CUSTOMERS.

EXPERIENCE TECHNOLOGY



Amongst the biggest shifts of the last decade has been the 'consumerization' of digital technology. From being confined to certain industries and research labs, digital technology has become a pervasive part of every consumer's life. Technology has shrunk time and space and increased social interactions. Consumers now demand more - more convenience, customization and consistency.

Future Retail depends on a robust technology backend that supports its business – from generating around 87 million bills generated last year, to merchandize planning and delivery to 401 stores in 122 cities, data science and analytics from 26 million customer loyalty data, transactions with thousands of supply partners and capturing real time data, analyzing several performance parameters and aiding managerial decisions to improve business outcomes.

Simultaneously, it is aggressively working towards making technology and digital interfaces pervasive in all its customer interactions. Its technology-enabled, assisted commerce initiative, Big Bazaar Online, is built around a franchise network wherein a franchisee-owned tablet helps untapped customers place orders and deliver to their homes located in areas not covered by its retail formats. Big Bazaar

Online now has 512 franchisee/representatives covering 101 cities and 3079 pin codes and makes available 20,562 products on these web-enabled tablets. Most of these are in cities wherein there is no retail outlet of the group. During the forthcoming year this network will move prototype phase to a full-fledged business offering 50,000 products and becoming a force-multiplier for our physical network.

During the year, the company has also brought onboard hybris, a company specializing in building multichannel networks for global retailers. hybris implementation is nearing completion with various businesses going live in phased manner. eZone is already live for customer interactions. Rich feature sets like buy anywhere, pick up anywhere, return anywhere will be delivered through the forthcoming years, and more formats will be brought on board. The company has also started bringing business on mobile, starting with T24 and eZone. Big Bazaar customers will be able to do a price comparison on an app, which makes us true to our commitment on price leadership. Multiple other customer facing apps are under development. Customers will soon find the company's brands more approachable and versatile with presence of multiple platforms.



The company works with leading technology partners across different areas. The company has also initiated a partnership with IBM that gives it access to their world class Master Data Management (MDM) tool. Product MDM would help in better management of item lifecycle, inventory management and higher fill rates, along with the ability to measure product and vendor metrics more accurately and drive desired business performance. Customer MDM will provide 360 degree view of customer, allowing the company to generate insights into their lifestyle, preferences and purchase behavior.

FACT - Billing and checkout is the most important customer touch point in a retail store. Aside from being the point of sale, the process of billing and checkout gains its importance due to the loyalty and repeat buying that it can generate for a store. The company has more than 3,800 customer checkouts that churn out approximately 86 million bills every year, with an average of 6.59 minutes spent per bill.

GATI is an initiative that has been taken up by Big Bazaar to ameliorate the two most crucial aspects of a checkout - speed and customer engagement. Upgrading of cashiers, a more convenient design (for both - customers and cashiers) of the billing area, a

smoother process for exception handling and engaging customers to participate in improving convenience for fellow customers plays vital roles in giving the last phase of shopping experience a neat finish.

GATI will have fulfilled its vision in FY 2015-16 when majority of customers shopping on the floors of Big Bazaar stores feel the step of billing is as effortless and enjoyable as the shopping experience.

The company has also invested in technology from Manthan systems to further our analytics-driven customer-centric approach. Key areas of focus here include merchandise, customer and vendor analytics. The company is currently in the process of rolling out on demand – real time analytics capability to all decision makers.

In order to leverage its growing loyalty network, the group has also formed a joint venture with dunnhumby, a Tesco subsidiary and global leader in consumer science. It help us leverage their customer science capabilities and tools to uncover valuable insights on what customers want. The company is investing in capability to communicate singularly with our customers, send personalized communication and drive loyalty and higher share of wallet.



THE COMPANY

WORKS WITH

LEADING TECHNOLOGY

PARTNERS ACROSS

DIFFERENT AREAS.





EXPERIENCE SUPPLY CHAIN



The company's logistics is run through its specialized subsidiary, Future Supply Chain Solutions Limited, among the country's most technologically advanced, integrated supply chain companies. Born as a specialized subsidiary in 2007, the company's expertise is evident from the fact that today almost two-thirds of the company's revenues come from clients outside the Future Group. During the financial year, the company reported income from operations of ₹ 408 crore with EBIDTA of ₹ 66 crore and PAT of ₹ 25 crore for FY 2014-15, an increase of 23.6% in Income, 127.6% in EBIDTA and 485.1% in PAT.

While it has built strong capabilities in categories like apparels, furniture, electronics, automotive components, with increasing consumption of perishable food items and greater use of temperature-controlled logistics in categories such as pharmaceuticals and foods, Future Supply Chains during the year focussed on this area. Among the game changers during the year was the acquisition of Brattle Foods, one of the leading speciality logistics company in India. Brattle Foods serves quick service restaurants, foods processors, and modern retailers.

It was started in 2009 in Delhi and today it is the second largest player in the food logistics segment. It is the service provider of choice for handling, storing, and transporting perishable food products in India for quality sensitive food brands.

This acquisition and merger will complement the existing modern technology and automation-based supply chain capability of Future Supply Chains in the food and FMCG domain. This acquisition will enable FSC to address the frozen, chilled and cold warehousing requirements, coupled with the refrigerated container transportation requirements across the country. The implementation of GST will be a further game changer in this space, and this cold chain network can integrate into Future Supply Chains' existing GST ready network of 3.6 million square feet modern warehousing and transport network.

India's temperature controlled logistics sector, valued at ₹ 12,000 to ₹ 15,000 Crore, is highly fragmented with nearly 90% being operated by regional service providers. To capture this opportunity, FSC launched its cold storage warehouse facility at Mehsana,

Gujarat. The newly launched integrated cold storage warehouse is a state-of-the-art facility, marking FSC's expansion into the fast growing cold chain logistics industry. The cold chain facilities are currently operational in Delhi, Kashipur, Mehsana, Mumbai, Chennai, Bengaluru and Tumkur. FSC has planned to build further capacities in Delhi, Mumbai and Hyderabad. These are WMS enabled with storage

area ranging from minus 30 to plus 25 degrees celsius and best-in-class mechanisms for temperature monitoring and control. Some of the state-of-the-art features include mobile racking, GPS based temperature recording, auto dock levellers and PLC controlled operation and performance monitoring system for refrigeration plant.

Future Supply Chain at a Glance

	Number of Pin codes covered	13,000 + pincodes
	Capacities deployed on all routes	3 Lac tonnes per month
	Number of Routes on daily basis	214
	Fleet of trucks	1050+ (leased)
	Warehouses	Warehouse box space of 3.6 million sq ft across India
	Terminals/Parks	Logistics Parks in Bhiwandi, Nagpur, Hyderabad, Haryana and Logistics Terminals in the top 14 locations of India
	Number of Clients	500+ clients with turnovers ranging upto USD \$ 40 bn
	Key Clients	ITC, Tata Motors, Mondelez, McCain, Jubilant Foodworks, Pantaloons, Reliance Comm, Clarks Footwear, P&G, Kelloggs, Future Retail, Skechers, Future Lifestyle Fashions, Reckitt Benkiser, , NEI, AGS Transact, Hitachi, FCEL...
	Range of commodities	FMCG, QSR, Food Processors, Dairy, Poultry, Apparel & Lifestyle, ATM, Healthcare & Life Sciences, Refrigerators, Air Conditioners, Compressors, Toys, Kitchen accessories, Furniture, Industrial products, Plasticware, Stationary, Pumps & Pipes, Fragrances & Flavours, Cables
	Range of services including basic and value-added services (VAS)	4PL Consulting, Contract Logistics, Express & FTL, VAS (Kitting & reverse Logistics), Marketplace, International Logistics, E-Commerce, Temperature Controlled & Cold Chain





FRL IN FIGURES

2014 - 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Future Retail Ltd. (FRL) completed the first full year of operation of value retail and home fashion business operations after completion of internal realignment of business. The Company also undertook various initiative, such as raising of equity through preferential issue and rights issue, improving debt profile by repayment of high cost and near term maturity debts and thus improving overall debt maturity profile and reducing cost of debt. On the operations side also there has been continuous improvement by integration of certain business activities to achieve better economies as well as control cost of operations.

With the Company's presence now in supermarket, electronics and home fashion businesses, it emerged as pure retail company in value and home retail segment. Further, its continuous efforts to monetise its non-core retail investments, would also help in mobilising resources for its core business activities. In this process, the Company has further reduced number of subsidiaries from 14 including 2 step down subsidiaries at the beginning of the year to 5 including 1 step down subsidiary at the end of the year. These initiatives have helped the management to perform better and increase the profitability, which in turn will help to increase economic value of business and all stakeholders' confidence in the management.

As per the strategy, the Company had been having cautious approach for organic expansion and at the same time looking for growth through opportunities of acquisitions / merger of similar business operations and achieving higher growth numbers. On one hand, the Company is striving to increase turnover and returns per square feet of the retail space and on the other hand it is also proposing to increase overall retail space through available opportunities. The operating team has come up with various initiatives to increase customer footfall, customer ticket sizes and sale of higher margin products. The operating team had been continuously monitoring various promotional schemes and events as well as products mix offered to the retail customers, in order to attract new customers and give an improved shopping experience to all its customers.

Operational Overview

With its efforts to optimise productivity per store basis, the management was reviewing the available retail space and product mix and striving to provide better productivity in terms of increased customer foot fall, higher ticket size and improved profitability, by reducing overall costs as well as increasing margins earned from upgraded products offering to customers.

In a bid to provide improved and upgraded product mix, the fashion products offered through fbb proved very helpful. The newer food categories and offering of food products of Sunkist and Nilgiris among other newer categories, gave wider choice to customers resulting in higher ticket size. Hub and spoke approach for the electronics stores also resulted in increased productivity per store and better customer satisfaction in terms of product offerings and after sales service. In home fashion segment as well the revamped furniture and home furnishings saw better through put and increased turnover in home fashion stores.

The Company has also undertaken various analytical studies of customer behaviour and spending pattern as well as improved technology platform at store level and back end, enabled to improve customer experience in terms of better and accessible store layouts, more payment options, faster check-outs etc. Uniform store layouts and resource planning enabled reduced time frame for opening of new stores.

Customer and Marketing Overview

During the year, the company continued to carry out various activities and promotional events to engage with the customer across formats. Various promotional event includes, Weekly Promotional Event, Wednesday Bazaar, Public Holiday Sale, Independence Sale, Sabse Saste 4 Din and other format specific promotional events. Further at group level, the Company was also part of Free Future Group Shopping Festival. Various promotional events, activities and initiatives resulted in higher footfalls during promotions as well as acquisition of new customers. Events like Future Group Shopping Festival ensured that customer visiting any of the Future Group shopping formats at least once in a month. Cross promotional events ensured that the customers of one format visit other format.

In its fbb format, the Company has created new fashion wave, at affordable price. Celebrity endorsements and association of fbb with Femina Miss India 2015, continued to highlight its latest fashion wear collection, and customer frequently patronise fbb for its fashion needs.

The campaign "Making India Beautiful" has been a good success, connecting new customers to Big Bazaar stores. As the campaign was for newer categories, for aspirational and premium products, it brought new categories of customers to Big Bazaar, who contributed in overall revenue generation.

The Company also continued with its loyalty programs and also introduction of Big Bazaar Profit Club further

ensured customer loyalty of a new set of customers who are looking at every opportunity of saving. Big Bazaar Profit Club has proved to be a valuable loyalty program that brings back customers to stores at least twelve times in a year, resulting in higher frequency and cumulatively higher annual sales. These programs are further leveraged for driving promotions and direct communication with customers offering customized merchandise.

The Company has been recognised for its operations in retail sector in following manner.

- Future Retail won the Dun & Bradstreet (D&B) Corporate Award 2015 for its leading performance in Retail sector.
- Food Bazaar won the 'Images Excellence Awards for Largest National Expansion' for the year 2014.
- Big Bazaar won the 'Images Most Admired Food & Grocery Retailer' for the Year in Food & Grocery category.

Competition

The Company being pioneer in retail segment, has its various formats in all prominent consumption centres. Its presence in over 122 cities, including the metro cities, prominent two tier cities, fast growing cities and new consumption centres, ensures that the Company is present in all consumption areas and has a appropriate shares of customer valet.

The Company has witnessed reduced competitive activity, especially in the supermarket space. However, supermarkets do not operate in isolation and competes with other formats and channels of trade. While it strengthens its brand proposition, reach and presence, the company is also investing judiciously in technology-driven channels of commerce and looking at various organic and inorganic options to further strengthen its presence in the market. Further, with proposed reorganisation of the retail business after scheme of arrangement, which is subject to certain statutory approvals, with Bharti Retail Limited, would ensure further increase in Company's presence in number of cities and ensure better return in terms of the increased turnover and revenue for the retail business of the Company. With increased presence and its other capabilities such as experience, sourcing abilities, portfolio of private brands, the Company would be in stronger position to face competition.

Human Resource Initiatives

Human Resource is one of the key input and customer interface, which the Company has with its customers and

hence it is very essential to ensure continuous learning and development of its people, on shop floor management, interaction with customers, ensuring customer comfort while shopping, knowledge of products and their use etc. The Company imparts continuous training to its employees in various fields as discussed above and at the same time also ensures individual development by imparting training for improvement of skills, knowledge and leadership abilities. The Company has attracted best talents from the industry as well as been successful in retaining its core team, which has rich experience of last 20 years leading the Company's core retail business. Further, the Company is in process of implementing ESOP program to give better retention benefits to its valued human assets.

Business Outlook

In FY 2015-16, FRL will emerge as a core retail company with an enhanced distribution network. The Company is also increasing its presence in online as well as in omni channel. Revenue growth will be driven by store additions, increased productivity and efficiency and thereby increased per store and per square feet revenue. The management is striving to reduce overall cost as well as increase high margin product mix to improve profitability. Further exponential growth in overall revenue due to proposed acquisitions of retail business, it will also be able to establish once again among the leader in retail industry. With revised emphasis on reducing financing cost and curb overall debt equity ratio, the Company would be able to increase the value for its shareholders and with its approach for overall development will be able to satisfy its other stakeholders as well.

With overall stability and country's economy poised for growth, the consumption sector will also experience new and much required thrust for increased consumer demand. Further, the Company would be in better position to get maximum benefit by the increased consumer spending, due to its presence in areas of high consumption cities and strategic locations of its various formats as well as its presence in other sectors through its omni channel.

With improved debt equity ratio, due to increase in net worth of the Company and subsequent reduction of the debts, the Credit Analysis & Research Limited (CARE), has revised its rating for Short Term borrowings to CARE A1+ [A One Plus] and Long Term borrowings as well as Long Term Non-Convertible Debentures to CARE AA-[Double A Minus] as of March 31, 2015.

Risks and Threats

The state of external environment, including factors like

interest rates, inflation, and growth in economic activity and job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any further slowdown in the economic activity in the country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company. Other external factors, including a steep rise in interest rates or drastic changes in the policy or regulatory environment can pose financial challenge for the Company. However, the continued steps taken by the Company to deleverage its balance sheet, reducing its reliance on the debt funds, improving its debt maturity profile and thereby reducing stress on its cash flow, improved business efficiency reducing overall operating cost and continuous efforts to increase customer ticket size and capturing new class of customers to increase overall higher spend in various formats of the Company, are aimed at mitigating each of the above discussed external threats.

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

Internal controls and their adequacy

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

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

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

The financial performance of the Company for the year under review was not comparable to the previous financial period as the previous period of accounts was for fifteen months period, whereas the current financial period is of twelve months period. In order to give better review of financial performance, the financial performance numbers of previous twelve months ending March 31, 2014 has been considered, wherever possible to compare with current financial period numbers.

Sales

The Company's Sales and Other Operating Income has increased from ₹ 9,241.16 Crore in previous twelve months to ₹ 10,341.66 Crore with YOY growth of 11.9% for the financial year ended March 31, 2015. The Company has also recorded Same Store Sales growth of 10.1% for financial year ended March 31, 2015.

Profit Before Tax

Profit Before Tax (including exceptional items) of the Company for financial year ended March 31, 2015 stood at ₹ 61.36 Crore as compared to ₹ 9.96 Crore during the previous twelve months.

Interest

Interest & Financial charges outflow has increased from ₹ 576.62 Crore incurred in previous twelve months of 2013-14 to ₹ 669.04 Crore for financial year ended March 31, 2015. The increase in interest and financial charges is on account of additional borrowings for funding the growth plans of the Company and increase in rate of interest during the year.

The interest & financial charges cover for financial year ended March 31, 2015 under review is 1.86 times as compared to 1.59 times in the previous twelve months.

Net Profit

Net Profit (including exceptional items) of the Company for financial year ended March 31, 2015 stood at ₹ 74.06 Crore as compared to ₹ 8.69 Crore in the previous twelve months with an increase of ₹ 65.37 Crore and with YOY increase of 8.52 times over the previous twelve months.

Dividend

The Board of Directors has recommended a dividend of ₹ 0.60 (30%) per equity share. The dividend would be payable on all equity shares of the Company including Class B Shares. Class B Shares would be entitled to 2% additional dividend as per the terms of issue of Class B Shares (Series I).

Capital employed

The capital employed in the business is ₹ 10,020.66 Crore as at March 31, 2015. Return on capital employed (EBIDTA including exceptional item/average capital employed) during 2014-15 is 12.73% as compared to 10.75% during 2013-14.

Surplus management

The Company generated a cash profit of ₹ 574.23 Crore for financial year ended March 31, 2015 as compared to ₹ 340.90 Crore in the previous twelve months, registering the growth of 68.5%. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund the growth. The growth of the Company has partly been funded by the cash generated from the business as well as from additional funds borrowed and equity funds infused during the financial period.

Equity Share Capital

The equity share capital of the Company has been increased from ₹ 46.32 Crore to ₹ 82.84 Crore due to the Preferential issue of shares and warrants with conversion option and Right issue of Shares completed during the financial year under review.

Warrants

During the financial year, the Company has issued 76,92,307 Equity warrants to one of the Promoter Group Company, where each warrants would entitle one Equity Share at price of ₹ 130 per share. Promoter Group Company has paid initial application money amount at time of allotment and later on also paid balance 75% amount to exercise option for subscribe for 76,92,307 equity shares. The increase in capital on account of issue of these shares has been captured in para of "Equity Share Capital" given above.

Further, during the financial year, the Company has also issued 1,34,98,300 Class-B warrants to one of the Promoter Group company, where each warrant would entitle one Equity Share of Class B at price of ₹ 68.69 per share. An amount equivalent to 25% of ₹ 92.72 Crore i.e. ₹ 23.18 Crore has been received and thereafter Equity Share Warrants were allotted. The warrant holder can exercise the option to subscribe to Equity Shares of Class B at any time within a period of 18 months from the date of allotment i.e. upto February 18, 2016.

Debt-equity

Debt-equity ratio of the Company has decreased due to increased net worth and repayment of borrowings of the Company. Debt-equity ratio has decreased from 1.93 in the previous year to 0.93 as at March 31, 2015.

Earnings Per Share (EPS)

The Company's Basic EPS has increased from ₹ 0.12 in previous financial period to ₹ 2.75 per share for the current financial year ended March 31, 2015.

Cash Earnings Per Share (CEPS)

The Company's Cash Earnings per Share (CEPS) has increased to ₹ 21.37 in current financial year in comparison to ₹ 17.50 in the preceding financial period of fifteen months.

Investment

The Company's investment portfolio has reduced from ₹ 1,349.52 Crore to ₹ 1,295.16 Crore during the current financial year ended March 31, 2015. The reduction in investment during the financial year is mainly due to sale of investments of Subsidiaries/Joint Ventures.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with Audited Statement of Accounts of Future Retail Limited for the financial year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

The operating results of the Company for the financial year ending March 31, 2015 is summarised below:

(₹ in Crore)

	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Sales (Net of Taxes)	10,157.79	11,336.16
Other Operating Income	183.87	241.28
Other Income	26.73	27.74
Total Income	10,368.39	11,605.18
Profit before Depreciation, Exceptional Items & Tax	473.73	374.95
Less: Depreciation	512.88	404.34
Profit /(Loss) before Tax & exceptional items	(39.15)	(29.39)
Exceptional Items	100.51	30.66
Tax Expense	(12.70)	(1.54)
Profit after Tax	74.06	2.81
Add: Profit brought forward from previous period	68.64	654.07
Surplus available for appropriation	142.70	656.89
APPROPRIATION		
Proposed Dividend	24.96	13.97
Provision for Dividend Distribution Tax	4.99	2.37
Transfer to General Reserve	7.41	0.28

REVIEW OF PERFORMANCE

This was first full year of performance after realignment of all value retail business under one Company. The Company is now operating in supermarket, home fashion and electronic business which interalia includes formats like Big Bazaar, Food Bazaar, fbb, Food Hall, Home Town and eZone.

We are pleased to inform you that the Retail business of the Company has been showing growth trend during the financial year under review. During the year the Company has recorded growth through increase in presence in various cities. Income from operations for the financial year 2014-15, for the year under review was at ₹ 10,341.66 Crore, which was at ₹ 11,577.44 Crore (on 12 months ended March 2014 basis ₹ 9,241.16 Crore) during the financial period of 2013-14. EBITDA excluding

exceptional items, stood at ₹ 1,142.76 Crore during the financial year 2014-15, which was at ₹ 1067.50 Crore (on 12 months ended March 2014 basis ₹ 887.11 Crore) in the previous financial period. PAT for the financial year under review was ₹ 74.06 Crore, which was at ₹ 2.81 Crore (on 12 months ended March 2014 basis ₹ 7.71 Crore) for the preceding financial period. Due to various realignment exercises undertaken by the Company and different duration of the current financial year and previous financial period, the current financial year result is not comparable with the previous financial period result, which was of fifteen months.

During the financial year 2014-15, the Company is operating through 11.36 million square feet of retail space, spread over pan India basis.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹ 0.60 (30%) per equity share (previous financial period ₹ 0.60 (30%) per equity share) and dividend of ₹ 0.64 (32%) per Class B share (Series I) (previous financial period ₹ 0.64 (32%) per Class B Share) for the Financial year ended March 31, 2015. The said dividend shall be subject to the approval of the members at the ensuing annual general meeting.

The dividend, if approved by the shareholders in the Annual General meeting shall be based on the paid up share capital as at the date of this report, entail a payout of ₹ 29.95 Crore including dividend distribution tax of ₹ 4.99 Crore. The dividend is free of tax in the hands of the shareholders.

SHARE CAPITAL

During the year under review, the Company has issued and allotted 17,26,67,884 Equity Shares and 99,47,227 Class B (Series I) Shares of the Company as under:

- 2,88,594 Equity Shares were issued and allotted under Employees' Stock Option Scheme - 2012, to the eligible employees of the Company;
- 1,53,84,615 Equity Shares were issued and allotted to Investor on Preferential basis at a price of ₹ 130 per Equity Share (including share premium of ₹ 128 per Equity Share);
- 76,92,307 Equity and 1,34,98,300 Class B (Series I) warrants were issued and allotted at a price of ₹ 130 per Equity Share (including share premium of ₹ 128 per Equity Share) and ₹ 68.69 per Class B (Series I) shares (including share premium of ₹ 66.69 per Class B (Series I) Share) respectively to Future Corporate Resources Limited, a promoter group company of which 76,92,307 Equity Shares were issued and allotted on exercise of option by Future Corporate Resources Limited (FCRL) as equity Warrant holder, at a price of ₹ 130 per Equity Share (including share premium of ₹ 128 per Equity Share). Class B Warrant holder have not exercised option for allotment of Class B (Series I) Shares in the financial year. The option for the same can be exercised till expiry of eighteen months from the date of allotment of Warrants i.e. August 19, 2014.
- 14,93,02,369 Equity Shares and 99,47,227 Class B (Series I) Shares were issued and allotted to Shareholders' on Rights basis at a price of ₹ 103 (including share premium of ₹ 101 per Equity Share) and ₹ 50.25 (including share premium of ₹ 48.25 per Class B (Series I) Share).

RIGHTS ISSUE

During the year under review, your Company issued and allotted 14,93,02,369 Equity Shares of ₹ 2 each at a premium of ₹ 101 per equity share and 99,47,227 Class B (Series I) Shares of ₹ 2 each at a premium of ₹ 48.25, aggregating to ₹ 1589.55 Crore to the existing shareholders of the Company on a rights basis (the "Rights Issue"). The total shares allotted pursuant to the Rights Issue were admitted for listing and trading on BSE Limited and the National Stock Exchange of India Limited with effect from February 11, 2015.

Your Directors take this opportunity to thank all the shareholders for their overwhelming response and for the confidence reposed by them in the Company. The issue proceeds are being utilised for the purpose as stated in the Letter of Offer and same is also being reviewed by the monitoring agency appointed for the said purpose.

SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

SUBSIDIARY COMPANIES (In Alphabetical Order)

The Company has following Subsidiaries (including step down subsidiaries), as at the end of financial year ended March 31, 2015.

Futurebazaar India Limited

Futurebazaar India Limited (FBIL) is set up as the e-Retailing arm of the Future Group for providing on-line shopping experience through e-portal www.futurebazaar.com. Your Company holds 100% in FBIL. FBIL is successfully operating its e-retailing business and during the financial year ended March 31, 2015, it has registered income from operations amounting to ₹ 12.15 Crore and its net loss stood at ₹ 0.41 Crore.

Future Media (India) Limited

Future Media (India) Limited (FMIL) is the Group's media venture, aimed at creation of media properties in the ambience of consumption and thus offers active engagement to brands and consume. FMIL offers relevant engagement through its media properties like Visual Spaces, Television and Activation. The Company holds equity capital of 93.10% in FMIL however, considering the total capital comprising of convertible preference capital the Company's holding in the total capital of FMIL works out to 35.37%. FMIL also has Convertible Preference Shares, which has not yet been converted into equity shares. During the financial year ended March 31, 2015, FMIL registered income from operations amounting to ₹ 32.79 Crore and the net loss stood at ₹ 2.76 Crore.

Future Supply Chain Solutions Limited

Future Supply Chain Solutions Limited (FSCSL) is designed to operate in the logistics, transportation, distribution and warehousing space. FSCSL provides solutions in the areas of integrated Supply Chain Management, warehousing, distribution and Multi Modal transportation. Your Company has 70.17% stake in FSCSL. FSCSL has warehousing space of 3.6 million square feet spread over all across India. FSCSL is currently building large scale warehousing facilities and also increasing its presence in 3PL logistics solutions. During the year ended March 31, 2015, FSCSL has registered income from operations amounting to ₹ 407.96 Crore and the earned net profit of ₹ 24.73 Crore. During the year under review, FSC Distribution Services Limited, a 100% subsidiary company of FSCSL was merged with FSCSL with effect from October 05, 2014, with appointed date of April 1, 2014.

Staples Future Office Products Limited

Staples Future Office Products Limited (SFOPL) is designed to capture the consumption space of office supplies, office equipments and products. SFOPL was formed as a Joint Venture between the Company and Staples Asia Investment Limited (a subsidiary of Staples Inc USA). Your Company holds equity capital of 60% in SFOPL however, considering the total capital comprising of convertible preference capital the Company's holding in the total capital of SFOPL works out to 52.17%. During the financial year ended March 31, 2015, SFOPL has registered income from operations amounting to ₹ 80.26 Crore and the net loss stood at ₹ 4.92 Crore.

Office Shop Private Limited

Office Shop Private Limited (OSPL) was incorporated to deal in the business of distribution services. OSPL is 100% subsidiary of SFOPPL and accordingly, is step down subsidiary of the Company. OSPL has earned revenue of ₹ 51.54 Crore & incurred net loss of ₹ 9.62 Crore during the year ended March 31, 2015.

During the year under review, following companies ceased to be subsidiaries and joint venture of the Company.

Future Home Retail Limited
Future Freshfoods Limited
Future Knowledge Services Limited
Future Learning and Development Limited
Home Solutions Retail (India) Limited
Integrated Food Park Private Limited
NuZone Ecommerce Infrastructure Limited
Winner Sports Limited

ASSOCIATES

Galaxy Entertainment Corporation Limited

Galaxy Entertainment Corporation Limited (GECL) is a leisure and entertainment organization. The company is into operation of family entertainment gaming centers, food courts in shopping malls and restaurants. GECL also undertakes sponsorship contracts. Your Company has 31.55% stake in GECL. During the financial year ended March 31, 2015, GECL has registered income from operations amounting to ₹ 40.42 Crore and the net profit stood at ₹ 2.95 Crore

Future E-Commerce Infrastructure Limited

Future E-Commerce Infrastructure Limited (FECIL) is to capture the consumption space through the internet, as well as other technology based and digital modes and provide infrastructure services for the same. The Company holds equity capital of 70.43 % however, considering total capital comprising of convertible preference capital the Company's holding in the total capital of FECIL works out to 40.33%. FECIL also has Convertible Preference Shares, which has not yet been converted into equity shares. During the financial year ended March 31, 2015, FECIL registered income from operations amounting to ₹ 11.96 Crore and the net loss stood at ₹ 2.06 Crore.

JOINT VENTURES (In Alphabetical Order)

Apollo Design Apparel Parks Limited and Goldmohur Design & Apparel Park Limited

The Company has entered into joint venture with National Textile Corporation (NTC) for the restructuring and development of the Apollo Mills and Goldmohur Mills situated in Mumbai. For the same two separate SPV companies have been created viz. Apollo Design Apparel Parks Limited (ADAPL) & Goldmohur Design & Apparel Park Limited (GDAPL). The ADAPL & GDAPL would be working for the restructuring and development of the Apollo Mills and Goldmohur Mills respectively as per the memorandum of understanding and other documents signed with NTC. During the financial year ended March 31, 2015 ADAPL registered income from operations amounting to ₹ 257.23 Crore and earned net profit of ₹ 7.21 Crore. Further during the year GDAPL registered income from operations amounting to ₹ 245.91 Crore and earned net profit of ₹ 7.20 Crore.

Future Generali India Life Insurance Company Limited

Future Generali India Life Insurance Company Limited (FGI-Life) is Company's joint venture in the Life insurance sector. FGI-Life has introduced many insurance products

to suit requirements of various categories of customers. During the financial year ended March 31, 2015, FGI-Life has registered income from operations of ₹ 587.83 Crore and net profit of ₹ 0.99 Crore.

Future Generali India Insurance Company Limited

Future Generali India Insurance Company Limited (FGI-Nonlife) is Company's joint venture in the general insurance sector. FGI-Nonlife has introduced insurance products for various general insurance needs of the different categories of customers. During the financial year ended March 31, 2015, FGI-Nonlife has registered income from operations of ₹ 1079.12 Crore and net profit of ₹ 60.29 Crore.

Shendra Advisory Services Private Limited

Shendra Advisory Services Private Limited (Shendra) is a SPV with respect to the Company's insurance arm Future Generali India Insurance Company Limited. During the financial year ended March 31, 2015, Shendra has registered income from operations of ₹ 0.02 Crore and net loss of ₹ 0.004 Crore.

Sprint Advisory Services Private Limited

Sprint Advisory Services Private Limited (Sprint) is a SPV with respect to the Company's insurance arm Future Generali India Life Insurance Company Limited. During the financial year ended March 31, 2015, Sprint has registered income from operations of ₹ 0.02 Crore and net profit of ₹ 0.01 Crore.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided as **Annexure I as AOC-I** to this report forming part of Annual Report.

DISCLOSURE REQUIREMENTS

Policy for Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information are available on website of the Company at the link:

http://www.futureretail.co.in/pdf/UPSI_Code.pdf

Policy for CSR Policy is available on website of the Company at the link:

<http://www.futureretail.co.in/pdf/CSR-Policy.pdf>

Policy for Code of Conduct is available on website of the Company at the link:

http://www.futureretail.co.in/pdf/Code_of_Conduct.pdf

Policy for Independent Directors Familiarization is available on website of the Company at the link:

http://www.futureretail.co.in/pdf/ID_Familiarization.pdf

Policy for Terms and conditions of appointment of Independent Directors is available on website of the Company at the link:

http://www.futureretail.co.in/pdf/TC_of_ID.pdf

Policy for Material Subsidiary is available on website of the Company at the link:

http://www.futureretail.co.in/pdf/Mat_Sub_Policy.pdf

Policy for Vigil Mechanism is available on website of the Company at the link:

<http://www.futureretail.co.in/pdf/Vigil.pdf>

Policy for Related Party Transaction is available on website of the Company at the link:

http://www.futureretail.co.in/pdf/RPT_Policy.pdf

The Company has formulated and disseminated a Whistle Blower Policy to provide Vigil Mechanism for employees and directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance of the provisions of Section 177(9) of the Act and the Clause 49 of the Listing Agreements with the Stock Exchanges.

NUMBER OF BOARD MEETINGS

The Board of Directors met 5 (Five) times during the financial year 2014-15. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of the Annual Report.

COMMITTEES OF THE BOARD OF DIRECTORS

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

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92(3) of the Companies Act, 2013, an extract of Annual Return in prescribed format is annexed to this Report as **Annexure II**.

DECLARATION UNDER SUB-SECTION (6) OF SECTION 149 OF THE COMPANIES ACT, 2013

The Company has received declaration from all the Independent Director(s) of the Company stating that they meet the criteria of independence as provided under sub Section (6) of Section 149 of the Companies

Act, 2013 and Clause 49 of the Listing Agreement:

- a) Mr. S. Doreswamy
- b) Mr. Anil Harish
- c) Ms. Bala Deshpande
- d) Mr. V.K. Chopra

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

Details of Loans granted, Guarantee provided and Investment made by the Company which are covered under the provision of Section 186 of the Companies Act, 2013, is provided in note no. 50 of Notes forming part of Standalone Financial Statements.

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties (as defined under Section 188(3) of the Companies Act, 2013 and Clause 49 of the Listing agreement) during the financial year under review were in the ordinary course of business and on arms length pricing basis.

The particulars of contracts or arrangements with related parties are given under Section 188(1) of the Companies Act, 2013. As there were no materially significant transactions with the related parties during the financial year 2014-15, which were in conflict with the interest of the Company and hence, enclosure of **Form AOC-2** is not required.

RESERVES

For the financial year 2014-15, there is ₹ 5091.90 Crore, amount which is proposed to be appropriated towards Reserves.

CLAUSE 5A OF THE LISTING AGREEMENT

Pursuant to clause 5A.11 of the Listing Agreement, the aggregate number of shareholders is 92 Equity and 84 Class B (Series I) amounting to 92,010 Equity and 9,250 Class B (Series I) outstanding shares which are lying in the Unclaimed Suspense Account as on April 01, 2014. There were no shareholders who approached issuer for transfer of shares and to whom shares were transferred from Unclaimed Suspense Account upto March 31, 2015. The total shareholders remains to be 92 Equity and 84 as Class B (Series I) shares 92,010 Equity and 9,250 Class B (Series I) outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2015.

All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate

benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

MATERIAL CHANGES AND COMMITMENTS

Your Directors further state that there were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts, except as discussed about the demerger of the "Retail Undertaking" and transfer to Bharti Retail Limited and vesting of the demerged "Retail Infrastructure Undertaking" of Bharti Retail Limited with the Company. More detail related to the scheme has been given hereunder.

FUTURE OUTLOOK

The Board of Directors of the Company has approved the composite scheme of arrangement for the consolidation of the retail and retail infrastructure businesses of Bharti Retail Limited (BRL) and the Company. This will be achieved by way of two simultaneous demergers i.e. the FRL Demerger and the BRL Demerger as part of the composite scheme of arrangement. Accordingly, the Retail Business Undertaking of the Company shall stand transferred to and vested in BRL as a going concern and the Retail Infrastructure Undertaking of BRL shall stand transferred to and vested in the Company as a going concern.

In consideration for the transfer and vesting of the Retail Business Undertaking of the Company in BRL, BRL shall issue and allot fully paid up equity shares to all the shareholders of FRL (which include holders of equity shares of FRL and holders of equity shares of FRL classified as Class B (Series-I) shares. The shares of BRL are proposed to be listed. Further, in consideration for the transfer and vesting of the Retail Infrastructure Undertaking of BRL in FRL, FRL shall issue and allot fully paid up equity shares to all the existing shareholders of BRL. Both the Companies will be under control of the Future Group.

With the above consolidation of the retail and retail infrastructure business in two separate entities, will ensure unlocking of value, attribution of appropriate risk and valuation to the Core Retail Business based on its risk-return profile and cash flows, more focused leadership and dedicated management, greater visibility on the performance of Core Retail Business, segregation of other businesses and activities and other non-core assets from Core Retail Undertaking of FRL and

emergence of BRL (to be renamed) as a Core Retail company focusing on in-store retail business.

The Company continues to explore possibilities to monetise its non-core retail investments which will help in improving liquidity and net worth position of the Company

With improved debt equity ratio, due to increase in net worth of the Company and subsequent reduction of the debts, the Credit Analysis & Research Limited (CARE), has revised its rating as under for Short Term borrowings to CARE AI+ [A One Plus] and Long Term borrowings as well as Long Term Non-Convertible Debentures to CARE AA - [Double A Minus] as of March 31, 2015.

With positive outlook for the economy, the Company is confident to achieve better growth in the years to come and the benefits of the consolidation will ensure better profitability for the Company.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review:

In terms of the provisions of the Companies Act, 2013, Mr. Vijay Biyani retires from the Board of Directors of the Company by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The term of Mr. Kishore Biyani, as Managing Director, was for a period of 5 years from April 01, 2010 which expired on March 31, 2015. The Board is seeking to reappoint Mr. Kishore Biyani as a Managing Director for a period of 3 years. Detail of the proposal for appointment of Mr. Kishore Biyani is mentioned in the Statement under Section 102 of the Companies Act, 2013 of the Notice of the 27th Annual General Meeting. His appointment is appropriate and in the interest of the Company.

The Notice convening the forthcoming Annual General Meeting includes the proposal for re-appointment of aforesaid Director. A brief resume of the Directors seeking re-appointment at the forthcoming Annual General Meeting and other details as required under to be disclosed in terms of Clause 49 of the Listing Agreement forms part of the said Notice. None of the Directors are disqualified for re-appointment under Section 164 of the Companies Act, 2013.

The Company is also proposing resolution for the

remuneration payable to Mr. Kishore Biyani as a Managing Director of the Company to be approved by the Shareholders, in view of the requirement to make application to the Central Government for approval of remuneration, due to inadequacy of profits.

The details as required by clause 49 of the listing agreement, is given as part of the notice.

CORPORATE GOVERNANCE

A report on Corporate Governance together with Auditors' Certificate as required under Clause 49 of the Listing Agreement forms part of this Annual Report.

VIGIL MECHANISM

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report as required under Clause 49 of the Listing Agreement is presented separately and forms part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

AUDITORS AND AUDITORS' REPORT

At the 26th Annual General Meeting of the Company held on August 02, 2014, M/s NGS & Co. LLP, Chartered Accountants, Mumbai was appointed as statutory auditors of the Company, for tenure of three years, to hold office till the conclusion of the 29th Annual General Meeting.

In terms of the first proviso to section 139 of the Companies Act, 2013 the appointment of the auditors

shall be placed before the members for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. NGS & Co. LLP, Chartered Accountants, Mumbai, as statutory auditors of the Company, placed before for ratification by the shareholders.

The Auditors' Report does not contain any disqualification, reservation or adverse mark.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Company has appointed Mr.Virendra Bhatt, Practising Company Secretary to conduct Secretarial Audit of the Company for the financial year 2014-15 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor Report is annexed to this report as **Annexure III**.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors have prepared the annual accounts for the financial year ended March 31, 2015, on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEE STOCK OPTION SCHEME 2012 (ESOS-2012)

Future Retail Limited (FRL) has granted Options to eligible employees in 2013 under PRIL-Employee Stock Option Scheme 2012 ("ESOS 2012").

In a Scheme of demerger, "FRL" (Demerged Company) has transferred its Fashion business under the brand name "Pantaloons" and variations thereof to "Peter England Fashions and Retail Limited" (Resulting Company); demerger scheme has been duly sanctioned by the Bombay High Court in its order dated March 01, 2013.

In a subsequent Scheme of demerger, "FRL" (Demerged Company) has transferred its fashion business carried on under the format brands of Central, Brand Factory, and Planet Sports to "Future Lifestyle Fashions Limited"; demerger scheme has been duly sanctioned by the Bombay High Court in its order dated May 10, 2013.

The Employee Stock options of the Company has adjusted for the corporate actions on Value for Value exchange and hence there is no incremental benefit to the option grantee and also it does not result in change in aggregate Fair Value of the Options.

FRL ESOP 2015 has been approved by the Shareholders of the Company vide resolution passed through postal ballot on March 30, 2015. The Shareholders of the Company through postal ballot have also approved formation of Future Retail Limited Employee Welfare Trust for implementation of FRL ESOP 2015.

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	Detail s
1	Details of the Meeting	Approved in Shareholders Meeting dated Feb 04, 2013
2	Approved*	25,00,000
3	The Pricing Formula	₹ 20 revised to ₹ 10 in the Scheme of Demerger* For the options granted during the year 2014-15, exercise price is ₹ 10/-
4	Options Granted*	2,76,279
5	Options Cancelled before Demerger	14,790
6	Unvested Options cancelled (Employees Transfer to Future Lifestyle Fashion Limited in scheme of Demerger)	98,464
7	Option Adjusted in Scheme of Demerger of entity in to Future Lifestyle Fashion Limited*	1,42,167
8	Revised Options after Demerger*	3,05,192
9	Options Granted during the year	4,14,514
10	Options Exercised	2,88,594
11	Options Cancelled	16,598
12	Options Lapsed	0
13	Total Number of Options in force	4,14,514
14	Variation in terms of ESOP	Not Applicable
15	Total number of shares arising as a result of exercise of options	2,88,594
16	Money realised by exercise of options (₹)	28,85,940

*Value for Value exchange of Options under the Scheme of Demerger of Future Lifestyle Fashion Limited from Future Retail Limited

B. Employee-wise details of options granted during the financial year 2014-15 to:

(i)	Key managerial personnel	No. of Options
	Dinesh Maheshwari	38,836
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	No. of Options
	Rajan Malhotra	48,544
	Sadashiv Nayak	38,836
	Dinesh Maheshwari	38,836
	Devendra Chawla	29,128
	Anuraag Agarwal	29,128
(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 grant.	Nil

C. Weighted average Fair Value of Options granted during the year whose

(a)	Exercise price equals market price	-
(b)	Exercise price is greater than market price	-
(c)	Exercise price is less than market price	₹ 98.04

Weighted average Exercise price of options granted during the year whose

(a)	Exercise price equals market price	-
(b)	Exercise price is greater than market price	-
(c)	Exercise price is less than market price	₹ 10.00

D The stock-based compensation cost calculated as per the intrinsic value method for the financial year:**Pro Forma Adjusted Net Income and Earning Per Share**

Particulars	(₹ in Crore)
Net Income as reported	74.06
Add: Intrinsic Value Compensation Cost	0.96
Less: Fair Value Compensation Cost	0.96
Adjusted Pro Forma Net Income	74.06
Earnings Per Share: Basic	
As Reported	2.75
Adjusted Pro Forma	2.75
Earnings Per Share: Diluted	
As Reported	2.75
Adjusted Pro Forma	2.75

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

Date of grant	November 12, 2014	November 12, 2014
1. Risk Free Interest Rate	8.21%	8.22%
2. Expected Life	2.75	3.00
3. Expected Volatility	62.02%	60.98%
4. Dividend Yield	0.56%	0.56%
5. Price of the underlying share in market at the time of the option grant (₹)	107.60	107.60

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ON FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

The particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption foreign exchange earnings and outgo, are provided in **Annexure IV** which forms part of this report.

The Company being concentrating on the domestic consumption space does not have any specific exports initiatives to report to members.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Mr. S. Doreswamy, Independent Director as Chairman of the Committee and Mr. V. K. Chopra, Independent Director and Ms. Bala Deshpande, Independent Director, as Members of the Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

CORPORATE RESPONSIBILITY STATEMENT (CSR)

The Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in accordance with Section 135 of the Companies Act, 2013. The Board of Directors of the Company has based on recommendation made by CSR Committee formulated and approved CSR Policy of the Company. The Company has identified the amount to be spent for the purpose of CSR. It is proposed to create a foundation at group level to carry on CSR initiative at group level. The process of creating the foundation is expected to complete by end of September 2015.

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

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

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

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

NOMINATION AND REMUNERATION POLICY

In terms of requirements prescribed under Companies Act, 2013, the Nomination and Remuneration Committee has approved Remuneration Policy for payment of remuneration to Directors and Key Managerial Personnel. Details of Remuneration Policy are provided in **Annexure VI**, which is annexed to this Report.

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the directors individually. At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

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

The Directors expressed their satisfaction with the evaluation process.

PARTICULARS OF EMPLOYEES

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

In terms of the provisions of 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 and is available for inspection by the Members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary and the same shall be provided.

The full Annual Report including aforesaid information is being sent electronically to all those Members who have registered their e-mail addresses and is available on the website of the Company.

INTERNAL FINANCIAL CONTROL

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

AWARDS AND RECOGNITIONS

- Hat-trick of Awards at INTEROP Awards 2014
Business Technology Services Scores A Hat-trick of Awards at INTEROP Awards 2014.
- Asia Pacific HRM Congress 2014
Future Learning triumphs at Asia Pacific HRM Congress 2014 in the 'Innovation in Retention' category.

- 'Power To The People' and 'From Grocery to Gift' at the esteemed EFFIE Awards
Big Bazaar was awarded with 'Power To The People' and 'From Grocery to Gift' at the esteemed EFFIE Awards.
- Images Most Admired Food & Grocery Retailer of the Year
Big Bazaar won the 'Images Most Admired Food & Grocery Retailer of the Year' in Food & Grocery category.
- Images Excellence Awards for Largest National Expansion
Food Bazaar won the 'Images Excellence Awards for Largest National Expansion' for the year 2014
- Dun & Bradstreet (D&B) Corporate Award 2015
Future Retail won the Dun & Bradstreet (D&B) Corporate Award 2015 for its leading performance in the Retail sector.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Kishore Biyani

Managing Director

Rakesh Biyani

Joint Managing Director

Mumbai

May 25, 2015

ANNEXURE I

FORM NO.AOC.I

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": Subsidiaries

Sl. No.	Name of the Subsidiary Companies	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment (excluding investments in subsidiaries)	Revenue From Operations	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholdings
1	Future Supply Chain Solutions Limited	March 31, 2015	39.14	178.64	386.97	169.19	0.01	407.96	36.64	11.91	24.73	-	70.17
2	Future Media (India) Limited	March 31, 2015	77.41	(35.69)	43.10	1.38	-	32.79	(2.76)	-	(2.76)	-	93.10
3	Futurebazaar India Limited	March 31, 2015	19.16	(21.11)	1.24	3.18	0.00	12.15	(0.41)	-	(0.41)	-	100.00
4	Staples Future Office Products Limited	March 31, 2015	6.17	68.65	89.44	14.62	0.01	80.26	(4.92)	-	(4.92)	-	60.00
5	Office Shop Private Limited*	March 31, 2015	0.01	(14.72)	6.46	21.17	-	51.54	(9.62)	-	(9.62)	-	60.00

* 100% subsidiary of Staples Future Office Products Limited

Names of subsidiaries which ceased to be subsidiary during the year

Sl. No.	Name of the Companies
1	Future Knowledge Services Limited
2	Future Learning and Development Limited
3	Future Freshfoods Limited
4	Home Solutions Retail (India) Limited
5	Future Home Retail Limited
6	nuZone Ecommerce Infrastructure Limited
7	Winner Sports Limited

Part B : Associates And Joint Ventures

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

S. No.	Name of the Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)	Profit/Loss for the year	
			No.	Amount of Investment in Associates/ Joint Ventures (₹ in Crore)	Extent of the Holding Companies Interest(%)				Considered in Consolidation (₹ in Crore)	Not Considered in Consolidation
1	Apollo Design Apparel Parks Limited	March 31, 2015	2203500	73.64	39.00	Due to Joint Venture Agreement	-	37.61	2.81	-
2	Goldmohur Design and Apparel Park Limited	March 31, 2015	2281500	70.30	39.00	Due to Joint Venture Agreement	-	36.62	2.81	-
3	Future Generali India Insurance Company Limited	March 31, 2015	181050000	181.05	25.50	Due to Joint Venture Agreement	-	116.38	15.37	-
4	Future Generali India Life Insurance Company Limited	March 31, 2015	43560000	43.56	3.00	Due to Joint Venture Agreement	-	7.48	0.03	-
5	Sprint Advisory Services Private Limited	March 31, 2015	178699931	178.70	49.80	Due to Joint Venture Agreement	-	354.40	0.00	-
6	Shendra Advisory Services Private Limited	March 31, 2015	87495000	87.50	49.80	Due to Joint Venture Agreement	-	173.27	0.00	-
7	Future E-Commerce Infrastructure Limited	March 31, 2015	20562096	65.47	40.33*	Due to Shareholding	-	(16.50)	(0.83)	-
8	Galaxy Entertainment Corporation Limited	March 31, 2014	4937935	19.03	31.55	Due to Shareholding	-	0.22	-	-

* Aggregate of the paid-up equity share capital and convertible preference share capital

For and on behalf of Board of Directors

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholtime Director

S. Doreswamy
Director

Anil Harish
Director

V. K. Chopra
Director

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

Mumbai
May 25, 2015

ANNEXURE II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	L52399MH1987PLC044954
ii	Registration Date	October 12, 1987
iii	Name of the Company	Future Retail Limited
iv	Category/Sub-category of the Company	Public
v	Address of the Registered office & contact details	Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060
vi	Whether listed company	Listed
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078, Tel: 022-2594 6970, Fax: 022-2594 6969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Future Supply Chain Solutions Limited (FSCSL) Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U63030MH2006PLC160376	Subsidiary	70.17	Section 2(87)(ii)
2	Future Media (India) Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U74300MH2006PLC160375	Subsidiary	93.10	Section 2(87)(ii)
3	Futurebazaar India Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U51900MH2006PLC159197	Subsidiary	100.00	Section 2(87)(ii)
4	Staples Future Office Products Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U74999MH2007PLC166866	Subsidiary	60.00	Section 2(87)(ii)

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
5	Office Shop Private Limited** 509, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai-400018	U30006MH2007PTC173922	Step Down Subsidiary	60.00	Section 2(87)(ii)
6	Galaxy Entertainment Corporation Limited 3rd Floor, Block A, Orchid City Centre Mall, 225, Belasis Road, Mumbai Central, Mumbai-400008	L51900MH1981PLC024988	Associate	31.55	Section 2(6)
7	Future E- Commerce Infrastructure Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U52399MH2007PLC171178	Associate	40.33*	Section 2(6)
8	Apollo Design Apparel Parks Limited 382, N. M. Joshi Marg, Chinchpokli, Mumbai-400011	U17291MH2007GOI195397	Joint Venture	39.00	Section 2(6)
9	Goldmohur Design and Apparel Park Limited Dada Saheb Phalke Road, Dadar(East), Mumbai-400014	U17291MH2007GOI195402	Joint Venture	39.00	Section 2(6)
10	Future Generali India Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013	U66030MH2006PLC165287	Joint Venture	25.50	Section 2(6)
11	Future Generali India Life Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013	U66010MH2006PLC165288	Joint Venture	3.00	Section 2(6)
12	Sprint Advisory Services Private Limited Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U51909MH2005PTC151869	Joint Venture	49.80	Section 2(6)
13	Shendra Advisory Services Private Limited. Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai-400060.	U45200MH2005PTC157267	Joint Venture	49.80	Section 2(6)

* Aggregate of the paid-up equity share capital and convertible preference share capital

**100% subsidiary of Staples Future Office Products Limited

IV. SHARE HOLDING PATTERN

(i) Equity Share Capital Breakup as percentage of Total Equity

Category-wise Share Holding

Category code	Category of shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
I	Indian									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	104298089	0	104298089	48.36	196031022	0	196031022	50.48	2.12
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Relatives of promoters)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	104298089	0	104298089	48.36	196031022	0	196031022	50.48	2.12
2	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	104298089	0	104298089	48.36	196031022	0	196031022	50.48	2.12
(B)	Public shareholding									
I	Institutions									
(a)	Mutual Funds/ UTI	1336200	0	1336200	0.62	2241340	0	2241340	0.58	(0.04)
(b)	Financial Institutions/ Banks	8007792	0	8007792	3.71	5445072	0	5445072	1.40	(2.31)
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	8159147	0	8159147	3.78	0	0	0	0.00	(3.78)

Category code	Category of shareholder	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	
(f)	Insurance Companies	623723	0	623723	0.29	4209828	0	4209828	1.08	0.79
(g)	Foreign Institutional Investors	44953570	0	44953570	20.85	64269740	0	64269740	16.55	(4.30)
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Other (specify)									
(i-i)	Foreign Bodies Corporate	0	0	0	0.00	355595	0	355595	0.09	0.09
	Sub-Total (B)(1)	63080432	0	63080432	29.25	76521575	0	76521575	19.70	(9.55)
2	Non-institutions									
(a)	Bodies Corporate	28133574	3005	28136579	13.05	91001709	3005	91004714	23.45	10.40
i)	Indian									
ii)	Overseas									
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	10472088	1047481	11519569	5.34	9819691	1034742	10854433	2.80	(2.54)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	6983364	0	6983364	3.24	12598861	0	12598861	3.24	0.00
(c)	Other (specify)									
(c-i)	Clearing Member	1086774	0	1086774	0.50	702784	0	702784	0.18	(0.32)
(c-ii)	Non Resident Indians	215132	2000	217132	0.10	283134	2000	285134	0.07	(0.03)
(c-iii)	Director and their Relatives	10000	0	10000	0.01	10000	0	10000	0.00	(0.01)
(c-iv)	Trust	321500	0	321500	0.15	312800	0	312800	0.08	(0.07)
	Sub-Total (B)(2)	47222432	1052486	48274918	22.39	114728979	1039747	115768726	29.82	7.43
	Total Public Shareholding (B)= (B)(1)+(B)(2)									
	TOTAL (A)+(B)	110302864	1052486	111355350	51.64	191250554	1039747	192290301	49.52	(2.12)
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	214600953	1052486	215653439	100	387281576	1039747	388321323	100	0.00

Shareholding Pattern (Class B (Series I) Share Capital Break up as percentage to total Class B shares)

Category-wise Share Holding

Category code	Category of shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
I	Indian									
(a)	Individuals/ Hindu Undivided Family	41544	0	41544	0.26	88115	0	88115	0.34	0.08
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	8528879	0	8528879	53.54	14823156	0	14823156	57.28	3.74
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Relatives of promoters)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	8570423	0	8570423	53.80	14911271	0	14911271	57.63	3.83
2	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	8570423	0	8570423	53.80	14911271	0	14911271	57.63	3.83
(B)	Public shareholding									
I	Institutions									
(a)	Mutual Funds/ UTI	50	0	50	0.00	50	0	50	0.00	0.00
(b)	Financial Institutions/ Banks	169152	0	169152	1.06	96991	0	96991	0.37	(0.69)
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	39560	0	39560	0.25	35682	0	35682	0.14	(0.11)
(g)	Foreign Institutional Investors	113281	0	113281	0.71	196831	0	196831	0.76	0.05
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	322043	0	322043	2.02	329554	0	329554	1.27	(0.75)

Category code	Category of shareholder	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	
2	Non-institutions									
(a)	Bodies Corporate	2711500	460	2711960	17.03	3090206	410	3090616	11.94	(5.09)
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	1536643	111948	1648591	10.35	1717895	111465	1829360	7.07	(3.28)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	2628791	0	2628791	16.50	5648021	0	5648021	21.83	5.33
(c)	Other (specify)									
(c-i)	Clearing Member	32369	0	32369	0.20	47893	0	47893	0.19	(0.01)
(c-ii)	Non Resident Indians	13775	200	13975	0.09	18464	200	18664	0.07	(0.02)
(c-iii)	Director and their Relatives	1000	0	1000	0.01	1000	0	1000	0.00	(0.01)
	Sub-Total (B)(2)	6924078	112608	7036686	44.18	10523479	112075	10635554	41.10	(3.08)
	Total Public Shareholding (B)= (B)(1)+(B)(2)	7246121	112608	7358729	46.20	10853033	112075	10965108	42.37	(3.83)
	TOTAL (A)+(B)									
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	15816544	112608	15929152	100	25764304	112075	25876379	100	0.00

(ii) Shareholding of Promoters

Equity - Share Holding of Promoters/Promoters Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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 Corporate Resources Limited	89290093	41.40	30.31	157596398	40.58	34.73	(0.82)
2	PIL Industries Limited	14677448	6.81	5.78	37898109	9.76	5.90	2.95
3	Akar Estate And Finance Private Limited	1000	0.00	0.00	1000	0.00	0.00	0.00
4	RYKA Commercial Ventures Private Limited	329548	0.15	0.15	535515	0.14	0.00	(0.01)
	TOTAL	104298089	48.36	36.24	196031022	50.48	40.63	2.12

Class B (Series I) Shares - Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Kishore Biyani	1000	0.01	0.00	2121	0.01	0.00	0.00
2	Mr. Gopikishan Biyani	1000	0.01	0.00	2121	0.01	0.00	0.00
3	Mr. Laxminarayan Biyani	1000	0.01	0.00	2121	0.01	0.00	0.00
4	Mr. Vijay Biyani	1000	0.01	0.00	2121	0.01	0.00	0.00
5	Mr. Sunil Biyani	1000	0.01	0.00	2121	0.01	0.00	0.00
6	Mr. Anil Biyani	1000	0.00	0.00	2121	0.01	0.00	0.01
7	Mr. Rakesh Biyani	1000	0.00	0.00	2121	0.01	0.00	0.01
8	Ms. Ashni Biyani	33544	0.21	0.00	71147	0.27	0.00	0.06
9	Mr. Vivek Biyani	1000	0.00	0.00	2121	0.01	0.00	0.01
10	Future Corporate Resources Limited	784921	4.93	4.88	1275496	4.93	0.00	0.00
11	PIL Industries Limited	2938034	18.44	18.44	5738034	22.17	3.82	3.73
12	Manz Retail Private Limited	971756	6.10	1.25	1579103	6.10	0.77	0.00
13	Gargi Developers Private Limited	2800000	17.58	14.89	4550000	17.58	5.02	0.00
14	RYKA Commercial Ventures Private Limited	707168	4.44	4.44	1149148	4.44	0.00	0.00
15	Future Capital Investment Private Limited	327000	2.05	0.00	531375	2.05	0.00	0.00
	TOTAL	8570423	53.80	43.91	14911271	57.63	9.62	3.84

(iii) Change in Promoters' Shareholding

Equity Shares

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
I.	At the beginning of the year	104298089	48.36	104298089	48.36
	Add: On October 01, 2014 - Prefeferential Issue	5128205	2.17	109426294	46.28
	Add: On October 07, 2014 - Prefeferential Issue	2564102	1.07	111990396	46.86
	Add: On February 06, 2015 - Rights Issue	84040626	21.64	196031022	50.48
	At the End of the year			196031022	50.48

Class B (Series I) Shares

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
I.	At the beginning of the year	8570423	53.80	8570423	53.80
	Add: On February 06, 2015 - Rights Issue	6340848	24.50	14911271	57.63
	At the End of the year			14911271	57.63

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

Sl. No	For Each of the Top 10 Shareholders	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	ARISAIG Partners (Asia) PTE Ltd./A/c Arisaig India Fund Limited	20137118	9.34	20137118	9.34
	Add: February 06, 2015 - Rights Issue	11500000	2.96	31637118	8.15
	At the End of the year			31637118	8.15
2	Brand Equity Treaties Limited	-	0.00	-	0.00
	Add: August 19, 2014 - Preferential Issue	15384615	6.44	15384615	6.44
	Add: February 06, 2015 - Rights Issue	9615384	2.48	24999999	6.44
	At the End of the year			24999999	6.44
3	Counseled Mercantile Private Limited	971831	0.45	971831	0.45
	Add: December 05, 2014 - Market Purchase	519319	0.22	1491150	0.62
	Add: December 19, 2014 - Market Purchase	2127568	0.89	3618718	1.51
	Add: December 31, 2014 - Market Purchase	1407272	0.59	5025990	2.10
	Add: January 02, 2015 - Market Purchase	533045	0.22	5559035	2.33
	Add: January 09, 2015 - Market Purchase	1123431	0.47	6682466	2.80
	Add: January 16, 2015 - Market Purchase	255472	0.11	6937938	2.90
	Add: January 23, 2015 - Market Purchase	562337	0.24	7500275	3.14
	Add: January 30, 2015 - Market Purchase	1955943	0.82	9456218	3.96
	Add: February 06, 2015 - Market Purchase	335172	0.09	9791390	2.52
	Add: February 06, 2015 - Rights Issue	13592233	3.50	23383623	6.02
	Less: February 13, 2015 - Market Sale	(36000)	(0.01)	23347623	6.01
	Less: February 27, 2015 - Market Sale	(1292912)	(0.33)	22054711	5.68
	Less: March 13, 2015 - Market Sale	(226518)	(0.06)	21828193	5.62
	At the End of the year			21828193	5.62

Sl. No	For Each of the Top 10 Shareholders	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	Bennett, Coleman and Company Limited	12566477	5.83	12566477	5.83
	Less: May 23, 2014, Market sale	(17738)	(0.01)	12548739	5.81
	Add: February 06, 2015 - Rights Issue	7842961	2.02	20391700	5.25
	At the End of the year			20391700	5.25
5	Copthall Mauritius Investment Limited	5232461	2.43	5232461	2.43
	Add: May 09, 2014, Market Purchase	1386542	0.64	6619003	3.07
	Add: February 06, 2015 - Rights Issue	4136876	1.07	10755879	2.77
	At the End of the year			10755879	2.77
6	Government Pension Fund Global	-	0.00	-	0.00
	Add: December 12, 2014 - Market Purchase	878199	0.37	878199	0.37
	Add: December 19, 2014 - Market Purchase	471801	0.20	1350000	0.56
	Add: December 31, 2014 - Market Purchase	600000	0.25	1950000	0.82
	Add: January 02, 2015 - Market Purchase	180000	0.08	2130000	0.89
	Add: January 09, 2015 - Market Purchase	240000	0.10	2370000	0.99
	Add: February 06, 2015 - Market Purchase	785233	0.20	3155233	0.81
	Add: February 27, 2015 - Market Purchase	3843990	0.99	6999223	1.80
	Add: March 06, 2015 - Market Purchase	30000	0.01	7029223	1.81
	Add: March 27, 2015 - Market Purchase	100000	0.03	7129223	1.84
	At the End of the year			7129223	1.84
7	Standard Financial Consultants Pvt. Ltd.	-	0.00	-	0.00
	Add: July 11, 2014 - Market Purchase	105943	0.05	105943	0.05
	Add: July 18, 2014 - Market Purchase	122653	0.06	228596	0.11
	Add: August 01, 2014 - Market Purchase	40000	0.02	268596	0.12
	Add: August 22, 2014 - Market Purchase	52290	0.02	320886	0.14
	Add: August 29, 2014 - Market Purchase	26052	0.01	346938	0.15
	Add: September 12, 2014 - Market Purchase	1000000	0.43	1346938	0.58
	Less: September 19, 2014 - Market Sale	(180500)	(0.08)	1166438	0.50
	Less: September 30, 2014 - Market Sale	(150000)	(0.06)	1016438	0.44
	Add: October 03, 2014 - Market Purchase	178072	0.08	1194510	0.51

Sl. No	For Each of the Top 10 Shareholders	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*
	Add: January 23, 2015 - Market Purchase	58791	0.02	1253301	0.52
	Less: January 30, 2015 - Market Sale	(33000)	(0.01)	1220301	0.51
	Add: February 06, 2015 - Market Purchase	10000	0.00	1230301	0.32
	Less: February 06, 2015 - Market Sale	(125000)	(0.03)	1105301	0.28
	Add: February 06, 2015 - Market Purchase	4563100	1.18	5668401	1.46
	Less: February 13, 2015 - Market Sale	(33791)	(0.01)	5634610	1.45
	Add: February 20, 2015 - Market Purchase	265950	0.07	5900560	1.52
	Add: February 27, 2015 - Market Purchase	194426	0.05	6094986	1.57
	Less: February 27, 2015 - Market Sale	(280217)	(0.07)	5814769	1.50
	Less: February 27, 2015 - Market Sale	(199950)	(0.05)	5614819	1.45
	Less: March 13, 2015 - Market Sale	(654426)	(0.17)	4960393	1.28
	Less: March 20, 2015 - Market Sale	(427696)	(0.11)	4532697	1.17
	Add: March 27, 2015 - Market Purchase	1320950	0.34	5853647	1.51
	At the End of the year			5853647	1.51
8	Laxmi Shivanand Mankekar	-	0.00	-	0.00
	Add: April 11, 2014 - Market Purchase	1268893	0.59	1268893	0.59
	Add: April 18, 2014 - Market Purchase	1368742	0.63	2637635	1.22
	Add: April 25, 2014 - Market Purchase	2982866	1.38	5620501	2.61
	Add: May 02, 2014 - Market Purchase	210320	0.10	5830821	2.70
	At the End of the year			5830821	1.50
9	Life Insurance Corporation of India	4970150	2.30	4970150	2.30
	At the End of the year			4970150	1.28
10	Shivanand Shankar Mankekar	-	0.00	-	0.00
	Add: May 02, 2014 - Market Purchase	4100000	1.90	4100000	1.90
	At the End of the year			4100000	1.06
	TOTAL	43878037	20.35	137496730	35.41

Note:

* The percentage of top 10 shareholders under cumulative percentage is as on date of change on the basis of total shares of the company

CLASS B (Series I) Shares

Sl. No	For Each of the Top 10 Shareholders	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	Nishtha Investment & Consultancy Services Pvt. Ltd	683220	4.29	683220	4.29
	Add: February 06, 2015 - Rights Issue	20000	0.08	703220	2.72
	At the End of the year			703220	2.72
2	Vallabh Roopchand Bhanshali	-	0.00	-	0.00
	Add: October 17, 2014 - Market Purchase	321500	2.02	321500	2.02
	Add: February 06, 2015 - Rights Issue	360407	1.39	681907	2.64
	At the End of the year			681907	2.64
3	Akash Bhanshali	-	0.00	-	0.00
	Add: October 17, 2014 - Market Purchase	285450	1.79	285450	1.79
	Add: February 06, 2015 - Rights Issue	319995	1.24	605445	2.34
	At the End of the year			605445	2.34
4	Lata Bhanshali	600000	3.77	600000	3.77
	Less: October 17, 2014 - Market Sale	(321500)	(2.02)	278500	1.75
	Add: February 06, 2015 - Rights Issue	312202	1.21	590702	2.28
	At the End of the year			590702	2.28
5	Akash Bhanshali	225000	1.41	225000	1.41
	Add: February 06, 2015 - Rights Issue	252228	0.97	477228	1.84
	At the End of the year			477228	1.84
6	Purvi Pankaj Patel	-	0.00	-	0.00
	Add: November 14, 2014 - Market Purchase	70000	0.44	70000	0.44
	Add: November 21, 2014 - Market Purchase	143139	0.90	213139	1.34
	Add: 06 February 2015 - Rights Issue	177200	0.68	390339	1.51
	At the End of the year			390339	1.51
7	Aadi Financial Advisors LLP	177000	1.11	177000	1.11
	Add: February 06, 2015 - Rights Issue	198419	0.77	375419	1.45
	At the End of the year			375419	1.45

Sl. No	For Each of the Top 10 Shareholders	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	Counseled Mercantile Private Limited	-	0.00	-	0.00
	Add: December 31, 2014 - Market Purchase	46903	0.29	46903	0.29
	Add: January 02, 2015 - Market Purchase	21990	0.14	68893	0.43
	Add: January 09, 2015 - Market Purchase	17039	0.11	85932	0.54
	Add: January 16, 2015 - Market Purchase	7173	0.05	93105	0.58
	Add: January 23, 2015 - Market Purchase	104864	0.66	197969	1.24
	Add: January 30, 2015 - Market Purchase	163481	1.03	361450	2.27
	Add: February 06, 2015 - Market Purchase	1572	0.01	363022	1.40
	At the End of the year			363022	1.40
9	Pankaj Jayantilal Patel	518852	3.26	518852	3.26
	Less: November 14, 2014 - Market Sale	(180306)	(1.13)	338546	2.13
	Less: November 21, 2014 - Market Sale	(143139)	(0.90)	195407	1.23
	Add: February 06, 2015 - Rights Issue	162500	0.63	357907	1.38
	At the End of the year			357907	1.38
10	Jay Vijay Resources Pvt Ltd	159000	1.00	159000	1.00
	Add: February 06, 2015 - Rights Issue	178241	0.69	337241	1.30
	At the End of the year			337241	1.30
	TOTAL	2363072	14.83	4882430	18.87

Note:

*The percentage of top 10 shareholders under cumulative percentage is as on date on the basis of total shares of the company

(v) Shareholding of Directors and Key Managerial Personnel:

Equity Shares

Sr. No.	Name of the Director/ KMP	Shareholding at the beginning of the year- April 01, 2014		Change in Shareholding (No. of Shares)		Shareholding at the end of the year - March 31, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Dinesh Maheshwari	0	0.00	20986 dtd. April 29, 2014	20986 dtd. Jan 13, 2015	0	0.00	0	0.00
2.	Mr. Anil Harish	10000	0.01	-	-	10000	0.01	10000	0.01

Class B (Series I) Shares

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year - April 01, 2014		Change in Shareholding (No. of Shares)		Shareholding at the end of the year - March 31, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase*	Decrease	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kishore Biyani	1000	0.01	1121	-	2121	0.01	2121	0.01
2.	Mr. Rakesh Biyani	1000	0.01	1121	-	2121	0.01	4242	0.02
3.	Mr. Vijay Biyani	1000	0.01	1121	-	2121	0.01	6363	0.03
4.	Mr. Anil Harish	1000	0.01	-	-	1000	0.01	7363	0.04

* Shares were issued pursuant to Rights Issue on February 06, 2015

Note: Mr. S. Doreswamy, Mr. V. K. Chopra, Ms. Bala Deshpande and Mr. Deepak Tanna did not hold any shares in the Company during the Fiscal year 2015.

V. INDEBTEDNESS

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

(₹ in Crore)

PARTICULARS SECURED LOANS	SECURED LOANS	UNSECURED	DEPOSITS	TOTAL
	EXCLUDING	LOANS		INDEBTED-NESS
	DEPOSITS			
Indebtedness at the beginning of the financial year April 01, 2014				
1) Principal Amount	5785.20	482.75	0.00	6267.95
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	108.11	81.31	0.00	189.42
Total of (1+2+3)	5893.31	564.06	0.00	6457.37
Change in Indebtedness during the financial year				
+ Addition	1820.95	8.42	0.00	1829.37
- Reduction	(2992.70)	(404.06)	0.00	(3396.76)
Net change	(1171.75)	(395.64)	0.00	(1567.39)
Indebtedness at the end of the financial year March 31, 2015				
1) Principal Amount	4658.95	163.80	0.00	4822.75
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	62.61	4.62	0.00	67.23
Total of (1+2+3)	4721.56	168.42	0.00	4889.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹)
1	Gross Salary	Mr. Kishore Biyani	Mr. Rakesh Biyani	Mr. Vijay Biyani	
	(a) Salary* as per provisions contained in section 17(1) of the Income Tax Act	2.52	2.45	1.38	6.35
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00 [#]	0.00 [#]	0.00 [#]	0.01
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - As % of Profit - Others, specify	NIL	NIL	NIL	NIL
5	Others, please specify Contribution to funds	0.14	0.11	0.09	0.34
	Total (A)	2.67	2.56	1.47	6.70
	Ceiling as per the Act	₹ 0.36 Crore being 10% of profit under Section 198 [§]			

* The above remuneration is as per Income-Tax Act, 1961 and excludes contribution by the Company to Provident Fund and provision for special retirement benefit, etc. Further, these amounts are as paid to Managing Director, Joint Managing Director and Whole Time Director during the year.

[#] Represent ₹ 39600

[§] Since the ceiling amount is less, the Company is making application to Central Government for payment of above remuneration as per applicable provisions of the Act.

B. Remuneration of other directors:

I. Independent Directors:-

(₹ in Crore)

Particulars of Remuneration	Name of Directors				Total Amount (₹)
	Ms. Bala Deshpande	Mr. S. Doreswamy Rao	Mr. Vijay Chopra	Mr. Anil Harish	
Fee for attending board committee meetings	0.06	0.08	0.06	0.03	0.23
Commission	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total (I)	0.06	0.08	0.06	0.03	0.23

II. Other Non-Executive Directors:-

Other Non-Executive Directors	Name of Non-Executive Directors			Total Amount (₹)
Fee for attending board committee meetings	NIL	NIL	NIL	NIL
Commission	NIL	NIL	NIL	NIL
Others (Gross Remuneration)	NIL	NIL	NIL	NIL
Total (II)	NIL	NIL	NIL	NIL
Total (B)=(I+II)				0.23
Total (A)+(B)				6.93
Overall Ceiling as per the Act	₹ 0.40 Crore being 10% of profit under Section 198 [§]			

[§] Since the ceiling amount is less, the Company is making application to Central Government for payment of above remuneration as per applicable provisions of the Act.

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

(₹ in Crore)

Sr. No	Particulars of Remuneration	Name of KMP		Total Amount (₹)
1	Gross Salary	Mr. Deepak Tanna	Mr. Dinesh Maheshwari	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	0.32	0.80	1.12
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00*	0.00*	0.00**
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	0.16	0.16
3	Sweat Equity	NIL	NIL	NIL
4	Commission - As % of Profit - Others, specify	NIL	NIL	NIL
5	Others, please specify Contribution to funds, medical insurance & life security plan	0.02	0.03	0.05
	Total (C)	0.34	0.99	1.33

* Represent 32,400

** Represent 64,800

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act 2013 against the Company or its Directors or other officers in default, if any, during the year.

Sd/

Sd/

Mumbai

May 25, 2015

Kishore Biyani

Rakesh Biyani

ANNEXURE III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,
The Members,
Future Retail Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Retail Limited (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Future Retail Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 generally complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Future Retail Limited ("the Company") for the financial year ended on March 31, 2015 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 & the rules & regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings - Not applicable during the audit period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014
 - (e) The Securities & Exchange Board of India (Issue & 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 – M/s Link Intime Pvt Ltd is the RTA of the Company and the Company has its record maintained as per the regulation
 - (g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable during the audit period; and

- (h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable during the audit period;
- (vi) I have also examined compliance with the applicable clauses of the following:
 - (i) The Listing agreements entered into by the Company with the stock exchanges.
 - (ii) Secretarial Standards Issued by The Institute of Company Secretaries of India – At present not applicable.

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

The Company has obtained necessary consents, licenses, permissions and approvals from the governmental and regulatory authorities that are required for carrying on their present business. In the event, some of the approvals and licenses that are required for their business operations expire in the ordinary course of business, the Company has applied for their renewal.

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

I further report that as per the information provided adequate notice is given to all directors to schedule the Board Meetings, agenda & detailed notes on agenda were sent at least seven days in advance, & a system exists for seeking & obtaining further information & clarifications on agenda items before the meeting & for meaningful participation at the meeting.

I further report that as per the information provided majority decision is carried through while the dissenting members' views are captured & recorded as part of the minutes.

I further report that the management is responsible for compliances of all business laws and has generally adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

I further report that during the audit period the Company has specific events like Right issue and Preferential issue of shares.

Mumbai
May 23, 2015

Virendra Bhatt
ACS No – 1157
COP No – 124

ANNEXURE IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO, ETC.

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

(A) Conservation of energy :	
(i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive, however adequate measures have been taken to reduce energy consumption.
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in office/store premises to optimise the consumption of energy.
(iii) the capital investment on energy conservation equipments	Nil
(B) Technology absorption :	
(i) the efforts made towards technology absorption	N.A.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	
(iv) the expenditure incurred on Research and Development	Nil
(C) Foreign exchange earnings and outgo :	
	The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note No. 43, 44 & 45 of Notes to the financial statements.

For and on behalf of the Board of Directors,

Sd/-

Sd/-

Mumbai
May 25, 2015

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

ANNEXURE V

A brief outline of the company's CSR Policy

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013. The CSR Committee is working towards identification of CSR projects, which may be undertaken by the Company. CSR Policy of the Company is available on the website of the Company at the link - http://www.futureretail.co.in/pdf/CSR-Policy.pdf
2. The Composition of the CSR Committee.	a) Ms. Bala Deshpande - Chairperson b) Mr. Kishore Biyani - Member c) Mr. Vijay Biyani - Member
3. Average net profit of the company for last three financial years.	Average Net Profit ₹ 68.73 crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 1.37 crore
5. Details of CSR spent during the financial year 2014-15: a. Total amount to be spent for the financial year 2014-15; b. Amount un spent, if any	a. ₹ 1.37 crore b. ₹ 1.37 crore

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.	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs- 2) Overheads:	Cumulative Expenditure upto the reporting Period.	Amount spent Direct or through implementing Agency.
1	CSR committee will be identifying the projects in current financial year.	To be identified.	To be identified	The amount per project wise will be finalised by the Committee after identification of the projects.	NIL	NIL	NIL

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has identified the amount to be spent for the purpose of CSR. It is proposed to create a foundation at group level to carry on CSR initiative at group level. The process of creating the foundation is expected to complete by end of September 2015.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Sd/-

Sd/-

Mumbai
May 25, 2015

Bala Deshpande
Chairperson

Kishore Biyani
Managing Director

ANNEXURE VI

REMUNERATION POLICY

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

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to its Managing Director or the Executive Director, as approved by the Board and the Members of the Company. Annual increments are decided by the Nomination and Remuneration Committee (NRC) within the scale of remuneration approved by the Members of the Company. NRC decides on the commission or performance bonus payable to the Managing Director or the Executive Director as per terms of appointment based on the performance of the individual as well as the Company. Performance criteria for Managing Director and Executive Director, entitled for Commission or Performance Bonus are determined by NRC.

The eligible Non-Executive Directors may be paid commission upto an aggregate maximum of 1% of the net profits of the Company as specifically computed for this purpose and as may be approved by Board of Directors of the Company. The criteria of making payments to Non-Executive Directors cover, inter-alia, number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

Non-Executive Directors are paid sitting fees of ₹ 75,000/- for attending any Meeting of the Board and Audit Committee and ₹ 25,000/- for attending any meeting of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee or any other Committees including meeting of Independent Directors, as decided by the Board. The members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the meeting of the Committee

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors.

ANNEXURE VII

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

- I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(₹ In Crore)

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ in Crore)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to MRE for Financial Year 2014-15
Mr. Kishore Biyani - Managing Director	2.67	NIL	225.53
Mr. Rakesh Biyani - Joint Managing Director	2.56	NIL	216.89
Mr. Vijay Biyani - Wholetime Director	1.47	NIL	124.26
Mr. Dinesh Maheshwari – CFO	0.99	45	83.70
Mr. Deepak Tanna - Company Secretary	0.34	17	29.20

- II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 1,18,611/- previous period it was ₹ 1,10,491/-
- III. The increase in MRE in the financial year 2015, as compared to the financial period 2014 is 7.35%;
- IV. There were 23,449 permanent employees on the rolls of Company as on March 31, 2015;
- V. Relationship between average increase in remuneration and company performance: - The total turnover of the Company has been increased by 11.9% and the Profit before Tax has been increased by 26.35 times for the financial year ended March 31, 2015 as compared to the previous financial period, whereas the increase in median remuneration was 7.35%. The average increase in median remuneration was in line with the performance of the Company.
- VI. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

(₹ In Crore)

Aggregate remuneration of Key Managerial Personnel (KMP)	8.03
Revenue	10,341.66
Remuneration of KMPs (as % of revenue)	0.08
Profit before tax (PBT)	61.36
Remuneration of KMP (as% of PBT)	13.09

- VII. a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹ 3762.05 Crore (₹ 1786.47 Crore as on March 31, 2014)
- b) Variations in the market capitalisation of Class B (Series I) of the Company: The market capitalisation of Class B (Series I) Shares as on March 31, 2015 was ₹ 119.23 Crore (₹ 57.34 Crore as on March 31, 2014)

- c) Price Earnings ratio of Equity Shares of the Company was 35.23 as on March 31, 2015 and was 690.33 as on March 31, 2014
 - d) Price Earnings ratio of Class B (Series I) Shares of the Company was 16.52 as on March 31, 2015 and was 225.00 as on March 31, 2014
- VIII. Average percentage increase/ decrease made in the salaries of employees other than the managerial personnel in the last financial period i.e. 2013-14 was 7% whereas there was no increase in the managerial remuneration for the same financial period.
- IX. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is 0.26 and
- XI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors,

Sd/-

Sd/-

Mumbai
May 25, 2015

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

CORPORATE GOVERNANCE REPORT

Corporate Governance indicates transparency, accountability and reliability of any organisation.

One of the core missions of your organisation is to achieve excellence in all spheres, be it profitability, growth in market share, superior quality of products and services to the satisfaction of the stakeholders through an efficient and effective code of governance.

We aim at providing fairness, clarity and transparency in all our dealings and increasing the value of all stakeholders of the Company.

The Corporate Governance Report of the Company for the period of 12 months ended March 31, 2015 is as follows:

CODE OF CONDUCT

The Company has laid down a Code of Conduct ("Code") for the Board Members and Senior Management Personnel of the Company. The Company has also adopted code of conduct for Independent Directors. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

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

ESTABLISHMENT OF WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for directors and employees to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices.

This Policy inter alia provides a direct access to a Whistle Blower to the Chairman of Audit Committee.

The Whistle Blower Policy covering all employees and directors is hosted on the Company's website.

I. BOARD OF DIRECTORS

The composition of the Board as on March 31, 2015 is as follows:

- | | | |
|--|---|---|
| 1) Executive Promoter Directors | - | 3 |
| 2) Non Executive Promoter Director | - | 0 |
| 3) Independent Non Executive Directors | - | 4 |

The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement.

During the financial period 2014 -15, Five Board Meetings were held. These were held on May 30, 2014, June 11, 2014, August 14, 2014, November 14, 2014 and February 12, 2015.

Composition of the Board of Directors, their attendance in the Board Meetings and other particulars are as follows:

Name of the Director	Category	No. of Board Meetings attended during [2014-15]	No. of other directorships in public companies* as on March 31, 2015	Attendance in the last AGM	No. of committee positions held in other public companies# as on March 31, 2015	
					Chairman	Member
Mr. Kishore Biyani	Executive Promoter	5	7	Yes	1	3
Mr. Rakesh Biyani	Executive Promoter	2	7	Yes	NIL	4
Mr. S. Doreswamy	Independent Non Executive	5	1	Yes	NIL	2

Name of the Director	Category	No. of Board Meetings attended during [2014-15]	No. of other directorships in public companies* as on March 31, 2015	Attendance in the last AGM	No. of committee positions held in other public companies# as on March 31, 2015	
					Chairman	Member
Ms. Bala Deshpande	Independent Non Executive	4	2	No	NIL	1
Mr. Anil Harish	Independent Non Executive	4	6	Yes	2	4
Mr. V. K. Chopra	Independent Non Executive	4	9	Yes	4	4
Mr. Vijay Biyani	Executive Promoter	5	3	Yes	NIL	NIL

* Alternate directorships and directorships in private companies, foreign companies and Section 8 companies are excluded.

In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only Audit Committees and Stakeholders' Committees in all public limited companies have been considered.

Except Mr. Kishore Biyani and Mr. Vijay Biyani who are brothers, no other directors have any inter se relationship. Names of directors and their shareholding in the Company as on March 31, 2015 are as follows:

Name of the Director	No. of Shares held	
	Equity Shares	Class B (Series I) Shares
Mr. Kishore Biyani	0	2121
Mr. Rakesh Biyani	0	2121
Mr. Anil Harish	10000	1000
Mr. Vijay Biyani	0	2121
Mr. V.K. Chopra	0	0
Ms. Bala Deshpande	0	0
Mr. S. Doreswamy	0	0

2. AUDIT COMMITTEE

The Audit Committee was formed in the year 2000 and the Committee comprises of three independent directors. The functions of the Committee are as specified in Clause 49 of the Listing Agreement entered into with Stock Exchanges and Section 177 of the Companies Act, 2013.

A total of Five Audit Committee Meetings were held in the financial year April 2014 – March 2015. The meetings were held on May 30, 2014, August 14, 2014, November 14, 2014, February 12, 2015 and March 27, 2015. The composition of the Committee and details of attendance at the Meetings are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. S. Doreswamy	Chairman	5
Mr. V. K. Chopra	Member	4
Ms. Bala Deshpande	Member	4

Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements of Clause 49 of the Listing Agreement and the provisions of section 177 of the Companies Act, 2013.

Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

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 auditors' report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' 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. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- 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 or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Reviewing of the following information

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

3. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company comprises of four independent directors. The meeting of the Committee was held on during the report financial year.

A total of Three Nomination and Remuneration Committee Meetings were held in the financial year April 2014 – March 2015. The meetings were held on May 30, 2014, February 12, 2015 and March 27, 2015.

The composition of the Committee and details of attendance at the Meeting are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. S. Doreswamy	Member	3
Ms. Bala Deshpande	Member	2
Mr. Anil Harish	Member	2
Mr. V. K. Chopra	Member	3

Members of the Committee appoint one among them as Chairman of the Meeting.

Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements of Clause 49 of the Listing Agreement, the provisions of section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including corresponding provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014) as may be applicable.

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

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

- To formulate 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;
- To establish and from time to time review the policy for ESOP, ESOS and recommend the grants to be made of options under ESOP / ESOS; and
- To review Company's remuneration and human resources policy.

Remuneration Policy

The Company adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees, in accordance with the provisions of the Act and the Listing Agreement. For details on the Remuneration Policy, kindly refer to the Annexure VI to the Directors' Report.

Remuneration to Managing Director / Joint Managing Director / Wholetime Director for the year ended March 31, 2015:

(₹ in Crore)						Total Contract Period	Notice period in months	Stock Options granted
Name of Managing Director/ Executive Director	Salary	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites and allowances	Total			
Mr. Kishore Biyani	1.20	NIL	0.14	1.33	2.67	April 01, 2010 to March 31, 2015	6	Nil
Mr. Rakesh Biyani	0.96	NIL	0.12	1.49	2.56	April 01, 2012 to March 31, 2017	6	Nil
Mr. Vijay Biyani	0.72	NIL	0.09	0.66	1.47	September 26, 2014 to September 25, 2017	6	Nil

Notes:

- (1) All the above components of Remuneration, except Commission, are fixed in nature.
- (2) In view of the inadequacy of the net profits for the year ended March 31, 2015 as computed under Section 198 read with Section 197 of the Companies Act, 2013 (the Act), the above managerial remuneration is subject to the approval of the Central Government, in terms of provisions of Section II of Part II of Schedule V to the Act.

Remuneration to Non-Executive Directors for the year ended March 31, 2015

Name of Director	Sitting Fees (₹ in Crore)	Commission (₹)*
Mr. S. Doreswamy	0.08	-
Mr. Anil Harish	0.03	-
Ms. Bala Deshpande	0.06	-
Mr. V. K. Chopra	0.06	-

*No Commission was paid to any Non – Executive Directors for FY 2014-15 in view of inadequacy of profits.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (formerly known as Investors Relations & Grievance Committee) was constituted by the Board to redress any grievances of the investor. A total of Four meetings of the Stakeholders Relationship Committee were held in the financial year April 2014 - March 2015. The meetings were held on May 30, 2014, August 14, 2014, November 14, 2014 and February 12, 2015. The composition of the Committee and the number of meetings attended by the members are as follows:

Name	Designation	No. of Meetings attended
Mr. S. Doreswamy	Member	4
Mr. Rakesh Biyani	Member	2
Mr. Vijay Biyani	Member	4

A total of 61 complaints were received during the financial year. All these complaints have been resolved to the satisfaction of complainants.

5. COMMITTEE OF DIRECTORS

The Board of Directors has constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the company. A total of 22 meetings were held during the financial year.

6. RISK MANAGEMENT COMMITTEE

The Committee functions in accordance with the terms of reference as specified under the Listing Agreement and as may be specified by the Board from time to time, which inter-alia includes implementing and monitoring of risk management plan and policy of the Company. The Committee's constitution which comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. Vijay Biyani meets with the requirements of Clause 49 of the Listing Agreement.

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

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

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted on March 13, 2014. Only one meeting on March 27, 2015 was held by the members. The Committee consists of following members:

Name	Designation	No. of Meetings attended
Mr. Kishore Biyani	Member	1
Mr. Vijay Biyani	Member	1
Ms. Bala Deshpande	Chairperson	1

8. SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of 3 members. The Committee meets on a regular basis to approve transfer of shares, transmission of shares, split, consolidation and rematerialisation of shares. The Shares in physical form sent for transfer are processed and registered by our registrar & transfer agent viz., Link Intime India Pvt. Limited within 15 days of receipt of documents, if found in order. A total of 18 meetings were held during the financial year April 2014 – March 2015, in which 6550 equity shares and 605 Class B Shares (Series I) were transferred.

9. INDEPENDENT DIRECTORS MEETING

During the year under review, a separate meeting of Independent Directors was held on March 27, 2015 and the details of attendance at the meeting are as follows:

Name	Designation	No. of Meetings held & attended
Mr. S. Doreswamy	Independent Director	1
Mr. Anil Harish	Independent Director	1
Ms. Bala Deshpande	Independent Director	1
Mr. V. K. Chopra	Independent Director	1

10. COMPLIANCE OFFICER

Mr. Deepak Tanna, Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and Listing Agreements with the Stock Exchanges in India.

11. GENERAL BODY MEETINGS

The details of the Annual General Meetings held during the last three years are as follows:

Year	No. of AGM	Day, Date & Time of AGM	Venue
2013-14	26	August 02, 2014 at 10:30 am	Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021
2011-12	25	May 08, 2013 at 11:00 am	
2010-11	24	November 15, 2011 at 10:30 am	

Special Resolutions passed in the previous three Annual general Meetings are as follows:

AGM	AGM date	Special Resolutions passed through show of hands
26	02/08/2014	- To approve payment of remuneration to Mr. Kishore Biyani as Managing Director - To approve payment of remuneration to Mr. Rakesh Biyani as Joint Managing Director - To approve payment of remuneration to Mr. Vijay Biyani as Wholetime Director - To re-appoint Mr. Vijay Biyani as Wholetime Director - To approve payment of commission to Directors other than MD, JMD and WTD
25	08/05/2013	NIL
24	15/11/2011	Issuance of further securities for equity funding

Extraordinary General Meeting

During the year under review, one Extraordinary General Meeting (EGM) of the Members of the Company was held on July 09, 2014 and following Special Resolution(s) were passed.

1. Preferential Issue of Equity Shares;
2. Preferential Issue of Equity Warrants.

Postal Ballot

The Company had completed the process of obtaining the approval of its members through Postal Ballot as per provisions of Section 110 of the Companies Act, 2013, during the financial year April 2014 – March 2015. There were Two postal ballots conducted simultaneously. The approval of members obtained through postal ballot was pertaining to:-

Postal Ballot - I: Approval of members (both Equity and Class B (Series) shareholders) obtained for the following business

1. Preferential allotment of Class B Shares (Series I) Warrants of the Company and
2. Issue of Equity Shares, Class B Shares and Securities convertible into, or exchangeable for, Equity Shares or Class B Shares by the Company through a Rights Issue.

Postal Ballot - 2: Approval of members (both Equity and Class B (Series) shareholders) was obtained for the following business:

1. Approval of Future Retail Limited Employee Stock Option Plan 2015 and grant of Employee Stock Options to the Employees of the Company thereunder;
2. Grant of Employee Stock Options to the Employees of the subsidiary company(ies) of the Company under Future Retail Limited Employee Stock Option Plan 2015;
3. Grant of Employee Stock Options to the Employees of the Company and that of the subsidiary company(ies) by way of secondary acquisition under Future Retail Limited Employee Stock Option Plan 2015;
4. Approval of Trust Route for the implementations of Future Retail Limited Employee Stock Option Plan 2015;
5. Provision of money by the Company for purchase of its own shares by the Trust/Trustees for The benefit of employees under Future Retail Limited Employee Stock Option Plan 2015 and
6. Issue of Securities on Private Placement Basis

Voting Pattern and Procedure for Postal Ballot:

- (i) The Board of Directors of the Company at its meetings held on June 11, 2014 and February 12, 2015 has appointed Mr. Virendra Bhatt, Practising Company Secretary, as the Scrutiniser for conducting the postal ballot voting process for both the Postal Ballots;
- (ii) Process for the Postal Ballot was carried out in a fair and transparent manner. The postal ballot forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;
- (iii) All postal forms received up to the close of working hours on July 14, 2014 and March 28, 2015 the last date and time fixed by the Company for receipt of the forms in the postal ballot, had been considered by Scrutiniser in his scrutiny;
- (iv) Envelopes containing postal ballot forms received after July 14, 2014 and March 28, 2015 for the respective postal ballot had not been considered for his scrutiny;
- (v) The result of the both Postal Ballots were announced on July 15, 2014 and March 30, 2015 at the Registered Office of the Company as per scrutinizer's Report are as under:

Postal Ballot I:

Item No. I Special Resolution: Preferential allotment of Class B Shares (Series I) Warrants of the Company.

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1		2	$\#(3) = [(2)/(1)] * 100$	4	5	$(6) = [(4)/(2)] * 100$	$(7) = [(5)/(2)] * 100$
Promoter and Promoter Group	Shares	112868163	110725555	100.00	110725555	0	100.00	0.00
	Voting Rights	110725555						
Public-Institutional holders	Shares	59786230	12217364	20.46	2192364	10025000	17.94	82.06
	Voting Rights	59702881						
Public - Others	Shares	59145792	251188	0.44	229368	21820	91.31	8.69
	Voting Rights	57389461						
Total	Shares	231800185	123194107	54.08	113147287	10046820	91.84	8.16
	Voting Rights	227817897						

Postal Ballot 1:

Item No. 2 Ordinary Resolution: Issue of Equity Shares, Class B Shares and Securities convertible into or exchangeable for, Equity Shares or Class B Shares by the Company through a Rights Issue.

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1							
Promoter and Promoter Group	Shares	112868163	110725555	100.00	110725555	0	100.00	0.00
	Voting Rights	110725555						
Public - Institutional holders	Shares	59786230	12217364	20.46	10575800	1641564	86.56	13.44
	Voting Rights	59702881						
Public - Others	Shares	59145792	249778	0.44	235851	13927	94.42	5.58
	Voting Rights	57389461						
Total	Shares	231800185	123192697	54.08	121537206	1655491	98.66	1.34
	Voting Rights	227817897						

since the shares includes differential voting rights shares, 'percentages of votes polled have been derived on the voting rights polled to voting rights held.

Postal Ballot 2:

Item No.1 Special Resolution: Approval of Future Retail Limited Employee Stock Option Plan 2015 and grant of Employee Stock Options to the Employees of the company thereunder

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1							
		2	#(3) = [(2)/(1)]* 100	4	5	(6) =[(4)/(2)] *100	(7) = [(5)/(2)] * 100	
Promoter and Promoter Group	Shares	210942293	205772627	99.30	205772627	0	100.00	0.00
	Voting Rights	207214475						
Public - Institutional holders	Shares	72226993	46842507	64.93	37277085	9565422	79.58	20.42
	Voting Rights	72144605						
Public - Others	Shares	131028416	13798595	10.75	13786203	12392	99.91	0.09
	Voting Rights	128369528						
Total	Shares	414197702	266413729	65.34	256835915	9577814	96.4	3.6
	Voting Rights	407728607						

Postal Ballot 2:

Item No. 2 Special Resolution: Grant of Employee Stock Options to the Employees of the subsidiary company(ies) of the Company under Future Retail Limited Employee Stock Option Plan 2015

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1		2	#(3) = [(2)/ (1)]* 100	4	5	(6) =[(4)/ (2)]* 100	(7) = [(5)/ (2)]* 100
Promoter and Promoter Group	Shares	210942293	205772627	99.30	205772627	0	100.00	0.00
	Voting Rights	207214475						
Public - Institutional holders	Shares	72226993	46842507	64.93	37277085	9565422	79.58	20.42
	Voting Rights	72144605						
Public - Others	Shares	131028416	13798591	10.75	13780511	18080	99.87	0.13
	Voting Rights	128369528						
Total	Shares	414197702	266413725	65.34	256830223	9583502	96.4	3.60
	Voting Rights	407728607						

Postal Ballot 2:

Item No. 3 Special Resolution: Grant of Employee Stock Options to the Employees of the Company and that of the subsidiary company(ies) by way of secondary acquisition under Future Retail Limited Employee Stock Option Plan 2015.

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1							
Promoter and Promoter Group	Shares	210942293	205772627	99.30	205772627	0	100.00	0.00
	Voting Rights	207214475						
Public - Institutional holders	Shares	72226993	46842507	64.93	37277085	9565422	79.58	20.42
	Voting Rights	72144605						
Public - Others	Shares	131028416	13798496	10.75	13779321	19175	99.86	0.14
	Voting Rights	128369528						
Total	Shares	414197702	266413630	65.34	256829033	9584597	96.4	3.60
	Voting Rights	407728607						

Postal Ballot 2:

Item No. 4 Special Resolution: Approval of Trust Route for the implementations of Future Retail Limited Employee Stock Option Plan 2015

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	% of votes in favour on votes polled	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1		2	#(3) = [(2)/(1)] * 100	4	(5) = [(4)/(2)] * 100	(6) = [(4)/(2)] * 100	(7) = [(5) / (2)] * 100
Promoter and Promoter Group	Shares	210942293	205772627	99.30	205772627	0	100.00	0.00
	Voting Rights	207214475						
Public - Institutional holders	Shares	72226993	46842507	64.93	37277085	9565422	79.58	20.42
	Voting Rights	72144605						
Public - Others	Shares	131028416	13798509	10.75	13786516	11993	99.91	0.09
	Voting Rights	128369528						
Total	Shares	414197702	266413643	65.34	256836228	9577415	96.41	3.59
	Voting Rights	407728607						

Postal Ballot 2:

Item No. 5 Special Resolution: Provision of money by the Company for purchase of its own shares by the Trust/Trustees for The benefit of employees under Future Retail Limited Employee Stock Option Plan 2015

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1		2	#(3) = [(2)/(1)]* 100	4	5	(6) =[(4)/(2)] *100	(7) = [(5) / (2)] * 100
Promoter and Promoter Group	Shares	210942293	205772627	99.30	205772627	0	100.00	0.00
	Voting Rights	207214475						
Public - Institutional holders	Shares	72226993	46842507	64.93	37277085	9565422	79.58	20.42
	Voting Rights	72144605						
Public - Others	Shares	131028416	13798050	10.75	13788077	9973	99.93	0.07
	Voting Rights	128369528						
Total	Shares	414197702	266413184	65.34	256837789	9575395	96.41	3.59
	Voting Rights	407728607						

Postal Ballot 2:

Item No. 6 Special Resolution: Issue of Securities on Private Placement Basis

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1		2	#(3) = [(2)/(1)]* 100	4	5	(6) =[(4)/(2)] *100	(7) = [(5) / (2)] * 100
Promoter and Promoter Group	Shares	210942293	205772627	99.30	205772627	0	100.00	0.00
	Voting Rights	207214475						
Public - Institutional holders	Shares	72226993	46842507	64.93	46842507	0	100.00	0.00
	Voting Rights	72144605						
Public - Others	Shares	131028416	13794453	10.75	13774453	20000	99.86	0.14
	Voting Rights	128369528						
Total	Shares	414197702	266409587	65.34	266389587	20000	99.99	0.01
	Voting Rights	407728608						

since the shares includes differential voting rights shares, 'percentages of votes polled have been derived on the voting rights polled to voting rights held.

12. MEANS OF COMMUNICATION:

Financial Results:

The Results of the Company are furnished to the Stock Exchanges on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors.

The results are normally published in "The Free Press Journal"- English Daily and "Nav Sakthi" - Marathi Newspaper within 48 hours after the approval by the Board.

The details of the financial results and shareholding pattern are hosted on the Company's website: www.futureretail.co.in. All other official news and press releases are displayed on the same website.

The Annual Report, Quarterly Results and Shareholding Pattern of the Company are also posted by the BSE and NSE on their websites.

13. INFORMATION TO SHAREHOLDERS

13.1 Date, time and Venue of the 27th Annual General Meeting:
August 26, 2015 at 10:00 am at Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai 400021

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

13.3 Date of Book Closure
From Wednesday, August 20, 2015 to Wednesday, August 26, 2015 (both days inclusive)

13.4 Dividend:

The Board of Directors of the Company has recommended a dividend of ₹ 0.60 (30 %) per equity share and dividend of ₹ 0.64 (32 %) per Class B share (Series I). Dividend, if approved, at the ensuing Annual General Meeting, will be paid / credited within a period of 30 days from the date of declaration to those members 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 August 20, 2015.

13.5 Registered office:

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

13.6 Listing in Stock Exchanges

The Equity Shares and Class B Shares (Series I) of the Company are listed on the Following Stock Exchanges:
BSE Limited
National Stock Exchange of India Limited

Debt Securities

The Non-convertible Debentures (Series IV), (Series V), (Series VII), and (Series VIII) of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

Debenture Trustees:

For Non-convertible Debentures (Series V) & (Series VIII)
Axis Trustee Services Limited
Bombay Dyeing Mills Compound, Pandurang Budhkar Marg,
Worli, Mumbai - 400 025

For Non-convertible Debentures (Series IV) & (Series VII)
Centbank Financial Services Limited
Central Bank - MMO Building, 6th Floor, 55, M G Road, Fort
Mumbai - 400 001

13.7 Stock Code

Shares	ISIN No.	Stock Code	
		BSE	NSE
Equity	INE623B01027	523574	FRL
Class B Shares (Series I)	IN9623B01058	570002	FRLDVR
12.10% Secured Non-Convertible Debentures (Series IV)	INE623B07065	947649	-
11.50% Secured Non-Convertible Debentures (Series V)	INE623B07073	949020	-
11.50% Secured Non-Convertible Debentures (Series VII)	INE998K07013	946840	-
11.50% Secured Non-Convertible Debentures (Series VIII)	INE998K07021	949039	-

13.8 Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs, is L52399MH1987PLC044954.

13.9 Listing Fees

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

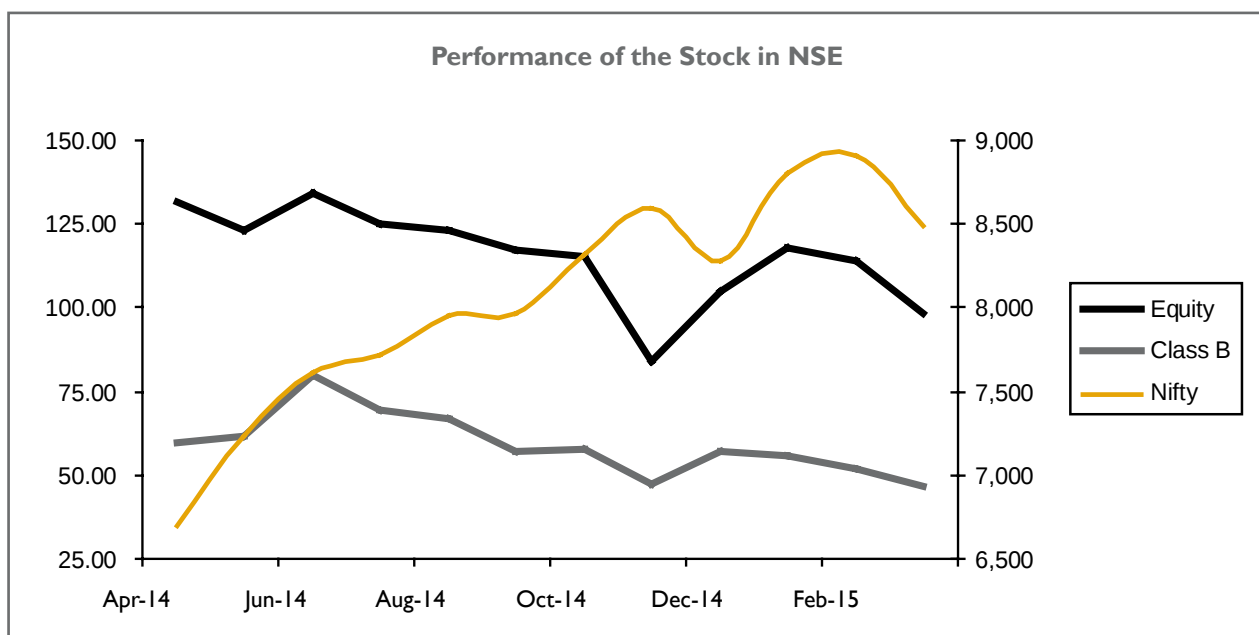
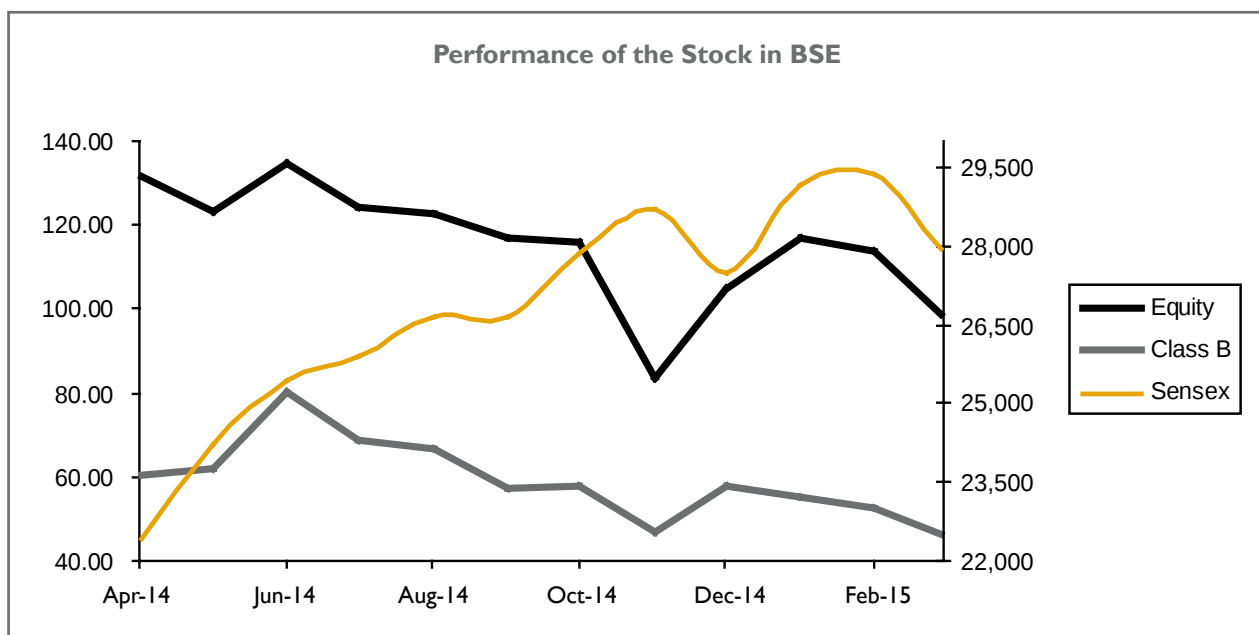
13.10 Stock Performance

The performance of the stock on the BSE Limited & National Stock Exchange of India Limited for the financial year of 12 months from April 01, 2014 to March 31, 2015 was as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April	138.00	82.00	35388068	137.45	82.05	108388778
May	147.85	110.60	16840805	148.00	100.10	61952915
June	147.70	117.25	11741632	147.80	117.20	43036405
July	140.80	117.55	5092588	140.60	117.25	20737489
August	134.10	118.80	2475401	134.40	118.55	12272614
September	133.00	110.30	6415586	132.80	110.00	25635139
October	120.00	106.40	1796480	121.40	106.00	8563992
November	117.80	82.10	4577495	117.50	82.60	20018864
December	106.00	80.60	8874299	106.15	80.50	36296552
January	120.35	103.00	4966689	120.30	102.80	21059183
February	151.50	108.90	9103884	151.60	108.75	30988285
March	114.40	87.30	9494108	115.00	87.05	18837177

The performance of the stock of Class B Shares (Series I) on the BSE Limited & National Stock Exchange of India Limited for the financial year of 12 months from April 01, 2014 to March 31, 2015 was as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April	64.40	34.65	155174	64.40	35.15	965373
May	67.45	51.30	128515	67.90	48.05	305075
June	84.85	59.10	98332	85.05	58.00	483998
July	81.90	65.00	37469	82.00	65.05	154479
August	76.30	61.50	32097	76.45	60.95	259798
September	68.50	56.35	67795	68.45	55.20	381713
October	59.75	52.00	29439	60.00	53.00	352403
November	62.00	46.00	27850	57.90	46.40	141438
December	58.00	44.00	204205	58.40	45.00	362307
January	59.00	51.00	75148	59.75	50.00	452456
February	62.90	50.55	87796	63.90	50.50	336059
March	52.90	44.30	115025	55.40	43.10	145074



13.11 Dematerialisation of shares

99.73% of the Equity Shares and 99.57% of Class B (Series I) shares of the Company have been dematerialised as on March 31, 2015. The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

Entire shareholding of Promoters is in dematerialised form.

Status of Dematerialise as on March 31, 2015:

Particulars	No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
	Equity	Equity	Class B	Class B
National Securities Depository Limited	299676478	77.17%	21699737	83.86%
Central Depository Services (India) Limited	87605098	22.56%	4064567	15.71%
Total Dematerialised	387281576	99.73%	25764304	99.57%
Physical	1039747	0.27%	112075	0.43%
Total	388321323	100.00%	25876379	100.00%

13.12 Address for Correspondence:

Investor Correspondence for securities

Share Transfer Agents:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West),

Mumbai – 400 078

Telephone No. : 022- 2594 6970

Fax No. : 022 – 2594 6969

Email : maheshwari.patil@linkintime.co.in

For any query on the Annual Report:

Mr. Deepak Tanna

Company Secretary

Future Retail Limited

Knowledge House, Shyam Nagar,

Off Jogeshwari Vikhroli Link Road,

Jogeshwari (East), Mumbai 400060

Tel No: +91 22 3084 2336

Fax No: +91 22 3084 2502

Email : investorrelations@futereretail.in

Website: www.futereretail.co.in

13.13 Distribution of Shareholding of Equity and Class B Shares (Series I) as on March 31, 2015

Equity Shares

No. of Shares	No. of shareholders	%	No. of Shares (₹)	%
1-500	39417	89.82	43,50,055	1.12
501-1000	2527	5.76	19,00,330	0.49
1001-5000	1506	3.43	31,46,800	0.81
5001-10000	155	0.35	11,60,471	0.30
10001-50000	149	0.34	31,99,817	0.82
50001-100000	45	0.11	32,65,886	0.84
Above 100000	84	0.19	37,12,97,964	95.62
Total	43883	100.00	38,83,21,323	100.0000

Class B Shares (Series I)

No. of Shares	No. of shareholders	%	No. of Shares (₹)	%
1-500	14491	96.05	5,53,505	2.14
501-1000	269	1.78	1,98,598	0.77
1001-5000	195	1.29	4,24,051	1.64
5001-10000	38	0.25	2,88,293	1.11
10001-50000	53	0.35	11,53,896	4.46
50001-100000	13	0.09	9,63,025	3.72
Above 100000	28	0.19	2,22,95,011	86.16
Total	15087	100.00	2,58,76,379	100.00

13.14 Categories of Shareholders as on March 31, 2015

Category	Equity		Class B	
	No. of Shares	% holding	No. of Shares	% holding
Promoters and their Relatives	196031022	50.48	14911271	57.63
Mutual Funds	2241340	0.58	50	0.00
Banks, Financial Institutions	5445072	1.40	96991	0.37
Insurance Companies	4209828	1.08	35682	0.14
Foreign Institutional Investors	64269740	16.55	196831	0.76
Foreign Bodies Corporate	355595	0.09	0	0.00
Non Resident Indians	285134	0.07	18664	0.07
Indian Companies	91004714	23.45	3090616	11.94
Indian Public	23453294	6.04	7477381	28.90
Directors & their Relatives	10000	0.00	1000	0.00
Clearing Members	702784	0.18	47893	0.19
Trust	312800	0.08	0	0.00
Total	388321323	100.00	25876379	100.00

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

During the year under review, the Company had on August 19, 2014, issued and allotted on preferential basis to Future Corporate Resources Limited (FCRL), a promoter group company 76,92,307 Equity Warrants of the Company at a price of ₹ 130.00 per Equity Warrant (including premium of ₹ 128.00 per Equity Warrant) and 1,34,98,300 Class B Warrants of the Company at a price of ₹ 68.69 per Class B Warrant (including premium of ₹ 66.69 per Class B Warrant). During the year the Equity Warrants holder has exercised option for issue and allotment of 76,92,307 Equity Shares by payment of balance amount due on Equity Warrants. Class B Warrants can be converted into equivalent number of Class B shares (Series I) within a period of eighteen months from the date of allotment, i.e. upto February 18, 2016. The Company had also issued 1500 Optionally Convertible Debentures (Series 2) of ₹ 10,00,000.00 each (OCDs). However, these OCDs have been redeemed subsequent to close of financial year ended March 31, 2015, on May 11, 2015. Accordingly, except for outstanding Class B Warrants, there are no other outstanding convertible instruments.

The Company has not issued any GDRs/ADRs, during the year under review.

13.16 Financials release dates for the FY 2015-16

Quarter	Release Date (tentative & subject to change)
1 st Quarter ending June 30	First week of August 2015
2 nd Quarter ending September 30	First week of November 2015
3 rd Quarter ending December 31	Second week of February 2016
4 th Quarter ending March 31	Fourth week of May 2016

13.17 Internet access: www.futureretail.co.in

The website of the Company contains all relevant information about the Future Retail Limited. The Annual Reports, Shareholding pattern, unaudited quarterly results and all other material information are hosted on this site.

13.18 Plant Locations

G-6, MIDC, Tarapur, Dist. Thane.

14. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

FRL Code of Conduct for prevention of Insider Trading (FRL INSIDER CODE) as approved by the Board of Directors, inter alia, prohibits purchase / sale of securities of the Company by Promoter and Promoter Group Companies, Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The FRL Insider Code is available on the Company's corporate website.

15. CEO/CFO Certification

As per requirement of Clause 49 of Listing Agreement with Stock Exchange, the Joint Managing Director and Chief Financial Officer of the Company have certified to the Board regarding Financial Statements for the year ended March 31, 2015.

15. DISCLOSURES

- Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions with the Promoters, Directors etc. that may have potential conflict with the interests of the Company at large.
- There were no non compliance by the Company, penalties, strictures imposed on the Company by Stock exchange or SEBI or any statutory authority, on any matter relating to the capital markets during the last three years.
- There was no pecuniary relationship or transactions of Non-executive Directors vis a vis the Company.
- The Company has complied with all mandatory requirements and also adopted non mandatory requirements as mentioned hereunder.

Non-mandatory requirements:

- Chairman of the Board:** At present, Company do not have a Chairman for the Board. Accordingly, there is no separate office of the Chairman being maintained.
- Shareholders' Rights:** Quarterly and half yearly financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Hence, half yearly results were not separately sent to shareholders. Significant events are also posted on the Company's website under the Investors Section. The complete Annual Report sent to every shareholder of the Company.
- Audit qualifications:** There are no audit qualifications in the financial statement for the financial year ended March 31, 2015. Standard practices and procedures are in place to ensure unqualified financial statements.

4. **Reporting of Internal Auditor:** Internal Auditors are invited to the meetings of Audit Committee to make presentation directly to the Committee on their observations during the course of their Internal Audit.
5. **Separate posts of Chairman and CEO:** The Company do not have a Chairman. There is no CEO at Company level however, for each category of business a separate CEO is appointed.
6. **Unclaimed Dividend:** Pursuant to Section 124 of the Companies Act, 2013, dividends that are unpaid / unclaimed for a period of seven years from the dates it became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central government. Given below the dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
30/06/2008	10/11/2008	14/11/2008	16/12/2015
30/06/2009	02/12/2009	06/12/2009	07/01/2017
30/06/2010	03/11/2010	07/11/2010	09/12/2017
30/06/2011	15/11/2011	19/11/2011	21/12/2018
31/12/2012	08/05/2013	12/05/2013	13/06/2020
31/03/2014	02/08/2014	06/08/2014	07/09/2021

Members who have so far not encashed their dividend warrants are requested to write to the Company Registrar and Share Transfer Agent and claim the same, to avoid transfer to IEPF. Members are informed that they are entitled to get refund out of the Fund in respect of such claims in accordance with rules made under the section.

During the Financial period under review, the Company has transferred unpaid/unclaimed dividends of ₹ 4,05,590/- relating to financial year 2006-07 to Investor Education and Protection Fund.

7. Equity Shares in the Suspense Account

Pursuant to clause 5A.II of the Listing Agreement, the aggregate number of shareholders is 92 Equity and 84 Class B (Series I) amounting to 92010 Equity and 9250 Class B (Series I) outstanding shares which are lying in the Unclaimed Suspense Account as on April 01, 2014. There were no shareholders who approached issuer for transfer of shares and to whom shares were transferred from Unclaimed Suspense Account upto March 31, 2015. The total shareholders remains to be 92 Equity and 84 as Class B (Series I) amounting to 92010 Equity and 9250 Class B (Series I) outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2015.

All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

8. ESOS

The Company has reserved issuance of 2500000 (2014: 2500000) Equity Shares of ₹ 2/- each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). During the year, Company has granted 4,14,514 (2014: 305192) to the eligible employees at exercise price ₹ 10/- per option plus all applicable taxes, as may be levied in this regard on the Company. Out of the 305192 options granted to employees in previous period, 16598 options were cancelled due to cessation of employment. The options would vest over a maximum period of 3 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

AUDITORS REPORT ON CORPORATE GOVERNANCE

To
The Shareholders of
Future Retail Limited

We have examined the compliance of conditions of Corporate Governance by Future Retail Limited for the financial year ended on March 31, 2015 as stipulated by Clause 49 of the Listing Agreement of the Company with the Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us and the report of Corporate Governance as approved by the Board of Directors.

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

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

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

for NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2015

Declaration on compliance of Code of Conduct

I hereby confirm that:

Board members and Senior Management of the Company have affirmed compliance of the Code of Conduct laid down by the Board for the financial year April 2014 - March 2015.

Mumbai,
May 25, 2015

Rakesh Biyani
Joint Managing Director

10 YEAR FINANCIAL SUMMARY

Key Highlights of Financial Position

(₹ In Crore)

Particulars	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15
Share Capital	22.00	26.88	29.35	31.86	38.06	41.23	106.90	46.32	46.32	82.84
Reserves & Surplus	196.53	500.02	1,062.82	1,751.50	2,211.48	2,527.48	2,671.23	3,276.23	3,205.33	5,091.90
Net Worth	221.53	526.90	1,092.18	1,846.62	2,272.42	2,756.25	2,878.13	3,322.55	3,251.65	5,197.92
Total Borrowings	286.21	601.39	1,299.58	2,191.78	2,850.39	1,386.22	2,028.12	3,507.13	6,267.94	4,822.75
Capital Employed	507.73	1,128.29	2,391.76	4,038.40	5,122.81	4,142.47	4,906.25	6,829.67	9,519.59	10,020.66
Net Block	213.74	309.43	674.60	1,198.17	1,568.76	1,122.15	1,467.03	2,283.32	4,340.25	4,831.66
Investments	31.92	161.67	252.01	586.52	954.03	2,002.91	2,250.52	2,280.23	1,349.52	1,295.16
Inventory	275.93	507.02	885.96	1,429.84	1,787.84	1,270.67	1,762.20	2,140.24	3,113.29	3,522.68

Key Highlights of Financial Results

(₹ In Crore)

Particulars	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	18 Months	15 Months	12 Months
Sales & Operating Income	1,052.80	1,868.97	3,236.74	5,048.91	6,341.70	5,934.37	4,101.48	6,987.73	11,577.44	10,341.66
Total Income	1,055.85	1,871.97	3,328.77	5,052.67	6,347.77	6,019.00	4,117.82	7,015.43	11,605.18	10,368.39
COGS	700.31	1,243.43	2,245.05	3,512.19	4,429.95	4,062.53	2,649.62	4,444.39	8,497.65	7,408.18
EBIDTA	93.91	149.64	307.63	464.28	674.50	676.70	435.33	1,060.60	1,098.16	1,243.28
Interest	27.46	36.92	89.76	185.27	318.22	288.24	173.66	460.41	692.54	669.04
Depreciation	13.33	20.82	36.86	83.39	140.05	161.88	146.37	311.87	404.34	512.88
Profit Before Tax	53.09	91.82	180.96	195.64	216.23	213.64	115.29	288.32	1.27	61.37
Profit After Tax	38.55	64.16	119.99	125.97	140.58	179.56	76.66	273.26	2.81	74.07

Key Financial Ratios

Particulars	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14	Mar-15
COGS / Sales & Operating Income (%)	66.52%	66.53%	69.36%	69.56%	69.85%	68.46%	64.60%	63.60%	73.40%	71.63%
Interest / Total Income (%)	2.60%	1.97%	2.70%	3.67%	5.01%	4.79%	4.22%	6.56%	5.97%	6.45%
EBIDTA/ Interest (DebtService Ratio)	3.42	4.05	3.43	2.51	2.12	2.35	2.51	2.30	1.59	1.86
EBIDTA / Total Income (%)	8.89%	7.99%	9.24%	9.19%	10.63%	11.24%	10.57%	15.12%	9.46%	11.99%
PBT / Total Income (%)	5.03%	4.91%	5.44%	3.87%	3.41%	3.55%	2.80%	4.11%	0.01%	0.59%
PAT / Total Income (%)	3.65%	3.43%	3.60%	2.49%	2.21%	2.98%	1.86%	3.90%	0.02%	0.71%
Basic EPS (₹)	3.31	5.06	8.71	7.54	7.94	8.46	3.54	12.08	0.12	2.75
Debt Equity Ratio	1.29	1.14	1.19	1.19	1.25	0.50	0.70	1.06	1.93	0.93

Note:

- EBIDTA, PBT and PAT numbers for financial period ending December 2012 is on total income (inclusive of all incomes earned during the year).
- Financial numbers for the period ended December 31, 2012 & March 31, 2014 are for the period of 18 Months & 15 Months respectively hence not comparable with other years.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Future Retail Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of FUTURE RETAIL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in Annexure I, a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this

- Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection fund by the Company.

For NGS & Co. LLP

Chartered Accountants
Firm Registration no. 119850W

Ashok A. Trivedi

Partner
Membership No. 042472

Mumbai
May 25, 2015

Annexure to the Independent Auditors' Report

(Referred to in Paragraph I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has

maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the companies Act 2013 the Act. Therefore, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act for the products of the company.

- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues were outstanding as at March 31, 2015, for a period of more than six months from the date they became payable.
- (c) Details of dues of Stamp duty, Income Tax and Sales Tax which have not been deposited as at March 31, 2015 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	8.91	FY : 2008-09	Chief Controlling Revenue Authority, Ghaziabad, U.P
The Income Tax Act, 1961	Income Tax	184.69	AY : 2004-05; 2007-08; 2008-09; 2009-10; 2010-11; 2011-12; 2012-13	Commissioner of Income Tax (Appeal); Income Tax Appellate Tribunal
Central Sales Tax Act and Local Sales Tax Act	Central Sales Tax and Local Sales Tax (including Value Added Tax)	6.06	FY: 2007-08, 2008-09; 2009-10, 2010-11; 2012-13	Additional Commissioner Grade 2, Kanpur; Directorate of Commercial Taxes; Dy. Commissioner of Sales Tax

- (d) The amount required to be transferred to Investor Education and Protection Fund has

been transferred within the stipulated time in accordance with the provisions of Companies Act 1956, and rules made thereunder.

- viii. The Company does not have accumulated losses at the end of the financial year. The company has not incurred any cash losses in the current year and in the immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to bank and debenture holders. The Company has no dues payable to Financial Institutions.
- x. In our opinion and according to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- xi. In our opinion and according to the explanations given to us, term loans obtained have been applied for the purpose for which they were obtained.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

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

Mumbai
May 25, 2015

Ashok A. Trivedi
Partner
Membership No. 042472

BALANCE SHEET AS AT MARCH 31, 2015

(₹ in Crore)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	82.84	46.32
Equity Warrants	2	23.18	-
Reserves and Surplus	3	5,091.90	3,205.33
		5,197.92	3,251.65
Compulsory Convertible Debentures	4	-	150.00
Optionally Convertible Debentures	4	150.00	250.00
Non-Current Liabilities			
Long-Term Borrowings	5	2,918.56	3,755.20
Deferred Tax Liabilities (Net)	6	167.48	180.18
Long-Term Provisions	7	19.12	16.03
		3,105.16	3,951.41
Current Liabilities			
Short-Term Borrowings	8	1,132.37	1,348.60
Trade Payables	9	2,042.03	1,224.02
Other Current Liabilities	10	954.76	1,154.07
Short-Term Provisions	11	34.25	19.84
		4,163.41	3,746.53
TOTAL		12,616.49	11,349.59
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		4,597.58	4,112.58
Intangible Assets		234.08	227.67
Capital Work-in-Progress		274.92	363.82
Non-Current Investments	13	1,295.16	1,349.52
Long-Term Loans and Advances	14	478.19	370.99
		6,879.93	6,424.58
Current Assets			
Inventories	15	3,522.68	3,113.29
Trade Receivables	16	397.97	313.98
Cash and Bank Balances	17	104.49	102.48
Short-Term Loans and Advances	18	1,702.38	1,379.33
Other Current Assets	19	9.04	15.93
		5,736.56	4,925.01
TOTAL		12,616.49	11,349.59
The accompanying notes are an integral part of these financial statements.	I - 52		

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Ashok A. Trivedi

Partner
Membership No.: 042472

Mumbai

May 25, 2015

For and on behalf of Board of Directors

Kishore Biyani

Managing Director

S. Doreswamy

Director

Bala Deshpande

Director

Rakesh Biyani

Joint Managing Director

Anil Harish

Director

Dinesh Maheshwari

Chief Financial Officer

Vijay Biyani

Wholtime Director

V. K. Chopra

Director

Deepak Tanna

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

	Note	April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
INCOME			
Revenue from Operations	20	10,341.66	11,577.44
Other Income	21	26.73	27.74
Total Revenue		10,368.39	11,605.18
EXPENSES			
Cost of Materials Consumed		16.67	21.85
Purchases of Stock-in-Trade		7,803.49	8,498.87
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(411.98)	(23.07)
Employee Benefits Expense	23	381.87	423.94
Finance Costs	24	669.04	692.54
Depreciation and Amortization Expense	12	512.88	404.34
Other Expenses	25	1,435.57	1,616.10
Total Expenses		10,407.54	11,634.57
Profit/(Loss) Before Exceptional Items and Tax		(39.15)	(29.39)
Exceptional Items	26	100.51	30.66
Profit Before Tax For The Year / Period		61.36	1.27
Tax Expense	37	(12.70)	(1.54)
Profit After Tax For The Year / Period		74.06	2.81
Earnings Per Equity Share of Face Value of ₹ 2/- each	32		
Basic - Equity Share		2.75	0.12
Basic - Class B (Series-I) Share		2.79	0.16
Diluted - Equity Share		2.75	0.12
Diluted - Class B (Series-I) Share		2.79	0.16
The accompanying notes are an integral part of these financial statements.	I - 52		

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2015

For and on behalf of Board of Directors

Kishore Biyani
Managing Director

S. Doreswamy
Director

Bala Deshpande
Director

Rakesh Biyani
Joint Managing Director

Anil Harish
Director

Dinesh Maheshwari
Chief Financial Officer

Vijay Biyani
Wholetime Director

V. K. Chopra
Director

Deepak Tanna
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I Significant Accounting Policies

A. Basis of Preparation

Financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis.

B. Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognised in future period.

C. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Depreciation is provided pro rata for the period of use on straight line basis as per the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 except for leasehold improvements which are depreciated over the remaining expected lease term and employee perquisite related assets which are depreciated over three years.

D. Intangible Assets and Amortisation

Intangible Assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful life of ten years.

E. Investments

Current investments are carried at lower of cost and fair value computed on individual investment basis. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

F. Inventories

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

G. Foreign Currency Transaction

Transactions in foreign currencies are recorded at the prevailing rates of exchange on the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the balance sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the statement of Profit and Loss. Exchange differences on forward contracts entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability, are recognised in the statement of profit and loss in the reporting period in which the exchange rate changes. Premium/Discount on foreign exchange contracts are recognised as an expense/income over the life of the contract.

H. Borrowing Costs

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognised when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts VAT and Sales Tax. Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of service tax (If applicable). Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate. Dividend income is recognised when right to receive is established.

J. Retirement and Other Employee Benefits

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

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present of the amounts payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

K. Income Taxes

Tax expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

L. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

M. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

N. Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2 Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Authorised				
Equity Shares of ₹ 2/- each	45,00,00,000	90.00	45,00,00,000	90.00
Equity Shares of Class B (Series - I) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
Preference Shares of ₹ 100/- each	30,00,000	30.00	30,00,000	30.00
	50,30,00,000	130.00	50,30,00,000	130.00
Issued *				
Equity Shares of ₹ 2/- each	38,84,17,201	77.68	21,56,64,839	43.13
Equity Shares of Class B (Series - I) of ₹ 2/- each	2,58,84,872	5.18	1,59,29,152	3.19
	41,43,02,073	82.86	23,15,93,991	46.32
Subscribed and Paid up				
Equity Shares of ₹ 2/- each	38,83,21,323	77.66	21,56,53,439	43.13
Equity Shares of Class B (Series - I) of ₹ 2/- each	2,58,76,379	5.18	1,59,29,152	3.19
	41,41,97,702	82.84	23,15,82,591	46.32

* Refer Note No. 2 (v)

(i) Reconciliation of Number of Shares

Equity Share of ₹ 2/- each

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	21,56,53,439	21,56,53,439
Shares Issued	17,26,67,884	-
Closing Balance	38,83,21,323	21,56,53,439

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Equity Shares of Class B (Series -I) of ₹ 2/- each

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	1,59,29,152	1,59,29,152
Shares Issued	99,47,227	-
Closing Balance	2,58,76,379	1,59,29,152

(ii) Terms/Rights Attached to Equity Shares

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series-I) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the Company.

Each holder of Class B (Series -I) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series-I) shares held in case of voting by poll/ballot. Each holder of Class B (Series-I) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the Company. Further, the Company may declare dividend only for Class B (Series-I) Share up to 2% without declaring any dividend for Equity Shares.

All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

(iii) The Company does not have any holding Company.

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

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Future Corporate Resources Limited	15,75,96,398	40.58	8,92,90,093	41.40
PIL Industries Limited	3,78,98,109	9.76	1,46,77,448	6.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited	3,16,37,118	8.15	2,01,37,118	9.34
Brand Equity Treaties Limited	2,49,99,999	6.44	-	-
Counseled Mercantile Private Limited	2,18,28,193	5.62	-	-
Bennett, Coleman and Company Limited	2,03,91,700	5.25	1,25,66,477	5.83
Equity Shares of Class B (Series -I)				
PIL Industries Limited	57,38,034	22.17	29,38,034	18.44
Gargi Developers Private Limited	45,50,000	17.58	28,00,000	17.57
Manz Retail Private Limited	15,79,103	6.10	9,71,756	6.10

- (v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.
- 11,400 Equity Shares of Rights Issue of 2006.
 - 84,478 Equity Shares of Rights Issue of 2015.
 - 8,493 Equity Shares of Class B (Series-I) of Rights Issue of 2015.
- (vi) Shares allotted as fully paid up without payment received in cash (during 5 years preceding March 31, 2015).
Allotted 59,28,818 Equity Shares of ₹ 2/- each and 63,47,635, 0.01% Compulsory Convertible Preference Shares of ₹ 100/- each as fully paid up pursuant to Scheme of Arrangement.
- (vii) Share reserved for issue under options and contracts including the terms and amounts:
For Detail of shares reserved for issue under the Employee Stock Options Plan (ESOP) of the company. (Refer Note 48).
- (viii) The Company has issued 1,34,98,300 Class-B warrants where each warrant would entitle one Equity Shares of Class B at price of ₹ 68.69 per Share. An amount equivalent to 25% of ₹ 92.72 Crore i.e. ₹ 23.18 Crore has been received on allotment of the warrants.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
3	Reserve and Surplus		
	Capital Reserve		
	Opening Balance	535.68	163.26
	Add : On Composite Schemes of Arrangements	-	372.42
		535.68	535.68
	Securities Premium Account		
	Opening Balance	2,226.40	2,226.40
	Add : Issue of Equity Shares	1,854.58	-
	Less : Share issue expenses	6.86	-
		4,074.12	2,226.40
	Debenture Redemption Reserve		
	Opening Balance	268.13	129.38
	Add : Transferred from Statement of Profit and Loss	-	120.00
	Add : On Composite Schemes of Arrangements	-	18.75
		268.13	268.13
	Share Options Outstanding Account		
	Opening Balance	3.07	-
	Charge For the Year/Period (Refer Note No. 48)	0.96	3.07
	Utilised during the Year	3.02	-
		1.01	3.07
	General Reserve		
	Opening Balance	103.41	103.13
	Add : Transferred from Statement of Profit and Loss	7.41	0.28
		110.82	103.41
	Surplus		
	Opening Balance	68.64	654.07
	Add : Profit for the Year / Period	74.06	2.81
	Less : On Composite Schemes of Arrangements	-	451.62
	Less : Adjustment Relating to Fixed Assets	3.21	-
	Less : Appropriation		
	Transferred to Debenture Redemption Reserve	-	120.00
	Transferred to General Reserve	7.41	0.28
	Proposed Dividend on Equity Shares	24.96	13.97
	Tax on Dividend	4.99	2.37
		102.14	68.64
		5,091.90	3205.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
4	Compulsory Convertible Debentures	-	150.00
	NIL (2014:1,500) 5% p.a. Compulsorily Convertible Debentures (CCDs) having face value of ₹ 10,00,000 each		
	Optionally Convertible Debentures	150.00	250.00
	a) Series 1 - NIL (2014 : 1,000) 12.50 % p.a. Optionally Convertible Debentures (OCDs) having face value of ₹10,00,000 each		
	b) Series 2 - 1,500 (2014 : 1,500) 12.50 % p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each		
	OCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the four weeks preceding the respective Conversion Date. OCDs shall be redeemed in terms of the OCDs Subscription Agreement as amended from time to time, if no conversion option is exercised.		
5	Long-Term Borrowings		
	Secured (Refer Note No. 46)		
	Non-Convertible Debentures	1,405.00	1952.50
	Term Loans from Banks	1,413.56	1802.70
	Term Loan from Other	100.00	-
		2,918.56	3755.20
6	Deferred Tax Liabilities (Net)		
	Deferred Tax Liabilities		
	On Fixed Assets	303.07	281.90
	Deferred Tax Assets		
	Disallowances under Income Tax Act / Carry Forward of Business Losses and Unabsorbed Depreciation	135.59	101.72
		167.48	180.18
7	Long-Term Provisions		
	Provision for Employee Benefits	19.12	16.03
		19.12	16.03
8	Short-Term Borrowings		
	Secured (Refer Note No. 47)		
	Term Loans from Banks	150.00	300.00
	Working Capital Loans from Banks	968.57	965.85
		1,118.57	1265.85
	Unsecured		
	Loans from Related Parties	13.80	82.75
		13.80	82.75
		1,132.37	1348.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
9	Trade Payables		
	Trade Payables (Refer Note No. 38)	2,042.03	1224.02
		2,042.03	1224.02
10	Other Current Liabilities		
	Current Maturities of Long-Term Borrowings	621.82	764.15
	Interest Accrued but Not Due on Borrowings	67.23	189.42
	Unclaimed Dividends *	0.44	0.41
	Other Payables #	265.27	200.09
		954.76	1154.07
	* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
	# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, Advance from Customers, etc.		
11	Short-Term Provisions		
	Provision for Employee Benefits	4.31	3.50
	Proposed Dividend	24.96	13.97
	Tax on Dividend	4.99	2.37
		34.25	19.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12 Fixed Assets

(₹ in Crore)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at April 01, 2014	Additions	Deductions	As at March 31, 2015	Up to March 31, 2014	Deduction/ Adjustment*	For the year	Up to March 31, 2015	As at March 31, 2014
(A) Tangible Asset									
Freehold Land	4.83	-	-	4.83	-	-	-	-	4.83
Leasehold Land	1.17	-	-	1.17	0.22	-	0.02	0.24	0.95
Building	0.20	-	-	0.20	0.02	-	0.00	0.02	0.18
Leasehold Improvement	1,002.28	296.68	78.10	1,220.86	130.99	33.54	93.19	190.64	871.29
Plant and Equipments	614.38	154.60	11.41	757.57	39.27	6.49	45.10	77.88	575.11
Office Equipments	46.02	4.69	8.14	42.57	6.15	3.19	10.99	13.95	39.87
Computers	191.99	111.04	117.46	185.57	99.12	97.05	29.54	31.61	92.87
Furniture and Fittings	1,751.01	348.87	54.67	2,045.21	164.76	26.49	194.74	333.01	1,586.25
Electrical Installations	999.12	174.82	21.25	1,152.69	63.55	4.99	111.85	170.41	935.57
Vehicles	7.59	-	-	7.59	1.93	(0.07)	0.92	2.92	5.66
Total	4,618.58	1,090.70	291.03	5,418.26	506.01	171.68	486.35	820.68	4,112.58
(B) Intangible Asset									
Computer Software	403.64	68.69	181.07	291.26	175.97	145.32	26.53	57.18	227.67
Total	403.64	68.69	181.07	291.26	175.97	145.32	26.53	57.18	227.67
Grand Total	5,022.23	1,159.39	472.10	5,709.52	681.98	317.00	512.88	877.86	4,340.25
Previous Year	2,914.23	4,089.62	1,981.62	5,022.23	630.92	353.27	404.34	681.98	2,283.31

*Adjustment on account of change in useful life of assets pursuant to the enactment of Companies Act 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
13	Non-Current Investments		
	Trade Investments Fully paid up of ₹ 10/- each unless otherwise stated		
	Investments in		
	Equity Instruments		
	Associates		
	Quoted		
	49,37,935 Equity Shares of Galaxy Entertainment Corporation Limited	19.03	19.03
	Less : Provision	15.79 3.24	15.79 3.24
	Unquoted		
	1,69,98,000 Equity Shares of Future E-Commerce Infrastructure Limited	17.00	17.00
	Quoted		
	Others		
	15,00,00,000 Equity Shares of Future Consumer Enterprise Limited of ₹ 6/- each	90.38	90.38
	63,46,980 Equity Shares of Centrum Capital Limited of ₹ 1/- each	11.50	11.50
	3,05,70,108 Equity Shares of Future Lifestyle Fashions Limited of ₹ 2/- each	333.65	333.65
	Unquoted		
	Subsidiary Companies		
	1,91,60,000 Equity Shares of Future Bazaar India Limited	19.16	19.16
	NIL (4,46,97,790) Equity Shares of Future Knowledge Services Limited		44.70
	Less : Provision	-	14.33 30.37
	NIL (2,82,65,550) Equity Shares of Future Learning and Development Limited		28.26
	Less : Provision	-	5.27 22.99
	2,74,62,962 Equity Shares of Future Supply Chain Solutions Limited	64.50	64.50
	2,73,78,746 Equity Shares of Future Media (India) Limited	36.65	36.65
	NIL (6,68,624) Equity Shares of Home Solutions Retail (India) Limited		3.61
	Less : Provision	-	3.61 -
	NIL (50,000) Equity Shares of Future Home Retail Limited	-	0.05
	NIL (50,000) Equity Shares of nuZone Ecommerce Infrastructure Limited	-	0.05
	NIL (2,40,000) Equity Shares of Winner Sports Limited		27.38
	Less : Provision	-	6.94 20.44
	32,20,133 Equity Shares of Staples Future Office Products Limited	27.92	27.92
	NIL (10,00,000) Equity Shares of Future Freshfoods Limited		9.89
	Less : Provision	-	9.89 -

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
	Joint Ventures		
	22,03,500 Equity Shares of Apollo Design Apparel Parks Limited	73.64	73.64
	18,10,50,000 Equity Shares of Future Generali India Insurance Company Limited	181.05	181.05
	4,35,60,000 Equity Shares of Future Generali India Life Insurance Company Limited	43.56	43.56
	22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited	70.30	70.30
	17,86,99,931 Equity Shares of Sprint Advisory Services Private Limited	178.70	178.70
	8,74,95,000 Equity Shares of Shendra Advisory Services Private Limited	87.50	87.50
	NIL (39,40,625) Equity Shares of Integrated Food Park Private Limited	-	3.94
	In Preference Shares		
	Unquoted		
	Subsidiary		
	NIL (7,60,000) 0.01% Non-Cumulative Redeemable Preference Shares of Winner Sports Limited	-	0.76
	Associates		
	35,64,096 (10,00,000) 0.01% Non-Cumulative Compulsory Convertible Preference Shares (Series -2) of Future E-Commerce Infrastructure Limited	48.47	13.15
	Others		
	11,92,759 0.01% Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited	1.19	1.19
	Non-Trade Investments paid up of ₹ 10/- each unless otherwise stated		
	Quoted		
	Others		
	NIL (64,79,848) Equity Shares of Capital First Limited	-	11.09
	Unquoted		
	Others		
	48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
	Less : Provision	0.08	-
	35,78,278 Equity Shares of Pan India Food Solutions Private Limited	3.58	3.58
	5,79,771 Equity Shares of Planet Retail Holdings Private Limited	2.90	2.90
	5 Shares of Y.A. Chunawala Industrial Co-op Society Limited	0.00	0.00
	In Government and Other Securities		
	Unquoted		
	National Saving Certificates (Deposited with Sales Tax Authorities)	0.05	0.04
	LIC Mutual Fund Liquid Plan	0.22	0.22
		1,295.16	1,349.52
	Note:		
1	Aggregate Amount of Quoted Investments	454.56	465.85
2	Market Value of Quoted Investments	411.88	382.86
3	Aggregate Amount of Unquoted Investments	856.47	939.78
4	Aggregate Amount of Diminution in Value of Investments	15.87	55.91

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
14	Long-Term Loans and Advances		
	(Unsecured, Considered Good)		
	Capital Advances	27.54	21.60
	Loans and Advances to		
	Others *	207.79	187.76
	Deposits to		
	Related Parties	10.10	14.77
	Others	232.76	146.86
		478.19	370.99
	* Includes Share Application Money, Deduction/Payment of Income Tax (Net of Provisions etc.)		
15	Inventories		
	Raw Materials	1.23	2.31
	Work-in-Progress	3.41	1.89
	Stock-in-Trade [Goods-in-Transit of ₹ 94.23 Crore (2014: ₹ 78.19 Crore)]	3,515.11	3,104.65
	Packing Materials	2.93	4.44
		3,522.68	3,113.29
16	Trade Receivables		
	(Unsecured, Considered Good)		
	Outstanding for a period more than six months from the date they are due for payment	47.81	44.93
	Other Debts	350.16	269.05
		397.97	313.98
17	Cash and Bank Balances		
	Cash and Cash Equivalents		
	Balances with Banks in Current Accounts	26.57	62.47
	Cheques on Hand	0.77	2.13
	Cash on Hand	16.07	32.18
	Other Bank Balances		
	Dividend Accounts	0.44	0.41
	Earmarked Balances with Banks*	60.64	5.29
		104.49	102.48
	*Include deposits of ₹ 4.92 Crore (2014: ₹ 0.29 Crore) with maturity of more than 12 months		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
18	Short-Term Loans and Advances		
	(Secured, Considered Good)		
	Loans and Advances	130.05	127.25
		130.05	127.25
	(Unsecured, Considered Good)		
	Loans and Advances to		
	Related Parties	366.58	383.21
	Others *	734.39	452.84
	Deposits to		
	Related Parties	125.14	182.16
	Others	346.22	233.86
		1,572.33	1,252.08
		1,702.38	1,379.33
	*Includes balances with government authorities, advance to suppliers, prepaid expenses etc.		
19	Other Current Assets		
	Other Receivables *	9.04	15.93
	(*Includes Insurance Claim Receivables)	9.04	15.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
20	Revenue from Operations		
	Sale of Products	10,810.42	12,051.36
	Less: Vat, Sales Tax	652.37	715.20
	Less: Excise Duty	0.26	-
	Other Operating Revenue	183.87	241.28
		10,341.66	11,577.44
21	Other Income		
	Interest Income	9.89	15.35
	Dividend on Non-Current Investments	3.16	2.96
	Provision Written Back	3.36	2.68
	Miscellaneous Income	10.32	6.75
		26.73	27.74
22	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
	Opening Inventories		
	Finished Goods	-	5.24
	Stock-in-Trade	3,104.65	2,129.80
	Work-in-Progress	1.89	-
	Add: On Composite Schemes of Arrangements	-	948.43
	Closing Inventories		
	Finished Goods	-	-
	Stock-in-Trade	3,515.11	3,104.65
	Work-in-Progress	3.41	1.89
		(411.98)	(23.07)
23	Employee Benefits Expense		
	Salaries and Wages	340.71	381.58
	Contribution to Provident and Other Funds	20.95	20.48
	Expense on Employee Stock Option Scheme (Refer Note No. 48)	0.96	3.07
	Staff Welfare Expenses	19.25	18.81
		381.87	423.94
24	Finance Costs		
	Interest Expense	660.85	683.84
	Other Borrowing Costs	8.19	8.70
		669.04	692.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
25	Other Expenses		
	Consumption of Stores and Spare Parts	0.45	0.30
	Power and Fuel	176.69	180.78
	Repairs and Maintenance		
	Building	5.15	7.03
	Machinery	0.67	0.37
	Others	25.46	26.25
	Insurance	4.45	4.49
	Rates and Taxes	11.91	7.75
	Rent Including Lease Rentals	571.14	640.61
	Advertisement and Marketing	204.39	157.44
	Loss on Disposal/Discard of Fixed Assets (Net)	42.78	55.49
	Bad Debts Written Off	17.64	10.39
	Exchange Fluctuation Loss (Net)	3.94	16.46
	Miscellaneous Expenses	370.90	508.74
		1,435.57	1,616.10
26	Exceptional Items		
	Net Gain on Sale of Non-Current Investments	100.51	30.81
	Provision for Diminution in Value of Investments	-	(0.15)
		100.51	30.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27 As per Accounting Standard 15 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below:

A. Change in Present Value of Obligation

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Present Value of the Obligation at the Beginning of Year	3.84	2.68	11.20	4.30	8.33	4.87
Pursuant to Scheme of Arrangement	-	0.52	-	5.38	-	5.04
Contribution Paid	-	0.07	-	(0.07)	-	-
Interest Cost	-	-	1.20	1.29	0.66	0.99
Current Service Cost	-	-	4.30	4.65	3.91	3.23
Benefits Paid	-	-	(2.76)	3.44	(2.90)	4.50
Actuarial Gain/(Loss) on Obligations	0.42	0.57	(0.77)	(0.91)	(0.26)	(1.30)
Present Value of the Obligation at the Year end	4.26	3.84	13.17	11.20	10.26	8.33
Fair Value of Plan Assets	4.26	3.84	-	-	-	-
Un-Funded Liability	-	-	13.17	11.20	10.26	8.33

Including transferred liability

B. Amount Recognised in the Balance Sheet

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Present Value of the Obligation	4.26	3.84	13.17	11.20	10.26	8.33
Fair Value of Plan Assets	4.26	3.84	-	-	-	-
Un-Funded Liability	-	-	13.17	11.20	10.26	8.33
Un-Funded Liability Recognised in Balance Sheet	-	-	13.17	11.20	10.26	8.33

C. Amount Recognised in the Profit and Loss Account

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Interest Cost	-	-	1.20	1.29	0.66	0.99
Current Service Cost	-	-	4.30	4.65	3.91	3.23
Actuarial (Gain)/Loss on Obligations	-	-	(0.77)	(0.91)	0.26	(1.30)
Actual Return on Plan Assets	0.42	0.57	-	-	-	-
Total Expense Recognised in the Profit and Loss Account			4.73	5.03	4.83	2.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

D. Reconciliation of Balance Sheet

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Present Value of the Obligation at the Beginning of Year	3.84	2.68	11.20	4.30	8.33	4.87
Pursuant to Scheme of Arrangement	-	0.52	-	5.38	-	5.04
Total Expense Recognised in the Profit and Loss Account	0.42	0.57	4.73	5.03	4.83	2.92
Contribution Paid	-	0.07	-	(0.07)	-	-
Benefit Paid During the Year/Period	-	-	2.76	3.44	2.90	4.50
Fair Value of Plan Assets	4.26	3.84	-	-	-	-
Present Value of the Obligation at the Year end	4.26	3.84	13.17	11.20	10.26	8.33

E. Experience Adjustments

(₹ in Crore)

Gratuity	June 30, 2010	June 30, 2011	Dec. 31, 2012	March 31, 2014	March 31, 2015
Defined Benefit Obligation	3.19	5.18	6.98	15.04	17.43
Plan Assets	2.23	2.43	2.68	3.84	4.26
Deficit	(0.96)	(2.75)	(4.30)	(11.20)	(13.17)
Experience Adjustments on Plan Liabilities	(3.52)	(0.47)	(0.22)	(0.34)	(0.35)
Experience on Plan Assets	0.01	0.03	0.02	0.32	0.11

F. The Assumptions Used to Determine the Benefit Obligations are as follows:

Particulars	Gratuity	Leave Encashment
Discount Rate	8.00%	8.00%
Expected Rate of Increase in Compensation Levels	5.00%	5.00%
Expected Rate of Return on Plan Assets	10.88%	NA

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

28 Leases

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 1097.55 Crore (2014: ₹ 442.50 Crore). The Lease Rent payable not later than one year is ₹ 290.13 Crore (2014: ₹ 178.99 Crore), payable later than one year but not later than five year is ₹ 773.63 Crore (2014: ₹ 229.06 Crore) and payable later than five years is ₹ 33.79 Crore (2014: ₹ 34.45 Crore).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. Related Party Disclosures

Disclosure as required by Accounting Standard 18 “Related Party Disclosures” are given below:

A. List of Related Parties

1. Subsidiary Companies

- i. Future Bazaar India Limited
- ii. Future Knowledge Services Limited (till September 30, 2014)
- iii. Future Media (India) Limited
- iv. Future Agrovat Limited (till November 11, 2013)
- v. Future Supply Chain Solutions Limited
- vi. FSC Brand Distribution Services Limited (till September 15, 2014)
- vii. Future Learning and Development Limited (till September 30, 2014)
- viii. Home Solutions Retail (India) Limited (till September 30, 2014)
- ix. Future Freshfoods Limited (till September 30, 2014)
- x. Future Home Retail Limited (till September 30, 2014)
- xi. Future E-Commerce Infrastructure Limited (till March 31, 2014)
- xii. nuZone E-commerce Infrastructure Limited (till September 30, 2014)
- xiii. Office Shop Private Limited
- xiv. Staples Future Office Products Limited
- xv. Winner Sports Limited (till September 30, 2014)
- xvi. Future Lifestyle Fashions Limited (till June 24, 2013)

2. Associates

- i. Galaxy Entertainment Corporation Limited
- ii. Future E-Commerce Infrastructure Limited (w.e.f. April 1, 2014)

3. Joint Ventures

- i. Apollo Design Apparel Parks Limited
- ii. Future Generali India Insurance Company Limited
- iii. Future Generali India Life Insurance Company Limited
- iv. Goldmohur Design and Apparel Park Limited
- v. Integrated Food Park Private Limited (till February 6, 2015)
- vi. Sprint Advisory Services Private Limited
- vii. Shendra Advisory Services Private Limited

4. Enterprises over which Key Management Personnel are able to exercise significant influence

- i. Future Corporate Resources Limited
- ii. Future Ideas Company Limited
- iii. Future Lifestyle Fashions Limited
- iv. Vayuputra Realty Private Limited
- v. Festive Realty Private Limited
- vi. Surplus Finvest Private Limited
- vii. Utsav Mall Management Company Private Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Key Management Personnel

- i. Mr. Kishore Biyani
- ii. Mr. Rakesh Biyani
- iii. Mr. Vijay Biyani

6. Relatives of Key Management Personnel

- i. Ms. Ashni Biyani
- ii. Mrs. Godavaridevi Biyani
- iii. Mrs. Sangita Biyani
- iv. Mrs. Santosh Biyani

B. Transactions with Related Parties

(₹ in Crore)

Nature of Transactions	Subsidiaries	Associates/Joint Ventures	Key Management Personnel Exercise Significant Influence	Key Management Personnel/ Relatives
Sale of Goods and Services	17.00 (30.67)	1.80 (2.29)	61.64 (54.32)	- (-)
Sale of Fixed Assets	6.44 (5.04)	- (-)	0.55 (23.82)	- (-)
Purchases of Goods and Services	184.10 (592.81)	414.84 (317.54)	257.06 (387.63)	0.16 (0.33)
Purchases of Fixed Assets	- (0.15)	- (-)	1.83 (74.73)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	6.70 (12.64)
Fresh Investments Made	- (-)	- (133.25)	- (-)	- (-)
Dividend Received	- (-)	2.13 (1.79)	1.03 (-)	- (-)
Advances Given	- (3.20)	0.01 (1.58)	5.60 (3.16)	- (-)
Deposits Given	- (4.65)	0.04 (-)	10.00 (11.58)	- (-)
Inter Company Deposits Taken	3.80 (-)	- (72.75)	- (-)	- (-)
Outstanding Balances as on March 31, 2015 Receivable	2.33 (34.38)	5.94 (4.34)	495.56 (558.41)	- (-)
Payable	96.22 (13.94)	149.39 (83.99)	86.51 (126.58)	- (-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C. Significant Related Party Transactions

- i. Sale of Goods and Services includes Future Media (India) Limited ₹ 13.30 Crore (2014: ₹ 19.51 Crore), Future Supply Chain Solutions Limited ₹ 0.25 Crore (2014: ₹ 0.32 Crore), Staples Future Office Products Limited ₹ 2.82 Crore (2014: ₹ 0.04 Crore), Future E-Commerce Infrastructure Limited ₹ 0.02 Crore (2014: ₹ 10.23 Crore), Galaxy Entertainment Corporation Limited ₹ 0.93 Crore (2014: ₹ 1.51 Crore), Future Generali India Life Insurance Company Limited ₹ 0.68 Crore (2014: ₹ 0.76 Crore), Vayuputra Realty Private Limited ₹ NIL (2014: ₹ 10.01 Crore), Future Lifestyle Fashions Limited ₹ 57.97 Crore (2014: ₹ 7.16 Crore).
- ii. Sale of Fixed Assets includes Future Supply Chain Solutions Limited ₹ 6.44 Crore (2014: ₹ 5.04 Crore), Future Lifestyle Fashions Limited ₹ 0.55 Crore (2014: ₹ NIL).
- iii. Purchases and Other Services includes Future Agrovet Limited ₹ NIL (2014: ₹ 347.55 Crore), Future Supply Chain Solutions Limited ₹ 169.80 Crore (2014: ₹ 202.46 Crore), Apollo Design Apparel Parks Limited ₹ 219.20 Crore (2014: ₹ 176.78 Crore), Goldmohur Design and Apparel Park Limited ₹ 193.72 Crore (2014: ₹ 139.17 Crore), Future Corporate Resources Limited ₹ 85.14 Crore (2014: ₹ 95.68 Crore), Future Lifestyle Fashions Limited ₹ 170.79 Crore (2014: ₹ 104.02 Crore), Ashni Biyani ₹ 0.06 Crore (2014: ₹ 0.15 Crore), Godavaridevi Biyani ₹ 0.03 Crore (2014: ₹ NIL), Sangita Biyani ₹ 0.03 Crore (2014: ₹ 0.09 Crore), Santosh Biyani ₹ 0.03 Crore (2014: ₹ 0.09 Crore).
- iv. Purchase of Fixed Assets includes Future Supply Chain Solutions Limited ₹ NIL (2014: ₹ 0.14 Crore), Future Corporate Resources Limited ₹ NIL (2014: ₹ 33.52 Crore), Future Lifestyle Fashions Limited ₹ 1.83 Crore (2014: ₹ NIL).
- v. Managerial Remuneration includes Mr. Kishore Biyani ₹ 2.67 Crore (2014: ₹ 5.09 Crore), Mr. Rakesh Biyani ₹ 2.56 Crore (2014: ₹ 4.71 Crore), Mr. Vijay Biyani ₹ 1.47 Crore (2014: ₹ 2.84 Crore).
- vi. Fresh Investments Made includes Sprint Advisory Services Private Limited ₹ NIL (2014: ₹ 28.23 Crore), Shendra Advisory Services Private Limited ₹ NIL (2014: ₹ 13.48 Crore), Future Generali India Insurance Company Limited ₹ NIL (2014: ₹ 33.15 Crore), Future Generali India Life Insurance Company Limited ₹ NIL (2014: ₹ 58.40 Crore).
- vii. Dividend Received includes Apollo Design Apparel Parks Limited ₹ 0.99 Crore (2014: ₹ 0.88 Crore), Goldmohur Design and Apparel Park Limited ₹ 1.14 Crore (2014: ₹ 0.91 Crore), Future Lifestyle Fashions Limited ₹ 1.03 Crore (2014: ₹ NIL).
- viii. Advance Given includes Future Freshfoods Limited ₹ NIL (2014: ₹ 3.20 Crore), Future Generali India Life Insurance Company Limited ₹ NIL (2014: ₹ 0.60 Crore), Future Generali India Insurance Company Limited ₹ 0.01 Crore (2014: ₹ 0.99 Crore), Future Corporate Resources Limited ₹ 5.60 Crore (2014: ₹ NIL), Future Ideas Company Limited ₹ NIL (2014: ₹ 2.53 Crore).
- ix. Deposit Given includes Future Supply Chain Solutions Limited ₹ NIL (2014: ₹ 4.65 Crore), Future Generali India Insurance Company Limited ₹ 0.02 Crore (2014: ₹ NIL), Future Generali India Life Insurance Company Limited ₹ 0.02 Crore (2014: ₹ NIL), Future Corporate Resources Limited ₹ 10.00 Crore (2014: ₹ NIL), Vayuputra Realty Private Limited ₹ NIL (2014: ₹ 1.85 Crore).
- x. Inter Company Deposits Taken includes Apollo Design Apparel Parks Limited ₹ NIL (2014: ₹ 36.00 Crore), Goldmohur Design and Apparel Park Limited ₹ NIL (2014: ₹ 36.75 Crore), Future Media (India) Limited ₹ 3.80 Crore (2014: ₹ NIL).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Joint Ventures Information

Joint Venture, as required by (AS-27) "Financial Reporting of Interest in Joint Venture" is given below:

Detail of Joint Venture Interest

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2015	Percentage of Interest as on March 31, 2014
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.50%	25.50%
3	Future Generali India Life Insurance Company Limited	Equity	India	3.00%	3.00%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Integrated Food Park Private Limited	Equity	India	-	28.86%
6	Sprint Advisory Services Private Limited	Equity	India	49.80%	49.75%
7	Shendra Advisory Services Private Limited	Equity	India	49.80%	49.75%

Company's Interest in the Joint Ventures

(₹ in Crore)

S. No.	Name of the Company	As on	Assets	Liabilities	Year ended on	Income	Expenditure
1	Apollo Design Apparel Parks Limited	March 31, 2015	43.01	5.40	March 31, 2015	101.16	96.83
2	Future Generali India Insurance Company Limited	March 31, 2015	564.55	448.17	March 31, 2015	321.79	306.42
3	Future Generali India Life Insurance Company Limited	March 31, 2015	84.52	77.04	March 31, 2015	29.01	28.98
4	Goldmohur Design and Apparel Park Limited	March 31, 2015	41.70	5.08	March 31, 2015	96.81	92.75
5	Sprint Advisory Services Private Limited	March 31, 2015	354.40	0.00	March 31, 2015	0.01	0.01
6	Shendra Advisory Services Private Limited	March 31, 2015	173.27	0.00	March 31, 2015	0.01	0.01

30 Payment to Auditors (Inclusive of Service Tax)

(₹ in Crore)

Particulars	2014-15	2013-14
Statutory Audit Fees	0.73	0.84
Other Expenses	0.27	0.06
Total	1.00	0.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 36.58 Crore (2014: ₹ 27.95 Crore).

32 Earnings Per Share

The calculation of Earnings per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earning per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of Basic and Diluted EPS is as under:

Particulars	Units	2014-15	2013-14
Profit after tax	₹ in Crore	74.06	2.81
The Weighted average number of Ordinary Shares for Basic EPS	No. in Crore	25.13	21.57
The Weighted average number of Class B (Series-I) Shares for Basic EPS	No. in Crore	1.74	1.59
The Weighted average number of Ordinary Shares for Diluted EPS	No. in Crore	25.16	21.57
The Weighted average number of Class B (Series-I) Shares for Diluted EPS	No. in Crore	1.74	1.59
The Nominal Value per Share (Ordinary and Class B Shares)	₹	2.00	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in Crore	69.20	2.56
Share of Profit for Class B (Series-I) Shares for Basic EPS	₹ in Crore	4.86	0.25
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crore	69.20	2.56
Share of Profit for Class B (Series-I) Shares for Diluted EPS	₹ in Crore	4.86	0.25
Earnings Per Ordinary Share (Basic)	₹	2.75	0.12
Earnings Per Class B (Series-I) Share (Basic)	₹	2.79	0.16
Earnings Per Ordinary Share (Diluted)	₹	2.75	0.12
Earnings Per Class B (Series-I) Share (Diluted)	₹	2.79	0.16

33 Contingent Liabilities

(₹ in Crore)

Particulars	2014-15	2013-14
A. Claims Against the Company Not Acknowledged as Debts		
i) Value Added Tax Act/Income Tax	193.94	41.63
ii) Others	300.82	341.63
B. Corporate Guarantee Given	34.54	34.54

34 Segment Reporting

The Company is primarily engaged in the business of Retail Trade, which in terms of Accounting Standard 17 "Segment Reporting" constitutes a single reporting segment.

35 The borrowing cost capitalized during the year ended March 31, 2015 was ₹ 32.45 Crore (2014: ₹ 36.53 Crore).

36 Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the company based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order company has made an aggregate deposit of

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ 39.71 Crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the company has not made provision of ₹ 79.42 Crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.

37 Tax Expense

The tax expense for the period comprises of:

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Current Tax	11.65	0.25
MAT Credit entitlement	(11.65)	-
Deferred Tax	(12.70)	(1.79)
Total	(12.70)	(1.54)

38 There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

39 Value of Imported and Indigenous Materials Consumed

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015		January 01, 2013 to March 31, 2014	
	Value	%	Value	%
Raw Materials				
- Imported	0.33	1.98	0.08	0.37
- Indigenous	16.34	98.02	21.77	99.63
Total	16.67	100.00	21.85	100.00
Store and Spare Parts				
- Imported	0.13	28.89	0.17	56.67
- Indigenous	0.32	71.11	0.13	43.33
Total	0.45	100.00	0.30	100.00

40 Details of Purchases of Stock-In-Trade

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Apparel	1,462.98	1,508.91
Non Apparel	6,340.51	6,989.96
Total	7,803.49	8,498.87

41 Details of Sales Value of Goods

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Apparel	2,445.68	2,552.46
Non Apparel	8,364.74	9,498.90
Total	10,810.42	12,051.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42 Particulars of Raw Materials Consumed

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Fabric and Accessories	16.67	21.85
Total	16.67	21.85

43 Value of Imports on CIF Basis

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Raw Materials	0.25	0.09
Stock in Trade	136.70	133.80
Capital Goods	31.82	29.76
Accessories and Others	1.25	1.34

44 Expenditure in Foreign Currency (On Accrual Basis)

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Traveling Expenses	1.85	2.84
Professional Charges	1.93	2.92
Interest on Foreign Currency Loan	0.39	1.84
Commission	0.27	0.07
Royalty	0.41	1.51

45 Earnings in Foreign Currency (On Accrual Basis)

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Sales of Products (On FOB Basis)*	70.70	88.43

*Includes ₹ 43.71 Crore (2014: ₹ 59.39 Crore) being indirect foreign exchange earnings during the period through credit cards, as certified by the bankers.

46 Security clause / maturity profiles in respect to Secured Long Term Borrowings

a) Non-Convertible Debentures

- ₹ 500 Crore (2014: ₹ 750 Crore) are secured by First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders), carries coupon rate of 11.50% per annum and are redeemable at par, in one or more installments as ₹ 250 Crore in FY 2015-16 and ₹ 250 Crore in FY 2016-17.
- ₹ 202.50 Crore (2014: ₹ 225 Crore) are secured by Pledge of certain Investments held by company, carries coupon rate of 12.10% per annum and are redeemable at par, in one or more installments as ₹ 22.50 Crore in FY 2015-16, ₹ 67.50 Crore in FY 2016-17 and ₹ 112.50 Crore in FY 2017-18.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- iii) ₹ 600 Crore (2014: ₹ 600 Crore) are secured by First Pari-Passu charge on movable and immovable Fixed Assets of the company excluding assets charged to exclusive charge lenders, carries coupon rate of 11.50% per annum and are redeemable at par, in two installments as ₹ 240 Crore in FY 2017-18 and ₹ 360 Crore in FY 2018-19.
- iv) ₹ 375 Crore (2014: ₹ 375 Crore) are secured by First Pari-Passu charge on movable and immovable Fixed Assets of the company excluding assets charged to exclusive charge lenders and excluding specific immovable properties, carries coupon rate of 11.50% per annum and are redeemable at par, in two installments as ₹ 150 Crore in FY 2017-18 and ₹ 225 Crore in FY 2018-19.
- v) ₹ NIL (2014: ₹ 275 Crore) are secured by Primary Security - First charge on identified Intellectual Property Mortgaged Assets (including Brands / sub brands / logos) / format / product and services / trademark / copy rights etc. till the perfection of final security. Final Security- First pari passu charge in favour of debenture trustee (along with existing lenders) on movable tangible fixed assets both present and future and immovable properties of the company, carries coupon rate of 13.00% per annum and are redeemable at par.

b) Term Loan from Banks

- i) ₹ NIL (2014: ₹ 57.44 Crore) are secured by (a) First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders) (b) First Pari-Passu charge on Credit/ Debit Card Receivables of all the stores (c) Second Pari-Passu charge on Current Assets.
- ii) ₹ 121.22 Crore (2014: ₹ 297.23 Crore) are secured by (a) First Pari-Passu charge on Fixed Assets (b) First Pari-Passu charge on escrowed Credit & Debit card receivables of specific Big Bazaar stores.
- iii) ₹ 35.97 Crore (2014: ₹ 114.79 Crore) are secured by (a) First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders) (b) Second Pari-Passu charge on Current Assets excluding Deposits.
- iv) ₹ 132.13 Crore (2014: ₹ 285.79 Crore) are secured by First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders).
- v) ₹ NIL (2014: ₹ 24.33 Crore) are secured by Pari-Passu First charge on movable Fixed Assets (present & future) of the stores (excluding specific fixed assets charged in favour of exclusive charge lenders).
- vi) ₹ 75.00 Crore (2014: ₹ 217.32 Crore) are secured by (a) First Pari-Passu charge on Fixed Assets (present and future) except assets exclusively charged to other lenders (b) Second Pari-Passu Charge on Current Assets of the Company (present and future).
- vii) ₹ 106.48 Crore (2014: ₹ 149.74 Crore) are secured by First Pari-Passu charge on Fixed Assets, present and future of the stores excluding assets charged in exclusive basis to exclusive charge lenders excluding specific immovable properties.
- viii) ₹ 139.96 Crore (2014: ₹ 137.08 Crore) are secured by First Pari-Passu charge on Fixed Assets, present and future, excluding specific immovable properties.
- ix) ₹ 150.00 Crore (2014: ₹ 150 Crore) are secured by First Pari-Passu charge on the net block of the company excluding specific Immovable Properties and Current Assets both present & future and post dated cheques of ₹ 150 Crore.
- x) ₹ 196.81 Crore (2014: ₹ NIL) are secured by Pari-Passu First charge on tangible Fixed Assets (movable and immovable) present and future, of the company (excluding specific immovable properties).
- xi) ₹ 235.09 Crore (2014: ₹ NIL) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) except assets exclusively charged to other lenders.
- xii) ₹ 135.00 Crore (2014: ₹ 151.50 Crore) are secured by Second Pari-Passu charge on the Fixed & Current Assets of the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- xiii) ₹ 88.97 Crore (2014: ₹ 156.87 Crore) are secured by (a) Residual charge on Fixed Assets & Current Assets (b) First Pari-Passu charge on escrowed Credit & Debit card receivables of specific Big Bazaar stores.
 - xiv) ₹ NIL (2014: ₹ 75.76 Crore) are secured by Residual charge on Fixed Assets and Current Assets.
 - xv) ₹ 110.00 Crore (2014: ₹ 151.50 Crore) are secured by Residual charge on all movable Fixed Assets and Current Assets both present and future and post dated cheques.
 - xvi) ₹ 90.00 Crore (2014: ₹ 175.00 Crore) are secured by Residual charge on Fixed Assets both present & future (movable & immovable) excluding specific immovable properties and Current Assets & post dated cheques for the installments due under the loan.
 - xvii) ₹ 146.25 Crore (2014: ₹ 150.00 Crore) are secured by (a) Subservient charge on Fixed Assets (including immovable properties) and Current Assets both present and future, (b) post dated cheques for ₹ 150 Crore and (c) Mortgage of immovable property, corporate guarantee and pledge of certain investments held by associate company.
- c) Term Loan from Other**
- ₹ 100.00 Crore (2014: ₹ NIL) are secured by Pledge of certain Investments held by Company and further undertaking to create charge on other investments within a period of two years and undertaking for non-disposal of specific investments.
- d)** Term Loans from Banks and other of ₹ 1,252.00 Crore are secured by personal guarantee of promoter directors.
- e)** Term Loans from Banks and others are repayable as follows: ₹ 349.32 Crore in FY 2015-16, ₹ 307.23 Crore in FY 2016-17, ₹ 412.50 Crore in FY 2017-18, ₹ 346.97 Crore in FY 2018-19, and ₹ 190.44 Crore in FY 2019-20 and ₹ 213.30 Crore in FY 2020-21 and ₹ 43.12 Crore in FY 2021-22.
- f)** Installments falling due in respect of all the above Loans (Term Loan & NCDs) upto 31.03.2016 aggregating ₹ 621.82 Crore have been grouped under Current Maturities of Long-Term Borrowings.
- g)** Weighted average rate of interest on the Term Loans is 12.53 %.

47 Security clause in respect to Secured Short Term Borrowings

A) Term Loans from Banks

- i) ₹ 150.00 Crore (2014: ₹ NIL) are secured by (a) Subservient Charge on tangible movable Fixed Assets and Current Assets both present and future of the company. (b) Pledge of certain investments held by associate companies & personal guarantee of promoter director.
- ii) ₹ NIL (2014: ₹ 50.00 Crore) are secured by Subservient charge on Fixed (movable & immovable) and Current Asset both present and future and personal guarantee of promoter director.
- iii) ₹ NIL (2014: ₹ 100.00 Crore) are secured by Residual charge on Fixed Assets (movable & immovable properties) excluding specific immovable properties and Current Assets both present and future and post dated cheques and personal guarantee of promoter directors.
- iv) ₹ NIL (2014: ₹ 150.00 Crore) are secured by Subservient charge on tangible Fixed Assets (movable as well as immovable properties) excluding specific immovable properties and tangible Current Asset both present and future and post dated cheques and personal guarantee of promoter director.
- v) Weighted average rate of interest on the Term Loans is 13.07 %.

B) Working Capital Loans from Banks

- i) ₹ 968.57 Crore (2014: ₹ 747.99 Crore) are secured by (a) First Pari-Passu Charge on Current Assets (excluding credit / debit card receivables) (b) Second Pari-Passu charge on Credit / Debit Card Receivables of all the Stores (c) Second Pari-Passu Charge on the Fixed Assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- ii) ₹ NIL (2014: ₹ 50 Crore) are secured by Subservient charge on Fixed and Current Assets.
- iii) ₹ NIL (2014: ₹ 122.34 Crore) are secured by Residual charge on Fixed and Current Assets (present and future).
- iv) ₹ NIL (2014: ₹ 45.52 Crore) are secured by Subservient charge on Current Assets and personal guarantee of promoter directors.

48 Employee Stock Option Scheme

The company has reserved issuance of 22,11,406 (2014: 25,00,000) Equity Shares of ₹ 2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (ESOS). During the year the Company has granted 4,14,514 (2014: 3,05,192) options at a price of ₹ 10 per option plus all applicable taxes, as may be levied in this regard on the Company. Out of the options granted 4,800 (2014: 11,798) cancelled due to cessation of employment. The options would vest over a maximum period of 3 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

Stock Option activity during the year under the Scheme is set out below:

Particulars	2014-15		2013-14	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	293,394	10.00	305,192	10.00
Granted during the year	414,514	10.00	-	-
Forfeited during the year	4,800	10.00	11,798	10.00
Exercised during the year	288,594	10.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	414,514	10.00	293,394	10.00
Exercisable at the end of the year	-	-	293,394	10.00
Weighted Average Remaining contractual life of outstanding options (in years)	4.17		1.00	
Weighted average fair value of options granted (₹)	98.04		196.17	

The details of Exercise Price for stock options outstanding at the end of the current year ended March 31, 2015

Range of Exercise Price (₹)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)
10	414,514	4.17	10.00

The details of Exercise Price for stock options outstanding at the end of the previous period ended March 31, 2014

Range of Exercise Price (₹)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)
10	293,394	1.00	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The effect of adopting the fair value method earnings per share is presented below:

Pro Forma Adjusted Net Income and Earnings Per Share

Particulars	Units	2014-15	2013-14
Net Income as Reported	₹ in Crore	74.06	2.81
Add: Intrinsic Value Compensation Cost	₹ in Crore	0.96	3.07
Less: Fair Value Compensation Cost	₹ in Crore	0.96	3.07
Adjusted Pro Forma Net Income	₹ in Crore	74.06	2.81
Earning Per Equity Share: Basic			
As Reported	₹	2.75	0.12
Adjusted Pro Forma	₹	2.75	0.12
Earning Per Equity Share: Diluted			
As Reported	₹	2.75	0.12
Adjusted Pro Forma	₹	2.75	0.12

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

1. Date of Grant	November 12, 2014	November 12, 2014	February 25, 2013
2. Risk Free Interest Rate	8.21%	8.22%	7.89%
3. Expected Life	2.75	3.00	1.59
4. Expected Volatility	62.02%	60.98%	65.02%
5. Dividend Yield	0.56%	0.56%	0.53%
6. Price of the underlying share in market at the time of the option grant (₹)	107.60	107.60	215.60

- 49 a. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading and speculative purposes. Forward contracts outstanding as at March 31, 2015 are ₹ 26.29 Crore (2014: ₹ 99.52 Crore).
- b. As of balance sheet date, the company has net foreign currency exposures (In USD & EURO) that are not hedged by derivative instruments or otherwise amounting to ₹ 94.47 Crore (2014: ₹ 29.39 Crore).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

50 Particulars of Loans, Guarantee and Investment under Section 186(4) of the Companies Act, 2013

(₹ in Crore)

S No.	Name	Relation	Amount as at March 31, 2015 (Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2014 (Including Interest Accrued)	Maximum outstanding during the previous year
A	Loans					
i	Centrum Capital Limited		67.23	67.23	62.97	62.97
ii	Top Class Capital Markets Private Limited		121.65	121.65	110.37	110.37
B	Corporate Guarantee Given					
i	IDBI Bank Limited - For Future Agrovet Limited		34.54	Not Applicable	34.54	Not Applicable
C	Investments					
	Refer Note 13 to Notes forming part of the Financial Statements					

- Above Loans have been given for general business purposes and Guarantee has been given for securing their credit facilities.
- Except as indicated above, The Company has not made any Loans and Advances in the nature of Loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 186 of the Companies Act, 2013.

51 For the year ended March 31, 2015 the Board of Directors of the Company have recommended dividend of ₹ 0.60 per share (2014: ₹ 0.60) to equity shareholders and ₹ 0.64 per share (2014: ₹ 0.64) to Class B (Series-I) shareholders and aggregating to ₹ 29.95 Crore (2014: ₹ 16.34 Crore) including Dividend Distribution Tax.

52 Figures for the previous financial period have been reworked, regrouped, rearranged and reclassified wherever necessary. The current year figures are not comparable with the previous period, since the previous accounting period was for the period of fifteen months from January 1, 2013 to March 31, 2014 and in previous financial period effect of demerger of the Fashion Business, Pantaloon Formats and merger of Value Retail Business was given.

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Ashok A. Trivedi

Partner
Membership No.: 042472

Mumbai

May 25, 2015

For and on behalf of Board of Directors

Kishore Biyani

Managing Director

S. Doreswamy

Director

Bala Deshpande

Director

Rakesh Biyani

Joint Managing Director

Anil Harish

Director

Dinesh Maheshwari

Chief Financial Officer

Vijay Biyani

Wholtime Director

V. K. Chopra

Director

Deepak Tanna

Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

		April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	61.36	1.27
	Adjusted for:		
	Depreciation and Amortization Expense	512.88	404.34
	Finance Costs	669.04	692.54
	(Profit)/Loss on Sale of Investments	(100.51)	(30.81)
	Expense on Employee Stock Option Scheme	0.96	3.07
	Loss on Disposal/Discard of Fixed Assets (Net)	42.78	55.49
	Dividend Income	(3.16)	(2.96)
	Interest Income	(9.89)	(15.35)
	Provision for Diminution In Value of Investment	-	0.15
	Operating Profit Before Working Capital Changes	1,173.46	1,107.74
	Adjusted for:		
	Trade Receivable	(83.99)	(148.97)
	Loans and Advances and Other Assets	(458.95)	(265.94)
	Inventories	(409.39)	(973.05)
	Trade Payables, Other Liabilities and Provisions	764.94	221.88
	Cash Generated From Operations	986.07	(58.34)
	Taxes Paid (Net)	(19.81)	(13.35)
	Net Cash From Operating Activities	966.26	(71.69)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(1,070.49)	(2,700.54)
	Sale of Fixed Assets	109.11	29.69
	Sale/(Purchase) of Investments	154.87	961.38
	Interest Received	9.89	15.35
	Dividend Received	3.16	2.96
	Net Cash Used In Investing Activities	(793.46)	(1,691.16)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

		April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Shares	1,881.23	-
	Proceeds from Issue of Warrants	23.18	-
	Proceeds from Optionally Fully Convertible Debentures	-	(800.00)
	Proceeds from Compulsory Convertible Debentures	(150.00)	150.00
	Proceeds from Optionally Convertible Debentures	(100.00)	250.00
	Proceeds from Borrowings	(1,195.20)	3,010.82
	Dividends Paid (Including Dividend Distribution Tax)	(16.35)	(29.68)
	Interest Paid	(669.04)	(692.54)
	Net Cash Provided By Financing Activities	(226.18)	1,888.60
	On Composite Schemes of Arrangements	-	(60.45)
	Net (Decrease)/Increase In Cash and Cash Equivalents	(53.37)	65.30
	Net (Decrease)/Increase In Cash and Cash Equivalents	(53.37)	65.30
	Cash and Cash Equivalents (Opening Balance)	96.78	31.48
	Cash and Cash Equivalents (Closing Balance)	43.41	96.78

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2015

For and on behalf of Board of Directors

Kishore Biyani
Managing Director

S. Doreswamy
Director

Bala Deshpande
Director

Rakesh Biyani
Joint Managing Director

Anil Harish
Director

Dinesh Maheshwari
Chief Financial Officer

Vijay Biyani
Wholetime Director

V. K. Chopra
Director

Deepak Tanna
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Future Retail Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Future Retail Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), joint venture companies and associate companies, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture companies and associate companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its joint venture companies and associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture companies and associate companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint venture companies and associate companies as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 2 subsidiary companies and 6 joint venture companies, whose financial statements reflect total assets of ₹ 841.77 Crore as at March 31, 2015, total revenues of ₹ 602.68 Crore and net cash inflows amounting to ₹ 2.91 Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.83 Crore for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of an associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, jointly venture companies and an associate company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies, joint venture companies and associate company, is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of an associate company wherein the Group's share of profit aggregate ₹ 0.93 Crore. This unaudited financial statement as approved by the Board of Director of this company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this associate company is based solely on such approved unaudited financial statements.

Our report is not modified in respect of other matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, joint venture companies and an associate company incorporated in India, excluding 2 joint venture companies to which the Order does not apply, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the

best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint venture companies and associate company and written representations received from the directors of one associate company which has been consolidated on the basis of management certified financial statements, none of the directors of the Group its joint venture companies and associate companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint venture companies and associate companies – Refer Note 30 to the consolidated financial statements.
 - ii. Provision has been made in the

consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in the consolidated financial statements in respect of such items as it relates to the Group, its joint venture companies and associate companies.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts in case of Subsidiary

companies, joint venture companies and associate companies which were required to be transferred to Investor Education and Protection Fund.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No. 119850W

Ashok A. Trivedi

Partner

Membership No. 042472

Mumbai

May 25, 2015

To
The Members of
Future Retail Limited

As stated in paragraph 1 of our report on 'Other Legal and Regulatory requirements' in our Independent Auditor's Report of even date on the consolidated financial statements for the year ended March 31, 2015, our reporting on the matter specified in para 3 and 4 of the Order includes 5 Subsidiary companies, 4 joint venture companies (excluding 2 joint venture companies to which the Order does not apply) and an associate company, in which CARO 2015 is applicable, which have been audited by the other auditors and our report in respect of these entities is based solely on the report of the other auditors, to the extent considered applicable for reporting under CARO 2015 in case of consolidated financial statements.

In respect of an associate company incorporated in India, which has been included in consolidated financial statements based on unaudited financial statements of such entity provided to us by the Management, no Report under CARO 2015 is available, and accordingly the possible effects of same on our reporting under CARO 2015 has not been considered.

- (i) In respect of the fixed assets of the Holding Company, aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India:-
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except in case of an associate company, details of situation of fixed assets and tagging of fixed assets are in the process of updation.

- (b) The fixed assets were physically verified by the management of the respective entities in accordance with a regular programme of the verification, which in our opinion, and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and to the other auditor's, no material discrepancies were noticed on such verification

- (ii) In respect of the inventories of the Holding Company, aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India:-

- (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of respective entities at reasonable intervals.
- (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
- (c) In our opinion and the opinion of the other auditors and according to the information and explanation given to us and to the other auditors, respective entities have maintained proper records of the inventories and no material discrepancies were noticed on physical verification, except in case of one subsidiary company and two joint venture companies,

discrepancies were noticed on verification between physical stocks and book records which were not material and in case of one subsidiary company, discrepancies noted on physical verification of inventories were material and have been properly dealt within the books of accounts.

(iii) The Holding Company, aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act except for 2 subsidiary companies which have granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013

(a) Based on auditor report of a subsidiary company, it has granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are repayable on demand, however company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(b) Based on auditor report of another subsidiary company, it has granted loans to company covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular. There is no overdue amount of loans granted.

(iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is adequate internal control system in the Holding Company, aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India, commensurate with size of respective entities and nature of their business for purchase of inventory and fixed assets and for sale of goods and services and during the course of our and other auditor's audit, no continuing failure to correct major weakness in such internal control system has been observed except in case of one subsidiary, in opinion and according to information and explanation given to its auditor, internal control system for sale of services is inadequate since there

have been significant delays in raising of invoices throughout the year and in the opinion of its auditor, there is continuing failure to correct major weakness in the internal control system in respect of rendering services.

(v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding company, aforesaid subsidiary companies, joint venture companies and an associate company have not accepted any deposit from public during the year.

(vi) According to the information and explanations given to us and based on the auditor's report of the aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India, the provisions of Clause 3(vi) of the Order are not applicable to the Holding company, aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India as the respective entities are not covered by the Companies (Cost record and Audit) Rule, 2014.

(vii) According to the information and explanations given to us and other auditors in respect of statutory dues of the Holding company, aforesaid subsidiary companies, joint venture companies and an associate company:-

(a) The respective entities have generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues applicable to them with the appropriate authorities.

(b) According to the information and explanations given to us and other auditors, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues were outstanding as at March 31, 2015, for a period of more than six months from the date they became payable, except in case of an associate company, value added tax amounting to ₹ 0.35 Crore is outstanding for more than six months as at March 31, 2015.

(c) Details of dues of Stamp duty, Income Tax and Sales Tax which have not been deposited as at

March 31, 2015 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	8.91	FY : 2008-09	Chief Controlling Revenue Authority, Ghaziabad, U.P
The Income Tax Act, 1961	Income Tax	194.33	AY : 2004-05 ; 2007-08; 2008-09; 2009-10; 2010-11; 2011-12; 2012-13	Commissioner of Income Tax (Appeal); Income Tax Appellate Tribunal
Central Sales Tax Act and Local Sales Tax Act	Central Sales Tax and Local Sales Tax, Interest and Penalty (including Value Added Tax)	7.64	FY: 2007-08, 2008-09; 2009-10, 2010-11; 2011-12 2012-13	Additional Commissioner Grade 2, Kanpur; Directorate of Commercial Taxes; Dy. Commissioner of Sales Tax; Deputy Commissioner (Appeals)

- (d) The amounts required to be transferred by the Holding Company to Investor Education and Protection Fund have been transferred within the stipulated time in accordance with the provision of Companies Act 1956, and rules made there under. There were no amounts that were due to be transferred by the aforesaid subsidiary companies, joint venture companies and an associate company to the Investor Education and Protection Fund in accordance with the relevant provision of Companies Act, 1956 (I of 1956) and rules made there under.
- (viii) The Group, joint venture companies and an associate company incorporated in India do not have consolidated accumulated losses at the end of the financial year and the Group, joint venture companies and an associate companies incorporated in India have not incurred cash loss, on consolidated basis, during the financial year covered by the audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of other auditors and according to the information and explanations given to us and other auditors, the Holding Company,

aforesaid subsidiary companies, joint venture companies and an associate company have not defaulted in the repayment of dues to banks, debenture holders and financial institutions.

- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others outside of the group from banks are not prima facie prejudicial to the interests of the Group. Aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India have not given guarantee for loans taken by others outside of the Group, joint venture and an associate company incorporated in India from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Holding Company during the year have been applied for the purposes for which they were obtained. Aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India have not raised any term loans during the year.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Holding Company was noticed or reported during the year, although there were some instances of fraud on the Holding Company noticed by the Management of Holding Company, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for. Based on the auditor's report of aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India, no material frauds on or by the aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India have been noticed or reported during the year.

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

Mumbai
May 25, 2015

Ashok A. Trivedi
Partner
Membership No. 042472

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(₹ in Crore)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	131.64	120.97
Equity Warrants	2	23.18	-
Reserves and Surplus	3	5,236.19	3,214.54
		5,391.01	3,335.51
Share Application Money Pending Allotment		-	1.56
Compulsorily Convertible Debentures	4	-	150.00
Optionally Convertible Debentures	5	150.00	250.00
Minority Interest		65.84	90.38
Non-Current Liabilities			
Long-Term Borrowings	6	2,932.34	3,810.12
Deferred Tax Liabilities (Net)	7	176.86	182.41
Other Long-Term Liabilities	8	496.19	281.47
Long-Term Provisions	9	21.03	17.74
		3,626.42	4,291.74
Current Liabilities			
Short-Term Borrowings	10	1,158.61	1,419.85
Trade Payables	11	2,029.56	1,254.92
Other Current Liabilities	12	985.65	1,194.23
Short-Term Provisions	13	42.63	160.59
		4,216.45	4,029.59
TOTAL		13,449.72	12,148.78
ASSETS			
Non-Current Assets			
Fixed Assets	14		
Tangible Assets		4,755.77	4,276.92
Intangible Assets		241.95	243.22
Capital Work-in-Progress		276.94	393.62
Non-Current Investments	15	1,621.93	1,431.50
Long-Term Loans and Advances	16	511.22	451.91
Other Non-Current Assets		35.05	0.86
		7,442.86	6,798.03
Current Assets			
Current Investments	17	-	20.92
Inventories	18	3,533.65	3,130.85
Trade Receivables	19	549.77	441.97
Cash and Bank Balances	20	130.86	168.23
Short-Term Loans and Advances	21	1,761.85	1,479.52
Other Current Assets	22	30.73	109.26
		6,006.86	5,350.75
TOTAL		13,449.72	12,148.78
The accompanying notes are an integral part of these financial statements.	I - 44		

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Ashok A. Trivedi

Partner
Membership No.: 042472

Mumbai

May 25, 2015

For and on behalf of Board of Directors

Kishore Biyani

Managing Director

S. Doreswamy

Director

Bala Deshpande

Director

Rakesh Biyani

Joint Managing Director

Anil Harish

Director

Dinesh Maheshwari

Chief Financial Officer

Vijay Biyani

Wholetime Director

V. K. Chopra

Director

Deepak Tanna

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

	Note	April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
INCOME			
Revenue from Operations	23	11,057.24	13,897.25
Other Income	24	92.63	307.54
Total Revenue		11,149.87	14,204.79
EXPENSES			
Cost of Materials Consumed		27.94	36.00
Purchases of Stock-in-Trade		8,035.15	9,854.70
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(406.66)	10.92
Employee Benefits Expense	26	473.87	620.83
Finance Costs	27	679.18	725.95
Depreciation and Amortization Expense	14	541.69	451.88
Other Expenses	28	1,802.30	2,431.16
Total Expenses		11,153.47	14,131.44
Profit/(Loss) Before Exceptional Items and Tax		(3.60)	73.35
Exceptional Items	29	164.00	25.83
Profit Before Prior Period Items and Tax		160.40	99.18
Prior Period Items		1.97	0.22
Profit Before Tax For The Year/Period		162.37	99.40
Tax Expense	33	2.11	4.35
Earlier year's Income Tax		-	0.06
Profit After Tax and Before Share of Associate and Minority Interest		160.26	94.99
Share of Profit of Associate		0.10	-
Share of Profit to Minority Interest		(7.38)	(14.69)
Profit for the Year/Period		152.98	80.30
Earnings Per Equity Share of Face Value of ₹ 2/- each	38		
Basic - Equity Share		5.69	3.47
Basic - Class B (Series-I) Share		5.73	3.51
Diluted - Equity Share		5.69	3.47
Diluted - Class B (Series-I) Share		5.73	3.51
The accompanying notes are an integral part of these financial statements.	I - 44		

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2015

For and on behalf of Board of Directors

Kishore Biyani
Managing Director

S. Doreswamy
Director

Bala Deshpande
Director

Rakesh Biyani
Joint Managing Director

Anil Harish
Director

Dinesh Maheshwari
Chief Financial Officer

Vijay Biyani
Wholetime Director

V. K. Chopra
Director

Deepak Tanna
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

I Significant Accounting Policies

A. Principles of Consolidation

The consolidated financial statements (CFS) relate to Future Retail Limited the holding company, its Subsidiaries, Joint Ventures and Associate (collectively referred to as Group). The CFS have been prepared in accordance with Accounting Standard 21 on “Consolidated Financial Statements” (AS 21), Accounting Standard 23 on “Accounting for Investments in Associates in Consolidated Financial Statements” (AS 23) and Accounting Standard 27 on “Financial reporting of interests in Joint Ventures” (AS 27) and are prepared on the following basis:

- (a) The financial statements of the parent and its subsidiaries are combined on a line-by-line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- (b) Investment in Associate Company is accounted for using Equity Method in accordance with AS 23. The Company's share of the post acquisition profits or losses is included in the carrying cost of investments.
- (c) Investments in Joint Ventures are dealt with in accordance with AS 27. The Company's interest in jointly controlled entities are reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.

B. Basis of Preparation

Financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis.

C. Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognised in future period.

D. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided pro rata for the period of use on straight line basis as per the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 except for leasehold improvements which are depreciated over the remaining expected lease term and employee perquisite related assets which are depreciated over three years.

E. Intangible Assets and Amortisation

Intangible Assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful life of ten years.

F. Investments

Current investments are carried at lower of cost and fair value computed on individual investment basis. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

G. Inventories

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

H. Foreign currency Transactions

Transactions in foreign currencies are recorded at the prevailing rates of exchange on the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the balance sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the statement of Profit and Loss. Exchange differences on forward contracts entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability, are recognised in the statement of profit and loss in the reporting period in which the exchange rate changes. Premium/Discount on foreign exchange contracts are recognised as an expense/income over the life of the contract.

I. Borrowing Costs

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

J. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognised when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts VAT and Sales Tax. Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of service tax (If applicable). Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate. Dividend income is recognised when right to receive is established.

K. Retirement and Other Employee Benefits

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

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present of the amounts payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

L. Income Taxes

Tax expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

M. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

N. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

O. Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

P. Goodwill on Consolidation

Goodwill arising on consolidation/acquisition is tested for impairment on periodic basis and written-off, if found impaired.

Q. Information on Subsidiaries, Joint Ventures and Associates

a) Subsidiary Companies Considered in the Consolidated Financial Statements are :

S. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2015	Proportion of Ownership Interest as on March 31, 2014
1	Future E-Commerce Infrastructure Limited	India	-	70.43%
2	Future Knowledge Services Limited	India	-	100.00%
3	Future Learning and Development Limited	India	-	100.00%
4	Future Supply Chain Solutions Limited	India	70.17%	70.17%
5	Future Media (India) Limited	India	93.10%	93.10%
6	Future Bazaar India Limited	India	100.00%	100.00%
7	Home Solutions Retail (India) Limited	India	-	66.86%
8	FSC Brand Distribution Services Limited (100% subsidiary of Future Supply Chain Solutions Limited)	India	-	70.17%
9	Winner Sports Limited	India	-	100.00%
10	Future Home Retail Limited (Formerly known as nuZone Electronics Limited)	India	-	100.00%
11	nuZone Ecommerce Infrastructure Limited	India	-	100.00%
12	Future Freshfoods Limited	India	-	100.00%
13	Staples Future Office Products Limited	India	60.00%	60.00%
14	Office Shop Private Limited (100% subsidiary of Staples Future Office Products Limited)	India	60.00%	60.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b) Interest in Joint Ventures: (As required by AS-27 “Financial Reporting of interest in Joint Venture”)

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2015	Proportion of Ownership Interest as on March 31, 2014
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.50%	25.50%
3	Future Generali India Life Insurance Company Limited	Equity	India	3.00%	3.00%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Integrated Food Park Private Limited	Equity	India	-	28.86%
6	Sprint Advisory Services Private Limited	Equity	India	49.80%	49.75%
7	Shendra Advisory Services Private Limited	Equity	India	49.80%	49.75%

c) Interest in Associates:

S. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2015	Year Ends on
1	Galaxy Entertainment Corporation Limited	Equity	India	31.55%	March 31, 2015
2	Future E-Commerce Infrastructure Limited	Equity/ Preference	India	40.33%	March 31, 2015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2015		As at March 31, 2014	
		Number	(₹ in Crore)	Number	(₹ in Crore)
2	Share Capital				
	Authorised				
	Equity Shares of ₹ 2/- each	45,00,00,000	90.00	45,00,00,000	90.00
	Equity Shares of Class B (Series -I) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
	Preference Shares of ₹ 100/- each	30,00,000	30.00	30,00,000	30.00
	Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each	-	-	2,68,44,595	26.84
	0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
	Compulsory Convertible Participating Preference Shares of ₹ 10/- each	10,00,000	1.00	10,00,000	1.00
		50,88,00,000	179.00	53,56,44,595	205.84
	Issued *				
	Equity Shares of ₹ 2/- each	38,84,17,201	77.68	21,56,64,839	43.13
	Equity Shares of Class B (Series -I) of ₹ 2/- each	2,58,84,872	5.18	1,59,29,152	3.19
	Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I	-	-	2,05,18,460	20.52
	Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II	-	-	53,26,135	5.33
	0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
	Compulsory Convertible Participating Preference Shares of ₹ 10/- each	8,05,033	0.80	8,05,033	0.80
		41,99,07,106	131.66	26,30,43,619	120.97
	Subscribed and Paid up				
	Equity Shares of ₹ 2/- each	38,83,21,323	77.66	21,56,53,439	43.13
	Equity Shares of Class B (Series -I) of ₹ 2/- each	2,58,76,379	5.18	1,59,29,152	3.19
	Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I	-	-	2,05,18,460	20.52
	Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II	-	-	53,26,135	5.33
	0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
	Compulsory Convertible Participating Preference Shares of ₹ 10/- each	8,05,033	0.80	8,05,033	0.80
		41,98,02,735	131.64	26,30,32,219	120.97

* Refer Note No. iv

(i) **Reconciliation of number of shares**
Equity Share of ₹ 2/- each

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	21,56,53,439	21,56,53,439
Shares Issued	17,26,67,884	-
Closing Balance	38,83,21,323	21,56,53,439

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Equity Shares of Class B (Series -I) of ₹ 2/- each

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	1,59,29,152	1,59,29,152
Shares Issued	99,47,227	-
Closing Balance	2,58,76,379	1,59,29,152

Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	2,05,18,460	2,15,18,460
Shares Purchased	-	10,00,000
On Conversion into Associate	2,05,18,460	-
Closing Balance	-	2,05,18,460

Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	53,26,135	53,26,135
On Conversion into Associate	53,26,135	-
Closing Balance	-	53,26,135

0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	48,00,000	48,00,000
Closing Balance	48,00,000	48,00,000

Compulsory Convertible Participating Preference Shares of ₹ 10/- each

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of Shares	Number of Shares
Opening Balance	8,05,033	-
Shares Issued	-	8,05,033
Closing Balance	8,05,033	8,05,033

(ii) Rights, Preferences and Restrictions Attached to Shares

i) Equity Shares of ₹ 2/- each and Equity Shares of Class B (Series-I) of ₹ 2/- each

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series-I) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company.

Each holder of Class B (Series -I) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series-I) shares held in case of voting by poll/ballot. Each holder

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

of Class B Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the company. Further, the Company may declare dividend only for Class B (Series-I) Share upto 2% without declaring any dividend for Equity Shares.

All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

ii) 0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each

Preference Shares were issued on June 29, 2007 and QIPO is to be brought within 60 months of closing date i.e. by June 29, 2012. Future Retail Limited (FRL) as management shareholder is required to make their best efforts to procure a third party if it fails to come out with the QIPO. If no such third party is identified, Indivision India Partners is entitled to cause FRL to convert Preference Shares into equity shares of Future Media (India) Limited (FMIL) giving maximum holding of 32.43% in FMIL. Exchange ratio between FRL and FMIL would be on fair value basis. The Valuation exercise is to be carried out by an independent investment banker / merchant banker acceptable to Indivision India Partners.

iii) Compulsory Convertible Participating Preference Shares of ₹ 10/- each

The Company has issued 805033 Compulsory Convertible Participating Preference Shares (CCPS). The CCPS has a lock-in period of 5 Years. The holders of CCPS shall be entitled to receive dividend, as and when declared on the Shares, as if each CCPS represented 1 equity share. Further, no dividend is required to be accrued as these share are non accumulative. Holder of Preference shares do not carry any voting rights. In the event of liquidation of the Company, the holders of preference shares have the preference rights over the equity share holder in respect of repayment of capital. Each CCPS shall be convertible into 1 (one) fully paid up equity share anytime within a period of 20 years from the date of its issue and allotment only if SAIL exercises its Tag Along Right pursuant to Article 9.4 of the Articles of Association; and Prior to an initial public offering of the Shares. Upon conversion of CCPS, it shall stand pari passu in all respects with the then existing equity shares of the Company.

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

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Future Corporate Resources Limited	15,75,96,398	40.58	8,92,90,093	41.40
PIL Industries Limited	3,78,98,109	9.76	1,46,77,448	6.81
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited	3,16,37,118	8.15	2,01,37,118	9.34
Brand Equity Treaties Limited	2,49,99,999	6.44	-	-
Counseled Mercantile Private Limited	2,18,28,193	5.62	-	-
Bennett, Coleman and Company Limited	2,03,91,700	5.25	1,25,66,477	5.83
Equity Shares of Class B (Series I)				
PIL Industries Limited	57,38,034	22.17	29,38,034	18.44
Gargi Developers Private Limited	45,50,000	17.58	28,00,000	17.57
Manz Retail Private Limited	15,79,103	6.10	9,71,756	6.10

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Non Cumulative Compulsory Convertible Preference Share Series-I & II				
Indivision India Partners	-	-	80,53,379	31.16
Murugan Capital	-	-	75,16,487	29.08
Sherpalo Mauritius LLC	-	-	75,16,487	29.08
Gyanmay Investment Advisors LLP	-	-	24,89,797	9.63
0.01% Non Cumulative Compulsory Convertible Preference Share				
Indivision India Partners	48,00,000	100.00	48,00,000	100.00
Compulsory Convertible Participating Preference Shares				
Staples Asia Investment Limited	8,05,033	100.00	8,05,033	100.00

- (iv) Pursuant to the provisions of the Companies Act, 2013 following shares are kept in abeyance.
- 11,400 equity shares of Rights Issue of 2006.
 - 84,478 equity shares of Rights Issue of 2015.
 - 8,493 equity shares of Class B (Series-I) of Rights Issue of 2015.
- (v) Shares allotted as fully paid up without payment received in cash (during 5 years preceding March 31, 2015). Allotted 59,28,818 Equity Shares of ₹ 2/- each and 63,47,635, 0.01% Compulsory Convertible Preference Shares of ₹ 100/- each as fully paid up pursuant to Scheme of Arrangement.
- (vi) Share reserved for issue under options and contracts including the terms and amounts:
For Detail of shares reserved for issue under the Employee Stock Options Plan (ESOP) of the company. (Refer Note 34).
- (vii) The Company has issued 1,34,98,300 Class-B Equity warrants where each warrant would entitle one Equity Shares of Class-B at price of ₹ 68.69 per Share. An Amount equivalent to 25% of ₹ 92.72 Crore i.e. ₹ 23.18 Crore has been received on allotment of the warrants.

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
3	Reserve and Surplus		
	Capital Reserve	535.68	546.97
	Capital Reserve on Consolidation (Net)	191.29	291.01
	Securities Premium Reserve	4,209.64	2,284.22
	Debenture Redemption Reserve	268.13	268.13
	Share Options Outstanding Account	1.01	3.07
	General Reserve	114.18	106.22
	Fair Value Change Reserve	0.38	-
	Statement of Profit and Loss- (a)	(84.12)	(285.08)
		5,236.19	3,214.54

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
(a)-	Statement of Profit and Loss		
	Opening Balance	(285.08)	176.34
	Add : Profit for the Year/Period	152.98	80.30
	Add : Adjustment on Account of Joint Venture/Subsidiary	94.87	48.06
	Less : Adjustment Relating to Fixed Assets	5.88	-
	Less : Appropriations		
	Transfer to Debenture Redemption Reserve	-	120.00
	Transfer to General Reserve	7.97	1.22
	On Composite Schemes of Arrangements	-	451.63
	Proposed Dividend on Equity Shares	27.54	13.97
	Tax on Dividend	5.50	2.96
		(84.12)	(285.08)
4	Compulsory Convertible Debentures	-	150.00
	NIL (2014: 1,500) 5% p.a. Compulsorily Convertible Debentures (CCDs) having face value of ₹ 10,00,000 each		
5	Optionally Convertible Debentures	150.00	250.00
	a) Series 1 - NIL (2014 : 1,000) 12.50 % p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each		
	b) Series 2 - 1,500 (2014 : 1,500) 12.50 % p.a. Optionally Convertible Debentures having face value of ₹ 10,00,000 each OCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the 4 (four) weeks preceding the respective Conversion Date. OCDs shall be redeemed in terms of the OCDs Subscription Agreement as amended from time to time, if no conversion option is exercised.		
6	Long-Term Borrowings		
	Secured		
	Non Convertible Debentures	1,405.00	1,952.50
	Term Loans From Banks	1,427.34	1,827.56
	Term Loan From Others	100.00	-
	Share in Jointly Controlled Entities	-	16.16
		2,932.34	3,796.22
	Unsecured		
	Others	-	13.90
		-	13.90
		2,932.34	3,810.12
7	Deferred Tax Liabilities (Net)		
	Deferred Tax Liabilities		
	On Fixed Assets	313.65	294.02
	Deferred Tax Assets		
	Disallowances under Income Tax Act / Carry Forward of Business Losses and Unabsorbed Depreciation	136.79	111.61
		176.86	182.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
8	Other Long-Term Liabilities		
	Deposits	1.57	1.40
	Others Payable	0.02	-
	Share in Jointly Controlled Entities	494.60	280.07
		496.19	281.47
9	Long-Term Provisions		
	Provision for Employee Benefits	20.94	17.59
	Provision for Others	-	0.07
	Share in Jointly Controlled Entities	0.09	0.08
		21.03	17.74
10	Short-Term Borrowings		
	Secured		
	Term Loans From Banks	150.00	300.00
	Working Capital Loans From Banks	1,008.61	1,010.74
	Share in Jointly Controlled Entities	-	2.79
		1,158.61	1,313.53
	Unsecured		
	Loans Form Others	-	106.32
		-	106.32
		1,158.61	1,419.85
11	Trade Payables		
	Trade Payables	1,999.89	1,242.13
	Share in Jointly Controlled Entities	29.67	12.79
		2,029.56	1,254.92
12	Other Current Liabilities		
	Current Maturities of Long-Term Borrowings	632.90	772.48
	Interest Accrued but Not Due on Borrowings	67.23	193.80
	Unclaimed Dividends*	0.44	0.41
	Other Payables #	282.16	225.17
	Share in Jointly Controlled Entities	2.92	2.37
		985.65	1,194.23
	* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
	# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, Advance from Customers, etc.		
13	Short-Term Provisions		
	Provision for Employee Benefits	4.88	3.84
	Proposed Dividend	24.96	13.97
	Tax on Dividend	4.99	2.37
	Other Provisions	-	0.11
	Share in Jointly Controlled Entities	7.80	140.30
		42.63	160.59

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

14 Fixed Assets

(₹ in Crore)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK	
	As at April 01, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	Up to March 31, 2014	Deductions/ Adjustments*	For the Year	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
(A) Tangible Assets										
Freehold Land	4.83	-	-	4.83	-	-	-	-	4.83	4.83
Leasehold Land	7.52	1.33	5.82	3.03	3.35	2.67	0.22	0.90	2.13	4.17
Building	0.20	-	-	0.20	0.02	-	-	0.02	0.18	0.18
Leasehold Improvements	1,022.24	307.53	89.83	1,239.94	139.03	34.61	94.24	198.66	1,041.28	883.21
Plant and Equipments	724.59	184.11	14.55	894.15	69.29	12.12	55.41	112.58	781.57	655.30
Office Equipments	55.59	5.60	13.06	48.13	10.25	5.08	12.05	17.22	30.91	45.34
Computers	234.50	112.97	140.64	206.83	129.88	111.92	31.03	48.99	157.84	104.62
Furniture and Fittings	1,783.44	349.92	67.42	2,065.94	176.34	32.66	197.25	340.93	1,725.01	1,607.10
Electrical Installations	1,034.23	178.64	23.45	1,189.42	83.38	7.10	114.57	190.85	998.57	950.85
Vehicles	10.61	0.01	2.23	8.39	2.78	0.69	1.04	3.13	5.26	7.83
Share in jointly controlled entities	22.41	1.20	5.71	17.90	8.92	0.52	1.31	9.71	8.19	13.49
Total	4,900.16	1,141.31	362.71	5,678.76	623.24	207.37	507.12	922.99	4,755.77	4,276.92
(B) Intangible Assets										
Brands/Trademarks	13.36	-	-	13.36	13.36	0.00	0.00	13.36	-	-
Computer Software	441.67	69.35	181.43	329.59	199.42	145.40	34.15	88.17	241.42	242.25
Share in jointly controlled entities	10.59	0.47	4.75	6.31	9.62	4.26	0.42	5.78	0.53	0.97
Total	465.62	69.82	186.18	349.26	222.40	149.66	34.57	107.31	241.95	243.22
Grand Total	5,365.78	1,211.13	548.89	6,028.02	845.64	357.03	541.69	1,030.30	4,997.72	4,520.14
Previous Year	5,773.36	1,606.37	2,013.96	5,365.78	1,141.28	747.52	451.88	845.64	4,520.14	4,632.09

*Adjustment on account of change in useful life of assets pursuant to the enactment of Companies Act 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
15	Non-Current Investment		
	Investment in Equity Instruments		
	Trade Investments		
	Quoted, Fully Paid Up		
	15,00,00,000 Equity Shares of Future Consumer Enterprise Limited of ₹ 6/- each	90.38	90.38
	49,37,935 Equity shares of Galaxy Entertainment Corporation Limited of ₹ 10/- each	0.93	-
	63,46,980 Equity Shares of Centrum Capital Limited of ₹ 1/- each	11.50	11.50
	3,05,70,108 Equity Shares of Future Lifestyle Fashions Limited of ₹ 2/- each	333.65	333.65
	Unquoted, Fully Paid Up		
	1,69,98,000 Equity Shares of Future E-Commerce Infrastructure Limited of ₹ 10/- each	16.17	-
	Non-Trade Investments		
	Quoted, Fully Paid Up		
	Nil (64,79,848) Equity Shares of Capital First Limited of ₹ 10/- each	-	11.09
	Unquoted, Fully Paid Up		
	48,281 Equity Shares of Foot-Mart Retail India Limited of ₹ 10/- each	0.08	0.08
	Less : Provision for Diminution of Investment	(0.08)	(0.08)
	35,78,278 Equity Shares of Pan India Food Solutions Private Limited of ₹ 10/- each	3.58	3.58
	5,79,771 Equity Shares of Planet Retail Holdings Private Limited of ₹ 10/- each	2.90	2.90
	5 Shares of Y.A. Chunawala Industrial Co-op Society Limited of ₹ 250/- each	0.00	0.00
	Investment in Preference Shares		
	Unquoted, Fully Paid Up		
	11,92,759 0.01% Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited of ₹ 10/- each	1.19	1.19
	35,64,096 0.01% Non-Cumulative Redeemable Preference Shares of Future E-Commerce Infrastructure Limited of ₹ 10/- each	48.47	-
	Investment in Government or Trust Securities		
	National Saving Certificates	0.07	0.06
	Other Investments		
	LIC Mutual Fund Liquid Plan	0.22	0.22
	Share in Jointly Controlled Entities	1,112.87	976.93
		1,621.93	1,431.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
16	Long-Term Loans and Advances		
	(Unsecured Considered Good)		
	Capital Advances	27.99	21.64
	Security Deposits	258.73	180.62
	Other Loans & Advances*	224.12	242.11
	Share in Jointly Controlled Entities	0.38	7.54
		511.22	451.91
	*Includes Share Application Money, Deduction/Payment of Income Tax (Net of Provisions etc.)		
17	Current Investments		
	Investment in Others		
	Share in Jointly Controlled Entities	-	20.92
		-	20.92
18	Inventories		
	Raw Materials	1.23	2.31
	Work-in-Progress	3.41	1.89
	Stock-in-Trade	3,523.84	3,118.60
	Packing Materials	3.05	5.65
	Share in Jointly Controlled Entities	2.12	2.40
		3,533.65	3,130.85
19	Trade Receivables		
	Unsecured		
	Outstanding for a period more than six months from the date they are due for payment		
	Considered Good	66.50	57.57
	Considered Doubtful	4.53	6.55
	Less: Provision for Doubtful Debts	4.53	6.55
		66.50	57.57
	Others		
	Considered Good	467.76	345.93
	Considered Doubtful	0.01	-
	Less: Provision for Doubtful Debts	0.01	-
		467.76	345.93
	Share in Jointly Controlled Entities	15.51	38.47
		549.77	441.97
20	Cash and Bank Balances		
	Cash and Cash Equivalents		
	Balances with Banks in Current Accounts	29.50	67.37
	Cheques on Hand	1.59	2.13
	Cash on Hand	16.19	32.38
	Other Bank Balances		
	Dividend Account	0.53	0.41
	Fixed Deposits including Margin Money	-	0.09
	Earmarked Balances with Banks	60.64	5.39
	Short-Term Bank Deposits	8.47	42.74
	Share in Jointly Controlled Entities	13.94	17.72
		130.86	168.23

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2015	As at March 31, 2014
21	Short-Term Loans and Advances		
	(Secured, Considered Good)		
	Loans and Advances	130.05	127.25
		130.05	127.25
	(Unsecured, Considered Good)		
	Loans and Advances	1,109.35	889.93
	Deposits	493.83	439.62
	Others	0.26	0.03
	Share in Jointly Controlled Entities	28.36	22.69
		1,631.80	1,352.27
		1,761.85	1,479.52
22	Other Current Assets		
	Interest Receivable	0.04	0.06
	Other Receivable*	9.19	38.62
	Share in Jointly Controlled Entities	21.50	70.58
	(*Includes Insurance Claim Receivables)	30.73	109.26

(₹ in Crore)

		April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
23	Revenue from Operations		
	Sale of Products	10,937.91	13056.67
	Sale of Services	270.79	523.60
	Less: Vat, Sales Tax	652.38	715.54
	Less: Excise Duty	0.26	-
	Other Operating Revenues	172.28	242.35
	Share in Jointly Controlled Entities	328.90	790.17
		11,057.24	13,897.25
24	Other Income		
	Interest Income	15.95	25.28
	Dividend Income	3.16	1.14
	Miscellaneous Income	14.74	140.41
	Share in Jointly Controlled Entities	58.78	140.71
		92.63	307.54
25	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
	Opening Inventories		
	Finished Goods	-	5.24
	Stock-in-Trade	3,118.45	4,450.54
	Work-in-Progress	1.89	-
	Less:- On Composite Scheme of Arrangement	-	1,265.47
	Closing Inventories		
	Finished Goods	-	-
	Stock-in-Trade	3,523.84	3,183.68
	Work-in-Progress	3.41	2.04
		(406.91)	4.59
	Share in Jointly Controlled Entities	0.25	6.33
		(406.66)	10.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

		April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
26	Employee Benefits Expense		
	Salaries and Wages	395.99	489.76
	Contribution to Provident and Other Funds	22.72	24.57
	Expense on Employee Stock Option Scheme	0.96	3.07
	Staff Welfare Expenses	21.87	23.42
	Share in Jointly Controlled Entities	32.33	80.01
		473.87	620.83
27	Finance Costs		
	Interest Expense	670.87	712.77
	Other Borrowing Costs	8.25	11.11
	Share in Jointly Controlled Entities	0.06	2.07
		679.18	725.95
28	Other Expenses		
	Consumption of Stores and Spare Parts	0.45	0.30
	Power and Fuel	182.64	188.10
	Rent including lease rentals	583.76	667.22
	Repairs and Maintenance		
	Building	5.15	7.04
	Machinery	3.44	3.07
	Others	29.50	31.57
	Insurance	5.32	6.72
	Rates & Taxes	12.99	9.46
	Labour Charges	3.35	8.13
	Advertisement and Marketing	192.32	159.15
	Loss on Disposal/Discard of Fixed Assets (Net)	45.53	59.20
	Provision for Impairment of Goodwill	-	1.15
	Provision for Doubtful Debts/advances	1.80	2.76
	Bad Debts Written off	19.50	11.02
	Exchange Fluctuation Loss (Net)	4.02	0.34
	Miscellaneous Expenses	407.11	626.35
	Share in Jointly Controlled Entities	305.42	649.58
		1,802.30	2,431.16
29	Exceptional Items		
	Net Gain on Sale of Non-Current Investments	164.28	30.81
	Loss by Fire	(0.28)	(4.98)
		164.00	25.83

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30 Contingent Liabilities

(₹ in Crore)

Particulars	As at March 31, 2015	As at March 31, 2014
A. Claims Against the Company not Acknowledged as debts		
i) Value Added Tax Act/Income Tax Act	205.12	49.38
ii) Others	301.50	342.28
B. Guarantees Outstanding	34.96	34.54

- 31** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 38.07 Crore (2014: ₹ 56.53 Crore).

32 Leases

The Group, its joint venture companies and associate companies have entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 1224.25 Crore (2014: ₹ 656.45 Crore). The Lease Rent payable not later than one year is ₹ 317.01 Crore (2014: ₹ 241.58 Crore), payable later than one year but not later than five year is ₹ 837.29 Crore (2014: ₹ 330.71 Crore) and payable later than five years is ₹ 69.95 Crore (2014: ₹ 84.16 Crore).

33 Tax Expense

The tax expense for the year/period comprises of:

(₹ in Crore)

Particulars	April 01, 2014 to March 31, 2015	January 01, 2013 to March 31, 2014
Current Tax	19.31	4.68
MAT Credit entitlement	(11.65)	-
Deferred Tax	(5.55)	(0.33)
Total	2.11	4.35

34 Details of Share reserved for Employee Stock Option Scheme

The company has reserved issuance of 22,11,406 (2014: 25,00,000) Equity Shares of ₹ 2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (ESOS). During the period the Company has granted 4,14,514 (2014: 3,05,192) options at a price of ₹ 10 per option plus all applicable taxes, as may be levied in this regard on the Company. Out of the options granted 4,800 (2014: 11,798) cancelled due to cessation of employment. The options would vest over a maximum period of 3 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

35 Related Party Disclosures

Disclosure as required by Accounting Standard 18 "Related Party Disclosures" are given below:

A. List of Related Parties

1. Associates

- i. Galaxy Entertainment Corporation Limited
- ii. Future E-Commerce Infrastructure Limited (w.e.f. April 1, 2014)

2. Enterprises over which Key Management Personnel are able to exercises significant influence

- i. Future Corporate Resources Limited
- ii. Future Ideas Company Limited
- iii. Future Lifestyle Fashions Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- iv. Vayuputra Realty Private Limited
- v. Festive Realty Private Limited
- vi. Surplus Finvest Private Limited
- vii. Utsav Mall Management Company Private Limited

3. Key Management Personnel

- i. Mr. Kishore Biyani
- ii. Mr. Rakesh Biyani
- iii. Mr. Vijay Biyani

4. Relatives of Key Management Personnel

- i. Ms. Ashni Biyani
- ii. Mrs. Godavaridevi Biyani
- iii. Mrs. Sangita Biyani
- iv. Mrs. Santosh Biyani

B. Transactions With Related Parties

(₹ in Crore)

Nature of Transactions	Key Management Personnel Exercise Significant Influence	Key Management Personnel/ Relatives	Associates
Sale of Goods And Services	61.64 (54.32)	- (-)	0.95 (1.51)
Sale of Fixed Assets	0.55 (23.82)	- (-)	- (-)
Purchases of Goods And Services	257.06 (387.63)	0.16 (0.33)	0.60 (0.01)
Purchases of Fixed Assets	1.83 (74.73)	- (-)	- (-)
Managerial Remuneration	- (-)	6.70 (12.64)	- (-)
Dividend Received	1.03 (-)	- (-)	- (-)
Advances Given	5.60 (3.16)	- (-)	- (-)
Deposits Given	10.00 (11.58)	- (-)	- (-)
Deposits Received	- (-)	- (-)	- (-)
Outstanding balances as on March 31, 2015 Receivable	495.56 (558.41)	- (-)	4.13 (3.15)
Payable	86.51 (126.58)	- (-)	- (-)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

C. Significant Related Party Transactions

- i. Sale of Goods and Services includes Future E-Commerce Infrastructure Limited ₹ 0.02 Crore (2014: ₹ 10.23 Crore), Galaxy Entertainment Corporation Limited ₹ 0.93 Crore (2014: ₹ 1.51 Crore), Vayuputra Realty Private Limited ₹ NIL (2014: ₹ 10.01 Crore), Future Lifestyle Fashions Limited ₹ 57.97 Crore (2014: ₹ 7.16 Crore).
- ii. Sale of Fixed Assets includes Future Lifestyle Fashions Limited ₹ 0.55 Crore (2014: ₹ NIL).
- iii. Purchases and other Services includes Future Corporate Resources Limited ₹ 85.14 Crore (2014: ₹ 95.68 Crore), Future Lifestyle Fashions Limited ₹ 170.79 Crore (2014: ₹ 104.02 Crore), Ashni Biyani ₹ 0.06 Crore (2014: ₹ 0.15 Crore), Godavaridevi Biyani ₹ 0.03 Crore (2014: ₹ NIL), Sangita Biyani ₹ 0.03 Crore (2014: ₹ 0.09 Crore), Santosh Biyani ₹ 0.03 Crore (2014: ₹ 0.09 Crore), Galaxy Entertainment Corporation Limited ₹ 0.59 Crore (2014: ₹ 0.01 Crore).
- iv. Purchase of Fixed Assets includes Future Corporate Resources Limited ₹ Nil (2014: ₹ 33.52 Crore), Future Lifestyle Fashions Limited ₹ 1.83 Crore (2014: ₹ NIL).
- v. Managerial Remuneration includes Mr. Kishore Biyani ₹ 2.67 Crore (2014: ₹ 5.09 Crore), Mr. Rakesh Biyani ₹ 2.56 Crore (2014: ₹ 4.71 Crore), Mr. Vijay Biyani ₹ 1.47 Crore (2014: ₹ 2.84 Crore).
- vi. Dividend Received includes Future Lifestyle Fashions Limited ₹ 1.03 Crore (2014: ₹ NIL).
- vii. Advance Given includes Future Corporate Resources Limited ₹ 5.60 Crore (2014: ₹ NIL), Future Ideas Company Limited ₹ NIL (2014: ₹ 2.53 Crore).
- viii. Deposit Given includes Future Corporate Resources Limited ₹ 10.00 Crore (2014: ₹ NIL), Vayuputra Realty Private Limited ₹ NIL (2014: ₹ 1.85 Crore).

D. Joint Venture Information:

Company's shares of Assets, Liabilities, Income and Expenditure with respect to jointly controlled entities are as follows:

(₹ in Crore)

Particulars	As at March 31, 2015	As at March 31, 2014
Assets	1261.45	1173.02
Liabilities	535.69	456.68
Income	548.79	930.88
Expenditure	525.00	922.44

36 Segment Report

The Group's operations predominantly relate to Retail Trade, which in terms of Accounting Standard 17 "Segment Reporting" constitute a single reporting segment.

- 37 Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 01, 2007 by the Finance Act, 2010, the company based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order company has made an aggregate deposit of ₹ 39.71 Crore in respect of the liability for such service tax for the period from June 01, 2007 up to September 30, 2011. From October 01, 2011, the company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the company has not made provision of ₹ 79.42 Crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38 Earnings Per Share

The calculation of Earnings per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earning per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of diluted EPS is as under:

Particulars	Units	2014-15	2013-14
Profit after tax	₹ in Crore	152.98	80.30
The Weighted average number of Ordinary Shares for Basic EPS	No. in Crore	25.13	21.57
The Weighted average number of Class B (Series I) Shares for Basic EPS	No. in Crore	1.74	1.59
The Weighted average number of Ordinary Shares for Diluted EPS	No. in Crore	25.16	21.57
The Weighted average number of Class B (Series I) Shares for Diluted EPS	No. in Crore	1.74	1.59
The Nominal Value per Share (Ordinary and Class 'B'(Series I) Shares)	₹	2.00	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in Crore	143.01	74.72
Share of Profit for Class B (Series I) Shares for Basic EPS	₹ in Crore	9.97	5.58
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crore	143.01	74.72
Share of Profit for Class B (Series I) Shares for Diluted EPS	₹ in Crore	9.97	5.58
Earnings Per Ordinary share (Basic)	₹	5.69	3.47
Earnings Per Class B (Series I) Share (Basic)	₹	5.73	3.51
Earnings Per Ordinary share (Diluted)	₹	5.69	3.47
Earnings Per Class B (Series I) Share (Diluted)	₹	5.73	3.51

39 Capital Reserve shown in the balance sheet is net of goodwill of ₹ 147.44 Crore (2014: ₹ 129.40 Crore).

40 Divestment

a) Subsidiaries divested during the year :

- i) Future Knowledge Services Limited
- ii) Future Learning and Development Limited
- iii) Future Freshfoods Limited
- iv) Home Solutions Retail (India) Limited
- v) Future Home Retail Limited
- vi) nuZone Ecommerce Infrastructure Limited
- vii) Winner Sports Limited

b) Joint Venture divested during the year :

- i) Integrated Food Park Private Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 41** Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of the Enterprises	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount (₹ Crore)	As % of consolidated profit or loss	Amount (₹ Crore)
Parent				
Future Retail Limited	96.42	5197.92	48.41	74.06
Subsidiaries				
Future Supply Chain Solutions Limited	4.04	217.78	16.17	24.73
Future Media (India) Limited	0.77	41.72	(1.81)	(2.76)
Futurebazaar India Limited	(0.04)	(1.95)	(0.27)	(0.41)
Staples Future Office Products Limited	1.39	74.82	(3.22)	(4.92)
Office Shop Private Limited	(0.27)	(14.71)	(6.29)	(9.62)
Minority Interest in all Subsidiaries	(1.22)	(65.84)	(4.82)	(7.38)
Associates (Investment as per the equity method)				
Future E-Commerce Infrastructure Limited	1.20	64.64	(0.54)	(0.83)
Galaxy Entertainment Corporation Limited	0.02	0.93	0.61	0.93
Joint Ventures (as per proportionate consolidation/investment as per equity method)				
Apollo Design Apparel Parks Limited	0.70	37.61	1.84	2.81
Goldmohur Design and Apparel Park Limited	0.68	36.62	1.83	2.81
Future Generali India Insurance Company Limited	2.16	116.38	10.05	15.37
Future Generali India Life Insurance Company Limited	0.14	7.48	0.02	0.03
Sprint Advisory Services Private Limited	6.57	354.40	0.00	0.00
Shendra Advisory Services Private Limited	3.21	173.27	0.00	0.00

- 42** For certain items, the Company and its Subsidiary companies, Joint Venture companies and Associate companies have followed different accounting policies. However, impact of the same is not material.
- 43** Figures pertaining to the Subsidiary companies and Joint Venture companies have been reclassified wherever necessary to bring them in line with the consolidated financial statements.
- 44** Figures for the previous financial period have been reworked, regrouped, rearranged and reclassified wherever necessary. The current year figures are not comparable with the previous period, since the previous accounting period was for the period of fifteen months from January 1, 2013 to March 31, 2014 and in previous financial period effect of demerger of the Fashion Business, Pantaloon Formats and merger of Value Retail Business was given.

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP

Chartered Accountants

Kishore Biyani

Managing Director

Rakesh Biyani

Joint Managing Director

Vijay Biyani

Wholetime Director

Ashok A. Trivedi

Partner
Membership No.: 042472

S. Doreswamy

Director

Anil Harish

Director

V. K. Chopra

Director

Mumbai

May 25, 2015

Bala Deshpande

Director

Dinesh Maheshwari

Chief Financial Officer

Deepak Tanna

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

	April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	162.37	99.40
Adjusted for :		
Depreciation and Amortization Expense	541.69	451.88
Capital Issue Expenses	-	0.04
Expense on Employee Stock Option Scheme	0.96	3.07
Finance Costs	679.18	725.95
Dividend Income	(3.16)	(1.14)
(Profit)/Loss on Sale of Investments	(164.28)	(30.81)
Loss on Disposal/Discard of Fixed Assets (Net)	45.53	59.20
Interest Income	(15.95)	(25.28)
Provision for Impairment of Goodwill	-	1.15
Operating Profit Before Working Capital Changes	1,246.34	1,283.46
Adjusted for :		
Trade Receivable	(107.80)	105.19
Loans and Advances and Other Assets	(281.00)	1,213.35
Inventories	(402.80)	1,338.36
Trade Payables, Other Liabilities and Provisions	786.60	(1,755.30)
Cash Generated From Operations	1,241.34	2,185.06
Share in Profit/(Loss) of Associate Company	0.10	-
Adjustment on Account of Joint Venture/Subsidiary include in consolidation	94.87	48.06
Share of Minority Interest	(31.92)	16.97
Taxes Paid (Net)	(32.30)	(16.01)
Capital Issue Expenses	-	(0.04)
Net Cash From Operating Activities	1,272.09	2,234.04
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets (Net)	(1,070.68)	(400.28)
(Increase)/Decrease in Capital Work-in-Progress	116.68	159.03
Sale/(Purchase) of Investments	(104.57)	(29.08)
Dividend Received	3.16	1.14
Interest Received	15.95	25.28
Net Cash Used In Investing Activities	(1,039.46)	(243.91)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

		April 01, 2014 to March 31, 2015 (12 Months)	January 01, 2013 to March 31, 2014 (15 Months)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend Paid (Including Dividend Distribution Tax)	(16.93)	(29.68)
	Proceeds from Issue of Share Capital	1,931.53	(31.22)
	Proceeds from Issue of Warrants	23.18	-
	Proceeds from Borrowings	(1,278.60)	28.65
	Proceeds from Optionally Convertible Debentures	(100.00)	250.00
	Proceeds from Compulsorily Convertible Debentures	(150.00)	(603.85)
	Proceeds from Optionally Fully Convertible Debentures	-	(800.00)
	Capital Grant Received	-	9.99
	Interest Paid	(679.18)	(725.95)
	Net Cash Provided by Financing Activities	(270.00)	(1,902.06)
	On Composite Schemes of Arrangements	-	(120.40)
	Net (Decrease) / Increase In Cash And Cash Equivalents (A+B+C)	(37.37)	(32.33)
	Net (Decrease) / Increase In Cash And Cash Equivalents	(37.37)	(32.33)
	Cash And Cash Equivalents (Opening balance)	168.23	200.56
	Cash And Cash Equivalents (Closing balance)	130.86	168.23

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2015

For and on behalf of Board of Directors

Kishore Biyani
Managing Director

S. Doreswamy
Director

Bala Deshpande
Director

Rakesh Biyani
Joint Managing Director

Anil Harish
Director

Dinesh Maheshwari
Chief Financial Officer

Vijay Biyani
Wholetime Director

V. K. Chopra
Director

Deepak Tanna
Company Secretary

FUTURE RETAIL LTD

INFORMATION AS REQUIRED PURSUANT TO RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED March 31, 2015

Sr.No, Name of the Employee, Designation, Qualification, Age, Joining Date, Experience in Yrs, Gross Remuneration (in ₹), Last Employment;

1, Vijay Biyani, Wholetime Director, B.Com., 55, September 26, 2009, 31, 1,47,38,700, Business; 2, Kishore Biyani, Managing Director, B.Com., PGD in Marketing Management, 54, June 01, 1991, 35, 2,67,50,017, Business; 3, Rakesh Biyani, Joint Managing Director, B.Com., Advanced Management Program from Harvard Business School, 43, April 01, 1997, 22, 2,57,25,504, Business; 4, Rajesh Kalyani, CFO - Property Division, ICWAI, 46, June 09, 1997, 22, 1,05,23,195, Paschim Petrochemicals; 5, Rajan Malhotra, President - Strategy & Convergence, MBA, 46, February 21, 2000, 22, 1,74,34,718, Niryat Sam Apparel India Ltd; 6, Vishal Kapoor, Chief Group Design Office & Concept Business Head, Fashion Designing, 42, June 15, 2002, 21, 84,16,598, Shoppers Stop; 7, Manish Agarwal, Business Head - East, CA, 45, November 07, 2002, 23, 70,22,054, Agarwal Khaitan & Associates; 8, Dupindera Sandhu, General Manager, MBA, 43, September 16, 2003, 19, 65,94,319, Starcom; 9, Sadashiv Nayak, CEO, PGDM, 45, July 05, 2004, 19, 2,03,85,165, Hindustan Lever Ltd; 10, Dinesh Maheshwari, CFO, CA, 47, December 03, 2004, 18, 99,28,657, Mukwand Group Companies; 11, G Venkatesh*, Head-Group Program Management Office, PGDM, 45, December 06, 2005, 18, 88,78,349, Bharati Tele-ventures Limited; 12, Venkateshwar M*, Vice President - South, PG Diploma, 47, December 15, 2005, 24, 1,03,01,628, Bharti Airtel Limited; 13, Venu Menon*, Head - People Office, MBA, 45, December 13, 2006, 19, 49,97,537, Dairy Farm; 14, Sanjay Rath, Head - Legal & Corp Governance, CS, LL.B.(Gen), 50, February 01, 2007, 24, 1,15,50,728, Sanjay Rath & Associates; 15, Hans Udeshi*, CEO - General Merchandising, PGDBA, 53, May 02, 2007, 26, 14,52,256, Gokaldas Images Ltd; 16, Manoj Agarwal, Chief Transformation Officer, CA, 43, January 17, 2007, 22, 1,49,24,248, P & G; 17, Devendra Chawla, CEO - Food, MBA, 43, January 08, 2009, 17, 1,74,92,750, Reliance Retail; 18, Ramesh Shah*, Head - Projects, Mechanical Engineer, 56, July 12, 1999, 16, 60,92,891, - 19, Anuraag Agarwal, Head-Strategy, Mergers & Acquisitions, Masters in Engg & Mgmt, 41, June 01, 2012, 15, 82,58,928, Berenson & Co; 20, Mahesh Shah, CEO - Home Town, MMS, 47, June 14, 2013, 9, 1,39,71,665, Lifestyle International Pvt. Ltd.; 21, Samson Samuel, Chief Operating Officer, BE, 48, June 23, 2008, 15, 60,98,758, Cognizant; 22, Kailash Bhatia*, CEO - Future Retail Limited, MBA, 59, April 01, 2014, 34, 10,25,95,920, Color Plus; 23, Kaustubh Sonalkar, Group Chief People Officer, Master Program in Business Administration, 44, July 09, 2014, 11, 1,33,74,463, PWC; 24, Sandeep Sharma, Head, Electrical Engineer, 46, February 09, 2015, 25, 19,65,579, Bajaj Electricals Ltd;

Notes:

1. Nature of employment is permanent and terminable by Notice on either side.
2. The above employees are not related to any other Director of the Company except Mr. Kishore Biyani & Mr. Vijay Biyani who are related to each other.
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the Equity Shares and Class B (Series I) Shares of the Company.
4. Terms and conditions of employment are as per Company's Rules.
5. Gross remuneration received as shown in the statement includes Salary, House Rent Allowance, car perquisites value/allowances as applicable, employer's contribution to Provident Fund and Superannuation Scheme, leave encashment, leave travel facility, reimbursement of medical expenses and all allowances/perquisites and terminal benefits, as applicable.
6. Employees marked with "*" are employed for the part of the year.

Sd/-

Sd/-

Mumbai
May 25, 2015

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director



This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Registered Office
FUTURE RETAIL LIMITED
(CIN: L52399MH1987PLC044954)
KNOWLEDGE HOUSE, SHYAM NAGAR, OFF JOGESHWARI - VIKHROLI LINK ROAD,
JOGESHWARI (E), MUMBAI 400 060, INDIA
P +91 22 3084 2336 | F +91 22 3084 2502
www.futureretail.co.in