Future Supply Chain Solutions Limited

Annual Accounts
2017-18

future group
india tomorrow

Independent Auditors' Report

To the Members of
FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **FUTURE SUPPLY CHAIN SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements).

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

In conducting 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 provision of the Act and the Rules made there under and the order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure"A" a statement on the matters specified in paragraph 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and the statement of changes in equity and the statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

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e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B" and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
April 25, 2018

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **FUTURE SUPPLY CHAIN SOLUTIONS LIMITED** on the stand alone Ind AS financial statements for the year ended March 31, 2018, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company did not have any immovable property of freehold or leasehold land and building as at March 31, 2018. Therefore paragraph 3(i) (c) of order is not applicable.

(ii) The Company is a service company, primarily rendering logistic services. Accordingly, it does not hold any physical inventories. Therefore, paragraph 3 (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the of clause 3(iii) (a), (b) and (c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product of the Company.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service tax, Service-tax, Custom duty, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service tax, Service-tax, Custom duty, Value Added Tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, Goods and Service tax, VAT, service tax which have not been deposited with the appropriate authorities on account of any dispute.

NGS & CO. LLP CHARTERED ACCOUNTANTS

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

(ix) The Company did not raise moneys by way of Initial Public offer or Further Public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement shares or fully or partly convertible debentures during the years.

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

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

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

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
April 25, 2018

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Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **FUTURE SUPPLY CHAIN SOLUTIONS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

NGS & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

NGS & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
April 25, 2018

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Rs. In Lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	4	26,077.78	12,877.72
Capital Work In Progress		254.95	6,981.14
Intangible Assets	4	129.66	96.75
Financial Assets			
Investments	5	6,312.26	-
Other Financial Assets	6	3,180.11	2,272.50
Other Non Current Assets	7	-	85.90
Total Non-Current Assets		35,954.76	22,314.01
Current Assets			
Financial Assets			
Investments	8	0.70	0.70
Trade Receivables	9	22,888.01	21,977.46
Cash and Cash Equivalent	10	7,464.59	4,667.51
Bank Balances other than Cash and Cash Equivalent	11	103.20	33.20
Other Financial Assets	12	539.10	607.28
Other Current Assets	13	1,024.58	1,350.31
Total Current Assets		32,020.18	28,636.46
Total Assets		67,974.94	50,950.47
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	14	4,005.62	3,913.83
Other Equity	15	37,694.26	25,367.11
Total Equity		41,699.88	29,280.94
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Non Current Borrowings	16	2,511.28	7,353.68
Other Non Current Financial Liabilities	17	169.95	195.65
Provisions	18	310.80	264.59
Deferred Tax Liabilities (Net)	19	1,552.45	1,009.34
Total Non-Current Liabilities		4,544.48	8,823.26
Current Liabilities			
Financial Liabilities			
Trade Payables	20	13,837.83	9,778.72
Other Current Financial Liabilities	21	5,808.45	1,990.54
Other Current Liabilities	22	1,803.47	1,066.26
Provisions	23	13.33	10.75
Current Tax Liabilities (Net)	24	267.50	-
Total Current Liabilities		21,730.58	12,846.27
Total Equity And Liabilities		67,974.94	50,950.47

The accompanying notes are an integral part of these financial statements. 1-43

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

NGS & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Ashok A.Trivedi
Partner
Membership No.: 042472
Mumbai
Date : April 25, 2018

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

C P Toshniwal
(Director)
DIN : 00036303

Mayur Toshniwal
(Managing Director)
DIN : 01655776

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Future Supply Chain Solutions Ltd. MUMBAI

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

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

(Rs. In Lakhs)

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
Revenue From Operations	25	77,498.63	56,118.34
Other Income	26	942.12	1,580.90
Total Income		**78,440.75**	**57,699.24**
Expenses			
Cost of Logistics Services		50,727.94	37,527.96
Employee Benefits Expense	27	7,425.32	5,654.70
Depreciation and Amortization Expense	4	2,324.19	1,914.02
Finance Costs	28	870.94	1,275.87
Other Expenses	29	7,224.26	5,507.51
Total Expense		**68,572.65**	**51,880.06**
Profit Before Tax		**9,868.10**	**5,819.18**
Income Tax Expense			
(1) Current Tax		2,590.44	1,352.61
(2) Deferred Tax (Assets)/Liabilities		543.11	(108.85)
		3,133.55	1,243.76
Profit for the year		**6,734.55**	**4,575.42**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurement of the defined benefit Plan		(7.59)	28.30
(ii) income tax relating to items that will not be reclassified to profit or loss		2.63	(9.80)
Total other comprehensive income, net of tax		(4.96)	18.50
Total Comprehensive Income for the period		**6,739.51**	**4,556.92**
Earnings Per Equity Share (Face Value Rs. 10/- each)			
Basic		17.06	11.64
Diluted		17.05	11.19

The accompanying notes are an integral part of these financial statements 1-43

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472
Mumbai
April 25, 2018

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

C P Toshniwal
(Director)
DIN : 00036303

Mayur Toshniwal
(Managing Director)
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Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	**9,868.10**	**5,819.18**
	Adjusted For:		
	Depreciation And Amortization Expense	2,324.19	1,914.02
	Finance Costs	870.94	1,275.87
	Provision for Doubftful Debts	225.91	56.89
	Profit on sale of Fixed Assets	(412.45)	(10.87)
	Excess Provision Written Back	-	(75.17)
	Expenses on employee stock option(ESOP) scheme (Refer note no.35)	179.44	-
	Interest Income	(416.92)	(1,444.41)
	Operating Profit Before Working Capital Changes	**12,639.21**	**7,535.51**
	Adjusted For:		
	Trade Receivable	(1,136.45)	77.78
	Loans & Advances and Other Assets	(497.81)	7,735.93
	Trade Payables, Other Liabilities and Provisions	7,645.08	(4,918.00)
	Cash Generated From Operations	**18,650.03**	**10,431.22**
	Taxes Paid (Net)	(2,325.56)	(1,342.81)
	Net Cash From Operating Activities	**16,324.47**	**9,088.42**
B	**Cash Flow From Investing Activities**		
	Purchase Of Property, Plant & Equipment and Intangible Assets	(9,041.73)	(7,710.54)
	Sale Of Property, Plant & Equipment and Intangible Assets	1,006.76	47.70
	Purchase of Investments	(5,109.99)	-
	Interest Received	416.92	1,444.41
	Net Cash Used In Investing Activities	**(12,728.04)**	**(6,218.43)**
C	**Cash Flow From Financing Activities**		
	Proceeds From Long Term Loan	71.59	2,925.68
	Interest Paid	(870.94)	(1,275.87)
	Net Cash Provided By Financing Activities	**(799.35)**	**1,649.81**
	Net (Decrease)/Increase In Cash And Cash Equivalents (A+B+C)	**2,797.08**	**4,519.80**
	Cash and Cash Equivalents (Opening Balance)	**4,667.51**	**147.71**
	Cash and Cash Equivalents (Closing Balance)	**7,464.59**	**4,667.51**

The accompanying notes are an integral part of these financial statements 1-43

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A.Trivedi
Partner
Membership No.: 042472
Mumbai
Date : April 25, 2018

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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

C P Toshniwal
(Director)
DIN : 00036303

Mayur Toshniwal
(Managing Director)
DIN : 01655776

Samir Kedia
(Chief Financial Officer)

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(Company Secretary)

Future Supply Chain Solutions Ltd. MUMBAI

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Lakhs)

Note	Particulars	As at March 31, 2018	As at March 31, 2017
(A)	**EQUITY SHARE CAPITAL**		
	Opening Balance	3,913.83	3,913.83
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	91.79	-
	Closing Balance	**4,005.62**	**3,913.83**
(B)	**OTHER EQUITY**		
	Retained Earnings		
	Opening Balance	9,371.99	4,815.07
	Profit for the Year	6,734.55	4,575.42
	Other Comprehensive (Income)/Loss for the year(net of tax)	(4.96)	18.50
	Closing Balance	**16,111.50**	**9,371.99**
	Securities Premium Reserve		
	Opening Balance	15,995.12	15,995.12
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	5,408.20	-
	Closing Balance	**21,403.32**	**15,995.12**
	Share Options Outstanding		
	Opening Balance	-	-
	Add : Recognition of share based payments	179.44	-
	Closing Balance	**179.44**	-
	Total Other Equity	**37,694.26**	**25,367.11**

The accompanying notes are an integral part of these financial statements 1-43
As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

NGS & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Ashok A.Trivedi
Partner
Membership No.: 042472
Mumbai
Date : April 25, 2018

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

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(Director)
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Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Future Supply Chain Solutions Ltd. MUMBAI

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Company Overview

Future Supply Chain Solutions Limited (the "Company") is a public Company domiciled in India and incorporated on March 8, 2006. The Equity Shares of the Company were listed on BSE Limited and The National Stock Exchange of India Limited on 18th December 2017.

The Company is India's first fully integrated and IT enabled end-to-end Supply Chain and Logistic Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain Logistics. The Company caters to corporates in Food & Beverages, Lifestyle, Consumer Electronics & High Tech, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise and E-Commerce Sectors. Each category has a distinct supply chain with its own distinct requirements that need customized solutions. The Company has been a pioneer and leader in modernising logistics and supply chain in India by having implemented cutting-edge technology and contemporary supply chain management practices through implementation of global best practices, indigenized and best adapted for Indian conditions. The Company has its registered office at Mumbai, Maharashtra, India.

2. Revised Indian Accounting Standard ("Ind AS") issued but not effective

Ind AS 115 'Revenue from Contracts with Customers' has been notified by Ministry of Corporate Affairs as on March 28, 2018. This standard prescribes only one underlying principle for revenue recognition i.e., transfer of control over goods/services. Ind AS 115 will supersede Ind AS 11 'Construction Contracts' and Ind AS 18, 'Revenue' and is effective for annual periods beginning on or after April 1, 2018. Management consider that the amendment does not have significant impact on the financial statements.

3. Summary of Significant Accounting Policies

3.1. Statement of compliance

The standalone financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015] and other applicable laws.

3.2. Basis of Preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 'Leases' ("Ind AS 17"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

Future Supply Chain Solutions Ltd. MUMBAI

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

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

The principal accounting policies are set out below.

3.3. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2015 measured as per previous GAAP as it deemed cost on the date of transition.

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

Asset	Useful Life
Plant and Equipment	15 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Electrical Installations	10 Years
Vehicle	6 years
Computers	3 Years
Leasehold improvements	Lease term

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

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

3.4. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

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Assets	Useful Life
Software	6 years
Exclusive business rights	10 years

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

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

3.5. Leasing

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

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

<u>The Company as lessor</u>

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

<u>The Company as lessee</u>

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

3.6. Financial instruments

3.6.(i) Initial recognition

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

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

3.6.(ii) Subsequent measurement

a. Non-derivative financial instruments

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(i) Financial assets carried at amortized cost

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

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

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

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

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

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

(iv) Financial liabilities

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

b. Equity instruments

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

c. Compound Instruments

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

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

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

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date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in statement of profit and loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

3.6.(iii) Derecognition of financial instruments

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

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

3.7. Foreign Currency

Functional currency

The functional currency of the Company is the Indian rupee ("INR").

Transactions and translations

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

3.8. Borrowing Costs

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

3.9. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated rebates and other allowances.

Rendering of Services

Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of taxes (If applicable).

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the

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expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

3.10. Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

3.11. Employee Benefits

<u>Post-employment benefits</u>

Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service costs.

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

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A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.
Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.12. Taxation

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

3.13. Earnings Per Share

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

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

3.14. Provisions

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

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3.15. Impairment

a. Financial assets

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

b. Non-financial assets

Intangible assets and property, plant and equipment

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

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

3.16. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.17. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

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Key sources of estimation uncertainty

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. Provisions, liabilities and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

3.18. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4 : PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

Particulars	Land	Leasehold Improvement	Plant and Equipment	Office Equipment	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total	Capital Work in Progress
Cost										
As at April 01, 2017	588.25	1,124.06	10,261.64	298.94	688.75	1,326.43	1,851.38	520.35	16,659.80	6,981.14
Additions	-	1.78	13,691.99	91.27	973.92	585.28	741.55	-	16,085.79	254.95
Deductions	588.25	-	4.95	-	1.11	-	-	-	594.31	6,981.14
As at March 31, 2018	-	**1,125.84**	**23,948.68**	**390.21**	**1,661.56**	**1,911.71**	**2,592.93**	**520.35**	**32,151.28**	**254.95**
Accumulated Depreciation									-	
As at April 01, 2017	-	464.54	1,831.48	139.31	339.81	404.77	516.46	85.71	3,782.08	
Depreciation charge for the year	-	182.37	1,232.55	50.79	265.44	208.75	271.21	82.82	2,293.94	
Deductions/Adjustmets	-	-	1.51	-	1.00	-	-	-	2.50	
As at March 31, 2018	-	**646.91**	**3,062.53**	**190.10**	**604.24**	**613.52**	**787.68**	**168.53**	**6,073.52**	
Net Book Value									-	
									-	
As at March 31, 2018	-	478.93	20,886.16	200.11	1,057.31	1,298.20	1,805.25	351.82	26,077.78	
As at March 31, 2017	588.25	659.52	8,430.16	159.63	348.94	921.66	1,334.92	434.64	12,877.72	

(Rs. In Lakhs)

Intangible assets	Computer Software	Exclusive Business Rights	Total
Cost			
As at April 01, 2017	254.45	29.47	283.92
Additions	63.15	-	63.15
Deductions			
As at March 31, 2018	**317.60**	**29.47**	**347.07**
Accumulated Amortisation			
As At April 01, 2017	167.17	20.00	187.17
Amortisation for the year	25.77	4.47	30.24
Deductions/Adjustmets			
As at March 31, 2018	**192.94**	**24.47**	**217.41**
Net Book Value			
As at March 31, 2018	124.66	5.00	129.66
As at March 31, 2017	87.28	9.47	96.75

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(Rs. In Lakhs)

Note	Particulars	As at March 31, 2018	As at March 31, 2017
5	**Investments**		
	Non-Current Investments		
	Non - Trade Investment (at cost)		
	Unquoted		
	Associate		
	1,78,500 (2017 : Nil)Equity Share of Rs.10 Each of Leanbox Logistics Solutions Private Limited.	899.99	-
	Subsidiary		
	23,00,60,063 (2017 : Nil) Equity Share of Rs.10 Each of Vulcan Express Private Limited.	5,312.27	-
	Others		
	19,833 (2017 : Nil) Convertible Debentures of Rs. 10 Each of Leanbox Logistics Solutions Private Limited.	100.00	-
		6,312.26	**-**
6	**Other Financial Assets**		
	Non-Current Financial Assets - Others		
	Unsecured Considered Good		
	Security Deposits*	3,180.11	2,272.50
	* Financial Assets Carried at amortised cost		
		3,180.11	**2,272.50**
7	**Other Non Current Assets**		
	Deduction of Income Tax (Net of provisions)	-	85.90
		-	**85.90**
8	**Investments**		
	Current Investment		
	Unquoted		
	National Saving Certificate*	0.70	0.70
	*Under lien with Sales Tax Department		
	* Financial Assets Carried at amortised cost	**0.70**	**0.70**
9	**Trade Receivables**		
	Considered Goods		
	Trade Receivable	23,533.25	22,396.79
	Less : Allowance for Expected Credit Loss	(645.24)	(419 33)
		22,888.01	**21,977.46**
10	**Cash and Cash Equivalent**		
	Balances with Banks		
	In Current Accounts	7,455.41	4,656.49
	Cash on Hand	9.18	11.02
		7,464.59	**4,667.51**
11	**Bank Balances other than Cash and Cash Equivalent**		
	Bank Deposit*	103.20	33.20
	*(Under Lien)		
		103.20	**33.20**
12	**Other Financial Assets**		
	Security Deposits	539.10	607.28
	Unsecured, Considered Good		
	Doubtful	12.08	7.08
	Less: Provision for Doubtful Security Deposits	12.08	7.08
		539.10	**607.28**
13	**Other Current Assets**		
	Insurance Claim Receivables	19.61	12.62
	Others*	1,004.97	1,337.69
	*(Include Receivable from Government Autorities, Prepaid Expenses, Advance to suppliers and Advance Salary)		
		1,024.58	**1,350.31**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14

Share Capital

Particular	As at March 31, 2018		As at March 31, 2017	
	Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)
Authorised				
Equity Shares of Rs. 10 Each.	5,00,00,000	5,000.00	4,00,00,000	4,000.00
	5,00,00,000	5,000.00	4,00,00,000	4,000.00
Issued and Paid up				
Equity Shares of Rs. 10 Each fully paid up	4,00,56,238	4,005.62	3,91,38,283	3,913.83
	4,00,56,238	4,005.62	3,91,38,283	3,913.83

(i) Reconciliation of Number of Shares

Equity Shares of Rs.10/- Each

Particulars	As at March 31, 2018	As at March 31, 2017
	Number of Shares	Number of Shares
Opening Balance	3,91,38,283	3,91,38,283
Add : On account of conversion of Zero Coupon Fully Convertible Debenture	9,17,955	-
	4,00,56,238	3,91,38,283

(ii) Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10/- per Share. Each holder of equity share is entitled for one vote per share. In the event of liquidation, the equity sharesholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(iii) More than 5 percent Shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in the company are as under :

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Future Enterprises Limited (Formerly known as Future Retail Limited)	2,05,15,917	51.2%	2,24,72,831	57.4%
Griffin Partners Limited	58,63,475	14.6%	1,56,54,681	40.0%
L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	23,74,973	5.9%	-	0.0%
	2,87,54,365	71.8%	3,81,27,512	97.4%

(iv) Share options granted under the Company's employee share option plan

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights.(Refer Note no.35)

(v) As at 31st March 2018, 2,69,700 (2017 : Nil) equity shares were reserved for issuance toward outstanding employee stock options granted. (Refer Note no.35)

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Note	Particulars	As at March 31, 2018	As at March 31, 2017
15	OTHER EQUITY		
	Retained Earnings	16,111.50	9,371.99
	Securities Premium Reserve	21,403.32	15,995.12
	Employee Stock Option Outstanding	179.44	-
	Total Other Equity	**37,694.26**	**25,367.11**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	As at March 31, 2018	As at March 31, 2017
16	**Non Current Borrowings**		
	Zero Coupon Fully Convertible Debentures @ Rs. 10000 Each	-	4,914.00
	Term Loan		
	Rupee Term Loan from Banks*	2,511.28	2,433.74
	Rupee Term Loan from Financial Institution	-	5.94
	* Financial Liabilities Carried at Amortised Cost		
	Refer Note No.39		
		2,511.28	**7,353.68**
17	**Other Non Current Financial Liabilities**		
	Non Current Financial Liabilities		
	Security Deposits*	169.95	195.65
	* Financial Liabilities Carried at Amortised Cost		
		169.95	**195.65**
18	**Non-current - Provisions**		
	Provision for Employee Benefits	310.80	264.59
		310.80	**264.59**
19	**Deferred tax Liabilities (net)**		
	Major components of the Deferred tax balances consist of the following:		
	Deferred Tax Liability		
	Related to Fixed Assets	1,846.65	1,138.51
		1,846.65	1,138.51
	Deferred Tax Assets		
	Disallowances under the Income Tax Act, 1961	294.20	129.17
		294.20	129.17
	Deferred Tax Liability (Net)	**1,552.45**	**1,009.34**
20	**Trade Payables**		
	Current Financial Liabilities - Trade Payable		
	Trade Payables (Refer Note No. 33)	13,837.83	9,778.72
		13,837.83	**9,778.72**
21	**Other Current Financial Liabilities**		
	Current Maturities of Long Term Borrowings	784.98	717.15
	Security Deposits	3.60	4.85
	Capital Creditors	738.55	355.01
	Payable on Purchase of Investment	1,202.26	-
	Other Payable	3,079.06	913.53
		5,808.45	**1,990.54**
22	**Other Current Liabilities**		
	Deferred Interest	-	586.00
	Other Payables *	1,803.47	480.26
	* Includes Statutory Dues, Advance from Customers,etc.		
		1,803.47	**1,066.26**
23	**Provisions**		
	Provision for Employee Benefits	13.33	10.75
		13.33	**10.75**
24	**Current Tax Liabilities (Net)**		
	Income Tax Payable net of TDS and Advance Tax	267.50	-
		267.50	**-**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Note	Particulars	2017-18	2016-17
25	**Revenue from Operations**		
	Logistic Services	77,439.82	56,015.76
	Other Operating Revenue	58.81	102.58
		77,498.63	**56,118.34**
26	**Other Income**		
	Interest Income	416.92	1,444.41
	Profit on Sale of Fixed Assets	412.45	10.87
	Excess Provisions/Liabilities Written Back	-	75.17
	Miscellaneous Income	112.75	50.45
		942.12	**1,580.90**
27	**Employee Benefits Expense**		
	Salaries, Wages and Bonus	6,807.24	5,178.11
	Contribution to Provident and Other Funds	153.12	166.94
	Expenses on employee stock option(ESOP) scheme(Refer note no.35)	179.44	-
	Staff Welfare Expenses	285.52	309.65
		7,425.32	**5,654.70**
28	**Finance Costs**		
	Interest Expense	870.94	1,275.87
		870.94	**1,275.87**
29	**Other Expenses**		
	Power and Fuel	1,143.01	932.23
	Repairs and Maintenance		
	Building	123.02	115.00
	Machinery	469.26	280.77
	Others	405.86	409.06
	Insurance	130.35	111.09
	Rates and Taxes	64.71	51.46
	Rent Including Lease Rentals	258.30	247.38
	Travelling and Conveyance Expenses	936.34	837.81
	Auditors' Remuneration		
	Statutory Audit Fees	15.50	13.00
	Tax Audit Fees	0.25	0.25
	Other Services	28.82	2.00
	Security Expenses	1,213.79	1,100.54
	Allowance for Expected Credit Loss	225.91	56.89
	Provision for Doubtful Advances	5.00	-
	Exchange Fluctuation Loss (Net)	-	0.40
	Donations	1.73	1.44
	Miscellaneous Expenses	2,202.41	1,348.19
		7,224.26	**5,507.51**

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Notes to the Financial Statements

30. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debts (offset by cash and bank balances) and equity of the Company (Comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Company has a target Debts to equity ratio of 1: 1 determined as the proportion of net debts to equity. The Company has zero net debt as on 31st March 2018 (31st March 2017: Nil)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies.

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The following table analyzes foreign currency risk from financial instruments as of:

Trade Payable	2017-18	2016-17
In GBP	-	GBP 5,217.00
In US $	US $ 12,993	US $ 5,789.09
In INR(in Lakhs)	8.46	5.43
Conversion date of GBP and US $	31st March 18	31st March 17

Foreign exchange risk sensitivity:

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

Rs. In Lakhs

	For the year ended 31st March 2018		For the year ended 31st March 2017	
	10% strengthen	**10% weakening**	**10% strengthen**	**10% weakening**
GBP	-	-	(0.43)	0.43
USD	(0.85)	0.85	(0.11)	0.11

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 22,888.01 Lakhs and Rs. 21,977.46 Lakhs as of March 31st 2018 and March 31st 2017 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Apart from Future Retail Limited, the largest customer of the Company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited did not exceed 27.61 % (2017: Future Retail Limited 37.77 % and Future Life Style Fashion Limited 11.97 %) of gross trade receivable as at the end of reporting period. No other single customer accounted for more than 10% of total trade receivable.

The average credit period on sale of services is 30 to 90 days. No interest is charges on trade receivables.

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Credit Risk Exposure

Movement in Expected credit loss.

(Rs. in Lakhs)

	2017-18	2016-17
Beginning of the year	419.33	254.72
Movement in Expected Credit Loss	225.91	164.61
Balances at the end	645.24	419.33

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31st March 2018, The Company had a working capital of Rs. 10,289.60 Lakhs including cash and cash equivalent of Rs. 7,567.79 Lakhs and current investment of Rs. 0.70 Lakhs.

As of 31st March 2017, The Company had a working capital of Rs. 15,790.20 Lakhs including cash and cash equivalent of Rs. 4,700.72 Lakhs and current investment of Rs. 0.70 Lakhs.

31. Contingent Liabilites not provided for:

Disputed Service tax demand Rs. 391.80 Lakhs (2017 : Nil)

32. Estimated amounts of contracts remaining to be executed on capital account (net of advances) Rs. 1,927.95 Lakhs. (2017: Rs. 349.46 Lakhs)

33. There are no outstanding towards Micro, Small and Medium Enterprises, during the period. 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 and relied by the auditors.

34. Related Party disclosures

Names of Related Parties and Nature of Relationship

Holding Company - Future Enterprises Limited

Subsidiary Company - Vulcan Express Private Limited (w.e.f. 02nd February 2018)

Associate Company - Leanbox Logistics Solutions Private Limited (w.e.f. 27 July 2017)

Fellow Subsidiaries, Joint ventures and associates within the Group :

- Apolo Design Apparel Park Limited

- Future Generali India Life Insurance Company Limited

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- Work Store Limited

- Goldmohur Design and Apparel Park Limited

- Galaxy Entertainment Corporation Limited

- Key Management Personnel - Mayur Toshniwal (Managing Director) (w.e.f August 5th, 2017)

During the year, following transactions were carried out with the related parties in the ordinary course of business

(Rs. in Lakhs)

Nature of Transactions	Holding Company	Subsidiary Company	Associate Company	Fellow Subsidiaries, Joint ventures and associates within the Group	Key Management Personnel
Purchase of Fixed Assets	- (-)	56.02 (-)	- (-)	- (-)	- (-)
Sale of Fixed Assets	- (-)	- (-)	4.16 (-)	- (-)	- (-)
Income from operation	1,752.11 (152.10)	- (-)	25.89 (-)	174.40 (18.14)	- (-)
Reimbursement of Expenses	154.48 (-)	- (-)	- (-)	- (-)	- (-)
Expenses	- (-)	- (-)	- (-)	67.48 (18.57)	- (-)
Remuneration	- (-)	- (-)	- (-)	- (-)	115.13 (80.18)
Investments	- (-)	1,300.00 (-)	100.00 (-)	- (-)	- (-)
As on March 31, 2018					
Receivable	1,152.68 (167.76)	- (-)	18.67 (-)	32.48 (19.84)	- (-)
Payable	- -	66.11 (-)	- (-)	3.58 (-)	- (-)

Break up of Related Party Transaction with Fellow Subsidiaries, Joint ventures and associates within the Group and Key Managerial Person.

(Rs. In Lakhs)

Nature of Transactions	2017-18	2016-17
Income from operation		
Fellow Subsidiary Company		
Work Store Limited	33.12	15.94
Appolo Design Apparel Park Limited	20.72	2.20
Goldmohur Design and Apparel Park Limited	24.05	-
Galaxy Entertainment Corporation Limited	96.51	-
Expenses		
Fellow Subsidiary Company		
Work Store Limited	39.41	0.53
Future Generali India Life Insurance Company Limited.	19.69	18.04
Galaxy Entertainment Corporation Limited	8.38	-

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Remuneration		
Key Management Personnel		
Mayur Toshniwal	115.13	-
Anshuman Singh	-	80.18
Receivable		
Galaxy Entertainment Corporation Limited	15.97	-
Future Generali India Life Insurance Company Limited	2.81	-
Goldmohur Design and Apparel Parks Limited	10.15	-
Apollo Design Apparel Park Limited	3.55	1.52
Work Store Limited	-	18.32
Payable		
Work Store Limited	3.58	-

Notes :
Consequent to the rejections of various application with respect to the appointment of and payment of remuneration to the Managing Director, and pursuant to the approval by the Board of Directors, the Company has initiated the process by sending a notice to the concerned Managing Director to recover the excess amount paid to him as remuneration during the relevant period. The Company expects the full recovery in the current year.

35. **Share based payments**

(i) Details of the employee share based plan of the Company

a) The ESOP scheme titled "Future Supply Chain Solutions Limited Employees Stock Option Plan 2017" (FSC ESOP 2017) was approved by the Board on August 5th, 2017 and our Shareholder on August 8th, 2017. In aggregate 4, 00,000 options are covered under the FSC ESOP 2017 for 4, 00,000 equity shares.

During the year, the Nomination and Remuneration Committee of the Company granted 2, 83,763 options under FSC ESOP 2017 to certain directors and employees of the Company. The options granted under FSC ESOP 2017 are convertible into equal number of equity shares. The exercise price of each option is Rs. 350/-.

The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the Nomination and Remuneration Committee ("NRC") while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

b) The following share-based payment arrangements were in existence during the year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (Rs.)	Fair value at grant date (Rs.)
FSC ESOP 2017	2,83,763	14th Nov 2017	Note-1 below	350.00	599.00

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year.

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Inputs into the model	FSC ESOP 2017
Expected volatility (%)	25.26%
Option life (Years)	2.50-4.50
Dividend yield (%)	0.00%
Risk-free interest rate (Average)	6.75% - 7.01%

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	Year ended March 31, 2018	
	Number of options	**Weighted average exercise price (Rs.)**
Balance at beginning of year	-	-
Granted during the year	2,83,763	350
Cancelled during the year	14,063	350
Balance at end of year	2,69,700	350

(iv) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,799 days (2017: Nil).

36. Earnings Per Share

Particulars	2017-18	2016-17
Profit for the year (Rs. In Lakhs)	6,734.55	4,575.42
Weighted average number of equity shares outstanding during the year for Basic EPS	3,94,85,345	3,91,38,283
Add : Weighted Average number of equity shares on account of Employee Stock Options outstanding	9,174	-
Add : Weighted Average number of equity shares on account of Fully Convertible Debentures.	-	15,71,429
Weighted average number of equity shares outstanding during the year for Diluted EPS	3,94,94,519	4,07,09,712
Earnings per share of Rs.10/- each		
- Basic	17.06	11.64
- Diluted	17.05	11.19

37. **Lease**

The Company's has entered into operating lease arrangements for its warehouses, office premises etc.These leasing arrangements which are non-cancellable range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Cost of Logistic Service amount of Rs. 7,364.42 Lakhs (2017 : Rs. 6,238.64 Lakhs). Lease Rent payable not later than one year is Rs. 2,893.50 Lakhs (2017: Rs. 2,421.52 Lakhs), payable later than one year but not later than five year is Rs. 7,279.04 Lakhs (2017: Rs. 6,904.22 Lakhs) and payable later than five years is Rs. 1,517.67 Lakhs (2017: Rs. 2,733.59 Lakhs)

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38. **Zero Coupon Fully and Compulsorily Convertible Debenture**

During the year, the Company has converted 55,000 Zero Coupon fully and Compulsorily Convertible Debenture into 9,17,955 equity share of Rs. 10 at a premium of Rs. 589.16 per equity share.

39. Security clause in respect to Secured Borrowings includes Working Capital Loans from Banks.

A. Short Term Borrowing

Rs. NIL (2017: Rs. NIL) is secured by (a) First Pari-Passu Charge on Current Assets of the Company (b) Second Pari-Passu Charge on Fixed Assets (c) Secured by personal Guarantee of a Director.

B. Long Term Borrowing

Rs. 3,310.80 Lakhs (Including current maturity) (2017: 3,044. 96 Lakhs) is secured by First Pari-Passu Charge on entire Fixed Assets (Including immovable properties but excluding land)- Present and future of the Company and personal Guarantee by one of the Directors' and Rs. 4.98 Lakhs (2017: Rs. 138.09 lakhs including current maturity) is secured by vehicle.

Amount repayable Rs. 780.00 Lakhs in 2018-19, Rs. 780.00 Lakhs in 2019-20, Rs. 780.00 Lakhs in 2020-21, Rs. 780.00 Lakhs in 2021-22 and 2022-23 Rs. 190.80 Lakhs. Rate of interest ranging from 9.00% to 11.00%.

Installments falling due in respect of all the above Term loan upto 31.03.2019 aggregating Rs. 784.98 Lakhs have been grouped under current maturities of Long- Term Borrowings.

40. **Employee benefit Plans**

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 27 under the "Contribution to Provident and Other Funds" of Statement of Profit and Loss account Rs. 153.12 Lakhs (2017: Rs. 166.94 Lakhs).

Defined benefit Plan – Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefit are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March 2018 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.
As per Ind AS 19 the disclosures as defined in the Accounting Standard are given below:

Change in Present Value of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Present value of obligation at the beginning of the year	189.30	155.28	88.82	72.06
Current service cost	43.45	35.27	31.75	19.70
Interest cost	14.19	12.41	6.66	5.76
Remeasurement-Acturial (gain)/Loss	(7.59)	28.28	(0.91)	27.41
Past service cost	5.68	-	-	-
Benefits paid by Company	(27.08)	(41.94)	(16.94)	(36.11)
Benefit paid by the Insurance Co.	-	-	-	-
Bank Balance	-	-		
Present value of obligation at the year end	217.95	189.30	109.38	88.82

Change in Fair Value of Plan Assets

(Rs. in Lakhs)

	Gratuity (Funded)	
	2017-18	**2016-17**
Fair value of plan assets at the beginning of the year	2.98	2.78
Remeasurement-Return on plan assets excluding amounts included in interest income	0.22	(0.02)
Acturial gain/(loss)	-	0.22
Benefits paid	-	-
Contributions	-	-
Fair value of plan assets at the end the year	3.20	2.98

Net Defined Benefit Liability/ (Assets)

(Rs. in Lakhs)

	2017-18	**2016-17**
Defined Benefit Obligation	217.95	189.30
Fair Value of Plan Assets	(3.20)	(2.98)
Surplus /(Deficit)	214.75	186.32
Effect of Assets Ceiling	-	-
Net Defined Benefit Liability/ (Assets)	**214.75**	**186.32**

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Expenses recognised in Statement of Profit and Loss

(Rs. in Lakhs)

	Gratuity (Unfunded)		Leave Encashment	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Current service cost	43.45	35.27	31.75	19.70
Net interest on the net defined benefit liability/asset	13.96	12.19	6.66	5.76
Past sevice cost	-	-	-	-
Remeasurement on (Gain)/Loss		-	(1.07)	27.41
Immediate recognition of (gains)/losses - other long term benefits	(2.10)	-	-	-
Total Expenses Recognised in Profit And Loss Account	55.31	47.46	37.34	52.87

Re-measurement Effects Recognised in Other Comprehensive Income (OCI)

(Rs. in Lakhs)

	2017-18	**2016-17**
Actuarial (gains)/losses	(7.59)	28.28
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	-	0.02
Total (Gain) / Loss included in OCL	**(7.59)**	**28.30**

Financial Assumptions used for the purpose of the actuarial valuations were as follow.

	Gratuity		Leave Encashment	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Discounted rate (per annum)	7.80%	7.50%	7.80%	7.50%
Expected rate of future salary increase	5%	5%	5%	5%
Mortality rate (% of IALM 06-08)	100%	100%	100%	100%
Withdrawal rate (per annum)	1%	1%	1%	1%
Normal retirement age	58 Years	58 Years	58 Years	58 Years

Sensitivity analysis : Gratuity

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity is given below :

Rs. In Lakhs

	2017-18	**2016-17**
Defined Benefit Obligation (Base)	217.95	189.30

Rs. In Lakhs

	2017-18		2016-17	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	248.44	192.37	217.40	165.88
Salary Growth rate e (- / + 1%)	192.27	248.21	165.57	217.25
Attrition rate e (- / + 50% of attrition rates)	214.44	221.22	186.37	192.02
Mortality rate e (- / + 10% of Mortality rates)	217.69	218.21	189.09	189.51

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Please note that the sensitivity analysis presented above may not be repsesentive of the actual change in the defined benefit obligation as it is unlikly that the change in assumptions would occur in isolation of one anothers as some of the assumption may be correlated.

41. The Company is engaged only in Logistic business in India and there are no separate reportable business and geographical segments under the Accounting Standred of IND AS 108 Operating Segments.

42. As required by caluse (4) of Section 186 of the Companies Act 2013, the Company has made an investment of Rs. 6,312.26 Lakhs (2017 : Nil) during the year.

43. **Approval of Financial Statement**

The Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on 25th April 2018.

As per our report of even date

For NGS & Co. LLP
Chartered Accountants

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A Trivedi
Partner
Membership No. 042472
Mumbai
April 25, 2018

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

C P Toshniwal
[Director]
DIN: 00036303

Mayur Toshniwal
(Managing Director)
DIN: 01655776

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
[Company Secretary]

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Future Supply Chain Solutions Limited

Consolidated Annual Accounts
2017-18

future group
india tomorrow

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Future Supply Chain Solutions Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and an associate company, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement and the Consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind As 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 Ind AS 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 and Consolidated changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and associate company 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 Consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Ind AS financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind As 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including the Ind AS , of the Consolidated state of affairs of the Group and an associate company as at March 31, 2018, and its Consolidated profit including consolidated comprehensive income, its Consolidated cash flows and Consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Ind As financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 and Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary company and associate, none of the directors of the Group its associate company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of Internal controls over financial reporting of the Group and the operating effectiveness of such controls. Refer to our separate report in "Annexure A", and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company.

ii. The Holding Company, its subsidiary company and its associate company did not have any long term contract including derivative contract for which there were any material foreseeable losses.

iii. There were no amounts in case of Holding Company, Subsidiary company and associate company which were required to be transferred to Investor Education and Protection Fund.

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

NGS & CO. LLP ★ CHARTERED ACCOUNTANTS MUMBAI

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
April 25, 2018

Annexure – A to the Auditors' Report
Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Art")

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Future Supply Chain Solutions Limited ("the Holding Company") and its subsidiary company and associate company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extend applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary company and associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
April 25, 2018

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs. In Lakhs)

Particulars	Note	As at March 31, 2018
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	4	31,627.46
Capital Work In Progress		254.95
Intangible Assets	4	219.76
Financial Assets		
Investments	5	942.89
Other Financial Assets	6	3,235.73
Other Non Current Assets	7	796.19
Total Non-Current Assets		**37,076.98**
Current Assets		
Financial Assets		
Investments	8	0.70
Trade Receivables	9	25,961.10
Cash and Cash Equivalent	10	7,861.63
Bank Balances other than Cash and Cash Equivalent	11	106.55
Other Financial Assets	12	1,121.29
Other Current Assets	13	1,486.11
Total Current Assets		**36,537.38**
Total Assets		**73,614.36**
EQUITY & LIABILITIES		
Equity		
Equity Share Capital	14	4,005.62
Other Equity	15	38,524.88
Total Equity		**42,530.50**
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Non Current Borrowings	16	2,511.28
Other Non Current Financial Liabilities	17	169.95
Provisions	18	456.85
Deferred Tax Liabilities (Net)	19	1,552.45
Total Non-Current Liabilities		**4,690.53**
Current Liabilities		
Financial Liabilities		
Trade Payables	20	17,979.63
Other Current Financial Liabilities	21	6,102.70
Other Current Liabilities	22	2,015.64
Provisions	23	27.86
Current Tax Liabilities (Net)	24	267.50
Total Current Liabilities		**26,393.33**
Total Equity And Liabilities		**73,614.36**

The accompanying notes are an integral part of these financial statements. 1-43

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A.Trivedi
Partner
Membership No.: 042472
Mumbai
Date : April 25, 2018

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

C P Toshniwal
(Director)
DIN : 00036303

Mayur Toshniwal
(Managing Director)
DIN : 01655776

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Future Supply Chain Solutions Ltd. MUMBAI

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

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

(Rs. In Lakhs)

Particulars	Note	Year Ended March 31, 2018
Income		
Revenue From Operations	25	79,365.87
Other Income	26	1,212.43
Total Income		**80,578.30**
Expenses		
Cost of Logistics Services		52,535.57
Employee Benefits Expense	27	8,045.26
Depreciation and Amortization Expense	4	2,549.74
Finance Costs	28	908.63
Other Expenses	29	7,514.86
Total Expense		**71,554.06**
Profit Before Tax		**9,024.24**
Income Tax Expense		
(1) Current Tax		2,590.44
(2) Deferred Tax (Assets)/Liabilities		543.11
		3,133.55
Profit after taxation before Share of Associates		**5,890.69**
Share of (loss) in Associate Company		(57.10)
Profit after Share of Associates		5,833.59
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
(i) Remeasurement of the defined benefit Plan		(25.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.63
Total other comprehensive income, net of tax		(23.05)
Total Comprehensive Income for the period		**5,856.64**
Earnings Per Equity Share (Face Value Rs. 10/- each)		
Basic		14.77
Diluted		14.77

The accompanying notes are an integral part of these financial statements 1-43

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A.Trivedi
Partner
Membership No.: 042472
Mumbai
April 25, 2018

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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

C P Toshniwal
(Director)
DIN : 00036303

Mayur Toshniwal
(Managing Director)
DIN : 01655776

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Future Supply Chain Solutions Ltd. MUMBAI

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

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

(Rs. In Lakhs)

	Particulars	Year Ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Net Profit Before Tax	**9,024.24**
	Adjusted For:	
	Depreciation And Amortization Expense	2,549.74
	Finance Costs	908.63
	Provision for Doubftful Debts	214.27
	Profit on sale of Fixed Assets	(412.45)
	Excess Provision Written Back	(64.38)
	Expenses on employee stock option(ESOP) scheme (Refer note no.35)	179.44
	Interest Income	(416.92)
	Operating Profit Before Working Capital Changes	**11,982.57**
	Adjusted For:	
	Trade Receivable	(1.99)
	Loans & Advances and Other Assets	(497.11)
	Trade Payables, Other Liabilities and Provisions	5,699.53
	Cash Generated From Operations	**17,183.00**
	Taxes Paid (Net)	(2,325.56)
	Net Cash From Operating Activities	**14,857.44**
B	**Cash Flow From Investing Activities**	
	Purchase Of Property, Plant & Equipment and Intangible Assets	(8,986.26)
	Sale Of Property, Plant & Equipment and Intangible Assets	1,006.76
	Purchase of Investments	(3,809.99)
	Interest Received	416.92
	Net Cash Used In Investing Activities	**(11,372.57)**
C	**Cash Flow From Financing Activities**	
	Proceeds From Long Term Loan	71.59
	Interest Paid	(908.63)
	Net Cash Provided By Financing Activities	**(837.04)**
	Net (Decrease)/Increase In Cash And Cash Equivalents (A+B+C)	**2,647.83**
	Cash and Cash Equivalents (Opening Balance)	**4,667.51**
	On acquisition of Subsidiary during the year	**546.29**
	Cash and Cash Equivalents (Closing Balance)	**7,861.63**

The accompanying notes are an integral part of these financial statements.1-43

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A.Trivedi
Partner
Membership No.: 042472
Mumbai
Date : April 25, 2018

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

C P Toshniwal
(Director)
DIN : 00036303

Mayur Toshniwal
(Managing Director)
DIN : 01655776

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Future Supply Chain Solutions Ltd. MUMBAI ★

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

Note	Particulars	As at March 31, 2018
(A)	**EQUITY SHARE CAPITAL**	
	Opening Balance	3,913.83
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	91.79
	Closing Balance	**4,005.62**
(B)	**OTHER EQUITY**	
	Retained Earnings	
	Opening Balance	9,371.99
	Profit for the Year	5,833.59
	Other Comprehensive (Income)/Loss for the year(net of tax)	(23.05)
	Closing Balance	**15,228.63**
	Capital Reserve	
	Opening Balance	-
	Add : On Account of acquisition of Subsidiary	1,713.49
	Closing Balance	**1,713.49**
	Securities Premium Reserve	
	Opening Balance	15,995.12
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	5,408.20
	Closing Balance	**21,403.32**
	Share Options Outstanding	
	Opening Balance	-
	Add : Recognition of share based payments	179.44
	Closing Balance	**179.44**
	Total Other Equity	**38,524.88**

The accompanying notes are an integral part of these financial statements. 1-43

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Ashok A.Trivedi
Partner
Membership No.: 042472
Mumbai
Date : April 25, 2018

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

C P Toshniwal
(Director)
DIN : 00036303

Mayur Toshniwal
(Managing Director)
DIN : 01655776

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Future Supply Chain Solutions Ltd. ★ MUMBAI

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Company Overview

Future Supply Chain Solutions Limited (the "Company") is a public Company domiciled in India and incorporated on March 8, 2006. The Equity Shares of the Company were listed on BSE Limited and The National Stock Exchange of India Limited on December 18, 2017.

The Company is India's first fully integrated and IT enabled end-to-end Supply Chain and Logistic Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain Logistics. The Company caters to corporates in Food & Beverages, Lifestyle, Electronics & High Tech, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise and E-Commerce Sectors. Each category has a distinct supply chain with its own distinct requirements that need customized solutions. The Company has been a pioneer and leader in modernising logistics and supply chain in India by having implemented cutting-edge technology and contemporary supply chain management practices through implementation of global best practices, indigenized and best adapted for Indian conditions. The Company has its registered office at Mumbai, Maharashtra, India.

2. Revised Indian Accounting Standard ("Ind AS") issued but not effective

Ind AS 115 'Revenue from Contracts with Customers' has been notified by Ministry of Corporate Affairs as on March 28, 2018. This standard prescribes only one underlying principle for revenue recognition i.e., transfer of control over goods/services. Ind AS 115 will supersede Ind AS 11 'Construction Contracts' and Ind AS 18, 'Revenue' and is effective for annual periods beginning on or after April 1, 2018. Management consider that the amendment does not have significant impact on the financial statements.

3. Summary of Significant Accounting Policies

3.1. Statement of compliance

The Consolidated financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015] and other applicable laws.

3.2. Basis of Preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 'Leases' ("Ind AS 17"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

Future Supply Chain Solutions Ltd. MUMBAI

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

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

The principal accounting policies are set out below.

3.3. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Future Supply Chain Solutions Ltd. MUMBAI

NGS & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.
When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

Future Supply Chain Solutions Ltd. MUMBAI

NGS & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The consolidated financial statement of the Group comprises financial statement of Future Supply Chain Solutions Limited and the following companies:

Name of the Company	**Relationship**	**Proportion of ownership interest and voting power held by the Group**
		As at March 31, 2018
Vulcan Express Private Limited	Subsidiary	100%
Leanbox Logistics Solutions Private Limited	Associate	50%

3.4. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the

Future Supply Chain Solutions Ltd. MUMBAI

NGS & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed off.
Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 'Revenue' ("Ind AS 18").

3.5. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.
For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2015 measured as per previous GAAP as it deemed cost on the date of transition.

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

Asset	Useful Life
Plant and Equipment	15 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Electrical Installations	10 Years
Vehicle	6 years
Computers	3 Years
Leasehold improvements	Lease term

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Future Supply Chain Solutions Ltd. MUMBAI

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

3.6. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Assets	Useful Life
Software	6 years
Exclusive business rights	10 years

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

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

3.7. Leasing

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

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

<u>The Group as lessor</u>

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

<u>The Group as lessee</u>

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

3.8. Financial instruments

3.8.(i) Initial recognition

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

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

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attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

3.8.(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

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

(iv) Financial liabilities

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

b. Equity instruments

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

c. Compound Instruments

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

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

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in statement of profit and loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

3.8.(iii) Derecognition of financial instruments

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

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

3.9. Foreign Currency

Functional currency

The functional currency of the Group is the Indian rupee ("INR").

Transactions and translations

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

3.10. Borrowing Costs

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

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3.11. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated rebates and other allowances.

Rendering of Services

Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of taxes (If applicable).

Interest Income

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

3.12. Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

3.13. Employee Benefits

Post-employment benefits

Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the

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beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in statement of profit and loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service costs.

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

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

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

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

3.14. Taxation

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where

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it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.15. Earnings Per Share

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

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

3.16. Provisions

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

3.17. Impairment

a. Financial assets

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

b. Non-financial assets

Intangible assets and property, plant and equipment

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

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

3.18. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.19. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Key sources of estimation uncertainty

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. Provisions, liabilities and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

3.20. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

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4 : PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

Particulars	Land	Leasehold Improvement	Plant and Equipment	Office Equipment	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total	Capital Work in Progress
Cost										
As at April 01, 2017	588.25	1,124.06	10,261.64	298.94	688.75	1,326.43	1,851.38	520.35	16,659.80	6,981.14
On Acquisition of Subsidiary	-	1,727.88	735.29	789.81	1,615.89	3,505.19	1,117.26	-	9,491.32	1.32
Addition	-	1.78	13,693.74	91.27	973.92	585.28	743.26	-	16,089.25	254.95
Deductions	588.25	-	4.95	-	8.65	78.28	-	-	680.13	6,982.46
As at March 31, 2018	-	2,853.73	24,685.72	1,180.02	3,269.91	5,338.62	3,711.90	520.35	41,560.25	254.95
Accumulated Depreciation										
As at April 01, 2017	-	464.54	1,831.48	139.31	339.81	404.77	516.46	85.71	3,782.08	
On Acquisition of Subsidiary	-	557.92	148.64	348.74	950.17	1,441.95	218.92	-	3,666.35	
Depreciation charge for the year	-	223.71	1,240.20	75.25	341.13	263.28	288.69	82.82	2,515.08	
Deductions/Adjustmets	-	-	1.51	-	6.97	22.23	-	-	30.71	
As at March 31, 2018	-	1,246.17	3,218.81	563.30	1,624.14	2,087.77	1,024.07	168.53	9,932.79	
Net Book Value										
As at March 31, 2018	-	1,607.57	21,466.91	616.72	1,645.77	3,250.85	2,687.83	351.82	31,627.46	

(Rs. In Lakhs)

Intangible assets	Computer Software	Exclusive Business Rights	Total
Cost			
As at April 01, 2017	254.45	29.47	283.92
On Acquisition of Subsidiary	145.07	-	145.07
Additions	63.15	-	63.15
Deductions	-	-	-
As at March 31, 2018	462.66	29.47	492.14
Accumulated Amortisation			
As At April 01, 2017	167.17	20.00	187.17
On Acquisition of Subsidiary	50.55	-	50.55
Amortisation for the year	30.19	4.47	34.66
Deductions/Adjustmets	-	-	-
As at March 31, 2018	247.91	24.47	272.38
Net Book Value			
As at March 31, 2018	214.76	5.00	219.76

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(Rs. In Lakhs)

Note	Particulars	As at March 31, 2018
5	**Investments**	
	Non-Current Investments	
	Non - Trade Investment (at cost)	
	Unquoted	
	Associate	
	178500 Equity Share of Rs.10 Each of Leanbox Logistics Solutions Private Limited.	842.89
	Others	
	19833 Convertible Debentures of Rs. 10 Each of Leanbox Logistics Solutions Private Limited.	100.00
		942.89
6	**Other Financial Assets**	
	Non-Current Financial Assets - Others	
	Unsecured Considered Good	
	Security Deposits	3,219.23
	Bank Deposit	16.50
	* Financial Assets Carried at amortised cost	
		3,235.73
7	**Other Non Current Assets**	
	Prepaid Expenses	52.95
	Deduction of Income Tax (Net of provisions)	743.24
		796.19
8	**Investments**	
	Current Investment	
	Unquoted	
	National Saving Certificate*	0.70
	*Under lien with Sales Tax Department	
	* Financial Assets Carried at amortised cost	**0.70**
9	**Trade Receivables**	
	Considered Goods	
	Trade Receivable	26,706.34
	Less : Allowance for Expected Credit Loss	(745.24)
		25,961.10
10	**Cash and Cash Equivalent**	
	Balances with Banks	
	In Current Accounts	7,749.30
	Cash on Hand	112.33
		7,861.63
11	**Bank Balances other than Cash and Cash Equivalent**	
	Bank Deposit*	106.55
	*(Under Lien)	
		106.55
12	**Other Financial Assets**	
	Security Deposits	1,121.29
	Unsecured, Considered Good	
	Doubtful	103.28
	Less: Provision for Doubtful Security Deposits	103.28
		1,121.29
13	**Other Current Assets**	
	Insurance Claim Receivables	19.61
	Others*	1,466.50
	*(Include Receivable from Government Autorities, Prepaid Expenses, Advance to suppliers and Advance Salary	
		1,486.11

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Note	
14	Share Capital

Particular	As at March 31, 2018	
	Number	(Rs. in Lakhs)
Authorised		
Equity Shares of Rs. 10 Each.	5,00,00,000	5,000.00
Equity Shares of Rs. 10 Each.		
	5,00,00,000	5,000.00
Issued and Paid up		
Equity Shares of Rs. 10 Each fully paid up	4,00,56,238	4,005.62
Equity Shares of Rs. 10 Each fully paid up		
	4,00,56,238	4,005.62

(i) Reconciliation of Number of Shares

Equity Shares of Rs.10/- Each

Particulars	As at March 31, 2018
	Number of Shares
Opening Balance	3,91,38,283
Add : On account of conversion of Zero Coupon Fully Convertible Debenture	9,17,955
	4,00,56,238

(ii) Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10/- per Share. Each holder of equity share is entitled for one vote per share.
In the event of liquidation, the equity sharesnolders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(iii) More than 5 percent Shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in the company are as under :

Name of Shareholder	As at March 31, 2018	
	No. of Shares	% of Holding
Equity Shares		
Future Enterprises Limited (Formerly known as Future Retail Limited)	2,05,15,917	51.2%
Griffin Partners Limited	58,63,475	14.6%
L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	23,74,973	5.9%
	2,87,54,365	71.8%

(iv) Share options granted under the Company's employee share option plan

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights.(Refer Note no.35)

(v) As at March 31, 2018, 2,69,700 (2017 : Nil) equity shares were reserved for issuance toward outstanding employee stock options granted. (Refer Note no.35)

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(Rs. In Lakhs)

Note	Particulars	As at March 31, 2018
15	**OTHER EQUITY**	
	Retained Earnings	15,228.63
	Capital Reserve	1,713.49
	Securities Premium Reserve	21,403.32
	Employee Stock Option Outstanding	179.44
	Total Other Equity	**38,524.88**
16	**Non Current Borrowings**	
	Term Loan	
	Rupee Term Loan from Banks*	2,511.28
	* Financial Liabilities Carried at Amortised Cost (Refer Note No.39)	
		2,511.28
17	**Other Non Current Financial Liabilities**	
	Non Current Financial Liabilities	
	Security Deposits*	169.95
	* Financial Liabilities Carried at Amortised Cost	
		169.95
18	**Non-current - Provisions**	
	Provision for Employee Benefits	456.85
		456.85
19	**Deferred tax Liabilities (net)**	
	Major components of the Deferred tax balances consist of the following:	
	Deferred Tax Liability	
	Related to Fixed Assets	1,846.65
		1,846.65
	Deferred Tax Assets	
	Disallowances under the Income Tax Act, 1961	294.20
		294.20
	Deferred Tax Liability (Net)	**1,552.45**
20	**Trade Payables**	
	Current Financial Liabilities - Trade Payable	
	Trade Payables (Refer Note No. 33)	17,979.63
		17,979.63
21	**Other Current Financial Liabilities**	
	Current Maturities of Long Term Borrowings	784.98
	Security Deposits	3.60
	Capital Creditors	931.38
	Payable on Purchase of Investment	1,202.26
	Other Payable	3,180.48
		6,102.70
22	**Other Current Liabilities**	
	Other Payables *	2,015.64
	* Includes Statutory Dues, Advance from Customers,etc.	
		2,015.64
23	**Provisions**	
	Provision for Employee Benefits	27.86
		27.86
24	**Current Tax Liabilities (Net)**	
	Income Tax Payable net of TDS and Advance Tax	267.50
		267.50

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In Lakhs)

Note	Particulars	2017-18
25	**Revenue from Operations**	
	Logistic Services	79,307.06
	Other Operating Revenue	58.81
		79,365.87
26	**Other Income**	
	Interest Income	416.92
	Profit on Sale of Fixed Assets	412.45
	Excess Provisions/Liabilities Written Back	64.38
	Recovery Against Shrikege	174.74
	Miscellaneous Income	143.94
		1,212.43
27	**Employee Benefits Expense**	
	Salaries, Wages and Bonus	7,368.40
	Contribution to Provident and Other Funds	198.85
	Expenses on employee stock option(ESOP) scheme (Refer note no.35)	179.44
	Staff Welfare Expenses	298.57
		8,045.26
28	**Finance Costs**	
	Interest Expense	908.63
		908.63
29	**Other Expenses**	
	Power and Fuel	1,165.05
	Repairs and Maintenance	
	Building	123.02
	Machinery	469.26
	Others	457.32
	Insurance	140.06
	Rates and Taxes	49.47
	Rent Including Lease Rentals	262.48
	Travelling and Conveyance Expenses	936.34
	Auditors' Remuneration	
	Statutory Audit Fees	18.00
	Tax Audit Fees	0.25
	Other Services	28.82
	Security Expenses	1,305.26
	Allowance for Expected Credit Loss	214.27
	Provision for Doubtful Advances	5.00
	Donations	1.73
	Miscellaneous Expenses	2,338.53
		7,514.86

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30. Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the respective managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Group manages market risk through respective treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

The group is not exposed to significant market risk at respective reporting data.

Capital Management

The Company manages its capital to ensure that Group will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Group consists of net debts (offset by cash and bank balances) and equity of the Group (Comprising issued capital, reserves, retained earnings). The Group is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Group on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Group has a target Debts to equity ratio of 1: 1 determined as the proportion of net debts to equity. The Group has zero net debt as on March 31, 2018.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign Currency Risk

The Group's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies.

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The following table analyzes foreign currency risk from financial instruments as of:

Trade Payable	2017-18
In US $	US $ 12,993
In INR(in Lakhs)	8.46
Conversion date of US $	March 31, 2018

Foreign exchange risk sensitivity:

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(Rs. in Lakhs)

	For the year ended March 31, 2018	
	10% strengthen	**10% weakening**
USD	(0.85)	0.85

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 25,961.10 Lakhs as of March 31, 2018. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

The average credit period on sale of services is 30 to 90 days. No interest is charges on trade receivables.

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Credit Risk Exposure

Movement in Expected credit loss.

(Rs. in Lakhs)

	2017-18
Beginning of the year	419.33
Movement in Expected Credit Loss	325.91
Balances at the end	745.24

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2018, The Group had a working capital of Rs. 10,144.05 Lakhs including cash and cash equivalent of Rs. 7,968.18 Lakhs and current investment of Rs. 0.70 Lakhs.

31. Contingent Liabilites not provided for:

Disputed Service tax demand Rs. 391.80 Lakhs.

32. Estimated amounts of contracts remaining to be executed on capital account (net of advances) Rs. 1,927.95 Lakhs.

33. There are no outstanding towards Micro, Small and Medium Enterprises, during the period. 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 and relied by the auditors.

34. Related Party disclosures

Names of Related Parties and Nature of Relationship

Holding Company - Future Enterprises Limited

Associate Company - Leanbox Logistics Solutions Private Limited (w.e.f. July 27, 2017)

Fellow Subsidiaries, Joint ventures and associates within the Group :

- Apolo Design Apparel Park Limited

- Future Generali India Life Insurance Company Limited

- Work Store Limited

- Goldmohur Design and Apparel Park Limited

- Galaxy Entertainment Corporation Limited

-Key Management Personnel - Mayur Toshniwal (Managing Director) (w.e.f August 5, 2017)

During the year, following transactions were carried out with the related parties in the ordinary course of business

(Rs. in Lakhs)

Nature of Transactions	Holding Company	Associate Company	Fellow Subsidiaries, Joint ventures and associates within the Group	Key Management Personnel
Income from operation	1,752.11	25.89	174.40	-
Sale of Fixed Assets	-	4.16	-	-
Reimbursement of Expenses	154.48	-	-	-
Expenses	-	-	67.48	-
Remuneration	-	-	-	115.13
Investments	-	100.00	-	-
As on March 31, 2018				
Receivable	1,152.68	18.67	32.48	-
Payable	-	-	3.58	-

Break up of Related Party Transaction with Fellow Subsidiaries, Joint ventures and associates within the Group and Key Managerial Person.

(Rs. In Lakhs)

Nature of Transactions	2017-18
Income from operation	
Fellow Subsidiary Company	
Work Store Limited	33.12
Appolo Design Apparel Park Limited	20.72
Goldmohur Design and Apparel Park Limited	24.05
Galaxy Entertainment Corporation Limited	96.51
Expenses	
Fellow Subsidiary Company	
Work Store Limited	39.41
Future Generali India Life Insurance Company Limited.	19.69
Galaxy Entertainment Corporation Limited	8.38
Remuneration	
Key Management Personnel	
Mayur Toshniwal	115.13
Receivable	
Galaxy Entertainment Corporation Limited	15.97
Future Generali India Life Insurance Company Limited	2.81
Goldmohur Design and Apparel Parks Limited	10.15
Apollo Design Apparel Park Limited	3.55
Payable	
Work Store Limited	3.58

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35. Share based payments

(i) Details of the employee share based plan of the Group

a) The ESOP scheme titled "Future Supply Chain Solutions Limited Employees Stock Option Plan 2017" (FSC ESOP 2017) was approved by the Board on August 5, 2017 and our Shareholder on August 8, 2017. In aggregate 4, 00,000 options are covered under the FSC ESOP 2017 for 4, 00,000 equity shares.

During the year, the Nomination and Remuneration Committee of the Group granted 2, 83,763 options under FSC ESOP 2017 to certain directors and employees of the Group. The options granted under FSC ESOP 2017 are convertible into equal number of equity shares. The exercise price of each option is Rs. 350/-.

The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the Nomination and Remuneration Committee ("NRC") while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

b) The following share-based payment arrangements were in existence during the year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (Rs.)	Fair value at grant date (Rs.)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year.

Inputs into the model	**FSC ESOP 2017**
Expected volatility (%)	25.26%
Option life (Years)	2.50-4.50
Dividend yield (%)	0.00%
Risk-free interest rate (Average)	6.75% - 7.01%

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	Year ended March 31, 2018	
	Number of options	**Weighted average exercise price (Rs.)**
Balance at beginning of year	-	-
Granted during the year	2,83,763	350
Cancelled during the year	14,063	350
Balance at end of year	2,69,700	350

(iv) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1799 days.

36. Earnings Per Share

Particulars	2017-18
Profit for the year (Rs. In Lakhs)	5,833.59
Weighted average number of equity shares outstanding during the year for Basic EPS	3,94,85,345
Add : Weighted Average number of equity shares on account of Employee Stock Options outstanding	9,174
Weighted average number of equity shares outstanding during the year for Diluted EPS	3,94,94,519
Earnings per share of Rs.10/- each	
- Basic	14.77
- Diluated	14.77

37. Lease

The Group's has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements which are non-cancellable range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Cost of Logistic Service amount of Rs. 7,807.96 Lakhs. Lease Rent payable not later than one year is Rs. 3,002.87 Lakhs, payable later than one year but not later than five year is Rs. 7,279.04 Lakhs and payable later than five years is Rs. 1,517.67 Lakhs

38. Zero Coupon Fully and Compulsorily Convertible Debenture

During the year, the Group has converted 55,000 Zero Coupon fully and Compulsorily Convertible Debenture into 9,17,955 equity share of Rs. 10 at a premium of Rs. 589.16 per equity share.

39. Security clause in respect to Secured Borrowings includes Working Capital Loans from Banks.

A. Short Term Borrowing

Rs. NIL is secured by (a) First Pari-Passu Charge on Current Assets of the Group (b) Second Pari-Passu Charge on Fixed Assets (c) Secured by personal Guarantee of a Director.

B. Long Term Borrowing

Rs. 3,310.80 Lakhs (Including current maturity) is secured by First Pari-Passu Charge on entire Fixed Assets (Including immovable properties but excluding land) - Present and future of the Group and personal Guarantee by one of the Directors' and Rs. 4.98 Lakhs is secured by vehicle.

Amount repayable Rs. 780.00 Lakhs in 2018-19, Rs. 780.00 Lakhs in 2019-20, Rs. 780.00 Lakhs in 2020-21, Rs. 780.00 Lakhs in 2021-22 and 2022-23 Rs. 190.80 Lakhs. Rate of interest ranging from 9.00% to 11.00%.

Installments falling due in respect of all the above Term loan upto 31.03.2019 aggregating Rs. 784.98 Lakhs have been grouped under current maturities of Long- Term Borrowings.

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40. Employee benefit Plans

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 27 under the "Contribution to Provident and Other Funds" of Statement of Profit and Loss account Rs. 198.85 Lakhs.

Defined benefit Plan – Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefit are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically expose the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2018. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.
As per Ind AS 19 the disclosures as defined in the Accounting Standard are given below:

Change in Present Value of Defined Benefit Obligation

Rs. In Lakhs

	Gratuity (Unfunded)	Leave Encashment
Particulars	**2017-18**	**2017-18**
Present value of obligation at the beginning of the year	189.30	129.92
On Business Combination	87.70	14.08
Current service cost	50.33	38.66
Interest cost	14.99	7.43
Acquisition adjustment	5.89	(0.16)
Remeasurement-Acturial (gain)/Loss	(12.62)	1.66
Past service cost	5.68	-
Benefits paid by Group	(27.08)	(17.88)
Present value of obligation at the year end	314.20	173.71

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Change in Fair Value of Plan Assets

(Rs. in Lakhs)

	Gratuity (Funded)
	2017-18
Fair value of plan assets at the beginning of the year	2.98
Remeasurement-Return on plan assets excluding amounts included in interest income	0.22
Fair value of plan assets at the end the year	3.20

Net Defined Benefit Liability/ (Assets)

(Rs. in Lakhs)

	2017-18
Defined Benefit Obligation	314.20
Fair Value of Plan Assets	(3.20)
Surplus /(Deficit)	311.00
Net Defined Benefit Liability/ (Assets)	**311.00**

Expenses recognised in Statement of Profit and Loss

(Rs. in Lakhs)

	Gratuity (Unfunded)	Leave Encashment
	2017-18	2017-18
Current service cost	50.33	38.66
Net interest on the net defined benefit liability/asset	14.99	7.43
Past sevice cost		
Remeasurement on (Gain)/Loss	-	1.66
Immediate recognition of (gains)/losses - other long term benefits	(2.10)	-
Total Expenses Recognised in Profit And Loss Account	63.22	47.75

Re-measurement Effects Recognised in Other Comprehensive Income (OCI)

(Rs. in Lakhs)

	2017-18
Actuarial (gains)/losses	(25.68)
Total (Gain) / Loss included in OCL	**(25.68)**

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Financial Assumptions used for the purpose of the actuarial valuations were as follow.

	Gratuity	Leave Encashment
	2017-18	**2017-18**
Discounted rate (per annum)	7.80%	7.80%
Expected rate of future salary increase	5-9%	5-9%
Mortality rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	1-20%	1-20%
Normal retirement age	58-60 Years	58-60 Years

Sensitivity analysis : Gratuity

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity is given below:

Rs. In Lakhs

	2017-18
Defined Benefit Obligation (Base)	314.20

Rs. In Lakhs

	2017-18	
	Decrease	**Increase**
Discount Rate (- / + 0.5-1%)	248.75	192.08
Salary Growth rate e (- / + 0.5-1%)	192.10	248.36
Attrition rate e (- / + 50% of attrition rates)	214.44	221.22
Mortality rate e (- / + 10% of Mortality rates)	217.69	218.21

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one anothers as some of the assumption may be correlated.

41. The Group is engaged only in Logistic business in India and there are no separate reportable business and geographical segments under the Accounting Standard of IND AS 108 Operating Segments.

42. Business Combinations

(i) Subsidiary acquired

Rs. In Lakhs

Name of target Company	Principal activity	Acquisition date	% of voting equity interest	Consideration paid in Cash
Vulcan Express Private Limited.	Fulfilment Business, Last Mile Delivery Business for E-Commerce Activities.	Feb 02, 2018	100%	4,012.27

Above businesses were acquired so as to continue the expansion of the Transportation activities in Logistic sector.

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(ii) Acquisition cost

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the year of acquisition, within the 'Other expenses' line item.

(iii) Assets acquired and liabilities recognised at the date of acquisition

	Rs. In Lakhs
Current assets	
Cash and cash equivalents	549.55
Trade and other receivables	4,262.04
Other Current Assets	1,095.84
Non-current assets	
Property, plant and equipment	5,826.29
Intangible Assets	94.51
Other Non-Current Assets	800.47
Current liabilities	
Trade and other payables	4,597.17
Other Current Liabilities and Provisions	2,220.77
Non-current liabilities	
Other Non Current Liabilities	85.01
Net assets acquired	**5725.76**

(iv) Capital Reserve arising on acquisition

Capital reserve arose in the acquisition amounting to Rs.1,713.49 lakhs

(v) Net cash outflow on acquisition of business

	Rs. In Lakhs
Consideration paid in cash	4,012.27
Less: cash and cash equivalent balances acquired	549.55
Net cash outflow	3,462.72

(vi) Had these business combinations been effected from April 01, 2017, the revenue of the Company from continuing operations for year ended March 31, 2018 would have been Rs. 93,780.49 Lakhs

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43. **Approval of Financial Statement**

The Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on April 25, 2018.

As per our report of even date

For NGS & Co. LLP
Chartered Accountants

Ashok A Trivedi
Partner
Membership No. 042472
Mumbai
April 25, 2018

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

C P Toshniwal
[Director]
DIN: 00036303

Mayur Toshniwal
(Managing Director)
DIN: 01655776

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
[Company Secretary]