



Future Market Networks Limited

Annual Report 2019-20

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Corporate Information

THE BOARD OF DIRECTORS

Mr. Vijai Singh Dugar	DIN: 06463399	Chairman & Independent Director
Ms. Udit Jhunjhunwala	DIN: 00120951	Independent Director
Mr. K.A. Somayajulu	DIN: 02535927	Independent Director
Mr. Sunil Biyani	DIN: 00006583	Non-Executive Director
Mr. Rajesh Kalyani	DIN: 00220632	Non-Executive Director
Mr. Pramod Arora	DIN: 02559344	Non-Executive Director
Mr. Pawan Kumar Agarwal	DIN: 01435580	Executive Director & Chief Financial Officer

BOARD COMMITTEES

Audit Committee

Mr. Vijai Singh Dugar
Mr. K.A. Somayajulu
Mr. Rajesh Kalyani

Nomination, Remuneration and Compensation Committee

Mr. Vijai Singh Dugar
Mr. K.A. Somayajulu
Mr. Rajesh Kalyani

STATUTORY AUDITORS

S K Patodia & Associates, Chartered Accountants, Mumbai

Head – Legal & Company Secretary

Mr. Anil Cherian

BANKERS

Kotak Mahindra Bank
Bank of Baroda
Oriental Bank of Commerce

REGISTERED OFFICE

Knowledge House, Shyam Nagar,
Off. Jogeshwari - Vikhroli Link Road,
Jogeshwari (E) Mumbai – 400060
Telephone : 022 – 6644 2200
Fax : 022 – 6644 2201
E-mail : info.fmn@futuregroup.in
Website : www.fmn.co.in

CIN : L45400MH2008PLC179914

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd
C 101, 247 Park, LBS Marg,
Vikhroli West, Mumbai 400083
Telephone : 022 - 4918 6000
Fax : 022 - 4918 6060
E-mail : rnt.helpdesk@linkintime.co.in

Stakeholders Relationship Committee

Mr. Vijai Singh Dugar
Mr. Sunil Biyani
Mr. Rajesh Kalyani

CSR Committee

Mr. Vijai Singh Dugar
Mr. K.A. Somayajulu
Mr. Rajesh Kalyani

12th Annual General Meeting

on Tuesday, September 29, 2020 at 2:00 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Caution regarding forward-looking statements:

This document contains statements about expected future events and financial and operating results of Future Market Networks Limited, which are forward-looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future result stand events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Future Market Networks Limited annual report 2019-20. Members are also requested to direct all correspondence relating to shares to the Company's Registrar and Transfer Agents, Link Intime India Private Limited, at the address above.

Notice

Notice is hereby given that the 12th Annual General Meeting of the members of Future Market Networks Limited will be held Tuesday, 29th day of September 2020 at 2:00 P.M. through Video Conferencing (“VC”)/Other Audio Video Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the report of Auditors thereon.
2. To appoint a director in place of Mr. Rajesh Kalyani (DIN: 00220632), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Pramod Arora (DIN: 02559344), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard, consider and if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation made by the Audit Committee of the Board, consent of the members of the Company be and is hereby accorded for appointment of M/s. S K Patodia & Associates., Chartered Accountants, Mumbai, bearing ICAI Firm Registration No. 112723W, allotted by The Institute of Chartered Accountants of India (ICAI) as the statutory auditors of the Company for a period of 5 years from the conclusion of twelfth annual general meeting till the conclusion of the seventeenth annual general meeting, and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out – of – pocket expenses as may be incurred connection with the Audit of Accounts of the Company.”

Special Business:

5. To consider and if thought fit, to accord assent/dissent to the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee of the Board), to enter into following transactions with respective related parties and to the extent of maximum amounts as stated herein below:

Nature of Transactions as per Section 188 of the Companies Act 2013	Name of the Related Party	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary Value and particulars of the contract or arrangement	Any other information relevant or important for the Members to take decision on the proposed resolution
Providing Corporate Guarantee	Riddhi Siddhi Mall Management Private Limited	Mr. Pawan Agarwal Mr. Anil Cherian	Associate / Joint Venture	Providing Corporate Guarantee for an amount not exceeding ₹ 75 crores in each financial year.	The existing arrangements have been reviewed by the Board and Audit Committee and the transactions are at ordinary course of business and at arms' length price.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiating, finalizing and executing necessary agreements and ancillary agreements/undertakings, memorandum, deeds, documents and such other papers or writings as may be deemed necessary or expedient in its own discretion and in the best interest of the Company and to delegate all or any of its powers herein conferred to the Committee of Directors and/or any Director(s)/Officer(s) of the Company, to give effect to this resolution."

Registered Office:

Knowledge House, Shyam Nagar,
Off. Jogeshwari – Vikhroli Link Road,
Jogeshwari East,
Mumbai – 400060

CIN: L45400MH2008PLC179914
E-mail: info.fmnl@futuregroup.in
Website: www.fmn.co.in

Place : Mumbai
Date : June 30, 2020

**By Order of the Board
For Future Market Networks Limited**

**Anil Cherian
Head - Legal & Company Secretary**

IMPORTANT NOTES:

- In view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting ("AGM") venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- Pursuant to the provisions of the Act, **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to alwyn.co@gmail.com with a copy marked to evoting@nsdl.co.in.
6. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("Link Intime") for assistance in this regard.
7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime in case the shares are held by them in physical form.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in electronic form and to Registrar and Share Transfer Agent Viz. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 in case the shares are held by them in physical form.
9. As per the provisions of Section 72 of the Act and Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website at www.fmn.co.in Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 26, 2020 through email on info.fmnl@futuregroup.in. The same will be replied by the Company suitably.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available in the "Investors Relations" section on the website of the Company at www.fmn.co.in., websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. The Securities and Exchange Board of India (SEBI) vide their circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 have directed all the listed companies to record the PAN and Bank Account details of all their shareholders. Accordingly, steps have already been taken for registering the PAN (including joint holders, if any) and Bank Account details. You are requested to forward the same to the Company / Registrar and Transfer Agent, Link Intime India Private Limited.

16. The Securities and Exchange Board of India (SEBI) vide their circular SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that the transfer of securities of a listed company would be carried out in dematerialized form only. Accordingly in terms of amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the shares held in physical form will not be considered for transfer.
17. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive).
18. Under Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. During the year under review, the Company has neither declared any dividend nor there are outstanding amount of unclaimed dividends which were liable to be transferred to the IEPF.

The members who have to claimed their entitlements are requested to make their claims directly to the Company or to Link Intime India Private Limited (RTA), C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
19. The Independent Directors of the Company have been appointed for a maximum term of 5 years in accordance with the relevant provisions of the Act and are not eligible to retire by rotation.
20. Non-Resident Shareholders are requested to inform immediately to the Registrar and Share Transfer Agent, Link Intime India Private Limited:
 - a) The change in the Residential status on return to India for permanent settlement.
 - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
21. Documents referred to in the Notice and explanatory statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at info.fmnl@futuregroup.in.
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
23. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:
- ii. The remote e-voting period commences on Saturday, September 26, 2020 (9:00 a.m. IST) and ends on Monday, September 28, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, September 22, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed Alwyn D'Souza (Membership No. FCS 5559) of Alwyn D'Souza & Co., Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL.	Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Applicant Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - i. If your email ID is registered in your demat account or with the Applicant Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- ii. If your email ID is not registered, please follow steps mentioned below in process **for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see the "EVEN" of the company in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of "Future Market Networks Limited".
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are advised to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to alwyn.co@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info.fmnl@futuregroup.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info.fmnl@futuregroup.in

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info.fmnl@futuregroup.in. The same will be replied by the company suitably.

5. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
6. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553/ +91 9326781467.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at info.fmnl@futuregroup.in from September 24, 2020 (9:00 a.m. IST) to September 26, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e- voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.fmn.co.in and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Registered Office:

Knowledge House, Shyam Nagar,
Off. Jogeshwari – Vikhroli Link Road,
Jogeshwari East,
Mumbai – 400060

CIN: L45400MH2008PLC179914

E-mail: info.fmnl@futuregroup.in

Website: www.fmn.co.in

Place : Mumbai

Date : June 30, 2020

**By Order of the Board
For Future Market Networks Limited**

**Anil Cherian
Head - Legal & Company Secretary**

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 5 of the accompanying Notice:

Item No. 5

The Company is engaged, interalia, in the business of management of shopping malls on long term basis. Riddhi Siddhi Mall Management Private Limited (Riddhi Siddhi) is a joint venture between the Company and Keventer Capital Limited. Riddhi Siddhi owns and operates a commercial complex known as "Sealdah Commercial Complex" which is G + 9 storied building.

Riddhi Siddhi has availed certain financial assistance from State Bank of India vide sanction letter dated February 19, 2020. One of the condition for availing the said financial facility was to extent corporate guarantee by the promoters of Riddhi Siddhi. The transaction is at arm's length and in ordinary course of business.

Since the value of the transaction can exceed the threshold limit prescribed under the listing regulations for material related party transaction, the Company proposes to seek the approval of members.

The Board recommends the resolution for approval of the Members. Also, the Members are further informed that no related party shall be entitled to vote on this resolution.

Directors, Key Managerial Personnel, and their relatives who are members of the Company, may be deemed to be concerned or interested in the Item No. 5 of the accompanying notice only to the extent of their respective shareholding in the Company, to the same extent as that of every other member of the Company.

Registered Office:

Knowledge House, Shyam Nagar,
Off. Jogeshwari – Vikhroli Link Road,
Jogeshwari East,
Mumbai – 400060

CIN: L45400MH2008PLC179914

E-mail: info.fmnl@futuregroup.in

Website: www.fmn.co.in

Place : Mumbai

Date : June 30, 2020

**By Order of the Board
For Future Market Networks Limited**

**Anil Cherian
Head - Legal & Company Secretary**

ADDITIONAL INFORMATION IN TERMS OF REGULATION 36 OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2"), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT

1.	Name of Director	Mr. Rajesh Kalyani
	DIN	00220632
	Date of Birth	October 8, 1969
	Date of Appointment	September 23, 2010
	Qualification	Chartered Accountant
	Expertise in specific functional areas:	Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 29 years of experience. He is in employment at a senior position with one of the leading organized retailer and has wide experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.
	Other Directorship(s) / Designated Partner	Retail Light Techniques India Limited R.R. Kalyani Enterprises LLP Bartraya Mall Development Company Private Limited Future Money Financial Services Limited (Formerly known as Expandus Capital Limited)
	Membership in Committees	Name of the Company : Retail Light Techniques India Limited Committee : Audit Committee Position held : Chairman Name of the Company : Future Market Networks Limited Committees: Audit Committee, Nomination Remuneration and Compensation Committee and Stakeholders Relationship Committee Position held : Member
	Number of shares held in the Company	41025
	Relationship with other Directors	None
Number of meetings of the Board attended during the financial year	Please refer Corporate Governance Report section of the Annual Report 2019-20	

2.	Name of Director	Mr. Pramod Arora
	DIN	02559344
	Date of Birth	December 22, 1970
	Date of Appointment	August 10, 2017
	Qualification	Bachelor's degree in Engineering
	Expertise in specific functional areas:	He was the Managing Director and Chief Executive Officer of F&B Asia Ventures (India) Private Limited prior to joining the Company. Mr. Pramod Arora's job involves diverse fields of business development and corporate affairs including strategic planning. He is having vast experience of corporate management and possesses required competencies.
	Other Directorship(s) / Designated Partner	Nil
	Membership in Committees	Nil
	Number of shares held in the Company	25000
	Relationship with other Directors	None
	Number of meetings of the Board attended during the financial year	Please refer Corporate Governance Report section of the Annual Report 2019-20

Board's Report

Board's Report

Dear members,

The Board of Directors hereby submit the report of the business and operations of your Company ("the Company" or "FMNL"), along with the audited financial statements, for the financial year ended March 31, 2020 which are prepared in accordance with the relevant applicable IND AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of the Companies Act, 2013 ("Act"). The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Results of our Operations and state of affairs

The Company's performance during the financial year ended March 31, 2020 as compared to the previous financial year is summarized below:

a) Standalone

(₹ in lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	12,155.71	12,644.83
Other Income	4,903.90	1,860.04
Total Income	17,059.61	14,504.87
Operating Cost	3,611.47	6,731.10
Cost of units sold	121.28	3.54
Personnel Cost	591.80	617.63
Other Expenses	2,659.22	1,371.10
Total Expenditure	6,883.77	8,723.37
Profit before Interest, Depreciation and Tax	10,075.84	5,781.50
Less: Interest	2,947.81	1,967.65
Less: Depreciation	5,113.97	2511.88
Profit/(Loss) before exceptional items and tax	2,014.06	1301.97
Less: Exceptional Item	-	34.59
Less: Profit/(Loss) Before Tax	2,014.06	1,267.38
Less: Current ,Deferred Tax/Earlier Year's Provision Written back	907.15	258.62
Profit / (Loss) after Taxation	1,106.91	1,008.76

b) Consolidated

(₹ in lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	12,676.79	13,126.74
Other Income	6,728.73	1,710.28
Total Revenue	19,405.52	14,837.02
Operating Cost	3,629.21	6,806.18
Cost of units sold	121.28	3.54
Personnel Cost	638.11	646.03
Other Expenses	2,869.19	1,511.83
Total Expenditure	7,257.79	8,967.58
Profit before Interest, Depreciation and Tax	12,147.73	5,869.44
Less: Interest	3,035.39	2,036.90
Less: Depreciation	5,248.10	2,632.32
Add: Share of net profit of associates and joint ventures accounted by using equity method	76.87	147.75
Less: Exceptional Items	-	34.59
Profit before tax from Continuing Operations	3,941.12	1,313.38
Less: Provision for taxation/Earlier Year's Provision Written back	3.24	(26.71)
Less: Deferred Tax	928.10	343.52
Profit/(Loss) after Taxation from continuing operation	3,009.78	996.57
Profit/(Loss) from discontinued operation	(17.03)	7.75
Profit/ (Loss) for the year	2,992.75	1,004.32

Notes:

- i. Your Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2016 pursuant to the notification of the Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs and your Company has not made any treatment other than provided under Ind AS while preparing its financial statements.
- ii. The figures for the financial year ended March 31, 2019 for both standalone and consolidated are the figures after giving effect to the merger of Star Shopping Centres Private Limited into the Company.

Global health pandemic from COVID-19

There are three major channels of impact for Indian businesses according to the report namely linkages, supply chain and macroeconomic factors.

Reduction in the urban transaction can lead to a steep fall in the consumption of non-essential goods. It can be severe if disruption causes by the lockdown and affect the availability of essential commodities. Due to weak domestic consumption and consumer sentiment, there can be a delay in investment which further add pressure on the growth.

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

Scheme of Merger by Absorption of Star Shopping Centres Private Limited by the Company

The Scheme of Merger by Absorption of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") with the appointed date April 01, 2017 in order to consolidate the business into single entity, has been approved by Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench on August 2, 2019 and the Company has filed certified true copy of the order with Registrar of Companies on September 21, 2019.

Leases

The Company's lease asset classes primarily consist of leases for land and buildings. Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

On transition, the adoption of the new standard resulted in the recognition of right-of-use (ROU) asset of ₹ 167.89 crore and a lease liabilities of ₹ 237.78 crore at a standalone level. The cumulative effect of applying the standard, amounting to ₹ 50.44 crore at a standalone level, was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. Ind AS 116 resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Financials - Standalone Highlights

During the year ended March 31, 2020, your Company has achieved total Revenue (i.e. Revenue from Operations & Other income) of ₹ 17059.61 Lakhs as against ₹ 14504.87 Lakhs for the previous year ended March 31, 2019. Your Company has achieved Profit before tax of ₹ 2014.06 Lakhs for the current year as against ₹ 1267.38 Lakhs for the previous year (an increase of 58.91 % over the previous year).

Consolidated Highlights

During the year ended March 31, 2020, your Company's consolidated Revenue stood at ₹19,406.53 Lakhs as against ₹ 14837.02 Lakhs for the previous year ended March 31, 2019. Your Company has achieved Profit before tax of ₹ 3941.12 Lakhs for the current year as against ₹ 1313.38 Lakhs for the previous year on consolidated basis.

Business outlook / State of the Company's affair

Your Company is engaged in development and management of commercial, retail and infra logistic projects. There was no change in nature of the business of your Company, during the year under review.

Your Company is in the process of constructing and developing the integrated large-scale warehouses at Jhajjar (Haryana) and Nagpur (Maharashtra) aggregating to 1.3 million square feet.

Your Company has, along with Gati Realtors Private Limited (SPV-1) and Future Retail Destination Private Limited (SPV-2) (SPV 1 and 2 (SPV's) entered into a strategic arrangement with ESR NAGPUR 1 PTE LTD and ESR DELHI 3 PTE LTD (investor SPV's) respectively.

Your Company has diluted its holding in its SPV's by way of sale of 51% of its investment to respective Investor SPV's in terms of Transaction Documents executed in relation to this arrangement. Upon completion of the Project and successful handover, your Company shall exit from the respective SPV's by way of sale of balance 49% of its investment in the respective SPVs.

Transfer to reserves

During the financial year ended March 31, 2020, the Company has not made any transfer to reserves.

Secretarial Standards

During the financial year ended March 31, 2020, the Company is in compliance with the Secretarial Standards with respect to Meeting of the Board of Directors ("SS-1") and General Meetings ("SS-2") issued and amended by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013. The same has also been confirmed by the Secretarial Auditor of the Company.

Consolidated IND AS financial Statements

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Act the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Act and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

Cash Flow Statement

In conformity with the provisions of Regulation 34 of Listing Regulations, the Cash Flow Statement for the year ended March 31, 2020 has been provided in the Annual Report which forms part of this report.

Accounts

The Annual Report of your Company containing the standalone and consolidated Ind AS financial statements has been disseminated on the website of the Company at www.fmn.co.in.

Dividend

The Board is not recommending any dividend for the financial year ended March 31, 2020 in order to conserve the resources. Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) with regard to formulation of Dividend Distribution Policy is not applicable to your Company.

Appropriations

During the year under review, your Company has not made any appropriations.

Share Capital

Pursuant to Merger by Absorption of Star Shopping Centres Private Limited by the Company, the Authorized Share Capital of the Company has been increased to ₹ 90,35,00,000/- (Rupees Ninety Crores Thirty Five Lakhs) divided into 9,03,00,000 equity shares of ₹ 10/- each and 5000 Preference Shares of ₹ 100/- each.

The issued share capital of the Company as on March 31, 2020 is ₹ 57,54,49,510/- divided into 5,75,44,951 equity shares of ₹ 10/- each.

570 Equity Shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in Future Enterprises Limited (formerly known as Pantaloon Retail India Limited).

The subscribed and paid up share capital of the Company as on March 31, 2020 is ₹ 57,54,43,810/- divided into 5,75,44,381 equity shares of ₹10/- each.

During the year under review, the Company had allotted 12,53,100 equity shares of ₹ 10/- each to the eligible shareholders of Star Shopping Centres Private Limited (SSCPL) pursuant to the scheme of merger by absorption of SSCPL by the Company.

Fixed deposits

During the year under review, your Company has not accepted any fixed deposits, including from the public, and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the Listing Regulations, the Management's discussion and analysis is set out in this Annual Report.

Disclosures under section 134(3)(l) of the Act

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

Particulars of loans, guarantees, investments under section 186 of the Act

Your Company has extended the support to the financial needs of the Special Purpose Vehicle Companies viz. Wholly Owned Subsidiaries and Joint Ventures / Associates.

Loans, guarantees and investments covered under Section 186 of the Act form part of the Notes to the financial statements provided in this Annual Report.

Risk Management

The Board of Directors of the Company has formulated a Risk Management Policy which aims at minimizing the risk and enhancing the value and reviews the elements of risks with regard to the business.

The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

Related Party Transactions

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at www.fmn.co.in. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the Policy on Related Party Transactions.

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the Listing Regulations.

Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions for their review and approval.

The Company has entered into the material related party transactions during the financial year under review as required under Section 134(3)(h) of the Act. Particulars of contract or arrangements with related parties referred to in section 188(1) of the Act, in the prescribed Form AOC-2, is appended as Annexure '1', which forms part of this Report. The said transactions were approved by the Board and Audit Committee.

The related party disclosures as specified in Para A of Schedule V read with Regulation 34(3) of the Listing Regulations are given in the Financial Statements.

Subsidiaries and Associates

At the beginning of the year, your Company had 8 subsidiaries and 1 Joint Venture. During the year under review:

- i. Gati Realtors Private Limited and *Future Retail Destination Private Limited became the Associates of the Company with effect from August 28, 2019 and October 25, 2019 respectively as compared to the Wholly Owned Subsidiaries in the previous financial year.
- ii. Star Shopping Centres Private Limited merged with the Company vide order dated August 2, 2020 of the National Company Law Tribunal, Mumbai Bench.

As on March 31, 2020 the Company has the following Subsidiaries, Joint Ventures and Associates:

Sr. No.	Name of the Subsidiary	Sr. No.	Name of the Subsidiary
1	Aashirwad Malls Private Limited	4	Sun City Properties Private Limited
2	Suhani Mall Management Company Private Limited	5	Jeremia Real Estate Private Limited
3	Future Trade Markets Private Limited		
	Name of the Joint Venture		Name of Associates
1	Riddhi Siddhi Mall Management Private Limited	1	Future Retail Destination Private Limited
		2	Gati Realtors Private Limited

* Note: Future Retail Destination Limited was converted into a Private Limited Company w.e.f. October 07, 2019.

In accordance with the provisions of Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, a statement in Form AOC-1 containing the salient features of the financial statements of the subsidiary companies is appended hereto as Annexure '2'.

Audited Annual Accounts of the Subsidiary Companies have also been placed on the website of the Company and are available for inspection by the members at the Registered Office of the Company. Members interested in obtaining copy of the Audited Annual Accounts of the Subsidiary Companies may write to the Company Secretary at the Company's Registered Office address. These documents will also be available for inspection till the date of AGM during business hours at the registered office of the Company in Mumbai.

Disclosure relating to Employee Stock Option Scheme

Future Market Networks Limited - Employee Stock Option Scheme 2016

Pursuant to the approval granted by the shareholders at the eight Annual General Meeting held on September 20, 2016, your Company has formulated Future Market Networks Limited - Employee Stock Option Scheme 2016 (FMNL – ESOS 2016). The Scheme is in Compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Employee Benefits Regulations").

Your Company has granted 7,60,000 options to the eligible employees on May 25, 2018 under Employee Stock Option Scheme 2016 ("ESOS 2016") at an exercise price of ₹ 85/- per equity share. These options shall vest over a period of four years in the proportion of 25% for each year from the date of grant. These options can be exercised anytime within a period of three years from the date of vesting. 5,50,000 options granted lapsed consequent to the resignation of an employee to whom Options were granted.

In compliance with the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Employee Share Based Employee Benefits) Regulations, 2014, the details of Employee Stock Option Scheme as on March 31, 2020 are furnished as Annexure '3' attached herewith and forms part of this report.

Credit Rating

Infomeric Valuation and Ratings Private Limited has assigned the rating of 'IVR A- / Stable' to your Company and the said rating denotes stable outlook of safety for timely servicing of debt obligation and carries low credit risk.

Corporate Governance

Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At FMNL, the Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavour to enhance long-term shareholder value and respect minority rights in all our business decisions. Our Corporate governance report for fiscal 2020 forms part of this Annual Report.

Matters related to Directors and Key Managerial Personnel

Directors

The current policy is to have an appropriate combination of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on the date of this report, the Board consists of 7 Directors, 3 of whom are Independent Directors including a Woman Director, 3 Non-Executive Directors and 1 Executive Director.

Changes in Board

During the year under review, there are no changes in the Board except appointment of Mr. Pawan Kumar Agarwal as Executive Director and Chief Financial Officer of the Company which was approved by the members at their Annual General Meeting held on September 16, 2019.

Appointment

As per the provisions of the Companies Act, 2013, Mr. Rajesh Kalyani and Mr. Pramod Arora, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends their reappointment.

The brief resume and other information as required under Regulation 36 (3) of Listing Regulations relating to Mr. Rajesh Kalyani and Mr. Pramod Arora forms part of the Notice of ensuing Annual General Meeting. None of the Directors are disqualified for appointment / reappointment under Section 164 of the Act.

The Company has complied with provisions of Section 203 of the Act.

Declarations by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

Performance Evaluation

Pursuant to the provisions of Section 134(3)(d), 134(3)(p), Section 149(6) of the Act read with Schedule IV of the Listing Regulations, formal annual performance evaluation of the Board, the Directors as well as Committees of the Board has been carried out and the details of evaluation carried out are provided in the Corporate Governance Report.

Familiarization Programme for Independent Directors

All new independent directors inducted into the Board need to attend an orientation program. The details of the training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

The Familiarization Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Act and other statutes.

Disclosures related to Board, Committees and Policies

The details are provided in the Corporate Governance Report that forms part of this Report.

Meetings of Board

The Board of Directors met Four (4) times during the financial year ended March 31, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made there under. All the Directors actively participated in the meetings and provided their valuable inputs on the matters brought before the Board of Directors from time to time. On February 05, 2020, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

Nomination, Remuneration and Compensation Committee

Nomination, Remuneration and Compensation Committee is constituted in accordance with the provisions of sub-section (1) of Section 178 of the Act. Kindly refer section on Corporate Governance, which is forming part of this report, under head 'Nomination, Remuneration and Compensation Committee for matters relating to constitution, meetings, functions of the Committee and the remuneration policy formulated by this Committee.

Policy on director's appointment and remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2020, the Board had seven members, one of whom is an executive director, three non-executive and non-independent member and three independent directors. One of the independent directors of the Board is a woman.

The policy of the Company on director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at <https://www.fmn.co.in>

We affirm that the remuneration paid to the directors is as per the terms laid out in the Remuneration Policy of the Company.

Audit Committee

Audit Committee is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulation. The Audit Committee comprises of Mr. Vijai Singh Dugar, Mr. K. A. Somayajulu, Independent Directors and Mr. Rajesh Kalyani, Non-Executive Director. Four meetings of the Committee were held during the year.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board. There were no instances where the Board has not accepted any recommendation of the Audit Committee.

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

Financial Controls

The management has established internal control systems commensurate with the size and complexity of the business. The internal control manual provides a structured approach to identify, rectify, monitor and report gaps in the internal control systems and processes.

The Company follows well-documented Standard Operating Procedures (SOPs). The operating effectiveness of various controls is periodically tested and deficiencies, if any, are promptly rectified.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

Internal Control Systems

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

Significant and Material Orders passed by Regulators or Courts or Tribunal

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future during the period under review. Other relevant details are provided in the notes to the standalone financial statements.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Extract of Annual Return

Pursuant to Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Company in Form MGT-9 is annexed as Annexure '4' and forms an integral part of this report.

The Annual Return as referred in Section 134(3)(a) of the Act for the financial year ended March 31, 2020 shall be placed on the website of the Company at www.fmn.co.in.

Secretarial standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

Investors Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year under review, Company has neither declared any dividend nor there are outstanding amount of unclaimed dividends which were liable to be transferred to the IEPF.

Director's responsibility statement

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures,
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the financial year ended March 31, 2020 on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit reports and auditors

Audit reports

- The Auditor's Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditor's Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Secretarial Auditor's Report is enclosed as Annexure '5' to the Board's report in this Annual Report.
- As required under SEBI (Share Based Employee Benefits) Regulations, 2014, the auditor's certificate on the implementation of share-based schemes in accordance with these regulations will be made available at the AGM.

Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, S K Patodia & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No. 112723W, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment for the second term.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013, the Code of Ethics issued by the Institute of Chartered Accountants of India.

As required under the provisions of section 139 of the Act, the Company obtained a written certificate from the Auditors to the effect that their appointment, if made, would be in conformity with the limits specified in the said section. The Board recommends their appointment.

You are requested to re-appoint the retiring Statutory Auditors of the Company for a period of five consecutive from the financial year 2020 – 2021 to 2024 – 2025 and fix their remuneration.

The Auditors report to the members read together with the relevant notes thereon are self-explanatory and hence do not warrant any comments under section 134(1)(f) of the Act.

They have confirmed their eligibility under Section 141 of the Act, and the Rules framed there under for reappointment as Auditors of the Company. As required under Regulation 33(d) of the Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued in terms of the Peer Review issued by the Peer Review Board of the Institute of Chartered Accountants of India

The Notes on financial statement referred to in the Auditor's Report are self – explanatory and do not call for any further explanation. The Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board appointed Mr. Alwyn D'Souza of Alwyn D'Souza & Company, Practicing Company Secretaries (CP No. 5137), as secretarial auditor of the Company for fiscal 2021.

Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

Corporate Social Responsibility (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Board has constituted CSR Committee on May 21, 2019, which comprises of Mr. Vijai Singh Dugar, Chairman, Mr. K. A. Somayajulu and Mr. Rajesh Kalyani as its members.

The Company shall implement Corporate Social Responsibility initiatives in due course, as and when applicable.

Business Responsibility Report (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. The said regulation is not applicable for the Company during the period under review.

Disclosures of transactions with any Person or entity belonging to the Promoter/ Promoter group which hold(s) 10% or more Shareholding in the Company

During the year under review, the Company is a Subsidiary of Future Corporate Resources Private Limited (FCRPL) (formerly known as Suhani Trading and Investment Consultants Private Limited). FCRPL holds 71.47 % of the paid up share capital of the Company.

There were no transactions during the period under review with any entity forming part of Promoter Group and holding more than 10% of the shareholding in the Company.

Disclosure relating to equity shares with differential rights

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Disclosure relating to sweat equity share

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Particulars of Employees and other additional information

The statement of disclosure of Remuneration under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') is appended as Annexure '6' to this Report.

Payment of remuneration / commission to executive directors from holding or subsidiary companies

Mr. Pawan Kumar Agarwal, Executive Director and Chief Financial Officer of the Company was appointed as an Executive Director of Future Retail Destination Private Limited (FRDPL) w.e.f. May 02, 2019 which was a wholly owned subsidiary of the Company at a Nil remuneration. However, he resigned as the Executive Director of FRDPL w.e.f. October 25, 2019, upon FRDPL ceased to be the subsidiary of the Company.

Disclosures in respect of voting rights not directly exercised by employees

There are no shares held by trustees for the benefit of employees and hence no disclosure under section 67(3) read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

Sexual Harassment of Women at workplace

The Company has constituted an Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). The details required to be disclosed under POSH forms Part of the Corporate Governance Report.

Material Changes and Commitments affecting financial position

There have been no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2020 and the date of this Report, other than those disclosed in this Report.

Declaration by Executive Director

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, declaration stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is enclosed as Annexure '7'.

Certificate on Corporate Governance

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, the auditor's certificate on corporate governance is enclosed as Annexure '8' to the Board's report. The auditor's certificate for financial year 2020 does not contain any qualification, reservation or adverse remark.

Board diversity

The Company recognizes and embraces the importance of a diverse board. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experiences, age, which will help us to have competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website at www.fmn.co.in.

Vigil Mechanism

Your Company has formed a Whistle Blower Policy for establishing a vigil mechanism for directors and employees to report genuine concerns regarding unethical behaviour and mismanagement, if any. The said mechanism also provides for strict confidentiality, adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate cases. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

The said Whistle Blower Policy has been disseminated on the Company's website at viz. <http://fmn.co.in/investor-relations/policies.html>.

Code of conduct for prevention of insider trading

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosure to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website at www.fmn.co.in.

Insurance

Your Company has taken appropriate insurance for all assets against foreseeable perils.

Listing on stock exchanges

The Company has entered into Listing Agreement with BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) in terms of the Regulation 34 (3) read with Schedule V of the Listing Regulations and the listing fee for the year 2020-21 has been paid.

Depository system

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2020, 99.93% of the equity shares of the Company are held in dematerialised form.

Service of documents through electronic means

Subject to the applicable provisions of the Act, all documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents and shall be provided upon receiving specific request from members.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

Your Company gives significant emphasis on improvement in methods and processes in its areas of Construction and Development.

The information as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2020 with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo has been annexed to this Report as Annexure '9' which forms an integral part of this report.

Appreciation

Your Company has been able to perform better with the continuous improvement in all functions and areas which coupled with an efficient utilization of the Company's resources led to sustainable and profitable growth of the Organization. Your Directors express their deep sense of appreciation to every employee and associates for their dedicated and sustained contribution and look forward the continuance of the same in future.

Acknowledgement

The Board places on record its appreciation to all stakeholders particularly shareholders, customers, bankers, suppliers, business partners and the Government.

Cautionary Note

The statements forming part of the Director's Report may contain certain forward-looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

For and on behalf of Board of Directors

Place: Mumbai
Date: June 30, 2020

Vijai Singh Dugar
Chairman
DIN: 06463399

Pawan Kumar Agarwal
Executive Director & CFO
DIN: 01435580

**ANNEXURE '1' TO BOARD'S REPORT
FORM AOC – 2**

(Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

a.	Name(s) of the related party and nature of relationship	Nil
b.	Nature of contracts / arrangements / transactions	
c.	Duration of the contracts / arrangements / transactions	
d.	Salient terms of the contracts / arrangements / transactions including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date(s) of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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

a.	Name(s) of the related party and nature of relationship.	Future Retail Limited (In terms of Indian Accounting Standard 24)	Riddhi Siddhi Mall Management Private Limited (Associate/Joint Venture)
b.	Nature of contracts / arrangements/transactions.	Rentals / Common Area Maintenance Charges / Advances/Inter Corporate Deposit / Advances / Reimbursement of expenses received with respect to properties owned/managed by the Company and operated by related party.	Inter Corporate Loan / Interest / Redemption of preference shares
c.	Duration of the contracts / arrangements/transactions.	Based on the commercial arrangement	Based on the commercial arrangement
d.	Salient terms of the contracts / arrangements / transactions including the value, if any.	Arrangements with respect to commercial/retail space, both present and future at various locations in India on lease/ license, or any other similar arrangements for various retail formats of FRL on such terms and conditions as may be agreed amongst the parties in relation to lease rental / license fee, including common area maintenance charges and Deposits for an amount not exceeding ₹ 250 Crore per annum.	Providing Intercorporate Loans or Deposits / Interest / issue of Debentures and or preference shares and redemption of preference shares and / or debentures and Mall Management Consultancy for an amount not exceeding ₹ 75 crores in each financial year.
e.	Date(s) of approval by the Board.	Necessary approvals of the Board and Shareholders have been obtained on July 31, 2018 and September 19, 2018 respectively.	Necessary approvals of the Board and Shareholders have been obtained on November 12, 2019 and December 19, 2019 respectively.
f.	Amount paid as advances, if any.	Nil	Nil

For and on behalf of Board of Directors

Place: Mumbai
Date: June 30, 2020

Vijai Singh Dugar
Chairman
DIN: 06463399

Pawan Kumar Agarwal
Executive Director & CFO
DIN: 01435580

ANNEXURE '2' TO THE BOARD'S REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

(Part "A")

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl.No.	Particulars	Subsidiary 1	Subsidiary 2	Subsidiary 3	Subsidiary 4	Subsidiary 5
1	Name of the subsidiary	Aashirwad Malls Private Limited	Suhani Mall Management Company Private Limited	Future Trade Markets Private Limited	Sun City Properties Private Limited	Jeremia Real Estate Private Limited
2	Date of becoming subsidiary	20-Jan-12	20-Jan-12	14-Dec-11	20-Jan-12	28-Aug-18
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA
5	Share capital	10,00,000	98,23,010	65,80,300	2,06,00,000	100,000
6	Reserves & surplus	(7,76,154)	24,06,42,744	22,50,54,123	(18,42,180)	(19,85,390)
7	Total assets	23,54,076	84,48,44,757	41,40,53,514	9,26,99,790	18,68,730
8	Total Liabilities	21,30,229	59,43,79,003	18,24,19,091	7,39,41,970	37,54,130
9	Investments	-	19,68,92,250	35,39,701	-	-
10	Turnover	52,28,452	4,80,28,133	84,02,342	2,90,500	-
11	Profit /Loss before taxation	(15,23,696)	1,88,36,438	(86,62,582)	11,990	(6,50,250)
12	Provision for taxation/ Deferred Tax	-	40,49,650	(9,93,154)	2,560	-
13	Profit after taxation	(15,23,696)	1,47,86,788	(76,69,429)	9,430	(6,50,250)
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	100.00%	86.26%	100.00%	55.17%	100.00%

Names of subsidiaries which are yet to commence operations - Sun City Properties Private Limited and Jeremia Real Estate Private Limited.

Names of subsidiaries which have been liquidated / sold / ceased during the year are as follows:

Gati Realtors Private Limited and Future Retail Destination Private Limited are converted into Joint Venture w.e.f. 28/08/2019 and 25/10/2019 respectively.

PART "B": ASSOCIATES AND JOINT VENTURES

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

	Name of Associates/Joint Ventures	Riddhi Siddhi Mall Management Private Limited	Future Retail Destination Private Limited	Gati Realtors Private Limited
1	Latest audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20
2	Date of becoming Associate/Joint Venture	20-Jan-12	25-Oct-19	28-Aug-19
3	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	6,384	1,47,00,000	53,22,625
	Amount of Investment in Associates/Joint Venture (₹)	14,68,77,636	14,22,71,500	5,31,97,975
	Extend of Holding%	50%	49%	49%
4	Description of how there is significant influence	In terms of Joint Venture Agreement	In terms of Share Purchase Agreement	In terms of Share Purchase Agreement
5	Reason why the associate/joint venture is not consolidated	-	-	-
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹)	42,47,16,795	32,38,17,130	26,39,07,081
7	Profit/Loss for the year (₹)	2,07,14,790	(35,61,502)	(12,87,797)
i.	Considered in Consolidation	1,03,57,395	-12,27,037	-14,43,220
ii	Not Considered in Consolidation	1,03,57,395	-23,34,465	1,55,423

Names of associates or joint ventures which are yet to commence operations. - NIL

Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of Board of Directors

Vijai Singh Dugar
Chairman
DIN: 06463399

Pawan Kumar Agarwal
Executive Director & CFO
DIN: 01435580

Place: Mumbai
Date: June 30, 2020

ANNEXURE '3' TO THE BOARD'S REPORT

Employee Stock Option Scheme

The below disclosure is in respect of "Future Market Networks Limited" Employee Stock Option Scheme (ESOS) – 2016" in respect of the year ended March 31, 2020.

Sr. No.	Particulars	"Future Market Networks Limited Employee Stock Option Scheme (ESOS) – 2016"
1.	Options granted during the year	Nil (PY: 7,60,000)
2.	Pricing Formula	Black and Scholes Model
3.	Options Vested	None (PY: Nil)
4.	Options exercised	None (PY: Nil)
5.	The total number of shares arising as a result of exercise of option.	None (PY: Nil)
6.	Options Lapsed	Nil (PY: 5,50,000)
7.	Variations of terms of Options	None
8.	Money realized by exercise of options.	None
9.	Total number of Options in force	2,10,000 (PY: 2,10,000)
10.	Employee wise details of options granted to:	
a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	Pawan Kumar Agarwal Anil Cherian
b)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	None
c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	None
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share".	Refer Note No. 26 of Standalone.
12.	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Refer Note No. 29 and of Standalone.
13.	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note No. 29 of Standalone.
14.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	Refer Note No. 29 of Standalone.
i.	Risk free interest rate;	7.59 - 7.88%
ii.	Expected life;	2.5 - 5.5 Years
iii.	Expected volatility;	76.99%
iv.	Expected dividend; and	0.00%
v.	The price of the underlying share in market at the time of option grant	122.1

ANNEXURE '4' TO THE BOARD'S REPORT

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2020

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

I. Registration and other details	
a) CIN	L45400MH2008PLC179914
b) Registration Date	March 10, 2008
c) Name of the Company	Future Market Networks Limited
d) Category / Sub-Category of the Company	Company having Share Capital
e) Address of the Registered Office and contact details.	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai -400060 Tel. No: 022-62995303 Fax: 022-62995473
f) Whether Listed Company	Yes
g) Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Tel. No.: 022-49186270 Fax No.: 022-49186060

II. Principal Activities of the Company		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Rent / Management of immovable Properties	681	98.77

III. Particulars of Holding, Subsidiary and Associate Companies				
Name and address of the Company	Corporate Identity Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Riddhi Siddhi Mall Management Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U70102MH2006PTC161884	Associate	50	2 (6)
Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited) Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U51909MH2008PTC181060	Associate	49	2 (6)
Suhani Mall Management Company Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45200MH2005PTC156837	Subsidiary	86.27	2 (87)
Future Trade Markets Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45400MH2011PTC224924	Subsidiary	100	2 (87)
Aashirwad Malls Private Limited Ahmedabad City Mall, Opp. Arya Samaj Mandir, Raipur -Kankaria Road, Raipur, Ahmedabad, Gujarat- 380022	U70101GJ2004PTC045030	Subsidiary	100	2 (87)

Name and address of the Company	Corporate Identity Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Sun City Properties Private Limited 16A, Brabourne Road 9th Floor Kolkata, West Bengal 700001	U70109WB1998PTC087521	Subsidiary	55.17	2 (87)
Gati Realtors Private Limited 5th Floor, Future Group Office, SOBO Central Mall, 28, Pt. Madan Mohan Malviya Road, Nr Haji Ali, Tardeo, Mumbai - 400034	U45203MH2013PTC248056	Associate	49	2 (6)
Jeremia Real Estate Private Limited 5th Floor, Future Group Office, SOBO Central Mall, 28, Pt. Madan Mohan Malviya Road, Nr Haji Ali, Tardeo, Mumbai - 400034	U74999MH2013PTC244711	Subsidiary	100	2 (87)
Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited) Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U74140MH2007PTC175603	Holding	71.47	2(46)

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

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	541	--	541	--	541	--	541	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	41182869	--	41182869	73.16	41182869	--	41182869	71.57	-1.59
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A)(1)	41183410	--	41183410	73.16	41183410	--	41183410	71.57	-1.59
2) Foreign									
a) NRI's- Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	41183410	--	41183410	73.16	41183410	--	41183410	71.57	-1.59
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	4527	--	4527	0.01	27	--	27	0.00	0.01
b) Banks / FI	263767	--	263767	0.47	157732	--	157732	0.27	-0.20
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	31184	--	31184	0.06	31184	--	31184	0.05	-0.01

FUTURE MARKET NETWORKS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)									
j) Foreign Portfolio Investors	50000	--	50000	0.09	50000	--	50000	0.09	--
Sub-Total (B) (1)	349478	--	349478	0.62	238943	--	238943	0.41	-0.21
2) Non - Institutions									
a) Bodies Corporate	8115155	197	8115352	14.42	7507071	143	7507214	13.05	-1.37
i. Indian									
ii. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	2465485	59971	2525456	4.49	2788464	40771	2829235	4.92	0.43
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3710094	--	3710094	6.59	5419947	--	5419947	9.42	2.83
c) NBFCs registered with RBI	1550	--	1550	0.00	--	--	--	--	--
d) Others (specify)									
i. Non-Resident Indian (Repat)	39973	110	40083	0.07	45054	--	45054	0.08	0.01
ii. Non-Resident Indian (Non-Repat)	21259	--	21259	0.04	22507	--	22507	0.04	--
iii. Clearing Member	116831	--	116831	0.21	52865	--	52865	0.09	-0.12
iv. Directors & Relative	41025	--	41025	0.07	41025	--	41025	0.07	--
v. Hindu Undivided Family	186743	--	186743	0.33	204181	--	204181	0.35	0.02
Sub-Total (B) (2)	14698115	60278	14758393	26.22	16081114	40914	16122028	28.02	1.80
Total Public Shareholding (B)=(B)(1)+(B)(2)	15047593	60278	15107871	26.84	16320057	40914	16360971	28.43	1.59
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grant Total (A+B+C)	56231003	60278	56291281	100.00	57503467	40914	57544381	100	--

ii. Shareholding of Promoters

Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in Shareholding during the year
	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
Future Corporate Resources Private Limited	41129343	73.06	71.68	41129343	71.47	70.12	-
Surplus Finvest Private Limited	53526	0.10	0.00	53526	0.10	0.00	-
Vijay Biyani	50	0.00	0.00	50	0.00	0.00	-
Anil Biyani	50	0.00	0.00	50	0.00	0.00	-
Sunil Biyani	50	0.00	0.00	50	0.00	0.00	-
Vivek Biyani	50	0.00	0.00	50	0.00	0.00	-
Laxminarayan Biyani	50	0.00	0.00	50	0.00	0.00	-
Gopikishan Biyani	50	0.00	0.00	50	0.00	0.00	-
Ashni Kishore Biyani	141	0.00	0.00	141	0.00	0.00	-
Kishore Biyani	50	0.00	0.00	50	0.00	0.00	-
Rakesh Biyani	50	0.00	0.00	50	0.00	0.00	-
Total	41183410	73.16	60.49	41183410	71.57	70.12	

* Note:

Change in the share capital is due to allotment of 1253100 equity shares of ₹ 10/- each pursuant to Scheme of Merger by Absorption of Star Shopping Centres Private Limited approved by Hon'ble NCLT, Mumbai Bench on August 02, 2019.

iii. Changes in Promoters Shareholding (Please specify, if there is no change)

Shareholding at the beginning of the year	Cumulative Shareholding during the year			
	Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
At the beginning of the year	41183410	73.16	41183410	71.57
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	Change in the share capital is due to allotment mde on September 24, 2019 of 1253100 equity shares of ₹ 10/- each on pursuant to Scheme of Merger by Absorption of Star Shopping Centres Private Limited approved by Hon'ble NCLT, Mumbai Bench, on August 02, 2019.
At the end of the year	41183410	73.16	41183410	71.57

Note:

- The name of Suhani Trading and Investment Consultants Private Limited was changed to Future Corporate Resources Private Limited w.e.f. December 11, 2018.

iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1. Ishbhoomi Fabtraders Private Limited	4097145	7.28	4096745	7.12
2. Kapil Narendra Gupta	1970000	3.50	1970000	3.42
3. Genil Commotrade Private Limited	2237597	3.98	1727145	3.00
4. Shilpa Malik	0	0.00	626530	1.09
5. Pranay Sinha	15200	0.03	558693	0.97
6. Jugal Kishore Maheshwari	380000	0.67	438311	0.76
7. Sanghai Commercial And Credits Private Limited	288575	0.51	422362	0.73
8. Jitendrakumar Champalal Jain	125398	0.22	243141	0.42
9. Anika Merchants And Traders Private Limited	202435	0.36	202435	0.35
10. Rivaaz Trade Ventures Private Limited	196197	0.35	196197	0.34
11. Samra Jain	180200	0.32	180200	0.31
12. Life Insurance Corporation of India	260447	0.46	156812	0.27
13. Adibhuta Investments Private Limited	145000	0.26	145000	0.25

v. Shareholding of Directors and Key Managerial Personnel

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Sunil Biyani				
At the beginning of the year	50	0.00	50	0.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the end of the year	50	0.00	50	0.00

FUTURE MARKET NETWORKS LIMITED

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Rajesh Kalyani				
At the beginning of the year	41,025	0.07	41,025	0.07
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the end of the year	41,025	0.07	41,025	0.07

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Pawan Kumar Agarwal				
At the beginning of the year	14,500	0.03	14,500	0.03
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the end of the year	14,500	0.03	14,500	0.03

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Pramod Arora				
At the beginning of the year	0	0.00	0	0.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	25,000 (bought 25,000 shares on 24/07/2019)	0.04
At the end of the year	0	0.00	25,000	0.04

None of the Directors of the Company holds any shares other than what is specifically disclosed herein above.

Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Anil Cherian, Head- Legal & Company Secretary				
At the beginning of the year	12,500	0.02	12,500	0.02
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the end of the year	12,500	0.02	12,500	0.02

None of the Key Managerial Personnel holds any shares other than what is specifically disclosed herein above.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (₹ in Crores)

Particulars	Secured Loans excluding Deposits	Unsecured Loans/ Advances	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	35.00	355.65	-	390.65
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	35.00	355.65	-	390.65
Change in Indebtedness during the financial year				
i. Addition	-	9.56	-	9.56
ii. Reduction	-35.00	-62.51	-	-87.95
Net Change	-35.00	-52.95	-	-87.95
Indebtedness at the end of the financial year				
i. Principal Amount	-	302.70	-	302.70
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	302.70	-	302.70

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

S.No	Particulars of Remuneration	Mr. Pawan Kumar Agarwal* Whole Time Director / Executive	Total Amount
	Gross Salary		
1)	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	44.34	44.34
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.38	0.38
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2)	Stock Options	1,50,000*	1,50,000*
3)	Sweat Equity	-	-
4)	Commission - as % of profit - as others specify	- - -	- - -
5)	Others , Please specify	-	-
	Total A	44.72	44.72

*Granted 1,50,000 stock options to Mr. Pawan Kumar Agarwal but yet not exercised.

* Appointed as an Executive Director w.e.f. May 21, 2019. Hence, remuneration in capacity of Executive Director is paid w.e.f. May 21, 2019 .

B. Remuneration to other Directors (in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	K. A. Somayajulu	Vijai Singh Dugar	Udita Jhunjunwala	
	• Fee for attending board / committee meetings	3,55,000	3,55,000	1,00,000	8,10,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	3,55,000	3,55,000	1,00,000	8,10,000

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Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Rajesh Kalyani	Pramod Arora	Sunil Biyani	
2.	Other Non- Executive Directors				
	• Fee for attending board / committee meetings	3,35,000	80,000	1,60,000	5,75,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	3,35,000	80,000	1,60,000	5,75,000
	Total (B) = (1+2)				13,85,000
	Total Managerial Remuneration				13,85,000
	Overall ceiling as per the Act	Sitting Fees is paid within the limit specified under the Companies Act, 2013			

(₹ in lakhs)

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Anil Cherian	*Pawan Kumar Agarwal
1.	Gross salary		
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	39.26	7.11
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.32	0.06
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option (No. of Equity Shares)	**	**
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
5.	Others, Allowances	-	-
	Total	39.58	7.17

* Mr. Pawan Kumar Agarwal was designated as Chief Financial Officer from April 01, 2019 to May 20, 2019. Hence, the remuneration specified is paid for that period and thereafter w.e.f. May 21, 2019, he was designated as Executive Director and Chief Financial Officer of the Company.

** Granted 1,50,000 and 60,000 stock options to Mr. Pawan Kumar Agarwal and Mr. Anil Cherian respectively but yet not exercised.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

ANNEXURE '5' TO THE BOARD'S REPORT

FORM NO. MR.3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

Future Market Networks Limited,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Future Market Networks Limited** (CIN:L45400MH2008PLC179914) (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances for the purpose of expressing our opinion thereon.

Based on our verification of the Company's statutory books, legal papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the above mentioned books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2020** and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment including FEMA (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 (and External Commercial Borrowings, **as applicable**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the various State wise Act, Rules and Regulations in connection with Real Estate Development, Contract Labour, Labour welfare, Plastic Carry Bags, Tax on Professions, Trades, Callings And Employments, Goods and Service Tax, other applicable Taxes, Sexual Harassment of Women at Workplace, Environment Protection, E-Waste, Shops and Establishments, Apartment Ownership, Provident Fund, Superannuation Fund etc., The Trade Marks Act, 1999, Registration Act, 1908, Indian Stamp Act, 1899, Transfer of Property Act, 1882 and other applicable general business laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that, there were no events/actions requiring compliance thereof by the Company during the Audit period in pursuance of:

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; During the period under review, the Company has complied with the provisions of the above mentioned Act, Rules, Regulations, Guidelines and Standards etc. mentioned above.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc other than as stated herein below:

- (a) The Company has sub lease rights with respect to the above OCC mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. The parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company viz. Consent Terms dated 8th December 2017 and Supplemental Consent Terms dated April 2019 (Consent Terms). The Consent Terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor (Neel Kamal City Shopping Mall (India) Limited - which has taken it on lease from the lessor and sub-leased it to the Company) under the original arrangement till March 31 2019 for an amount of ₹ 17.41 Cr (over and above the existing receivables standing in the books), out of which ₹ 4.91 Cr was paid during the year under report, with an arrangement for future periods including reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the Consent Terms. In case, the Consent Terms are accepted as filed, the Company will have to honour its payment obligations for the said amount and the parties shall be administrated in terms of the Consent Terms. However, if the Consent Terms are not approved, the parties shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the Consent Terms.
- (b) The Scheme of Merger by Absorption of Star Shopping Centres Private Limited (Transferor Company) by the Company (Transferee Company) and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 was approved by the National Company Law Tribunal, Mumbai Bench on August 2, 2019.
- (c) Mr. Pawan Kumar Agarwal was appointed on the as Executive Director and Chief Financial Officer on the Board of the Company for the period of five years commencing from May 21, 2019 in compliance with the provisions of Section 203 of the Companies Act, 2013.
- (d) The Company has transferred 51% of its investment held in Gati Realtors Private Limited to ESR Nagpur 1 Pte Ltd. August 28, 2019 and Future Retail Destination Private Limited to ESR Delhi 3 Pte Ltd. on October 25, 2019. Subsequent to the said transfer, Gati Realtors Private Limited and Future Retail Destination Private Limited were ceased to be the Subsidiaries of the Company.
- (e) The Board of Directors/Committee reviews Company's Insider Trading Policy and SEBI (Prohibition of Insider Trading) Regulations, 2015 and appropriate measures are taken by the Company on the non-compliance.

Alwyn D'Souza & Co.
Company Secretaries

Alwyn D'Souza, FCS.5559

[Proprietor]

[Certificate of Practice No.5137]

[UDIN: F005559B000410150]

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To
The Members,
Future Market Networks Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Future Market Networks Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 lockdown and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Alwyn D'Souza & Co.
Company Secretaries

Alwyn D'Souza, FCS.5559

[Proprietor]

[Certificate of Practice No.5137]

ANNEXURE '6' TO THE BOARD'S REPORT

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2019-20 are as under:

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (₹ in Lakhs) (1)	% increase in Remuneration in the financial year 2019-20 (2)	Ratio of Remuneration of each Director to MRE for financial year 2019-20 (3=(1)/MRE)
Mr. Sunil Biyani Non-Executive Director	-	-	-
Mr. Pramod Arora Non-Executive Director	-	-	-
Mr. Rajesh Kalyani Non-Executive Director	-	-	-
Ms. Udit Jhunjhunwala Independent Director	-	-	-
Mr. Vijai Singh Dugar Independent Director	-	-	-
Mr. K.A. Somayajulu Independent Director	-	-	-
Mr. Anil Cherian Head - Legal & Company Secretary	39.58	-	10.55
*Mr. Pawan Agarwal Executive Director and Chief Financial Officer	44.72	-	13.82

(Above excludes sitting fee, whosoever applicable)

*Appointed as an Executive Director and Chief Financial Officer w.e.f May 21, 2019. Hence, remuneration is paid for that period.

- ii. The Median Remuneration of the Employees of the Company during the financial year 2019-20 under review is ₹ 31,277/- as compared to ₹ 75,063/- in the previous Financial Year 2018-19.
- iii. The percentage increase/decrease in the median remuneration of employees in the financial year: -58.33%
- iv. Number of permanent employees on the rolls of Company as on March 31, 2019: 60 (Sixty).
- v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19: -0.29%.
- vi. Percentage increase/ (decrease) in the managerial remuneration: *NA
- vii. On account of change in managerial personnel in previous year and current year, change in percentage of managerial remuneration cannot be ascertained. Justification, including any exceptional circumstances, for increase in the managerial remuneration: N.A.
- viii. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) and 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i. There were no employees in the Company who were drawing a remuneration throughout the financial year 2019-20 as stipulated in Rule 5 (2) (i).
- ii. There were no employees in the Company who were drawing a remuneration for the part of the financial year 2019-20 as stipulated in Rule 5 (2) (ii).
- iii. None of the employees directly or indirectly holds more than 2% of the equity shares of the Company.

For and on behalf of Board of Directors

Place: Mumbai
Date: June 30, 2020

Vijai Singh Dugar
Chairman
DIN: 06463399

Pawan Kumar Agarwal
Executive Director & CFO
DIN: 01435580

ANNEXURE '7' TO THE BOARD'S REPORT

Declaration by Executive Director and Chief Financial Officer

To
The Members
Future Market Networks Limited

Sub: Declaration regarding compliance with the Company's Code of Conduct for Directors and senior management

Ref: Regulation 34 (3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Pawan Kumar Agarwal, Executive Director and Chief Financial Officer of Future Market Networks Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliances with the Code of Conduct for Directors and Senior Management of the Company during the year ended March 31, 2020.

For Future Market Networks Limited

Pawan Kumar Agarwal
Executive Director & CFO
DIN: 01435580

Date: June 30, 2020
Place: Mumbai

ANNEXURE '8' TO THE BOARD'S REPORT

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Future Market Networks Limited

1. We, M/s S K Patodia & Associates, Chartered Accountants, the Statutory Auditors of Future Market Networks Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

Others

1. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.
2. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S K Patodia & Associates

Chartered Accountants
Firm Registration No: 112723W

Dhiraj Lalpuria

Partner
Membership No: 146268
UDIN: 20146268AAAAJQ1215

ANNEXURE '9' TO THE BOARD'S REPORT

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

[Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures Taken
- b) Additional investments and Proposals, if any, being implemented for reduction of consumption of energy and
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Disclosure for (a) to (c): The operations of the Company do not involve high energy consumption. However the Company has been laying great emphasis on the Conservation of Energy and has taken several measures including regular monitoring of consumption, implementation of viable energy saving proposals, improved maintenance of systems etc.

- d) Particulars of Energy consumption etc in respect of specified industries.

The disclosure on particulars regarding consumption of energy etc are not applicable to the Company since industry to which the Company belongs is not covered under the schedule prescribed by the said Rules.

B. TECHNOLOGY ABSORPTION

Research and Development (R & D):

Specific areas in which R&D is carried out by the Company: Benefits derived as a result of the above R & D Future Plan of Action	Designing of Shopping malls and large scale warehouses as per the best industry standards are the areas in which general research and development work is carried out by the Company.
Expenditure on R & D a. Capital b. Recurring c. Total d. Total R & D expenditure as a percentage of total turnover	Included in the project cost.

Technology absorption, adaptation and innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Nil
In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: a) Technology Imported b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in lakhs)

	Current Year	Previous Year
Foreign Exchange Earnings	2928.78	Nil
Foreign Exchange Outgo	Nil	Nil

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Future Market Networks Limited
Knowledge House, Off. Shyam Nagar,
Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400060

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Future Market Networks Limited having CIN: L45400MH2008PLC179914 and having registered office at Knowledge House, Off. Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment
1.	Sunil Gopikishan Biyani	00006583	Director	30/05/2013
2.	Udita Janak Jhunjhunwala	00120951	Director	13/11/2014
3.	Rajesh Ramjilal Kalyani	00220632	Director	23/09/2010
4.	Pawan Kumar Agarwal	01435580	Executive Director & Chief Financial Officer	21/05/2019
5.	Somayajulu Kodukula Ayyanna	02535927	Director	13/11/2014
6.	Pramod Arora	02559344	Director	14/08/2017
7.	Vijai Singh Dugar	06463399	Director	01/02/2013

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Alwyn D'souza & Co.
Company Secretaries

Alwyn D'souza, FCS. 5559

[Proprietor]

[Certificate of Practice No. 5137]

UDIN: F005559B000473224]

Management Discussion & Analysis

Economic review

Indian economy

The economic impact of the 2019–20 coronavirus pandemic in India has been largely disruptive. Supply chains have been put under stress with the lockdown restrictions in place and people restrained themselves from traveling, shopping and other outdoor activities. The pandemic will cause devastating impacts on Indian economy which can in turn influence consumption pattern in the Country. The Government of India announced a series of measures to counter the impacts which may ease negative impacts considerably.

Real Estate Industry

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment. It is estimated that by 2040, real estate market to grow to ₹ 65,000 crore (US\$ 9.30 billion) from ₹ 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025. Infrastructure for Warehousing industry is one of the sectors wherein considerable investments are made as of now and hence this sector is having lot of opportunities.

Warehousing Industry Overview

Overall Scenario:

Warehousing primarily refers to the storage of goods to be transported, whether inbound or outbound. The Warehousing and Storage industry includes establishments operating warehousing and storage facilities for general merchandize, refrigerated goods and other warehouse products.

Warehousing constitutes only 15%-35% of the total logistics costs but its importance is significant with respect to the role it plays in the smooth functioning of supply chain networks. Warehouses have become one of the major segments of the rapidly growing Indian logistics industry.

Sensing the tremendous growth potential of the warehouse sector, the private players (including both domestic & international) have ventured in the space with a view to bridge the gap between cost and efficiency of operations.

Nearly 60% of the modern warehousing capacity in India is concentrated in the top six cities, namely, Ahmedabad, Bangalore, Chennai, Mumbai, NCR and Pune, with Hyderabad and Kolkata being the other major markets. This is driven by concentration of industrial activity and presence of sizeable urban population around these clusters. Going forward, due to factors such as quality of infrastructure and availability of labour, these advantages are likely to remain with these cities. In all the segments of warehousing industry barring the agricultural segment, the majority of the capacity is controlled by the private sector. In the agricultural segment, approximately 3/4th is controlled by different Government entities.

Arrangement for Logistic Park

Company in alliance with ESR engaged in constructing, developing and selling integrated large-scale warehouses at Jhajjar (Haryana) and Nagpur (Maharashtra) aggregating to 1.3 million square feet. Accordingly, your Company has, along with Gati Realtors Private Limited (SPV-1) and Future Retail Destination Limited (SPV-2 entered into a strategic arrangement with ESR NAGPUR 1 PTE LTD and ESR DELHI 3 PTE LTD (investor SPV's) respectively. The construction activities are at an advanced stage.

Retail infrastructure

The Indian retail industry is one of the fastest growing in the world. Retail industry in India is expected to grow to US\$ 1,200 billion by 2021 from US\$ 672 billion in 2017.

India is the fifth largest preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities. Healthy economic growth, changing demographic profile, increasing disposable incomes, urbanization, changing consumer tastes and preferences are the other factors driving growth in the organized retail market in India.

During the period under review, Star Shopping Centres Private Limited merged with the Company. This merger was aimed with a view to strengthen the financials of the Company and also improve operational efficiency.

Risk

Business Risk

The business of construction and development is heavily dependent on the performance of the real estate market in India and could be adversely affected if market conditions deteriorate. The real estate market is significantly affected by changes in government policies,

economic conditions, demographic trends, employment and income levels and interest rates, among other factors. The development of real estate projects involves various risks including regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable.

Rental realizations

The rental realizations on the space leased depends upon the project location, design, tenant mix (this is relevant in the case of shopping malls), prevailing economic conditions and competition. Your Company has set up its retail property in prime location and maintains a fresh ambience resulting in-crowd pull and attracting first time kind of retailers.

Economy Risk

Economic and market conditions can adversely affect the performance of the Company. In particular, the decline in the performance of the global and Indian economies as a result of the economic downturn can reduce demand and occupancy levels in property markets. An increase in interest rates or an increase in the margin on which finance can be obtained may increase the Company and the Subsidiary's financing costs and such increase in interest rates may increase the cost of borrowing, which could have an adverse impact on the Company and the Subsidiary's business, financial condition and results of operations.

Financing costs

The acquisition of land and development rights needs substantial capital outflow. Inadequate funding resources and high interest costs may impact regular business and operations.

Your Company has always tried to build sufficient reserves resulting out of operating cash flows to take advantage of any land acquisition or development opportunity.

Outlook

The Company is optimistically envisages its business plan on the robust Indian economy particularly the warehousing sector. The Company is confident that the strategic alliance with ESR will provide an edge to the Company in establishing world class warehouses.

Since the consumption pattern is intact, the company anticipates a vibrant business outlook in relation to retail shopping centres managed by the Company.

Financial Performance

Revenues

The income from Operations for the Company has decreased by 3.86% to ₹ 121.55 Crores in 2019-20 from ₹ 126.45 Crores in 2018-19.

Other Income

Other Income increased to ₹ 49.03 Crores for 2019-20 from ₹18.60 Crores for 2018-19.

Operating Margin

EBIDTA (including other income) (Adjusted effect of Ind AS -116) for 2019-20 was ₹ 47.22 Crores as compared to ₹ 57.46 Crores for 2018-19.

Costs & Expenses

- **Employee Costs**

Manpower cost for 2019-20 was ₹ 5.92 Crores, which decreased from ₹ 6.18 Crores in 2018-19. In terms of percentage of Turnover, there was thin change (as compare to 4.87% for 2019-20 with 4.88% for 2018-19).

- **Other Expenses**

Other Expenses as a percentage of turnover has increased to 21.88 % in 2019-20 as compared to 10.84 % in 2018-19.

- **Interest Expenses**

Interest expenses for the year 2019-20 increased to ₹ 29.47 Crores from ₹ 19.68 Crores in 2018-19 due to interest expenses of ₹ 24.52 Crores for impact on adoption of "Ind As -116". In terms of percentage of Turnover it has decreased to 24.25 % for 2019-20 from 15.56% for 2018-19.

- **Depreciation**

Depreciation cost as a percentage of turnover has increased to to 42.07% in 2019-20 as compared to 19.86% in 2018-19. This is because of depreciation of ₹ 29.02 Crores on right to use asset under Ind AS-116

- **Taxes on Income and Deferred Tax Provision**

The Company's Deferred Tax Asset (net) has increased from ₹ 62.69 Crores in 2018-19 to ₹ 71.47 Crores in 2019-20. The Company has made current Tax provision of ₹ Nil and deferred Tax provision of ₹ 9.11 Crores and Earlier Year's Provision Written back (0.04). Hence total Tax expenses works out to ₹ 9.07 Crores.

- **Profit before Tax**

As a result of the foregoing factors, profit before tax increased 58.91 % from ₹ 12.67 Crores in 2018-19 to ₹ 20.14 Crores in 2019-20.

- **Net Worth**

The net worth of the Company has decreased from ₹ 136.81 Crores as on March 31, 2019 to ₹ 114.54 Crores as on March 31, 2020. The decrease in amount of net worth is on account of Ind AS-116 adjustment on transition date 01.04.2019 i.e. lease liability.

- **Income Tax Expense**

Income tax expense was ₹ 9.07 Crores for 2019-20 and ₹ 2.58 Crores 2018-19.

- **Profit for the Year**

As a result of the foregoing factors, profit after tax increased 9.72 % from ₹ 10.08 Crores in 2018-19 to ₹ 11.07 Crores in 2019-20.

- **Earnings Per Share (EPS)**

Basic and Diluted EPS was ₹ 1.79 for 2018-19 and ₹ 1.94 for 2019-20.

- **Borrowings**

The total standalone borrowing has decreased from ₹ 113.58 Crores as on March 31, 2019 to ₹ Nil as on March 31, 2020.

- **Cash and Bank Balance.**

Cash and Bank balance decreased from ₹ 5.25 Crores as of March 2019 to ₹ 4.44 Crores as of March 2019.

- **Investments**

Total Investment of the Company decreased from ₹ 95.66 Crores as of March 2019 to ₹ 94.02 Crores as of March 2020

- **Current Assets & Liabilities**

The Company's current assets primarily consist of debtors, investment in liquid fund, inventories, cash and bank balances, loans and advances and other current Assets. Total current assets as on March 31, 2020 were ₹ 145.64 Crores as against ₹ 98.08 Crores as on March 31, 2019.

The Company's current liabilities primarily consist of short term borrowings, trade payables, short term provisions and other current liabilities. Total current liabilities as on March 31, 2020 was ₹ 310.65 Crores as against ₹ 375.00 Crores as on March 31, 2019.

- **Net Profit Margin**

Net Profit Margin increased to 9.72 % in 2019-20 as compared to 2018-19, mainly due to increase in other income.

- **Return on Net Worth**

Return on Net Worth increased from 7.37% in 2018-19 to 9.66% % in 2019-20, mainly due to increase in other income.

- **Interest Coverage Ratio**

The Interest Coverage Ratio increased from 1.64 times in 2018-19 to 5.06 times in 2019-20. During the year, interest costs add (except interest of Ind AS 116) decreased from ₹ 19.67 Crores in 2018-19 to ₹ 4.95 Crores in 2019-20.

- **Debt Equity Ratio**

During the year, your Company has become debt free and accordingly, debt equity ratio has decreased from 0.22 in 2018-19 to NIL in 2019-20.

- **Debtors turnover Ratio**

The debtor turnover ratio was 0.21 in 2018-19 and 0.30 in 2019-20

- **Current Ratio**

The current ratio was 0.26 in 2018-19 to 0.46 and 2019-20.

Internal Control System and Adequacy

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transactions are authorized, recorded and reported correctly.

The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Moreover, the Company continuously upgrades these systems in line with best accounting practices. The Company has independent audit systems to monitor the entire operations and the Audit Committee of the Board review the findings and recommendations of the internal auditors.

Human Resources

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees. The industrial relations across different locations of the Company were cordial during the year. The Company has, over the last few months, built the team necessary to be able to build and execute the vision that has been articulated in the preceding paragraphs. The total number of employees of the Company as on March 31, 2020 stood at 60.

Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include stiff competition leading to price-cuts, high volatility in prices of major inputs such as steel, cement, building materials, petroleum products, change in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Corporate Governance For The Year Ended March 31, 2020

Corporate Governance is a set of defined principles, processes and systems which governs a Company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. The Company believes that business excellence is the reflection of the professionalism and ethical values of its management and employees. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its Stakeholders. The Company ensures to comply with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations').

I. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on corporate governance is to achieve business excellence and to create long term value for its stakeholders. The Company has set of systems and practices to ensure that the affairs of the Company envisages adherence to the highest levels of integrity, fairness, equity, transparency, accountability and commitment to values. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

The philosophy of Corporate Governance is a principle based approach as codified in Regulation 4(2) of the Listing Regulations, encompassing the fundamentals of rights and roles of various stakeholders of the Company, timely information, equitable treatment, role of stakeholder's disclosure and transparency and board responsibility.

The Company has adopted a Code of Conduct for its employees including the Executive Director. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act").

At FMNL, it is imperative that business is conducted in a fair and transparent manner. The corporate governance framework ensures effective engagement with various stakeholders and helps the Company evolve with changing times. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as applicable, with regard to corporate governance. The guiding principles and practices are summarised in this Corporate Governance Report.

II. Board of Directors:

- a. As on March 31, 2020, the Company has Seven Directors. Of the seven Directors, six are Non-Executive Directors out of which three are Independent Directors, including a Women Director. The Chairman of the Board is a Non-Executive Independent Director. Mr. Pawan Kumar Agarwal, is appointed as an Executive Director and Chief Financial Officer of the Company with effect from May 21, 2019 for a period of 5 (five) years, which was approved by the members at their Annual General Meeting held on September 16, 2019. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

The Composition of the Board and other relevant details are as under:

Name of the Director	DIN	Category
Mr. Vijai Singh Dugar	06463399	Non- Executive Chairman and Independent Director
Ms. Udit Jhunjunwala	00120951	Independent Director
Mr. K. A. Somayajulu	02535927	Independent Director
Mr. Sunil Biyani	00006583	Non-Executive Director
Mr. Rajesh R. Kalyani	00220632	Non-Executive Director
Mr. Pramod Arora	02559344	Non-Executive Director
Mr. Pawan Kumar Agarwal*	01435580	Executive Director & Chief Financial Officer

Note: * Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & Chief Financial Officer on the Board w.e.f May 21, 2019.

- b. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other.

c. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

d. Board meetings held

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and to consider, among other business, the quarterly performance and financial results of the Company.

The agenda papers along with the notes thereon, other supporting documents and all information as required under Regulation 17(7) of the Listing Regulations are circulated in advance to the Board Members.

Four board meetings were held during the year under review where necessary quorum was present for all the meetings and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

Date on which Board Meeting was held	Total Strength of the Board on the date of the Meeting	Number of Directors present at the Board Meeting
May 21, 2019	07	05
August 13, 2019	07	07
November 12, 2019	07	05
February 04, 2020	07	07

Note:

- Video-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings. Attendance of Directors includes participation in the meeting(s) through video conference.
 - Excluded the separate meeting of independent directors, in which non independent directors were not eligible to participate.
- e. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholder's Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Details about the Company's Directors and meetings attended by the Directors:

Name of Director	Category	Number of Board Meetings held during the financial year 2019-20	Number of Board Meetings attended during the financial year 2019-20	Whether attended last AGM (held on September 16, 2019)	Directorships held in companies incorporated in India as at March 31, 2020	Number of Memberships / Chairmanship in Board Committees as at March 31, 2019 (Including FMNL)		Other Directorships	
						Membership	Chairmanship	Name of Listed Entity	Category
Mr. Vijai Singh Dugar DIN:06463399	Independent Director	4	4	Yes	6	1	2	-	-
Ms. Uditia Jhunjhunwala DIN:00120951	Independent Director	4	2	No	3	2	-	Galaxy Cloud Kitchens Limited	Independent Director
Mr. K. A. Somayajulu DIN:02535927	Independent Director	4	4	Yes	3	2	2	-	-
Mr. Sunil Biyani DIN:00006583	Non-Executive Director	4	4	No	10	4	-	Galaxy Cloud Kitchens Limited	Director

Name of Director	Category	Number of Board Meetings held during the financial year 2019-20	Number of Board Meetings attended during the financial year 2019-20	Whether attended last AGM (held on September 16, 2019)	Directorships held in companies incorporated in India as at March 31, 2020	Number of Memberships / Chairmanship in Board Committees as at March 31, 2019 (Including FMNL)		Other Directorships	
						Membership	Chairmanship	Name of Listed Entity	Category
Mr. Rajesh R. Kalyani DIN:00220632	Non-Executive Director	4	4	Yes	2	2	1	-	-
Mr. Pramod Arora DIN02559344	Non-Executive Director	4	2	Yes	2	-	-	-	-
Mr. Pawan Kumar Agarwal DIN: 01435580	Executive Director	4	4						

Notes:

- Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & Chief Financial Officer on the Board w.e.f May 21, 2019.
 - Membership in governing councils, chambers and other bodies are not included.
 - Mandatory committees are the committees prescribed under the Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee of public companies.
 - The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- f.** During FY 2020, one meeting of the Independent Directors was held on February 05, 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- g.** Number of equity shares held by each of the Directors, options held and dividend paid:

Name of Director	Equity Shares held as on March 31, 2020	Dividend Paid during the financial year 2019-2020	Number of Options held under FMNL – ESOS -2016 as on March 31, 2020
Mr. Vijai Singh Dugar	-	-	-
Ms. Udit Jhunjhunwala	-	-	-
Mr. K. A. Somayajulu	-	-	-
Mr. Sunil Biyani	50	-	-
Mr. Rajesh R. Kalyani	41,025	-	-
Mr. Pramod Arora	25,000	-	-
Mr. Pawan Kumar Agarwal	14,500	-	1,50,000*

- * • Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & Chief Financial Officer on the Board w.e.f May 21, 2019.
- 1,50,000 stock options are granted to him however, none of the options are exercised by him.
 - The Company has not issued any convertible instruments.

h. Chairman of the Board

The Company has appointed Mr. Vijai Singh Dugar, Non-Executive and Independent Director as the Chairman of the Board.

- i.** During FY 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- j.** The Board periodically reviews the compliance reports of all laws applicable to the Company.
- k. Certificate from Company Secretary in practice**

A certificate from M/s. Alwyn D'Souza & Co. Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

I. Role of the Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and social expectations.

m. Selection of new Directors

The Board is responsible for selection of new directors. The Board delegates the screening and selection process to the Nomination, Remuneration and Compensation Committee, which consists majority of independent directors. The committee, based on defined criteria, makes recommendations to the Board on the induction of new directors.

The nomination, remuneration and compensation committee, works with the entire board to determine the appropriate characteristic's skills and experience required for the board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.

n. Tenure of Directorships

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the non-independent directors (who are liable to retire by rotation) every year, and qualifies the retiring members for reappointment. Executive directors are appointed by the shareholders for a maximum period of five years. An independent director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on the passing of a special resolution by the Company.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the independent directors fulfill the conditions specified in the Act and Listing Regulations and are independent of the Management.

o. Independent Directors

The Companies Act, 2013 and the Listing Regulations, define an "independent director" as a person who is not a promoter or employee or one of the key managerial personnel (KMP) of the Company or its subsidiaries. The law also states that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving remuneration as an independent director and we abide by these definitions of independent director.

The Board includes Directors with independent standing in their respective fields / profession and who can effectively contribute to the Company's business and policy decisions. Their appointment as Independent Directors on the Board is considered by the Nomination, Remuneration and Compensation Committee.

Independent Directors, have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

The Company has issued a formal letter of appointment to the Independent Directors in the manner as provided in the Act and Listing Regulations. The terms and conditions of appointment have also been displayed on the website of the Company at www.fmn.co.in.

None of the existing Independent Directors serve as Independent Directors in more than seven listed Companies in line with the requirements of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

p. Independent Director Databank Registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all independent directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

q. Meetings of Independent Directors

Pursuant to Schedule IV of the Act read with Regulation 25(3) of the Listing Regulations, the Independent Directors met on February 05, 2020 without attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the performance of Chairman of the Company based on the views of Executive and Non-Executive Directors. The Independent Directors also discussed on the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

r. Familiarization programmes for Independent Directors

Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, interalia, on the business and performance updates of the Company, business strategy and risks involved.

The independent directors are updated periodically on all business – related issues and new initiatives. At such meetings, the executive directors and other members of the senior management share points of view and leadership thoughts on relevant issues.

s. Prevention of Insider Trading

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Securities of the Company. The Company Secretary is the Compliance Officer for the purpose of this Code. During the year, there has been due compliance with the Code by the Company and all Insiders.

t. Code of Conduct

The Board has laid down the code of conduct for all the Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.fmn.co.in. All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year ended March 31, 2020 and a declaration to this effect is appended to this report.

u. Board Member Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination, remuneration and compensation committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees and executive / non-executive / independent directors through a peer evaluation, excluding the directors being evaluated.

Independent Directors mainly performs key rolls on governance, control and guidance. Some of the performance indicators, based on which the independent directors, are evaluated includes:

- The ability to contribute to and monitor corporate governance practices.
- The ability to contribute to by introducing best practices to address business challenges and risks.
- Commitment to the fulfilment of a director's obligations and fiduciary responsibilities; these include active participation in Board and Committee meetings.

The evaluation process focused on Board dynamics and softer aspects. The process also involves independent discussion with all Board members. The Board carried out the annual performance evaluation for the financial year ended March 31, 2020.

The Board expressed its satisfaction on the process as well as performance of all Directors, Committees, and Board as a whole.

v. Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members for their comments. Thereafter, after considering the comments minutes are finalized and placed before the next meeting for approval.

w. Post meeting follow-up mechanism

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees thereof. Important decisions taken at Board / Board Committee meetings are communicated promptly to the concerned departments / divisions. Action-taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Board Committee for noting.

x. Compliance

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with rules issued there under, as applicable and SS-1 and SS-2 issued by the Institute of Company Secretaries of India.

III. Committees of the Board

There are Six (6) Board Committees as on March 31, 2020, which comprises five statutory committees and one other non-statutory committee, details of which are as follows:

Audit Committee, Stakeholders Relationship Committee, Share Transfer Committee, Nomination, Remuneration and Compensation Committee and Committee of Directors. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

A. Audit Committee

As on March 31, 2020, the Committee comprises of 3 Directors out of which 2 are Independent Directors. All the members, including Chairman of the Audit Committee are financially literate and have the ability to read and understand the financial statement. The composition of the Audit Committee is in compliance with the Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act and rules made thereunder.

Composition and attendance record of Audit Committee members

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	Chairman	4	4
Mr. Rajesh Kalyani	Non-Executive Director	Member	4	4
Mr. K. A. Somayajulu	Independent Director	Member	4	4

All the members of the Audit Committee are eminent professionals with adequate experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of each of the meeting of the Audit Committee are placed before the Board in its meetings.

Other Details:

- Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
- Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.
- Mr. Anil Cherian, Head - Legal & Company Secretary of the Company acts as the Secretary to the Audit Committee. He was also appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.
- Quarterly Reports are send to the members of the Committee on matters relating to the Insider Trading Code.
- The previous Annual General Meeting of the Company held on September 16, 2019 and was attended by Mr. Vijai Singh Dugar, the then Chairman of the Audit Committee.

Extract of terms of reference

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, re-appointment and terms of appointment of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.
5. Reviewing along with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the listed entity with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. To review the functioning of the Whistle Blower mechanism;
16. Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate;
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of following information by Audit Committee

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

B. Nomination, Remuneration and Compensation Committee

As on March 31, 2020, Nomination, Remuneration and Compensation Committee comprises of 3 (three) Non-Executive Director out of whom 2 (two) Directors are Independent Directors.

Committee is constituted in line with the provisions of Regulation 19 of the Listing Regulations and Section 178 of the Act.

Composition and attendance record of Nomination, Remuneration and Compensation Committee members

Name of Member	Category	Position	No. of Meetings held:	No. of Meetings attended
Mr. K. A. Somayajulu	Independent Director	Chairman	1	1
Mr. Vijai Singh Dugar	Independent Director	Member	1	1
Mr. Rajesh Kalyani	Non-Executive Director	Member	1	1

i. Other Details

- During the financial year 2019-20, one meeting of the committee was held on May 21, 2019. The minutes of the meetings of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Board.
- The Nomination, Remuneration add Compensation Committee looks at all matters pertaining to the appointment and remuneration of the Managing Director, Chief Executive Officer, the Executive Directors, Key Managerial Personnel and administration of the employee stock option scheme of the Company i.e. the Future Market Networks Limited – Employee Stock Option Scheme, 2016.
- Mr. Anil Cherian, Head - Legal & Company Secretary of the Company acts as the Secretary of the Nomination, Remuneration and Compensation Committee.
- The previous Annual General meeting of the Company was held on September 16, 2019 and was attended by Mr. K.A Somayajulu, the then Chairman of the Nomination, Remuneration and Compensation Committee.

ii. Extract of Terms of reference

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Carry out evaluation of every director's performance;

iii. Performance Evaluation

The Company policy provides for the manner, mode and unique questionnaires to evaluate performance of the Board, Committees, Independent Directors and Non- Independent Directors. The criteria for the performance evaluation of the Directors includes (a) Attendance of each Director (b) Preparedness of each Director (c) Participation in meaningful discussion (d) Conduct and behavior of each Director (e) Effectiveness of the decision taken based on deliberations etc. The evaluation process includes review, discussion and feedback from the directors in reference to set criteria and questions.

Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors for the Financial Year 2019-20 has been carried out following the manner and process as per the policy in this respect. The Directors are satisfied with the performance and evaluation.

iv. Remuneration of Directors

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel and the major points relating to Remuneration policy is as follows:

I. Remuneration structure of Directors

- a) Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- b) The remuneration/ compensation/ commission etc. to be paid to Whole-time Director(s)/Executive Director(s) etc. shall be as per their employment contract/ terms of appointment, subject to the limits and conditions under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approval of the shareholders.

II. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management is as detailed hereunder

- a) The Compensation of KMP and Senior Management personnel is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.
- b) The remuneration structure to KMPs and Senior Management personnel may include a variable performance linked component.

III. Service contract / notice period / severance fees

Terms of service are governed in terms of respective Service Contracts and in terms of resolutions passed by the shareholders of the Company. The employment contract does not contain any provisions for payment of any severance fees in case of cessation of employment of the Whole Time / Executive Director.

IV. Remuneration to Directors**i. Executive Director**

The remuneration paid to the Executive Director for the period under review is given below:

(₹ in Lakhs)

Name	Salary (Basic)	Performance Bonus	Company's Contribution to Funds	Perquisites and Allowances	Total	Total Contract Period	Notice Period in months	Stock Options granted
Mr. Pawan Kumar Agarwal	44.34	-	1.69	0.38	46.41	Five years w.e.f May 21, 2019	1	*1,50,000

Notes:

- 1,50,000 stock options are granted to him, however, none of the options are exercised by him.
- All the above components of remuneration, except performance bonus, are fixed in nature.
- There is no separate provision for payment of severance fees.

ii. Non-Executive Directors

Mr. Pawan Kumar Agarwal was appointed as an Executive Director and Chief Financial Officer of the Company w.e.f. May 21, 2019.

The details of sitting fees to Non-Executive Directors are as under:

Name of Director	Category	Total Sitting Fees Paid*
Mr. Vijai Singh Dugar	Independent	3,55,000
Ms. Udit Jhunjhunwala	Independent	1,00,000
Mr. K. A. Somayajulu	Independent	3,55,000
Mr. Sunil Biyani	Non-Executive	1,60,000
Mr. Rajesh R. Kalyani	Non-Executive	3,35,000
Mr. Pramod Arora	Non-Executive	80,000

Notes:

- Sitting fees include payment to the Directors for attending meetings of Board, Audit Committee, Nomination Remuneration and Compensation Committee and Meeting of Independent Directors.
- Mr. Sunil Biyani, holds 50 Equity shares of the Company.
- Mr. Rajesh Kalyani holds 41,025 Equity Shares of the Company.
- Mr. Pramod Arora holds 25,000 Equity Shares of the Company
- GST is not included.

Apart from reimbursement of expenses incurred in the discharge of their duties, none of these Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, and its Senior Management, which in their judgment would affect their independence.

C. Stakeholder’s Relationship Committee

Committee is constituted in line with the provisions of Regulation 20 of the Listing Regulations and Section 178 of the Act.

The Stakeholders Relationship Committee oversees, inter alia, timely redressal of shareholder’s grievances such as issues involving transfer and transmission of shares, issue of duplicate certificates, recording dematerialization / rematerialization, non-receipt of dividend, annual report etc. The Committee also reviews the systems and procedures followed to resolve investor complaints and suggests several measures for improvement, if necessary. The Committee comprises of 3 (three) directors out of which Chairman is a Non-Executive Director.

Committee performs various functions conferred under the Listing Regulations and section 178 of the Act, which mainly covers ensuring resolution of grievances of security holders of the Company.

The Committee comprises of three Directors, out of which one is Independent Director, namely Mr. Vijai Singh Dugar, two Non-Executive Non-Independent Director, namely Mr. Rajesh Kalyani and Mr. Sunil Biyani.

The Committee’s composition and the terms of reference meet with the requirements of Regulation 20 of the Listing Regulations and provisions of the Companies Act, 2013.

i. Status of Investor Complaints for the Financial Year ended March 31, 2020:

Complaints outstanding as on April 1, 2019	-
Complaints received during the financial year ended March 31, 2020	2
Complaints resolved during the financial year ended March 31, 2020	2
Complaints outstanding as on March 31, 2020	-

During the year under review, the all the complaints received through SCORES were resolved.

There are no pending share transfers as on March 31, 2020.

ii. Terms of Reference of the Committee, inter-alia, includes the following:

1. Consider, resolve and monitor redressal of investor’s / shareholder’s grievances related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend etc.

2. Oversee the performance of the Company's Share Transfer Agent.
3. Recommend methods to upgrade the standard of services to investors.
4. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
5. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
6. Perform such other functions as may be necessary or appropriate for the performance of its duties.

There were no major complaints received from the Shareholders of the Company. The Complaints received were promptly replied by the Registrar and Share Transfer Agents of the Company. The Directors are not paid any sitting fees for attending the meeting of the aforesaid Committee.

Mr. Anil Cherian, the Head - Legal & Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee.

iii. Compliance Officer

Mr. Anil Cherian, Head-Legal & Company Secretary is the Compliance Officer for complying with requirements of Securities Laws, Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

D. Share Transfer Committee

At present the Share Transfer Committee of the Company comprises of Mr. Vijai Singh Dugar, Mr. Rajesh Kalyani and Ms. Udit Jhunjhunwala.

i. Terms of Reference of Share Transfer Committee

- a) To approve the Transfer/Transmission of Shares, dematerialization and rematerialization of Shares of the Company.
- b) To approve deletion of name.
- c) To approve split, consolidation and issuance of duplicate shares.
- d) To oversees the performance of the Registrars and Share Transfer Agents i.e. Link Intime India Private Limited.

The Committee met 5 (Five) times during the year ended March 31, 2020.

ii. Composition and attendance record of Share Transfer Committee

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	5	5
Mr. Rajesh Kalyani	Non-Executive Director	5	5
Ms. Udit Jhunjhunwala	Independent Director	5	5

No sitting fee is paid to the members of the Share Transfer Committee.

E. Corporate Social Responsibility ("CSR") Committee

Committee is constituted in line with the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

i. Composition

At present, the CSR Committee comprises of Mr. Vijai Singh Dugar, Chairman, Mr. K.A. Somayajulu and Mr. Rajesh Kalyani as its members.

ii. Extract of Terms of reference

- a) Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- b) Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- c) Monitor the CSR Policy.

iii. Other Details

No meetings of the CSR Committee were held during the year under review.

F. Committee of Directors

The committee of Directors is authorized to take decisions which are required for the day to day operations of the Company. The composition of the Committee of Directors is given below:

Name of Member	Category
Mr. Vijai Singh Dugar	Independent Director
Mr. Sunil Biyani	Non-Executive Director
Mr. Rajesh Kalyani	Non-Executive Director

The committee met 6 (Six) times during the year. The Minutes of the meetings of Committee of Directors are reviewed and noted by the Board. No sitting fee is paid to the members of the Committee of Directors.

Shareholders

Disclosure regarding the appointment or re-appointment of directors:

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013, Mr. Pramod Arora and Mr. Rajesh Kalyani are liable to retire by rotation. The said Directors has offered themselves for reappointment and resolution for their reappointment, is incorporated in the Notice of the ensuing Annual General Meeting.

Mr. Pramod Arora: Non-Executive Director

Mr. Pramod Arora’s job involves diverse fields of business development and corporate affairs including strategic planning. He is having vast experience of corporate management and possesses required competencies.

Mr. Rajesh Kalyani: Non-Executive Director

Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 29 years of experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.

IV. General Body Meetings

a) Details of previous three General Meetings of the Company are as under:

Financial Year	Venue	Date	Time
2018-19	Sunville Banquets, 9, Dr. Annie Besant Road, Worli , Mumbai - 400018	16/09/2019	1.30 P.M
2017-18	Sunville Banquets, 9, Dr. Annie Besant Road, Worli , Mumbai - 400018	19/09/2018	12.00 Noon
2016-17	Sunville Banquets, 9, Dr. Annie Besant Road, Worli , Mumbai - 400018	15/09/2017	02.00 P.M

b) Details of special resolutions passed in previous three Annual General Meetings of the Company are as under

Date of AGM	Number of Special Resolutions Passed	Details of Special Resolution Passed
September 15, 2017	2	<ul style="list-style-type: none"> Re-Appointment of Mr. Vijai Singh Dugar as an Independent Director for a further tenure five consecutive years w.e.f September 18, 2017. Appointment and remuneration of Mr. Pramod Arora as a Whole Time Director for a period of Three Years w.e.f August 14, 2017.
September 19, 2018	2	<ul style="list-style-type: none"> Re-Appointment of Mr. K. A. Somayajulu as an Independent Director for a further tenure of two consecutive years w.e.f September 28, 2018. Re-Appointment of Ms. Udit Jhunjhunwala as an Independent Director for a further tenure five consecutive years w.e.f September 28, 2018.
September 16, 2019	2	<ul style="list-style-type: none"> Appointment of M/s. S K Patodia & Associates., Chartered Accountants, Mumbai, as the statutory auditors of the Company, in place of the retiring auditor M/s Viren Gandhi & Company for a period of 1 year from the conclusion of eleventh annual general meeting till the conclusion of the twelfth annual general meeting. Appointment and remuneration of Mr. Pawan Kumar Agarwal (DIN: 01435580) as Executive Director and Chief Financial Officer of the Company for a period of 5 (Five) Years.

c) Details of Special Resolutions passed at the Extraordinary General Meetings for the last 3 years.

No extra ordinary general meeting of the Company was held during the last 3 (three) years. However, as per the directions of National Company Law Tribunal (NCLT), Mumbai Bench, a meeting of the equity shareholders of the Company was held on September 19, 2018 to approve the scheme of Merger by Absorption of Star Shopping Centres Private Limited by the Company.

d) Postal Ballot including e-Voting

During the financial year 2019-2020, pursuant to the provisions of Section 110 of the Companies Act read with the Companies (Management and Administration) Rules, 2014, the Company has not passed any special resolutions through postal ballot.

V. Means of Communication

Website	Your Company maintains a website www.fmn.co.in , wherein there is a dedicated section 'Investors'. The website provides details, inter alia, about the Company, its performance including quarterly financial results, annual reports, press release, shareholding pattern, contact details etc.
Quarterly/ Annual Financial Results	Generally published in Free Press Journal (English Daily Newspaper) and Navshakti (Marathi Newspaper). The results are also uploaded by BSE and NSE on their website www.bseindia.com and www.nseindia.com respectively
Stock exchanges	All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE. The filings required to be made under the Listing Regulations, including the Shareholding pattern and Corporate Governance Report for each quarter are also filed on BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).
Investor servicing	A separate e-mail id info.fmnl@futuregroup.in has been designated for the purpose of registering complaints by shareholders or investors.

VI. General Shareholders information:

a. Company Registration Details: The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L45400MH2008PLC179914.

b. Registered Office and Address: Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (E), Mumbai – 400 060.

c. Annual General Meeting

- i. AGM Date, Day : September 29, 2020, Tuesday
- ii. Time & Venue : 2:00 p.m. through Video Conferencing ("VC")/Other Audio Video Means ("OAVM")

d. Financial Year : The financial year of the Company starts from April 01 and ends on March 31 of the succeeding year.

e. Book Closure Period : September 23, 2020 to September 29, 2020 (both days inclusive)

f. Financial Calendar (tentative):

- First Quarterly Result : on or before August 14, 2020
- Second Quarterly Result : on or before November 14, 2020
- Third Quarterly Result : on or before February 14, 2021
- Financial year ending : on or before May 30, 2021

g. Listing of Equity Shares on Stock Exchanges**I. BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Scrip Code: 533296

II. National Stock Exchange of India Limited(NSE)

"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Trading Symbol - FMNL

h. ISIN: INE360L01017

i. Suspension of trading in securities: There was no suspension of trading in securities of the Company during the year under review.

j. Stock Market Data

High, lows and Volumes of FMNL from April 1, 2019 to March 31, 2020 at BSE and NSE.

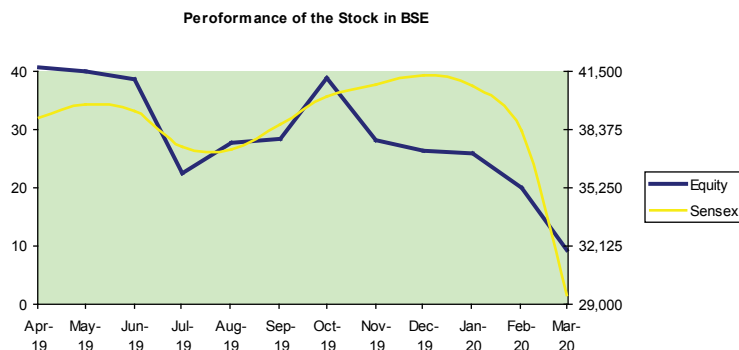
Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume (Number of Shares Traded)	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2019	44.90	39.00	97,211	44.90	38.50	1,07,115
May 2019	43.95	36.55	51,790	43.40	36.50	2,14,644
June 2019	41.35	31.40	27,900	40.70	31.55	1,12,596
July 2019	39.70	22.60	75,997	40.35	22.35	3,93,164
August 2019	33.60	20.55	56,822	35.75	20.10	3,08,326
September 2019	35.60	26.40	31,656	35.85	27.00	2,21,088
October 2019	45.05	27.10	85,067	44.65	26.00	3,53,816
November 2019	38.95	26.10	1,06,496	39.50	25.35	4,13,008
December 2019	29.95	25.95	1,39,376	30.45	25.60	4,92,027
January 2020	32.50	25.10	1,55,926	32.80	24.60	7,96,833
February 2020	29.80	18.75	1,23,456	29.75	18.50	3,53,814
March 2020	27.60	8.55	1,97,720	25.20	8.50	7,50,559

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

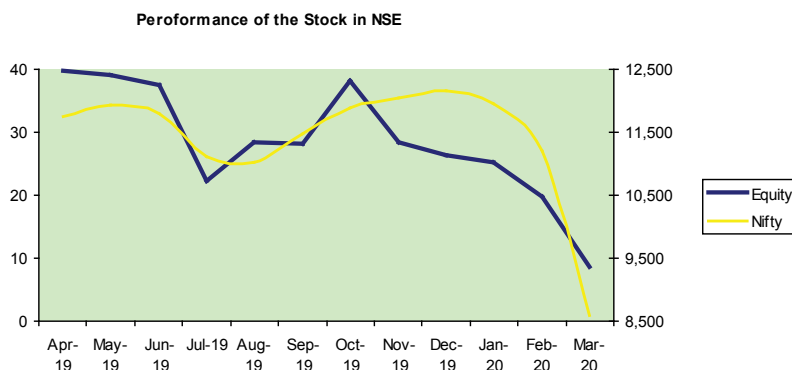
The performance comparison is based on the closing price / Sensex on the last trading day of the month.

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

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



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



k. Distribution of Shareholding

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2020 is as below:

i. Distribution of shareholding as on March 31, 2020

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	8,72,018	1.51	13,948	91.05
501 – 1000	5,17,318	0.90	646	4.22
1001 – 2000	4,76,639	0.83	310	2.02
2001 – 3000	3,21,069	0.56	126	0.82
3001 – 4000	2,16,675	0.38	60	0.39
4001 – 5000	2,08,088	0.36	44	0.29
5001 – 10000	6,34,899	1.10	88	0.57
Greater than 10000	5,42,97,675	94.36	98	0.64
Total	5,75,44,381	100.00	15,320	100.00

ii. Shareholding pattern by ownership as on March 31, 2020

Categories	As on March 31, 2020	
	No. of Shares	Percentage
Promoters, Relatives and Associates	4,11,83,410	71.57
Directors	80,525	0.07
Public Financial Institutions / State Financial Corporation / Insurance Companies	1,87,996	0.33
Mutual Funds (Indian)	27	0.00
Nationalized and other Banks	920	0.00
NRI / OCBs	67,561	0.12
Public	82,49,182	14.33
Others (CM/Other Bodies Corporate/HUF/Foreign Portfolio Investor (Corporate))	78,14,260	13.58
Total	5,75,44,381	100.00

l. Dematerialization of Shares

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their Shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialized form. As on March 31, 2020, 57503467 Equity Shares representing 99.93% of the total equity capital of the Company were held in dematerialized form. The bifurcation of shares held in Physical and Demat form are given below:

Particulars	No. of Shares	Percentage
Physical Segment	40,914	0.07
Demat Segment		
NSDL	5,05,52,348	87.85
CDSL	69,51,119	12.08
Total	5,75,44,381	100.00

m. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges.

The report, inter alia, confirms that the number of shares issued, listed on the Stock exchanges and that held in demat and physical mode are in agreement with each other.

n. Registrar and Transfer Agents

Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083, Tel: +91 22 49186000
Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in.

o. Share Transfer system:

Trading in equity shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form. Shares sent for transfer in physical form, if any, are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee and Stakeholder Relationship Committee to approve the transfers of equity shares of the Company. Investors are requested to take note that pursuant to the respective notification by the Ministry of Corporate Affairs, BSE Limited and the National Stock Exchange of India Limited, transfer of shares held in physical mode is not permissible from April 1, 2019, except in case of transmission or transposition of securities.

No transfer of securities held in physical mode is permitted from the said date. In view of this, investors are advised and recommended to dematerialize the security of the Company held by them at the earliest to avoid any delay for transfer.

p. Shares held in Abeyance and Fractional Shares.

570 Equity shares of the Company which have been issued under the scheme of demerger with Pantaloon Retail India Limited (PRIL – now known as Future Enterprises Limited, FEL) is kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in FEL which are currently held in abeyance.

Fractional entitlement shares on the allotment of shares pursuant to the Scheme of Amalgamation of Future Realtors India Private Limited, AIGL Holding And Investments Private Limited and Prudent Vintrade Private Limited with the Company were consolidated in the hands of a nominated person and equity shares were issued and allotted to such person and the said shares shall be sold by him at a suitable time.

q. Plant Location

The Company is engaged in the business of managing shopping malls on long term basis and currently managing shopping malls at Siliguri, Kolkata, Ujjain and Mumbai.

r. Address for correspondence:

i. Any Query on Annual Report:

Mr. Anil Cherian
Company Secretary
Knowledge House
Shyam Nagar, Jogeshwari – Vikhroli Link Road
Jogeshwari (E), Mumbai 400 060
Phone: 022 - 62995403
Fax: 022 - 62995473
Email id for investors: info.fmdl@futuregroup.in

ii. Shareholders correspondence should be addressed to:

Link Intime India Private Limited,
C 101, 247 Park, LBS Marg,
Vikhroli West, Mumbai – 400 083,
Tel: +91 22 49186000 Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

s. Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2020.

t. Commodity price risk or Foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be disclosed.

There is no foreign currency exposure as on March 31, 2020 other than as stated in Annexure '9' of the Board's Report.

u. Credit Rating

During the year under review, Informerics Valuation and Rating Private Limited have reaffirmed its ratings assigned to the Company's Long term Bank facility, as under:

Sr. No.	Facility	Rating
1	Long Term Proposed Facility – Proposed Term Loan	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)

VII. Additional Shareholders Disclosure/ information**(i) Materially significant related party transaction**

All transactions entered into during the financial year 2019- 2020 with Related Parties as defined under the Act and Listing Regulations were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. All related party transactions were reviewed and approved by the Audit Committee and the material related party transactions were approved by the members. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts – Note No. 30 forming part of the Standalone financial statements.

As required under Regulation 23 of Listing Regulations, the Company has formulated a Related Party Transaction's Policy which is available on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

(ii) Details of non-compliance

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by BSE Limited, the National Stock Exchange of India Limited, the Securities and Exchange Board of India or any other statutory authority, in relation to any matter related to capital markets, during last three years.

(iii) Whistle Blower Policy - Vigil Mechanism

The Company's Whistle Blower Policy is in line with the provisions of the sub section 9 and 10 of Section 177 of the Companies Act, 2013 and as per Regulation 22 of SEBI LODR Regulations. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We confirm that during the financial year 2019-2020, no employee of the Company was denied access to the Audit Committee.

The said Whistle-Blower Policy is available on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

(iv) Policy for determining Material Subsidiary

As required under SEBI LODR Regulations, the Company has formulated a Policy for determining 'material' subsidiaries which has been put up on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

(v) Policy to prevent sexual harassment at the workplace

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Future group.

To redress complaints of sexual harassment, an Internal Complaints Committee (ICC) of Future Market Networks Limited has been formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

Ms. Monika B. Agre is the Chairperson of the Internal Complaints Committee and other Committee members of the Committee are viz. Mr. Amit Samani, NGO member, Ms. Deepti Gangan, Ms. Ankita Kyal and Mr. Vinod Nair.

During the financial year 2019 - 2020, no complaints were received by the Company. There were no complaints pending as on the end of the financial year 2019- 2020. No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported during the period.

(vi) Policy on Determination of Materiality of Events

The Company has also adopted Policy on Determination of Materiality of Events and Policy on Archival of Documents which has been put up on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

(vii) Details of Demat Suspense Account

As per Schedule V of Part F of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account as on March 31, 2020:

S. No	Particulars (for the financial year 2019-20)	No. of Cases	No. of Equity Shares
1	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the beginning of the year;	890	18,113
2	Number of shareholders who approached issuer for transfer of equity shares from suspense account during the year;	-	-
3	Number of shareholders to whom equity shares were transferred from suspense account during the year;	-	-
4	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the end of the year	890	18,113

(viii) Details of utilization of funds raised through preferential issue:

The Company has not raised funds through preferential Issue.

(ix) Audit Fees:

The fees paid by the Company to the statutory auditors during the financial year 2019 -2020 are as under:

Nature of Service Provided	Amount (In ₹ Lakhs)
Statutory Audit Fees	7.00
Audit under other Statutes	1.00
Quarterly Limited Review Report	1.00
Total	9.00

(x) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

The Company has not yet declared any dividend.

The Company has appointed a Nodal Officer under the provisions of (IEPF), the details of which are available on the website of the Company www.fmn.co.in.

Pursuant to Regulation 7(2) of the Listing Regulations, certificates on half yearly basis have been issued by a qualified practicing Company Secretary confirming the compliance of share transfer formalities by the Company.

Compliance with discretionary requirements (Part E of Schedule II of Listing Regulations)

The Board: The Chairperson of the Board is an Independent Director. The Company did not maintain a Chairperson's office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review.

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

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

Reporting of Internal Auditor: Internal Auditors report to Audit Committee and present their Internal Audit Report and their observations at the meeting of the Audit Committee.

(xi) Certificate on Non-disqualification of Directors

The Company has received a certificate from M/s. Alwyn D'souza & Co., Company Secretary in practice, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

(xii) Recommendations of the Committees of the Board

During the year under review, there was no such instances, where the Board has not accepted any recommendations of any Committee of the Board, which is mandatorily required.

(xiii) Management

Management Discussion and Analysis (MDA) forms part of the Board's Report.

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

(xiv) Auditor's certificate on corporate governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditor's certificate on corporate governance is annexed to the Board's report.

(xv) CEO/CFO certification

The CEO/CFO certification in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms part of the Annual Report.

(xvi) Code of Conduct for Directors and Senior Management Personnel

Board of Directors have laid down Code of Conduct for Directors and Senior Management (the Code) for all the Board Members and senior management personnel in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and the Companies Act, 2013.

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

(xvii) Prohibition of Insider Trading

The company has devised and adopted a Code of Conduct to regulate, monitor, and report trading in Company's securities by persons having access to unpublished price-sensitive information of the Company in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Company Secretary, is the Compliance Officer for the purpose of this code.

The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on need basis. During the year there has been due compliance with the code by the company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time. The policy is available on our website, www.fmn.co.in.

(xviii) Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The financial statements have been prepared on an accrual basis under the historical cost basis except for certain assets and liabilities which have been measured at fair value or revalued amount wherever applicable.

(xix) Details of non-compliance

No penalty has been imposed by any stock exchange or SEBI nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

(xx) At present, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing fees for the year 2020-2021 have been paid to BSE and NSE.

(xxi) The Company has paid custodial fees for the year 2020-2021 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.

Standalone Financial Statements and Notes

INDEPENDENT AUDITOR’S REPORT

**To the Members of
FUTURE MARKET NETWORKS LIMITED
Report on the Audit of Standalone Ind-AS Financial Statements**

Opinion

We have audited the standalone Ind-AS financial statements of **Future Market Networks Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended and notes to the Ind-AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone Ind-AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind-AS financial statements give the information required by the Companies Act, 2013, as amended ("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 Ind-AS specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition :</p> <p>The Company earns revenue from leasing out of commercial units / shops. Revenue pertaining to lease rents is recognized on straight line basis over the lease term in accordance with Ind AS 116. Contingent rent is that portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time (eg. percentage of future sales, amount of future use, future price indices, future market rates of interest). Such rent is recognised in the Statement of Profit & Loss in the period they are earned.</p>	<p>As part of our audit, we:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policies for revenue recognition, the amount of revenue recognised as per the agreement entered into with the tenants along with Ind AS 116. Performed analytical procedures to identify deviations in monthly rent received from the tenants / lessees / sub-lessees. Performed substantive testing by verifying the implementation and operating effectiveness of controls over the data set collected by the management with regards to the revenue of shops and the computation of such contingent rent. Tested the design, implementation and operating effectiveness of controls over the calculation of discount and rebates. Assessed the adequacy of the company’s disclosures made in to the financial statements
<p>Allowance for credit losses</p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industry the Company deals with. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.</p>	<p>As part of our audit, we:</p> <ul style="list-style-type: none"> Tested the effectiveness of controls over the development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, completeness and accuracy of information used in the estimation of probability of default and computation of the allowance for credit losses. Verified the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

Information Other Than the Financial Statements and Auditor’s Report thereon

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind-AS Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind-AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The corresponding financial information of the Company for the year ended March 31, 2019 included in these Standalone Ind-AS financial statements, are based on the financial statements for the year ended March 31, 2019 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) which were audited by M/s. Viren Gandhi & Co., Chartered Accountants ("previous Statutory Auditor") on which they expressed an unmodified opinion vide their report dated May 21, 2019 and the same was approved by the members of the Company on September 16, 2019 in the annual general meeting. (Also refer Note 36 to the standalone financial statements)

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 38 on Contingent Liabilities to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 20146268AAAAIP6097

Place : Mumbai
Date : June 30, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Future Market Networks Limited

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

1. We have audited the internal financial controls over financial reporting of Future Market Networks Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, 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 financial statement, whether due to fraud or error.
5. 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 over financial reporting with reference to the standalone financial statements of the Company.

Meaning of Internal Financial controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that:
 - i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and as such internal financial controls were operating effectively as at March 31, 2020 based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Place : Mumbai
Date : June 30, 2020

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 20146268AAAAIP6097

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Future Market Networks Limited

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (b) The Company has a regular programme of physical verification of its property, plant & equipment, by which all property, plant & equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising of all immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- (iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act :
 - (a) In our opinion and the information given to us, the terms and conditions of the loans given by the company are prima facie, not prejudicial to the interest of the Company.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/or receipts of interest have been regular as per stipulations.
 - (c) There are no overdue amounts as at the year-end in respect of both principal and interest.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Act and accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act for the products 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, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, goods & service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute except as below :

Name of Statute	Name of dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	95.80	Prior to 2014	High Court
Income Tax Act, 1961	Tax deducted at Source (TDS)	5.46	FY 2014-15	Commissioner of Income Tax (Appeals)

The above disputed service tax amount is due and payable by the third party (Refer note 38)

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution or banks at the balance sheet date. The Company does not have any loans or borrowings from Government. Further, the Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the order is not applicable to the Company.
- (ix) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- (x) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of related party transactions as required by the applicable accounting standards have been disclosed in the standalone financial statements.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company in respect of which we are unable to comment on any potential implications for the reasons described therein, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Place : Mumbai
Date : June 30, 2020

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 20146268AAAAIP6097

Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	6,705.08	8,726.29
(b) Right of Use Assets	3	14,229.72	-
(c) Capital work-in-progress	3	616.20	82.81
(d) Investment properties	4	7,840.74	7,905.79
(e) Investments in subsidiaries, associates and joint ventures	5 (a)	9,378.00	9,539.00
(f) Financial assets			
(i) Investments	5 (a)	24.71	27.72
(ii) Loans	5 (c)	225.26	210.16
(g) Non-Current Tax Assets	6 (a)	1,073.54	899.19
(h) Deferred tax assets (net)	6 (b)	7,147.00	6,268.53
(i) Other non-current assets	7	4,339.73	5,140.37
Total non-current assets		51,579.98	38,799.86
Current assets			
(a) Inventories	8	863.37	917.61
(b) Financial assets			
(i) Investments	5 (a)	1,015.59	311.20
(ii) Trade receivables	5 (b)	3,616.67	1,051.04
(iii) Cash and cash equivalents	5 (d)	444.16	525.72
(iv) Bank Balances other than above	5 (e)	6.86	7.60
(v) Loans	5 (c)	7,717.93	6,036.41
(vi) Other financial assets	5 (f)	202.14	157.57
(c) Other current assets	7	697.20	801.47
		14,563.92	9,808.62
Assets classified as held for sale	9	1,954.69	10,266.92
Total current assets		16,518.61	20,075.54
Total assets		68,098.59	58,875.40
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10 (a)	5,754.44	5,629.13
(b) Other Equity	10 (b)	11,055.63	13,408.76
Total Equity		16,810.07	19,037.89
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (a)	-	-
(ii) Lease liabilities	11 (b)	17,812.81	-
(iii) Other financial liabilities	11 (b)	1,866.22	1,658.46
(b) Provisions	12	62.87	34.51
(c) Other non-current liabilities	13	481.24	644.16
Total non-current liabilities		20,223.14	2,337.13

Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (a)	-	11,358.24
(ii) Trade payables			
- Total outstanding due of micro and small enterprises	11 (c)	59.81	-
- Others	11 (c)	1,394.77	575.49
(iii) Lease liabilities	11 (b)	3,367.85	-
(iv) Other financial liabilities	11 (b)	560.72	6,163.81
(b) Provisions	12	38.08	40.98
(c) Other current liabilities	13	25,644.15	19,361.86
Total current liabilities		31,065.38	37,500.38
Total liabilities		51,288.52	39,837.51
Total Equity and Liabilities		68,098.59	58,875.40
The above balance sheet should be read in conjunction with the accompanying notes.	1-39		

* Restated pursuant to merger (Refer Note 36)

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

Statement of Profit and Loss for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019*
Income			
(a) Revenue from Operations	15	12,155.71	12,644.83
(b) Other Income	16	4,903.90	1,860.04
Total Income		17,059.61	14,504.87
Expenses			
(a) Operating Costs	17	3,611.47	6,731.10
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	18	121.28	3.54
(c) Employee Benefits Expense	19	591.80	617.63
(d) Finance Costs	20	2,947.81	1,967.65
(e) Depreciation and amortization expense	21	5,113.97	2,511.88
(f) Other Expenses	22	2,659.22	1,371.10
Total Expenses		15,045.55	13,202.90
Profit / (Loss) before exceptional items and tax		2,014.06	1,301.97
Exceptional items		-	34.59
Profit/(Loss) Before Tax		2,014.06	1,267.38
Income Tax Expenses			
Current Tax	6	-	-
Deferred Tax	6	910.93	304.33
Earlier Year's Provision written back		(3.78)	(45.71)
Total Tax Expenses		907.15	258.62
Profit/(Loss) for the year (A)		1,106.91	1,008.76
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) on employee defined benefit funds recognised in other Comprehensive Income	10	(12.09)	13.50
Fair valuation of Equity investments other than investments in subsidiaries, Associates and Joint Ventures	10	(3.01)	607.09
B. Income tax relating to above items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	10	(3.41)	3.63
Equity instruments through other comprehensive income	10	4.90	492.42
Other Comprehensive Income for the year, net of taxes (B)		(16.59)	124.54
Total Comprehensive Income for the year (A+B)		1,090.32	1,133.30
Earnings per equity share (Face value of ₹ 10/- each)	26		
Basic (in ₹)		1.94	1.79
Diluted (in ₹)		1.94	1.79
The above statement of profit and loss should be read in conjunction with the accompanying notes.	1-39		

* Restated pursuant to merger (Refer Note 36)

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

Statement of Change in Equity

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital

As at March 31, 2019	5,629.13
Changes in equity share capital	125.31
As at March 31, 2020	5,754.44

B. Other Equity

Particulars	Reserves and Surplus				Other Reserves	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserve	Subordinated Debt	FVOCI - equity investments	
Balance as at April 1, 2018*	25,291.33	(16,119.99)	2,636.54	4,905.98	(4,888.41)	11,825.45
Profit / (Loss) for the year	-	1,008.78	-	-	-	1,008.78
Other comprehensive income for the year	-	9.86	-	-	114.67	124.53
Total comprehensive income for the year	-	1,018.64	-	-	114.67	1,133.31
Addition during the year	-	-	-	450.00	-	450.00
Reclassification	-	(4,619.65)	-	-	4,619.65	-
Balance as at March 31, 2019*	25,291.33	(19,721.00)	2,636.54	5,355.98	(154.09)	13,408.76
Balance as at April 1, 2019	25,291.33	(19,721.00)	2,636.54	5,355.98	(154.09)	13,408.76
Profit / (Loss) for the year	-	1,106.91	-	-	-	1,106.91
Other comprehensive income for the year	-	(8.68)	-	-	(7.91)	(16.59)
Total comprehensive income for the year	-	1,098.23	-	-	(7.91)	1,090.32
Addition during the year	1,754.34	-	-	-	-	1,754.34
Lease Liabilities	-	(5,197.79)	-	-	-	(5,197.79)
Reclassification	-	-	-	-	-	-
Balance as at March 31, 2020	27,045.67	(23,820.56)	2,636.54	5,355.98	(162.00)	11,055.63

The above statement of changes in Equity should be read in conjunction with the accompanying notes.

* Restated pursuant to merger (Refer Note 36)

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

Cash Flow Statement for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
	Cash Flow from operating activities		
	Profit / (Loss) before income tax	2,014.06	1,267.38
	Adjustments for		
	Add:		
	Provision For Doubtful Debts	41.22	20.75
	Depreciation and amortisation expenses	5,113.96	2,511.88
	Finance costs	2,947.81	1,967.65
	Bad debts and irrecoverable balances written off	505.90	32.58
	Provision for Gratuity & Leave Encashment	23.21	4.45
	Less:		
	Interest received	(665.77)	(1,391.09)
	Sundry balance written back	(225.99)	(32.40)
	Net gain recognised on divestment in stake of subsidiary	-	(335.50)
	Profit on sale of investments	(1,870.56)	-
	Profit on sale of Property, Plant & Equipment - Net	(1,056.96)	-
	Profit on redemption of preference shares	(999.00)	-
	Dividend received	(0.00)	-
	Gratuity & Leave Encashment Paid	(9.29)	(0.34)
	Operating Profit before Working Capital change	5,818.58	4,045.35
	Change in operating assets and liabilities		
	Trade and Other Receivables	(3,911.29)	712.38
	Trade Payable, Other Liabilities & Provisions	(8,008.84)	(5,238.03)
	Inventories	54.23	1.11
		(11,865.90)	(4,524.54)
	Cash generated / (used) from operations	(6,047.31)	(479.20)
	Income taxes (paid) / refund	(322.40)	(308.59)
A	Net cash inflow / (outflow) from operating activities	(6,369.71)	(787.78)
	Cash flow from investing activities:		
	Proceeds from Sale of Property, Plant & Equipment	7,339.01	-
	Purchase of Property, Plant & Equipment, Capital Work-in-Progress and Investment Property	(663.40)	(700.00)
	Proceeds from divestment in stake of subsidiary	3,905.04	1,762.29
	Purchase of Investment	-	(1,403.70)
	Proceeds from Redemption of Preference Shares	1,160.00	-
	Loans received / (given)	(1,696.62)	5,652.20
	Interest received	685.60	790.97
	Fixed Deposit	0.74	(0.45)

Cash Flow Statement for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
B	Net cash inflow from investing activities	10,730.37	6,101.31
	Cash flow from financing activities		
	Interest paid	(242.59)	(673.12)
	Proceeds from Subordinated Debt	-	450.00
	Net Repayment of Non current Borrowings	(3,495.24)	(1,402.07)
	Net Proceeds from current Borrowings	-	(4,304.01)
C	Net cash outflow from financing activities	(3,737.83)	(5,929.20)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	622.83	(615.67)
	Add: Cash and cash equivalents at the beginning of the financial year	836.92	1,452.59
	Cash and cash equivalents at the end of the year	1,459.75	836.92
	Cash and cash equivalents [See Note 5(d)]	444.16	525.72
	Investment in Liquid Funds [See Note 5(a)]	1,015.59	311.20
	Balance as per Statement of Cash Flow	1,459.75	836.92

* Restated pursuant to merger (Refer Note 36)

The above statement of cash flows should be read in conjunction with the accompanying notes.

Change in Liability arising from financing activities

Particulars	As at March 31, 2019	Cash Flows	Non Cash Changes	As at March 31, 2020
Current Borrowings	11,358.23	10,464.09	894.14	-
Non Current Borrowings (including current maturities)	3,495.25	3,495.25	-	-

Particulars	As at March 31, 2018	Cash Flows	Non Cash Changes	As at March 31, 2019
Current Borrowings	12,760.30	(1,402.07)	0.00	11,358.23
Non Current Borrowings (including current maturities)	7,788.01	(4,304.01)	11.25	3,495.25

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. BACKGROUND

Future Market Networks Limited ("The Company") is a public limited company incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013 ("the Act"). Equity shares of the Company are listed with the BSE Limited and the National Stock Exchange of India Limited. The company is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India.

The financial statements were authorized for issue by the Company's Board of Directors on June 30, 2020.

2. Significant Accounting Policies:

a) Basis of preparation

i. Compliance with Ind AS

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

The accounting policies are applied consistently to all the periods presented in the financial statements.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value;
- assets held for sale measured at lower of carrying amount or fair value less cost to sell; and
- share-based payments

iii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

b) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term. Leasehold improvements are amortised over the period of lease or estimated useful life, whichever is lower.

Useful life considered for calculation of depreciation for various assets class are as follows-

• Leasehold Improvements	16 years
• Machinery	10 years
• Furniture, fittings and equipment	10 years
• Office and other equipments	5 Years
• Computers	3 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Freehold land is carried at cost. Investment properties are depreciated using the straight-line method over their estimated useful lives.

Useful life considered for calculation of depreciation for Freehold Building is as follows-

- Freehold buildings 60 years

d) Investments and other financial assets:

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement of financial assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments

The Company subsequently measures all equity investments other than in subsidiaries, joint ventures and associates at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognised in profit or loss as other income when the right to receive of the Company established.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability is recognised when the obligation specified in the contract is discharged, completed or expired.

e) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

f) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

h) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less from the Balance Sheet date.

i) Revenue Recognition:

As on April 1, 2019, there are no ongoing contracts covered under the provisions of Ind – AS 115.

The Company derives revenues primarily from leasing of immovable properties which is primarily covered under Ind AS – 116 and consequently the same are accounted as per the said standard.

In relation to revenues not covered under Ind AS 116, the revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sale of services are recognized at a time on which the performance obligation is satisfied except Revenue from real estate property development where in revenue is recognized in the financial year in which the agreement to sell is executed.

The period over which revenue is recognised is based on entity's right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

j) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

k) Employee Benefits:

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

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, which is based on the Black Scholes model.

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 recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 29.

l) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

On March 30, 2019, the Ministry of Corporate Affairs issued amendments in the guidance to the Ind AS 12 – Income taxes. The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty Financial Statements.
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e. 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

m) Leases:

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

As a lessee

The Ministry of Corporate Affairs ("MCA") notified the new Ind AS 116 "Leases" with the date of initial application being April 1, 2019.

On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Company has made use of the following practical expedients available in its transition to Ind AS 116 –

- a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.
- b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- c) The Company excluded the initial direct costs from measurement of the RoU asset
- d) The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.
- e) The weighted average rate of discount applied to lease liabilities as at April 1, 2019 is 11%.

(Refer Note no. 31)

n) Foreign Currency transactions:

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (INR), which is Future Market Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

o) Inventories:

Inventories which comprise of finished stock of completed projects are valued at lower of cost or net realizable value. Cost is determined by including cost of land (including development rights), internal development cost, external development charges, materials, services, related overheads and apportioned borrowing costs.

p) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Refer Note 26).

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

r) Segment Reporting:

The Company is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment. The operations of the Company are within the geographical territory of India which is considered as a single geographical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director, who has been identified as being the chief operating decision maker, assesses the financial performance and position of the company, and makes strategic decisions. Refer Note 25 for segment information presented.

s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t) Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

Other borrowing costs are expensed in the period in which they are incurred.

u) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

w) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal and actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 14)
- Estimation of current tax expense and payable (Note 6)
- Estimated Fair value of unlisted securities – (Note 23)
- Estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.(a)(b))
- Estimation of Fair valuation of employee share options and no. of expected vesting options (Note 29)
- Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets can be used (Note 6)
- Probable outcome of matters included under Contingent Liabilities

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the financial statements for the year ended March 31, 2020
3. Property, Plant and Equipment

Particulars	Leasehold Improvements	Air Conditioner	Computers	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Right of Use Assets	Capital work-in-progress
Year ended March 31, 2019*										
Gross carrying amount										
Opening gross carrying amount	6,933.43	2,041.30	42.73	4,204.52	156.75	4,423.93	0.01	17,802.67	-	-
Additions	11.88	17.22	3.81	-	3.88	11.37	-	48.16	-	82.81
Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	6,945.31	2,058.52	46.54	4,204.52	160.63	4,435.30	0.01	17,850.83	-	82.81
Accumulated depreciation										
Opening accumulated depreciation	2,141.20	945.57	28.86	1,829.55	133.32	1,665.79	-	6,744.29	-	-
Depreciation charge during the year	795.29	317.87	4.73	634.66	3.22	624.48	-	2,380.25	-	-
Depreciation related to Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	2,936.49	1,263.44	33.59	2,464.21	136.54	2,290.27	-	9,124.54	-	-
Net carrying amount	4,008.82	795.08	12.95	1,740.31	24.09	2,145.03	0.01	8,726.29	-	82.81
Year ended March 31, 2020										
Gross carrying amount										
Opening gross carrying amount	6,945.31	2,058.52	46.54	4,204.52	160.63	4,435.30	0.01	17,850.83	-	82.81
Additions	-	-	3.51	3.76	2.33	47.85	-	57.45	17,131.72	533.39
Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	6,945.31	2,058.52	50.05	4,208.28	162.96	4,483.15	0.01	17,908.28	17,131.72	616.20
Accumulated depreciation										
Opening accumulated depreciation	2,936.49	1,263.44	33.59	2,464.21	136.54	2,290.27	-	9,124.54	-	-
Depreciation charge during the year	472.67	318.59	10.10	634.72	17.55	625.02	0.01	2,078.66	2,902.00	-
Depreciation related to Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	3,409.16	1,582.03	43.69	3,098.93	154.09	2,915.29	0.01	11,203.20	2,902.00	-
Net carrying amount	3,536.15	476.49	6.36	1,109.35	8.87	1,567.86	-	6,705.08	14,229.72	616.20

(i) Property, plant and equipment pledged as security (Refer Note 28)

ii) Capital work-in-progress mainly comprises building, furniture & fixtures.

* Restated pursuant to merger (Refer Note 36)

4. Investment Properties

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
Year ended March 31, 2019*			
Gross carrying amount			
Opening gross carrying amount	69.94	7,676.91	7,746.85
Additions	-	569.03	569.03
Disposal/Transfer	-	-	-
Closing gross carrying amount	69.94	8,245.94	8,315.88
Accumulated depreciation			
Opening accumulated depreciation	-	278.46	278.46
Depreciation charge during the year	-	131.63	131.63
Depreciation related to Disposal/Transfer	-	-	-
Closing accumulated depreciation	-	410.09	410.09

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
Net carrying amount	69.94	7,835.85	7,905.79
Year ended March 31, 2020			
Gross carrying amount			
Opening gross carrying amount	69.94	8,245.94	8,315.88
Additions	72.56	-	72.56
Disposal/Transfer	-	(4.53)	(4.53)
Closing gross carrying amount	142.50	8,241.41	8,383.91
Accumulated depreciation			
Opening accumulated depreciation	-	410.09	410.09
Depreciation charge during the year	-	133.31	133.31
Depreciation related to Disposal/Transfer	-	(0.23)	(0.23)
Closing accumulated depreciation	-	543.17	543.17
Net carrying amount	142.50	7,698.24	7,840.74

Refer Note 28 for information on asset pledged as security by the company.

* Restated pursuant to merger (Refer Note 36)

(i) Amounts recognised in profit or loss for investment properties

	As at March 31, 2020	As at March 31, 2019
Rental income	1,018.60	1,013.74
Direct operating expenses from property that generated rental income	44.53	96.56
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	974.07	917.18
Depreciation	133.31	131.63
Profit from investment properties	840.76	785.55

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	As at March 31, 2020	As at March 31, 2019
Within one year	940.15	727.16
Later than one year but not later than 5 years	1,806.47	1,579.08
Later than 5 years	-	-
Total	2,746.62	2,306.24

(iii) Fair value

	As at March 31, 2020	As at March 31, 2019
Investment properties	39,773.96	42,162.12

Estimation of fair value

Estimation of fair value - The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in respective area. This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

5(a). Investments

	As at March 31, 2020	As at March 31, 2019
a. Investment in subsidiaries		
Unquoted		
1,00,000 Equity Shares of Aashirwad Malls Private Limited	570.56	570.56
11,36,600 Equity Shares of Sun City Properties Private Limited	1,295.52	1,295.52
8,47,356 Equity Shares of Suhani Mall Management Company Private Limited	2,023.52	2,023.52
6,58,030 Equity Shares of Future Trade Markets Private Limited	4,019.44	4,019.44
10,000 Equity Shares of Jeremia Real Estate Private Limited Note - (i)	0.20	0.20
b. Investment in joint venture		
Equity Shares		
6,384 Equity Shares of Riddhi Siddhi Mall Management Private Limited	698.14	698.14
Total (a+b)	8,607.38	8,607.38
c. Investment in preference shares of joint venture		
Unquoted		
141 (2019: 257), 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	770.64	931.64
Total (c)	770.64	931.64
d. Investment in equity instruments		
Fair value through other comprehensive income		
Unquoted		
11,425 Equity Shares of V.R.Procurement Corporation Pvt Ltd.	23.02	23.03
Nil* (2019: 10,000) Equity Shares of Navika Developers Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Shreya Mall Management Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Ujjain Future Bazaar Private Limited	-	1.00
6,903* (2019: 6900) Equity Shares of Harmony Mall Management Private Limited	0.69	0.69
10,000 Equity Shares of Ojas Trade Lease and Mall Management Private Limited	1.00	1.00
Total (d)	24.71	27.72
Non-current investments total (a+b+c+d)	9,402.73	9,566.74
Investments in subsidiaries, associates and joint ventures (a+b+c)	9,378.00	9,539.00
Investments (in others) (d)	24.71	27.72
Aggregate amount of unquoted investments	9,402.71	9,566.72
Current		
UTI - Floating Rate Fund	1,015.59	300.44
Aditya Birla Sun Life Floating Rate Fund	-	10.76
Current investments total	1,015.59	311.20

(i) During the previous year, the Company had acquired 100% shares of Jeremia Real Estate Private Limited.

(Refer Note 27 on Acquisition of Subsidiaries)

* During the year, pursuant to a Scheme of Amalgamation, Navika Developers Private Limited, Rain Fruits and More Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited merged with Harmony Mall Management Private Limited (Harmony). Accordingly in lieu of the investments held by the Company in Navika Developers Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited received 1 (one) fully paid up equity share each of Harmony Mall Management Private Limited.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

5(b). Trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Related Parties	907.64	399.35
Others	2,829.73	731.17
Total	3,737.37	1,130.52
Less: Allowance for bad and doubtful debts	(120.70)	(79.48)
Total Trade receivables	3,616.67	1,051.04
Breakup of securities details		
Secured, considered good	-	-
Unsecured, considered good	3,634.48	1,061.87
Doubtful	102.89	68.65
Total	3,737.37	1,130.52
Less: Allowance for doubtful debts	(120.70)	(79.48)
Total trade receivables	3,616.67	1,051.04

5(c). Loans

	As at March 31, 2020	As at March 31, 2019
Non Current		
Security Deposits	225.26	210.16
Total Non current loans and advances	225.26	210.16
Current		
Security Deposits	1,852.00	1,844.16
Loans and advances	4,581.82	3,498.62
Loans and advances to related parties	1,284.11	693.63
Total current loans and advances	7,717.93	6,036.41

5(d). Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cash on hand	4.82	1.26
Balances with Banks		
In current accounts	439.34	524.46
Total Cash and cash equivalents	444.16	525.72

5(e). Bank Balances other than above

	As at March 31, 2020	As at March 31, 2019
Fixed Deposit*	6.50	6.50
Interest accrued on fixed deposit	0.36	1.10
Total Bank Balances other than above	6.86	7.60

* Lien against Bank Guarantee

5(f). Other financial assets

	As at March 31, 2020	As at March 31, 2019
Other current financial assets		
Considered good		
Unbilled Revenue	192.36	154.57
Advance to Staff	9.78	3.00
Total current financial assets	202.14	157.57

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

6(a). Non - Current Tax Assets

	As at March 31, 2020	As at March 31, 2019
Balances with Govt. Authorities	1,073.54	899.19
Total Non-current tax assets	1,073.54	899.19

6(b). Current and deferred tax

6(b). (i) Statement of profit and loss:

	As at March 31, 2020	As at March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	(3.78)	(45.71)
Total current tax (expense)	(3.78)	(45.71)
Deferred tax		
Decrease (increase) in deferred tax assets	910.93	304.33
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	910.93	304.33
Income tax expense	907.15	258.62

6(b) (ii) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	As at March 31, 2020	As at March 31, 2019
Profit from operation before income tax expenses	2,014.06	1,267.38
Tax rate @ 27.82% / 25.168%	506.90	352.59
<i>Differences due to:</i>		
Permanent Differences	0.03	6.33
Standard Deduction on Rental Income	(115.32)	(123.64)
Change in Tax Rates	591.89	-
Excess provisions for previous years w/off	(3.78)	(45.70)
Adjustment related to Unabsorbed Tax Losses	82.56	(155.24)
Fixed Assets - Depreciation	(100.22)	228.56
Leases	(44.65)	0.00
Others	(10.26)	(4.29)
Income tax expenses	907.15	258.61

6(b) (iii) Tax losses

As on March 31, 2020, the Company has net operating losses and carry forwards that shall expire as follows:

Net operating losses	
2023	4,300.42
2024	2,369.19
2026	2,482.17
2027	610.88
	9,762.66
Unabsorbed depreciation	
Indefinitely	6,197.47

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

6(b) (iv) Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Unabsorbed Tax Losses	4,016.84	5,021.48
Defined benefit obligation		
Provisions	46.86	33.75
Fair valuation of financial assets-P&L Assets	284.60	354.92
Fair valuation of financial assets-P&L Liabilities	(212.71)	(361.96)
Fair valuation of financial assets-P&L (Net)	71.90	(7.04)
Fair valuation of financial assets-OCI Assets	54.48	59.39
Fair valuation of financial assets-OCI Liabilities	-	-
Fair valuation of financial assets-OCI (Net)	54.48	59.39
Property Plant & Equipment	1,199.67	1,153.11
Leases	1,749.41	-
Freehold Land	7.84	7.78
Deferred tax liabilities		
Defined benefit obligation	-	0.06
Total deferred tax assets (net)	7,147.00	6,268.53

6(b) (v) Movement in deferred tax liabilities

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial assets	Property Plant & Equipment	Freehold Land	Leases	MAT credit entitlement	Total
At March 31, 2018	16.09	4,981.50	289.32	1,094.49	8.32	-	679.17	7,068.89
(Charged)/credited:								
- to profit or loss	21.35	436.14	(140.71)	58.62	(0.54)	-	(679.17)	(304.31)
- to other comprehensive income	(3.63)	(396.15)	(96.27)	-	-	-	-	(496.05)
At March 31, 2019	33.81	5,021.48	52.35	1,153.11	7.78	-	-	6,268.53
(Charged)/credited:								
- to profit or loss	9.64	(1,004.64)	78.94	46.56	0.05	(41.48)	-	(910.93)
- to other comprehensive income	3.41	-	(4.90)	-	-	-	-	(1.49)
- Opening Reserves (Ind AS 116)	-	-	-	-	-	1,790.89	-	1,790.89
At March 31, 2020	46.86	4,016.84	126.39	1,199.67	7.83	1,749.41	-	7,147.00

7. Other assets

	As at March 31, 2020	As at March 31, 2019
Other non-current assets		
Business Advance	880.20	1,450.27
Capital Advance	3,350.00	3,350.00
Balances with Govt. Authorities	102.03	21.80
Corpus Funds	7.50	7.50
Prepaid Expense	-	310.80
Total Other Non-current assets	4,339.73	5,140.37
Other current assets		
Security Deposits	231.00	5.86
Business Advance	449.12	686.12
Other Receivables	-	62.69
Prepaid Expense	17.08	46.80
Total Other current assets	697.20	801.47

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

8. Inventories

	As at March 31, 2020	As at March 31, 2019
Finished Shop	863.37	917.61
Total Inventories	863.37	917.61

9. Assets classified as held for sale

	As at March 31, 2020	As at March 31, 2019
Buildings*	-	6,277.75
Investments	1,954.69	3,989.17
Total	1,954.69	10,266.92

*During the year, the company has disposed off substantial part of the building situated at Ahmedabad for ₹ 7,297.49 Lakhs which was vested with the company through an approved scheme of amalgamation.

In January 2019, the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited). 51% stake of both the entities have been sold during the year and the sale of remaining 49% stake is expected to be completed in next 12 Months. The investments are presented separately under assets held for sale.

Non-recurring fair value measurements

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the assets was based on the proposed sales consideration negotiated with the buyer.

10(a). Equity Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised		
90,300,000 Equity Shares [March 31, 2019: 90,260,000] of ₹ 10/- each	9,030.00	9,026.00
5,000 Preference Shares [March 31, 2019: 5,000] of ₹ 100/- each	5.00	5.00
Total	9,035.00	9,031.00
Issued Capital*		
5,75,44,951 Equity Shares [March 31, 2019: 56,291,851] of ₹ 10/- each	5,754.50	5,629.19
Total	5,754.50	5,629.19

*includes 570 shares held in abeyance

	As at March 31, 2020	As at March 31, 2019
Subscribed and paid up		
5,75,44,381 Equity Shares [March 31, 2019: 56,291,281] of ₹ 10/- each	5,754.44	5,629.13
Total	5,754.44	5,629.13

a) Movements in Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,62,91,281	5,629.13	5,62,91,281	5,629.13
Add: shares issued during the year	12,53,100	125.31	-	-
Balance as at the end of the year	5,75,44,381	5,754.44	5,62,91,281	5,629.13

Terms and Rights attached to equity shares:-

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder is eligible to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2020) including equity shares issued pursuant to contract without payment being received in cash

- (i) In Financial Year 2015 -16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.
(ii) In Financial Year 2016 -17 - Allotted 1,20,125 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 14, 2016.
(iii) In Financial Year 2019-20 - Allotted 12,53,100 equity shares of ₹ 10/- each under Scheme of Merger by absorption. (Refer Note 36)

b) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the company.

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% held	Number of shares	% held
Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)	4,11,29,343	71.47%	4,11,29,343	73.06%
Ishbhoomi Fabtraders Private Limited	40,96,745	7.12%	40,97,145	7.28%
	4,52,26,088	78.59%	4,52,26,488	80.34%

10(b). Other Equity

	As at March 31, 2020	As at March 31, 2019
Reserve and surplus		
Capital Reserve	2,636.54	2,636.54
Securities Premium	27,045.67	25,291.33
Retained Earnings	(23,820.56)	(19,721.00)
Subordinated Debt*	5,355.98	5,355.98
Other Reserves	(162.00)	(154.09)
Total	11,055.63	13,408.76

* The subordinated debt represents loan taken from Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)

(i) Capital Reserve

	As at March 31, 2020	As at March 31, 2019
Opening Balance	2,636.54	2,636.54
Closing Balance	2,636.54	2,636.54

(ii) Securities Premium

	As at March 31, 2020	As at March 31, 2019
Opening Balance	25,291.33	25,291.33
Share issued	1,754.34	-
Closing Balance	27,045.67	25,291.33

(iii) Retained Earnings

	As at March 31, 2020	As at March 31, 2019
Opening Balance	(19,721.00)	(16,119.99)
Add: Profit for the year	1,106.91	1,008.76
Add: Lease Liability	(5,197.79)	-
Items of other comprehensive income recognised in retained earnings	-	(4,619.64)
Remeasurements of post-employment benefit obligation	(12.09)	13.50
Deferred tax (Actuarial Gains)	3.41	(3.63)
Closing Balance	(23,820.56)	(19,721.00)

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

(iv) **Other Reserves**

	As at March 31, 2020	As at March 31, 2019
Opening Balance	(154.09)	(4,888.41)
Items of other comprehensive income transfer to retained earnings	-	4,619.65
Change in fair value of FVOCI equity instruments	(3.01)	607.09
Deferred tax (Fair Value)	(4.90)	(492.42)
Closing Balance	(162.00)	(154.09)

Nature and purpose of other reserves

Securities Premium

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Other Reserves - FVOCI equity investments

The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

11(a). **Borrowings**

	As at March 31, 2020	As at March 31, 2019
Non current Borrowing		
Secured		
Term loans from banks	-	3,495.25
Total Non current Borrowing	-	3,495.25
Less: Current Maturities of long term borrowing	-	(3,495.25)
Non current borrowings	-	-

Secured borrowings and assets pledged as security

Sr. No	Nature of security	Terms of Repayment
1	Term Loan from Bank, balance outstanding ₹ NIL (March 31, 2019 : ₹ 3,500.00 lakhs) are secured by (a) Charge on Assets created out of the proposed Term Loan. (b) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 16 quarterly installments starting from June 2016.Last installment due in March 2020. Rate of interest - MCLR (1 Year) + 2.35% Present Effective Rate - 11.10% (11.10%)”

	As at March 31, 2020	As at March 31, 2019
Current Borrowing		
Unsecured		
Other Loans and Advances	-	11,358.24
Total Current Borrowing	-	11,358.24
Current borrowings	-	11,358.24

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

11(b). Other Non-current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Secured deposits		
From Related Parties	294.76	244.45
From Others	1,571.46	1,414.01
Total	1,866.22	1,658.46
Lease Liabilities	17,812.81	-
Total Non-current financial liabilities	19,679.03	1,658.46

11(b). Other Current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Security deposits:		
From Related Parties	108.36	98.41
From Others	120.38	386.55
Total	228.74	484.96
Lease Liabilities	3,367.85	-
Purchase Consideration	-	1,879.65
Current Maturities of Long-Term Borrowings	-	3,495.24
Other payables (Retention Money)	331.98	303.96
Total Current financial liabilities	3,928.57	6,163.81

11(c). Trade payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding, due of, micro and small enterprises	59.81	-
Total outstanding from others:		
Related Parties	684.02	35.09
Others	710.75	540.40
Total Trade payables	1,454.58	575.49

12. Provisions

	As at March 31, 2020	As at March 31, 2019
Non current Employee benefit obligations		
Gratuity	41.92	26.42
Leave entitlement	20.95	8.09
Total Non current Employee benefit obligations	62.87	34.51
Current Employee benefit obligations		
Gratuity	1.81	5.37
Leave entitlement	0.81	0.15
Other Provisions	35.46	35.46
Total current Employee benefit obligations	38.08	40.98

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

13. Other liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred Rent Income	481.24	644.16
Total Other Non-current liabilities	481.24	644.16
	As at March 31, 2020	As at March 31, 2019
Current		
Statutory dues (including provident fund, tax deducted at source and others)	131.04	134.40
Advance from customers	-	6,271.36
Advance from customers (Related Parties)	24,913.57	12,578.46
Deferred Rent Income	239.42	233.15
Other payables	360.12	144.49
Total Other current liabilities	25,644.15	19,361.86

14. Disclosure as per Indian Accounting Standard 19 - Employee Benefits

Defined Contribution Plan

Provident Fund

The contributions to the Provident Fund of the employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Employer's Contribution to Provident Fund amounting to ₹ 20.08 Lakhs (Previous Year ₹ 16.57 Lakhs) has been recognized as an expense in the Statement of Profit and Loss.

Defined Benefit Plan

Gratuity

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or company scheme whichever is beneficial. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	31.80	38.57
Current service cost	4.87	7.09
Interest expense/(income)	2.42	2.97
Total amount recognised in profit and loss	7.29	10.06
<i>Acquisition / Divestiture</i>	12.23	-
(Gain)/loss from change in demographic assumptions	(0.04)	-
(Gain)/loss from change in financial assumptions	4.30	0.13
Experience (gains)/losses	7.82	(13.62)
Total amount recognised in other comprehensive income	12.08	(13.49)
Employer contributions	-	-
Benefit payments	(7.43)	(3.34)
Closing defined benefit obligation	43.74	31.80

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

The net liability disclosed above relates to unfunded plans are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	43.74	31.80
Fair value of plan assets	-	-
Surplus /(Deficit)	43.74	31.80
Effect of assets ceiling	-	-
Net Defined Benefit Liability/(Assets)	43.74	31.80

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.76%	7.65%
Salary growth rate	5.00%	5.00%
Demographic Assumptions		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1.00%	1.00%
Retirement age	58 years	58 years

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Discount rate		
a. Discount rate -100 basis point	49.38	22.21
b. Discount rate+100 basis point	38.94	17.31
Salary growth rate		
a. Rate -100 basis point	39.40	17.24
b. Rate+100 basis point	48.46	21.64

Expected Future Cash Flows

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Year 1	1.82	0.34
Year 2	0.70	1.45
Year 3	1.67	0.37
Year 4	2.18	0.39
Year 5	2.99	0.43
Year 6 to 10	12.53	3.57

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

15. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Sales	150.01	7.52
Rent and other related revenues	11,970.70	12,498.58
Project Management Consultancy	35.00	-
Brokerage & Commissions Income	-	138.73
Total	12,155.71	12,644.83

16. Other Income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income		
On bank deposits	0.40	0.48
On others	665.37	1,390.61
Profit on Redemption of Preference Shares	999.00	-
Profit on sale of Property, Plant & Equipment	1,056.97	-
Profit on sale of Investments	1,919.49	407.68
Fair Valuation of Investments	0.11	1.20
Excess Provision Written Back	225.99	32.40
Dividend Received*	-	-
Miscellaneous Income	36.57	27.67
Total	4,903.90	1,860.04

* Dividend Received ₹ 25.70 (Previous Year ₹ Nil).

17. Operating Costs

	Year ended March 31, 2020	Year ended March 31, 2019
Mall Maintenance Charges	3,235.42	1,999.89
Rent	376.05	4,731.21
Total	3,611.47	6,731.10

18. Changes in inventories of finished goods, work-in progress and stock-in-trade

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of units sold	121.28	3.54
Total	121.28	3.54

19. Employee Benefits Expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus	551.52	579.16
Contribution to Provident and Other Funds	28.76	26.27
Staff Welfare Expenses	11.52	12.20
Total	591.80	617.63

20. Finance Costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses	2,947.81	1,962.08
Other Borrowing costs	-	5.57
Total	2,947.81	1,967.65

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

21. Depreciation and amortization expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	2,078.66	2,380.25
Depreciation on Investment Property	133.31	131.63
Depreciation on Right of Use Assets	2,902.00	-
	5,113.97	2,511.88

22. Other Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	432.79	471.18
Repairs and Maintenance - Others	360.34	217.63
Auditors' Remuneration		
Statutory Audit Fees	7.00	7.60
Tax Audit Fees	1.00	0.50
Other Services	1.00	0.90
Rates and Taxes	343.08	215.86
Insurance	14.68	11.71
Legal and Professional Fees	620.81	150.09
Listing Fees/Custodian Charges	7.21	6.74
Director Sitting Fees	14.00	14.05
Marketing and Promotion	54.91	24.83
Office Rent	52.76	36.89
Provision for Doubtful Debts	41.22	20.75
Travelling and Conveyance Expenses	33.80	49.54
Water Charges	12.68	10.97
Other Expenses	661.94	131.86
Total	2,659.22	1,371.10

23. Fair value measurements

23(a) Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity Instruments	-	24.71	-	-	27.72	-
- Investment in subsidiaries, joint ventures and associates	-	9,378.00	-	-	9,539.01	-
- Mutual Funds	1,015.59	-	-	311.20	-	-
Loans	-	-	7,943.19	-	-	6,246.57
Trade receivables	-	-	3,616.67	-	-	1,051.04
Cash and cash equivalents	-	-	444.16	-	-	525.72
Bank Balances other than above	-	-	6.86	-	-	7.60
Other financial assets	-	-	202.14	-	-	157.57
Total financial assets	1,015.59	9,402.71	12,213.02	311.20	9,566.73	7,988.50
Financial liabilities						
Borrowings	-	-	-	-	-	11,358.24
Deposits from customer	-	-	19,679.03	-	-	1,658.46
Other financial liabilities	-	-	3,928.57	-	-	6,163.81
Trade payables	-	-	1,454.58	-	-	575.49
Total financial liabilities	-	-	25,062.18	-	-	19,756.00

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

23(b) Fair value hierarchy

Investment in Mutual Funds which are measured at Fair Value through Profit and Loss Account are measured under Level 1.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed are calculated under Level 3 except loans and security deposits which is measured at Level 2.

Investment in Equity Shares which are measured at Fair Value through Other Comprehensive Income are measured under Level 3.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31 :

	Investment in - Equity instruments
As at March 31, 2018	844.92
Sale of Investment	(1,424.29)
Gains/(losses) recognised in Other Comprehensive Income	607.09
As at March 31, 2019	27.72
Sale of Investment	-
Gains/(losses) recognised in Other Comprehensive Income	(3.01)
As at March 31, 2020	24.71

Valuation processes

The Company has obtained assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Company and the valuer on periodic basis. Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

23(c) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	7,943.19	7,983.03	6,246.57	6,291.75
Total	7,943.19	7,983.03	6,246.57	6,291.75
Financial liabilities				
Borrowings	-	-	11,358.24	11,358.24
Deposits from customer	19,679.03	19,789.04	1,658.46	1,763.59
Total	19,679.03	19,789.04	13,016.70	13,121.83

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, trade payables, cash and cash equivalent, Bank balances other than above, other financial assets and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 in the fair value hierarchy due to the inclusion of observable inputs.
3. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
4. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
5. The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). Further, the Company has no long-term Borrowings with fixed rate of interest.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

24. Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk are reviewed regularly to reflect changes in market conditions and the company's activities.

A. Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The company is not exposed to any foreign currency risk as neither operates internationally nor has any foreign currency transaction.

(a) Price Risk - Exposure:

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

	March 31, 2020	March 31, 2019
BSE Sensex 30- Increase 5%	50.78	15.56
BSE Sensex 30- Decrease 5%	(50.78)	(15.56)

Above referred sensitivity pertains to investment in quoted securities. Profit for the year would increase/(decrease) as a result of gains/(losses) on the same as at fair value through profit or loss.

(b) Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	-	3,495.25
Percentage of variable rate borrowings to total borrowings	0%	24%
Total borrowings	-	14,853.49

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	March 31, 2020	March 31, 2019
Interest rates – increase by 50 basis points*	-	(17.48)
Interest rates – decrease by 50 basis points*	-	17.48

*Holding all other variables constant

B. Credit Risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

The Company measures the expected credit loss of trade receivables and loan and advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, adequate provision for the loss on collection of receivable has been made.

Movement in provisions of doubtful debts

	March 31, 2020	March 31, 2019
Opening provision	79.48	91.32
Add:- Additional provision made	41.22	20.75
Less:- Provision write off	-	32.59
Closing provisions	120.70	79.48

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

C. Liquidity Risk:

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the company's credit rating and impair investor confidence.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Maturity patterns of liabilities:

	Less than 12 months	More than 12 months	Total
As at March 31, 2020			
Trade payables	1,454.58	-	1,454.58
Borrowings	-	-	-
Other Financial liabilities	3,928.57	20,517.35	24,445.92
As at March 31, 2019			
Trade payables	575.49	-	575.49
Borrowings	11,358.24	-	11,358.24
Other Financial liabilities	6,168.57	2,605.40	8,773.97

D. Capital Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company does not distribute dividends to the shareholders.

25. Segment information

In accordance with the Accounting Standard Ind-AS 108 - Operating Segment, segment information has been given in the consolidated financial statements of Future Market Networks Limited, no separate disclosure of segment reporting is required in these financial statements

26. Earnings per share

	As at March 31, 2020	As at March 31, 2019
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company	1,106.91	1,008.76
Total basic earnings per share attributable to the equity holders of the company (₹)	1.94	1.79
(b) Diluted earnings per share		
Profit attributable to the equity holders of the company	1,106.91	1,008.76
Total diluted earnings per share attributable to the equity holders of the company (₹)	1.94	1.79
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,69,41,797	5,62,91,281
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	5,69,41,797	5,62,91,281

27. Acquisition of Subsidiaries:

a. Jeremia Real Estate Private Limited

On August 27, 2018 the company had acquired 10,000 Equity Shares of Jeremia Real Estate Private Limited, being 100% shareholding of the company. The acquisition of the specified assets referred to as "Business Combination" under Ind AS 103.

Total Purchase Consideration transferred : ₹ 0.20 lakhs (entire cash) upon acquisition. The fair value of net assets acquired as at the date of acquisition were ₹ (7.63 lakhs).

b. Future Retail Destination Private Limited

The company had purchased 1,50,00,000 shares of Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited), being balance 50% of the share holding of the said company from the other co-venturer in the month of September 2018. Since the Company had already established full control over operations of Future Retail Destination Private Limited, by virtue of the agreement, it was already being treated as subsidiary of the Company, since the date of above agreement.

The purchase consideration paid by the Company to its venturer was ₹ 1,400 lakhs for acquisition of balance 50% stake. Further it may also be noted that the Company had resolved to divest the entire stake in Future Retail Destination Private Limited to an identified buyer, and the sale was expected to be completed within a period on next twelve months. Consequently, the investment in Future Retail Destination Private Limited was classified as Assets held for Sale - under Note 9.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

28. Assets pledge as security

The carrying amounts of assets pledged as security for current and non - current borrowings are :

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Assets		
<i>First Charge</i>		
Property, Plant and Equipment	-	8,710.09
Investment Properties	-	2,867.71
Assets Held for Sale	-	-
Total Non Current Assets pledged as Security	-	11,577.80
Total Assets pledged as Security	-	11,577.80

29. Share based payments

(a) Employee option plan/ Tradable Options

- (i) FMNL-Employee Stock Option Scheme-2012 was suspended with effect from May 25, 2018.
- (ii) Employee option trade plan/Tradable Options

Future Market Networks Limited (FMNL) has granted 7,60,000 options to eligible employees on May 25, 2018 under Employee Stock Option Scheme 2016 ("ESOS 2016") at an exercise price of ₹ 85/- per equity share. These options shall vest over a period of four years in the proportion of 25% for each year from the date of grant. These options can be exercised anytime within a period of three years from the date of vesting.

(b) The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	₹ 85	2,10,000	-	-
Options granted during the period	-	-	₹ 85	7,60,000
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	(5,50,000)
Forfeited during the period	-	-	-	-
Options outstanding at the end of the period	-	2,10,000	-	2,10,000
Options vested and exercisable at the end of the period	-	2,10,000	-	2,10,000

(c) Effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position:

Total expenses arising from share-based payment transactions on account of Share option plans recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee compensation expense	-	-

Effect of the employee share option plan on the financial statements is as follows:

Particulars	March 31, 2020	March 31, 2019
Deferred employee compensation reserve	-	-

Note:

Since the fair value of the employee stock options is lower than the exercise price there will be no Employee compensation expense and hence there is no impact in the Statement of Profit & Loss.

(All amounts in INR lakhs, unless otherwise stated)

Notes to the financial statements for the year ended March 31, 2020

(d) Method and Assumptions used to estimate the Fair Value of Options granted during the previous year:

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

1. Risk Free Interest Rate	7.59% - 7.88%
2. Expected Life	2.5 - 5.5 years
3. Expected Volatility	76.99%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	122.10

30. Related party transactions

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

(a) Name of related parties and related parties relationship:-

Name of Related Parties	Relationship	
	March 31, 2020	March 31, 2019
PAN India Food Solutions Private Limited	-	
Splendor Fitness Private Limited		
Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited)	Director Interest	Director Interest
Grihith Trade Ventures Private Limited (w.e.f. 05.06.2018)	-	
Aashirwad Malls Private Limited		
Suhani Mall Management Company Private Limited		
Sun City Properties Private Limited		
Gati Realtors Private Limited (upto 28.08.2019)	Subsidiary	Subsidiary
Future Trade Markets Private Limited		
Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited) (upto 25.10.2019)		
Jeremia Real Estate Private Limited (w.e.f 27.08.2018)		
Utility Developers Private Limited (upto 31.07.2018)	Director Interest	Joint Venture
Riddhi Siddhi Mall Management Private Limited		
Gati Realtors Private Limited (w.e.f 29.08.2019)	Joint Venture	-
Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited) (w.e.f 26.10.2019)		
Future Corporate Resources Private Limited (Formerly known as Suhani Trading & Investment Consultants Private Limited)	Holding Company	Holding Company
Retail Trust	Ultimate Parent Entity	Ultimate Parent Entity
Future Retail Limited	Associate of Holding Company	Associate of Holding Company
Praxis Home Retail Limited		
Future Enterprises Limited		
Future Generali India Insurance Company Limited	Promoter's Group Company	Promoter's Group Company
Future Lifestyle Fashions Limited		
Future Supply Chain Solutions Limited		
Nufuture Digital (India) Limited		
Ms. Ritu Pawan Agarwal	Relative of KMP	Relative of KMP
Ms. Jollamma Anil Cherian		

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Mr. Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Mr. Pawan Agarwal (upto 20.05.2019)		
Mr. Pramod Arora (upto 08.10.2018)	-	Key Managerial Personnel (KMP)
Mr. Pawan Agarwal (w.e.f. 21.05.2019)	Executive Director & CFO	
Mr. Pramod Arora (w.e.f. 09.10.2018)	Non-Executive Director	Non-Executive Director
Mr. Sunil Biyani (Director upto 30.05.2018)	Non-Executive Director	Non-Executive Director
Mr. Rajesh Kalyani	Non-Executive Director	Non-Executive Director
Ms. Udit Jhunjhunwala	Independent Director	Independent Director
Mr. Vijai Singh Dugar		
Mr. K.A Somayajulu		

(b) Key management personnel compensation

Earnings per share

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	91.37	139.88
Post-employment benefits	15.58	11.83
Total	106.95	151.71

(c) The following transactions were carried out with the Related Parties in the ordinary course of business:-

Nature of Transaction	Subsidiary Company	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
Interest Income	118.29	32.12	-	-	-	-	-	-	-
	63.91	36.71	-	-	-	-	-	-	-
Project Management Consultancy	-	35.00	-	-	-	-	-	-	9.00
	-	-	-	-	-	-	-	-	-
Brokrage & Commision	-	-	-	-	-	-	89.84	-	-
	-	-	-	-	-	-	-	-	-
Lease Rent Expenses	-	-	-	6.72	-	4.50	5.69	-	12.24
	-	-	-	6.72	-	6.00	36.89	-	-
Reimbursement of Expenses	-	-	-	-	-	-	251.31	-	67.48
	-	-	-	-	-	-	312.04	-	-
Sitting Fees / Remuneration	-	-	-	-	65.78	-	-	39.58	-
	-	-	-	-	14.05	-	-	139.88	-
Project Expenses	-	-	-	-	-	-	-	-	625.00
	-	-	-	-	-	-	-	-	-
Advances /Loans given net off received back	516.91	(68.99)	-	-	-	-	-	-	-
	183.00	(459.39)	-	-	-	-	-	-	-
Advances /Loans / Deposits taken net off repaid back	-	-	-	-	-	-	322.78	-	594.15
	-	-	-	-	-	(660.23)	181.85	-	-
Purchase of Property, Plant & Equipments and Capital work in progress	68.80	-	-	-	-	6.35	1.09	-	-
	-	-	-	-	-	-	1.99	-	-
Rent Income	-	-	-	-	-	-	1,287.98	-	370.58
	-	-	-	-	-	-	1,534.04	-	-
Preference share redemption	-	1,160.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Dividend from Pref. Shares #	-	0.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Subsidiary Company	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
Deposit received	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	56.00	-	-
Insurance Expenses	-	-	-	-	-	-	-	-	19.92
Staff Welfare Expenses	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	0.37	-	-
CAM Income	-	-	-	-	-	-	355.35	-	140.07
	-	-	-	-	-	-	334.23	-	-
Promotor's Contribution	-	-	450.00	-	-	-	-	-	-
CAM Paid	3.81	-	-	-	-	-	2.89	-	-
	-	-	-	-	-	-	-	-	-
Sundry Balance Written off	-	-	-	-	-	-	3.13	-	189.02
	-	-	-	-	-	-	5.00	-	-

Dividend Received ₹ 25.70 (Previous Year ₹ Nil)

Outstanding Balance as at March 31, 2020

Receivable	-	-	-	-	-	28.19	845.28	-	123.69
	-	-	-	-	-	-	399.35	-	-
Payables	-	-	-	-	0.65	-	7,451.00	0.25	683.94
	-	-	-	-	-	3.24	5.00	-	-
Subordinated Debt	-	-	5,355.97	-	-	-	-	-	-
	-	-	5,355.97	-	-	-	-	-	-
Loans & Advances	643.77	640.33	-	-	-	-	-	-	1.51
	624.64	68.99	-	-	-	-	-	-	-
Loan / Advance Taken	-	-	-	-	-	-	12,901.24	-	16,029.26
	-	-	2,500.00	-	-	-	(12,578.46)	-	-
Investments in OCPS	-	770.64	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Security Deposits Taken	-	-	-	-	-	49.74	459.00	-	205.94
	-	-	-	-	-	-	504.00	-	-

Note: Figures in italic represents previous year's figures.

(d) Significant Related Party transactions :

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
Interest Income	Suhani Mall Management Company Private Limited	33.11	14.26
	Future Trade Markets Private Limited	0.34	0.67
	Future Retail Destination Private Limited	-	1.64
	Sun City Properties Private Limited	37.60	32.85
	Aashirwad Malls Private Limited	1.86	1.32
	Jeremia Real Estate Private Limited	4.53	2.39
	Gafi Realtors Private Limited	69.78	10.80
	Riddhi Siddhi Mall Management Private Limited	3.19	36.71
	Brokrage & Commision	Future Retail Limited	-
Project Management Consultancy	Riddhi Siddhi Mall Management Private Limited	35.00	-
	Nufuture Digital (India) Limited	9.00	-
Lease Rent Expenses	Ms. Jollamma Anil Cherian	3.36	3.36
	Ms. Ritu Pawan Agarwal	3.36	3.36
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	4.50	-
	Future Retail Limited	5.69	-
	Future Lifestyle Fashions Limited	12.24	-

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
Reimbursement of Expenses	Future Retail Limited	251.31	275.59
	Praxis Home Retail Limited	47.64	36.45
	Future Lifestyle Fashions Limited	19.85	-
Remuneration to KMP	Mr. Pawan Agarwal	51.78	52.37
	Mr. Anil Cherian	39.58	41.42
	Mr. Pramod Arora	-	46.09
Sitting Fees	Mr. Rajesh Kalyani	3.35	3.35
	Mr. Sunil Biyani	1.60	1.20
	Mr. Vijai Singh Dugar	3.70	4.15
	Mr. K.A Somayajulu	3.55	3.55
	Mr. Pramod Arora	0.80	0.80
	Ms. Uditia Jhunjhunwala	1.00	1.00
Prof. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	1,160.00	-
Dividend from Prof. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	0.00	-
Insurance Expenses	Future Generali India Insurance Company Limited	19.92	-
Project Expenses	Future Supply Chain Solutions Limited	625.00	-
Loan Given net off received Back	Suhani Mall Management Company Private Limited	88.77	17.67
	Sun City Properties Private Limited	10.63	0.80
	Aashirwad Malls Private Limited	(11.00)	17.55
	Jeremia Real Estate Private Limited(27.08.2018)	2.51	27.86
	Gati Realtors Private Limited	426.00	119.12
	Utility Developers Private Limited	-	(0.44)
	Riddhi Siddhi Mall Management Private Limited	(68.99)	(458.95)
Advances /Loans taken net off repaid back	Future Retail Limited	322.78	181.85
	Future Enterprises Limited	594.15	-
	Grihith Trade Ventures Private Limited	-	(660.23)
Deposit Received	Future Retail Limited	-	56.00
Purchase	Future Retail Limited	1.09	1.99
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	6.35	-
	Gati Realtors Private Limited	68.80	-
Rent Income	Future Retail Limited	1,287.98	1,406.77
	Praxis Home Retail Limited	193.73	127.28
	Future Lifestyle Fashions Limited	176.84	-
Rent Expenses	Future Retail Limited	-	36.89
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	-	6.00
Promoter's Contribution	Future Corporate Resources Private Limited (Formerly Known as "Suhani Trading and Investment Private Limited")	-	450.00
Staff Welfare Expenses	Kamadgiri Fashion Limited	-	0.37
CAM Income	Future Retail Limited	355.35	267.10
	Praxis Home Retail Limited	88.13	67.14
	Future Supply Chain Solutions Limited	43.94	-
	Future Lifestyle Fashions Limited	8.00	-
CAM Paid	Aashirwad Malls Private Limited	3.81	-
	Future Retail Limited	2.89	-
Sundry Balance Written off	Future Retail Limited	3.13	5.00
	Praxis Home Retail Limited	0.02	-
	Future Lifestyle Fashions Limited	189.00	-

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

31. In respect of lease taken by the company, the future minimum lease rental obligation under :

(i) Amount recognised in the balance sheet

Right-of-use assets

Particulars	As at March 31, 2020
As at March 31, 2019 -	
Right-of-use assets on transition	-
Additions	17,131.72
Depreciation charge for the year	2,902.00
Deletions	-
Net carrying amount as at March 31, 2020	14,229.72

Lease liabilities

Maturity analysis of lease liabilities

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Not later than one year	4,699.59	2,594.60
ii)	Later than one year but not later than five years	7,216.90	7,819.02
iii)	Later than five years	-	1,605.25

Effective 1 April 2019, the company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently the company recorded the lease liability and right of use assets at the present value of the lease payments discounted at incremental borrowings as on the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

Particulars	As at March 31, 2020
(ii) Amounts recognised in the Statement of Profit or Loss	
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	2,902.00
Interest expense (included in finance costs)	2,452.08
Expense relating to short-term leases (included in other expenses)	393.97
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-
Income from subleasing right-of-use assets (included in other income)	-
(iii) Gains or losses arising from sale and leaseback transactions -	-
(iv) The total cash outflow for leases during the year ended March 31, 2020	5,049.60

32. In respect of operating lease given by the company, the future minimum lease rental receivable under operating leases is as follows:

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Gross block of assets let out on operating lease	26,149.69	26,096.79
ii)	Accumulated depreciation	11,746.37	9,534.73
iii)	Depreciation charged during the year to the Statement of Profit and Loss	5,113.97	2,511.91
iv)	Lease rentals recognised in Statement of Profit and Loss	8,722.04	8,352.54
v)	Lease rentals receivable not later than one year	8,722.04	5,953.03
vi)	Lease rentals receivable later than one year and not later than five years	26,090.02	14,918.32
vii)	Lease rentals receivable later than five years	-	-

33. Payable to MSME

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

34. Disclosures as per Part A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 in relation to loans and advances given (except advances given for business / capital purpose)

Sr No	Name of Companies	Relationship	Outstanding Balance		Maximum Balance outstanding during the year	
			As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
A	Loans Given					
1	Future Trade Markets Private Limited	Subsidiary	-	-	100.54	31.09
2	Suhani Mall Management Company Private Limited.	Subsidiary	284.29	164.52	284.29	164.52
3	Sun City Properties Private Limited	Subsidiary	312.98	266.82	312.98	266.82
4	Riddhi Siddhi Mall Management Private Limited.	Joint Venture	-	68.99	68.99	491.61
5	Future Retail Destination Private Limited*	Joint Venture	-	-	-	92.47
6	Ufility Developers Private Limited	Other Body Corporate	-	-	-	0.44
7	Ojas Trade Lease and Mall Management Private Limited	Other Body Corporate	-	-	-	530.97
8	Niyman Mall Management Company Private Limited	Other Body Corporate	-	-	-	524.78
9	Acute Retail Infra Private Limited	Other Body Corporate	-	-	-	196.52
10	Nishta Mall Management Company Private Limited	Other Body Corporate	-	-	-	1,704.99
11	Precision Realty Developers Private Limited	Other Body Corporate	-	-	-	2,071.16
12	Unique Malls Private Limited	Other Body Corporate	-	-	-	2,285.15
13	Navika Developers Private Limited**	Other Body Corporate	-	-	-	12.90
14	Ujjain Future Bazaar Private Limited**	Other Body Corporate	-	3,313.39	-	3,313.39
15	Harmony Malls Management Private Limited	Other Body Corporate	4,564.74	-	4,564.74	649.97
16	Gati Realtors Private Limited***	Joint Venture	640.33	144.56	640.33	144.56
17	Aashirwad Malls Pvt. Ltd.	Subsidiary	9.55	18.73	18.73	18.73
18	Jeremia Real Estate Private Limited#	Subsidiary	36.95	30.00	36.95	30.00

* cease to be Subsidiary w.e.f. October 25, 2019

** Got merged with Harmony Mall Management Private Limited w.e.f. April 1, 2018

*** cease to be Subsidiary Company w.e.f. August 28, 2019

became subsidiary company w.e.f. August 27, 2018

B Corporate Guarantee Given				
i.	Central Bank of India - Unique Malls Private Limited	Other Body Corporate	18,750	18,750
ii.	Hero FinCorp Limited - Hare Krishna Operating Lease Private Limited	Other Body Corporate	14,000	-
		Investments made are given under Schedule 5(a)		
C	Investments			

Note:

(a). All the above loans are interest bearing as stated above.

Notes to the financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)
35. Change in Tax Rate

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

36. Scheme of Merger by absorption of Star Shopping Centres Private Limited

The Company had entered into a Scheme of Merger by absorption of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") in order to consolidate the business under single entity. The Scheme was approved by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017.

Pursuant to the aforesaid Scheme of merger the Authorized Share Capital of the Company has been increased to ₹ 9,035.00 lakhs (Rupees Nine Thousand Thirty Five Lakhs) divided into 9,03,00,000 equity shares of ₹ 10/- each and 5,000 Preference Shares of ₹ 100/- each.

- a) The figures for the current year include figures of Star Shopping Centres Private Limited (STAR / Transferor Company), the subsidiary of the Company (60% of the paid up share capital held by the Company), which is amalgamated with the Company with effect from April 1, 2017, being the appointed date, as per the Scheme of Merger by absorption ("the scheme") of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") sanctioned Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017 and are therefore to that extent not comparable with those of previous year.
- b) In accordance with the scheme and as per approval of the NCLT:
 - i) The assets and liabilities of STAR have been transferred to and vested with the Company with effect from April 1, 2017 and have been recorded at their respective fair values under the purchase method of accounting for amalgamations as prescribed in Indian Accounting Standard 103 on Accounting of Amalgamations.
 - ii) Consequent to Merger by absorption, the Company allotted 12,53,100 Equity Shares of ₹ 10/- each fully paid up on September 24, 2019 to the eligible shareholders of Transferor Company who holds 40% of the paid up share capital of Transferor Company and 60% of the equity capital held by the Company in Transferor Company shall be cancelled.

Accordingly, the Company has accounted for the merger under the purchase consideration method retrospectively for all periods presented in the above results as prescribed in Ind AS 103 - Business Combinations of entities under joint control. Accordingly, the previous period/ year numbers have been restated with effect from April 1, 2017, being the Appointed Date, as provided in the Scheme. The impact of the merger on these results is as under :

Particulars	As at March 31, 2019	
	Reported	Restated
Non-current assets		
Property, plant and equipment	8,710.09	8,726.29
Deferred tax assets (net)	6,344.15	6,268.53
Current assets		
Financial assets		
Trade receivables	1,072.36	1,051.04
Cash and cash equivalents	418.18	525.72
Other current assets	1,990.72	801.47
Equity		
Other Equity	15,287.02	13,408.76
Non-current liabilities		
Financial liabilities		
Other financial liabilities	1,598.25	1,658.46
Provisions	27.31	34.51
Other non-current liabilities	623.24	644.16
Current liabilities		
Financial liabilities		
Trade payables	440.97	575.49
Other financial liabilities	3,895.79	6,163.81
Other current liabilities	19,574.66	19,361.86
Provisions	0.49	40.98

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended	
	March 31, 2019	
	Reported	Restated
Revenue from operations	10,378.57	12,644.83
Profit / (Loss) before tax	1,189.96	1,267.38
Profit / (Loss) after tax	964.03	1,008.76

37. Impact of COVID-19

Due to the outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be medium term in nature. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

38. Contingent Liabilities not provided for:

- Corporate Guarantee given to bank on behalf of Companies - ₹ 18,750 Lakhs (2019: ₹ 18,750 Lakhs) (Refer Note 34B)
- Corporate Guarantee given to NBFC for sanctioning term loan of ₹ 14,000 lakhs (2019 : ₹ Nil) to Hare Krishna Operating Lease Private Limited for exclusive charge on immovable property of R Mall situated at Lal Bahadur Shastri Marg, Revenue Village of Mulund West to the extent of - ₹ 7,000 lakhs (2019 : ₹ Nil). The fair value of the immovable property as at March 31, 2020 is ₹ 12,248.16 lakhs. (Refer Note 34)
- Service Tax disputed demand - ₹ Nil (2019 : ₹ 95.80 lakhs)

The demand is related to the tax liabilities of the erstwhile owner of the commercial property situated at D-09, Dhanvantari Chikitsa Kendra Yojna, Nanakheda, Ujjain, Madhya Pradesh – 456010. The property was acquired from a financial institution and not from the alleged assessee/erstwhile owner.

Based on the interpretation of relevant provisions, the Company has been legally advised that the demand is not maintainable and accordingly no provision has been made.

- In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 1,290.52 lakhs to the Claimant after allowing certain counter claims of the Company.

The Company has filed an Arbitration Petition challenging the arbitration award U/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta. Claimant through its Proprietor has also challenged the aforesaid arbitration award before the Hon'ble High Court, Calcutta. The matters are pending before the High Court, Calcutta.

- The Company has sub lease rights with respect to the above OCC mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. The parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company viz. Consent Terms dated December 8, 2017 and Supplemental Consent Terms dated April 2019 (Consent Terms). The Consent Terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor (Neel Kamal City Shopping Mall (India) Limited - which has taken it on lease from the lessor and sub-leased it to the Company) under the original arrangement till March 31, 2019 for an amount of ₹ 1,741 lakhs (over and above the existing receivables standing in the books), out of which ₹ 491 lakhs was paid during the year under review, with an arrangement for future periods including reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the Consent Terms. In case, the Consent Terms are accepted as filed, the Company will have to honour its payment obligations for the said amount and the parties shall be administrated in terms of the Consent Terms. However, if the Consent Terms are not approved, the parties shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the Consent Terms.

Also, few Gala owners of the mall have filed claim of ₹ 218.53 lakhs against the company to pay the lease rental/claim amount along with @18% interest, for appointment of court receiver, appointment of commissioner to visit suit premises and retained from subletting and/or giving the suit premises on Leave and License basis or parting with possession or inducting any third party.

- Demand due to delay in payment of interest under section 31(4) under Maharashtra Stamp Act for ₹ 90.83 lakhs (2019 : ₹ Nil) with regard to the amalgamation of Future Realtors (India) Private Limited, AIGL Holdings & investments Private Limited and Prudent Vintrade Private Limited with Future Market Networks Limited (formerly known as Agre Developers Limited) affected in January 2012.
- A debt recovery case was filed by Union Bank of India of ₹ 294.67 lakhs before Debt Recovery Tribunal -III Kolkata. The company has filed fresh interim application against the defendant and the matter is postponed to April 17, 2020 against the Learned DIT III.

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

- (h) An arbitration petition was filed by Mr.LaxmiPat Surana before High Court at Calcutta for occupational charges in respect of the licensed premises situated at Block B Puja Complex, known as Puja the Mega Mart at Jhargram Rd, Kharagpur. Accordingly the court has passed the direction in the favour of the petitioner for ₹ 7,050.61 lakhs. However, the matter could not be taken due to COVID 19 situation.
- (i) An Execution Application was filed by Laxmi Pat Surana (Petitioner) before the High Court at Calcutta to pay ₹ 2,573.99 lakhs. However, there is no further progress under this matter.
- (j) TDS disputed demand - ₹ 5.46 lakhs (2019 : ₹ 5.46 lakhs)

The demand is related to the penalty levied u/s 272A(2)(g) of the Income Tax Act, 1961 pertaining to financial year 2014-15. The Company has filed an appeal against the demand.

39. Capital Commitments / Asset Purchase Agreement / Put Option Agreement

- (a) In the previous year, the Company (FMNL) has entered into a put option asset purchase agreement, wherein the FMNL has issued a put option to Axis Bank Ltd in relation to a loan facility of ₹ 7,500 lakhs provided by the Bank to a Borrower for purchase of assets being movable assets. In case of default by the borrower, the Bank can enforce the put option agreement entered with FMNL, whereby FMNL shall be obligated to purchase the assets acquired by the Borrower out of the loan amount, at a price which shall not be less than the outstanding loan obligation of the Borrower towards the Bank.

FMNL had also mortgaged its immovable property with the bank against the facility given by the Bank to the borrower, as a part of the above transaction. (Included in Note 28 - Assets Pledged as Security)

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

**Consolidated
Financial Statements
and Notes**

INDEPENDENT AUDITOR’S REPORT

**To the Members of
FUTURE MARKET NETWORKS LIMITED,
Report on the Audit of Consolidated Ind-AS Financial Statements**

Opinion

We have audited the consolidated Ind-AS financial statements of **Future Market Networks Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which includes the Group’s share of profit in its joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind-AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind-AS financial statements give the information required by the Companies Act, 2013, as amended (“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 Ind-AS specified under Section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit and other comprehensive income and its consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the “Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition :	
The Group earns revenue from leasing out of commercial units / shops. Revenue pertaining to lease rents is recognized on straight line basis over the lease term in accordance with Ind AS 116. Contingent rent is that portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time (eg. percentage of future sales, amount of future use, future price indices, future market rates of interest). Such rent is recognised in the Statement of Profit & Loss in the period they are earned.	As part of our audit, we: <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policies for revenue recognition, the amount of revenue recognised as per the agreement entered into with the tenants along with Ind AS 116. Performed analytical procedures to identify deviations in monthly rent received from the tenants / lessees / sub-lessees. Performed substantive testing by verifying the implementation and operating effectiveness of controls over the data set collected by the management with regards to the revenue of shops and the computation of such contingent rent. Tested the design, implementation and operating effectiveness of controls over the calculation of discount and rebates. Assessed the adequacy of the Group’s disclosures made in to the financial statements
Allowance for credit losses	
The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industry the Group deals with. In calculating expected credit loss, the Group has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.	As part of our audit, we: <ul style="list-style-type: none"> Tested the effectiveness of controls over the development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, completeness and accuracy of information used in the estimation of probability of default and computation of the allowance for credit losses. Verified the mathematical accuracy and computation of the allowances by using the same input data used by the Group.

Information Other Than the Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Group's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind-AS Financial Statements

The Holding Company's management and Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the entities included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity 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.

In preparing the consolidated Ind-AS financial statements, the respective management and Board of Directors of the entities included in the Group, its associates and jointly controlled entities are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, its associate or jointly controlled entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group, its associates and jointly controlled entities are also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Ind AS Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Groups ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS consolidated financial statements, including the disclosures, and whether the Ind AS consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

We communicate with those charged with governance of the Holding company and such other entities included in the financial statements of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS consolidated financial statements for the year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The corresponding financial information of the Group for the year ended March 31, 2019 included in these Consolidated Ind-AS financial statements, are based on the financial statements for the year ended March 31, 2019 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) which were audited by M/s. Viren Gandhi & Co., Chartered Accountants ("previous Statutory Auditor") on which they expressed an unmodified opinion vide their report dated May 21, 2019 and the same was approved by the members of the Holding Company on September 16, 2018 in the annual general meeting. (Also refer Note 37 to the consolidated financial statements)

Our opinion is not qualified in respect of these matters.

2. We did not audit the financial statements of five subsidiaries included in the consolidated financial statement, whose financial statements reflect total assets of ₹ 15,246.96 lakhs as at March 31, 2020, total revenues of ₹ 615.68 lakhs, total net profit of ₹ 85.55 lakhs, total comprehensive income / (loss) of ₹ (235.05) lakhs and net cash (outflows) ₹ 1773.46 lakhs for the year ended March 31, 2020, as considered in the consolidated Ind-AS financial statements. The consolidated Ind-AS financial statements also include the Group's share of profit / (loss) of ₹ 103.57 lakhs for the year ended on that date, in respect of one joint venture, not audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated Ind-AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, in terms of sub-section (3) of Section 143 of the Act, is based solely on the report of the other auditors.

3. The consolidated financial statements also includes the Group's share of net profit/(loss) after tax and total comprehensive income / (loss) of ₹ (6.45) lakhs for the period from April 1, 2019 to August 28, 2019, in respect of one wholly owned subsidiary and net profit/(loss) after tax of ₹ (18.41) lakhs of that joint venture for the period from August 29, 2019 to March 31, 2020 respectively, whose financial statements have not been audited by us.

Further, net profit/(loss) after tax and total comprehensive income / (loss) of ₹ (10.57) lakhs for the period from April 1, 2019 to October 25, 2019, as considered in the consolidated financial statements, in respect of another wholly owned subsidiary and net profit/(loss) after tax and total comprehensive income / (loss) of ₹ (8.90) lakhs of that joint venture for the period from October 26, 2019 to March 31, 2020, whose financial statements have not been audited by us.

The financial statements of these entities has not been reviewed or audited by their auditors and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the information provided by the Management and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated Ind-AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

4. As required by Section 143 (3) of the Act, based on our audit and other financial information of such subsidiaries and its jointly controlled entities, 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;
 - b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statement;
 - d) In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiaries, to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries, is not in excess of the limit laid down under Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 39 on Contingent Liabilities to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Place : Mumbai
Date : June 30, 2020

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 20146268AAAAIQ5411

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 4 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Future Market Networks Limited

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

1. We have audited the internal financial controls over financial reporting of Future Market Networks Limited ("the Holding Company"), its subsidiaries and joint ventures (the Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and jointly controlled entities all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence obtained by us and by the other auditors of the subsidiaries and jointly controlled entities in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that:
 - i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - ii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries, its associates and jointly controlled entities have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and as such internal financial controls were operating effectively as at March 31, 2020 based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company, its subsidiaries, its associates and jointly controlled entities 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 (the "Guidance Note").

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Place : Mumbai
Date : June 30, 2020

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 20146268AAAAIQ5411

Consolidated Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	6,796.61	8,880.82
(b) Right of Use Assets	3	14,477.37	-
(c) Capital work-in-progress	3	1,191.09	632.68
(d) Investment properties	4	11,274.03	11,396.52
(e) Goodwill on consolidation		1,834.36	1,834.36
(f) Investments accounted for using the equity method	5 (a)	1,612.20	1,669.62
(g) <u>Financial assets</u>			
(i) Investments	5 (a)	1,993.63	2,436.89
(ii) Loans	5 (c)	225.26	210.16
(iii) Other financial assets	5 (f)	18.75	17.57
(h) Non-current tax assets	6 (a)	1,073.54	899.19
(i) Deferred tax assets (net)	6 (b)	7,147.00	6,268.53
(j) Other non-current assets	7	4,339.73	5,140.37
Total non-current assets		51,983.57	39,386.71
Current assets			
(a) Inventories	8	863.37	917.61
(b) <u>Financial assets</u>			
(i) Investments	5 (a)	1,050.99	2,343.54
(ii) Trade receivables	5 (b)	3,725.20	1,127.72
(iii) Cash and cash equivalents	5 (d)	676.66	534.74
(iv) Bank Balances other than above	5 (e)	231.15	219.67
(v) Loans	5 (c)	9,617.44	7,955.06
(vi) Other financial assets	5 (f)	4,001.10	270.70
(c) Other current assets	7	831.79	922.59
		20,997.70	14,291.63
Assets classified as held for sale	9	3,725.20	10,591.36
Total current assets		24,722.90	24,882.99
Total assets		76,706.47	64,269.70
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10 (a)	5,754.44	5,629.13
(b) Other Equity	10 (b)	11,265.60	12,307.79
Equity attributable to owners		17,020.04	17,936.92
(c) Non Controlling Interest		475.45	494.59
Total Equity		17,495.49	18,431.51

Consolidated Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (a)	-	-
(ii) Lease liabilities	11 (b)	18,425.98	-
(iii) Other financial liabilities	11 (b)	1,924.56	1,815.76
(b) Provisions	12	62.87	34.51
(c) Deferred tax liabilities (net)	6(b)	39.86	227.89
(d) Other non-current liabilities	13	581.67	655.30
Total non-current liabilities		21,034.94	2,733.46
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (a)	376.87	11,707.05
(ii) Trade payables			
-Total outstanding due of micro and small enterprises	11 (c)	59.81	-
-Others	11 (c)	1,444.36	593.64
(iii) Lease liabilities	11 (b)	3,380.76	-
(iv) Other financial liabilities	11 (b)	2,363.81	6,413.29
(b) Provisions	12	51.30	40.98
(c) Current tax liabilities (net)		3.02	12.81
(d) Other current liabilities	13	30,496.11	24,157.24
		38,176.04	42,925.01
Liabilities classified as held for sale		-	179.72
Total current liabilities		38,176.04	43,104.73
Total Liabilities		59,210.98	45,838.19
Total Equity and Liabilities		76,706.47	64,269.70
The above balance sheet should be read in conjunction with the accompanying notes.	1-40		

* Restated pursuant to merger (Refer Note 37)

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

Consolidated Statement of Profit and Loss for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019*
Income			
(a) Revenue from Operations	15	12,676.79	13,126.74
(b) Other Income	16	6,728.73	1,710.28
Total Income		19,405.52	14,837.02
Expenses			
(a) Operating Costs	17	3,629.21	6,806.18
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	18	121.28	3.54
(c) Employee Benefits Expense	19	638.11	646.03
(d) Finance Costs	20	3,035.39	2,036.90
(e) Depreciation and amortization expense	21	5,248.10	2,632.32
(f) Other Expenses	22	2,869.18	1,511.83
Total Expenses		15,541.27	13,636.80
Profit before exceptional item, share of net profits of investments accounted for using equity method and tax		3,864.25	1,200.22
Share of net profit of associates and joint ventures accounted for using equity method		76.87	147.75
Profit before exceptional item and tax		3,941.12	1,347.97
Less : Exceptional items		-	34.59
Profit/(Loss) Before Tax		3,941.12	1,313.38
Income Tax Expenses			
Current Tax	6	7.01	18.99
Deferred Tax	6	928.10	343.52
Earlier Year's Provision written back		(3.77)	(45.70)
Total Tax Expenses		931.34	316.81
Profit/(Loss) after tax from Continuing Operations (A)		3,009.78	996.57
Discontinued Operations			
Profit / (Loss) from Discontinued Operations before tax		(16.38)	15.53
Tax Expense on Discontinued Operations		0.65	7.78
Profit / (Loss) after tax from Discontinued Operations (B)		(17.03)	7.75
Profit / (Loss) after tax for the Year (A+B)		2,992.75	1,004.32
Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	10	(12.09)	13.49
Equity instruments through other comprehensive income		(443.26)	1,244.17
Share of other comprehensive income of associates and joint ventures accounted for using equity method		-	4.08
(b) Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	10	(3.41)	3.63
Equity instruments through other comprehensive income		(114.74)	659.12
Share of other comprehensive income of associates and joint ventures accounted for using equity method		-	-
Other Comprehensive Income for the year, net of taxes (C)		(337.20)	598.98
Total Comprehensive Income for the year (A+B+C)		2,655.55	1,603.30
Profit is attributable to :			
Owners of Future Market Networks Limited		2,967.85	993.41
Non Controlling Interest		24.91	10.92
Other comprehensive income is attributable to :			
Owners of Future Market Networks Limited		(293.14)	534.36
Non Controlling Interest		(44.05)	64.63

Consolidated Statement of Profit and Loss for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019*
Total comprehensive income is attributable to :			
Owners of Future Market Networks Limited		2,674.71	1,527.76
Non Controlling Interest		(19.14)	75.55
Total comprehensive income is attributable to Owners of Future Market Networks Limited			
Continuing Operations		2,691.73	1,520.01
Discontinuing Operations		(17.03)	7.75
Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Continuing Operations (Face value of ₹ 10/- each)			
Basic (in ₹)		5.24	1.75
Diluted (in ₹)		5.24	1.75
Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Discontinuing Operations (Face value of ₹ 10/- each)			
Basic (in ₹)		(0.03)	0.01
Diluted (in ₹)		(0.03)	0.01
Earnings per equity share from profit attributable to owners of Future Market Networks Limited (Face value of ₹ 10/- each)			
Basic (in ₹)		5.21	1.76
Diluted (in ₹)		5.21	1.76
The above statement of profit and loss should be read in conjunction with the accompanying notes.	1-40		

* Restated pursuant to merger (Refer Note 37)

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

Consolidated Statement of Change in Equity

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital

As at March 31, 2019	5,629.13
Changes in equity share capital	125.31
As at March 31, 2020	5,754.44

B. Other Equity

Particulars	Reserves and Surplus				Other Reserves	Total Other Equity	Non-controlling interests	Total
	Securities Premium	Retained Earnings	Capital Reserve	Subordinated Debt	FVOCI - equity investments			
Balance as at March 31, 2018*	25,291.33	(18,476.12)	3,166.47	4,905.98	(4,620.02)	10,267.64	1,884.91	12,152.55
Profit / (Loss) for the year	-	993.41	-	-	-	993.41	10.92	1,004.33
Other comprehensive income for the year	-	9.87	-	-	524.49	534.36	64.63	598.99
Total comprehensive income for the year	-	1,003.28	-	-	524.49	1,527.77	75.55	1,603.32
Addition / (Deduction) during the year	-	62.38	-	450.00	-	512.38	(1,465.87)	(953.49)
Reclassification	-	(4,619.65)	-	-	4,619.65	-	-	-
Balance as at March 31, 2019*	25,291.33	(22,030.11)	3,166.47	5,355.98	524.12	12,307.79	494.59	12,802.38
Profit / (Loss) for the year	-	2,967.85	-	-	-	2,967.85	24.91	2,992.76
Other comprehensive income for the year	-	(8.68)	-	-	(284.46)	(293.14)	(44.05)	(337.19)
Total comprehensive income for the year	-	2,959.17	-	-	(284.46)	2,674.71	(19.14)	2,655.57
Addition / (Deduction) during the year	1,754.34	-	-	-	-	1,754.34	-	1,754.34
Lease Liability	-	(5,471.24)	-	-	-	(5,471.24)	-	(5,471.24)
Balance as at March 31, 2020	27,045.67	(24,542.18)	3,166.47	5,355.98	239.66	11,265.60	475.45	11,741.05

The above statement of changes in Equity should be read in conjunction with the accompanying notes.

* Restated pursuant to merger (Refer Note 37)

For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
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Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

Consolidated Cash Flow Statement for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
	Cash Flow from operating activities		
	Profit / (Loss) before Tax (including discontinued operations)	3,941.12	1,328.93
	Adjustments for		
	Add:		
	Provision For Doubtful Debts	41.22	20.75
	Depreciation and amortisation expense	5,248.10	2,632.32
	Finance costs	3,035.39	2,036.90
	Bad debts	505.90	32.58
	Provision for Gratuity & Leave Encashment	23.21	4.45
	Interest Income	(610.40)	(1,345.29)
	Sundry balance written back	(225.99)	(32.40)
	Profit on sale of Investments	(3,679.84)	(93.13)
	Profit on sale of Property, Plant & Equipment (net)	(1,056.96)	-
	Profit on redemption of Preference Shares	(999.00)	-
	Share of (Profit)/Loss of Associates and Joint Ventures	(76.87)	(147.75)
	Gratuity & Leave Encashment Paid	(9.29)	(0.34)
	Dividend Income	-	(1.45)
	Operating Profit before Working Capital change	6,136.60	4,435.57
	Change in operating assets and liabilities		
	Trade and Other Receivables	(8,177.53)	682.56
	Trade Payable, Other Liabilities & Provisions	(5,820.46)	(2,295.74)
	Inventories	54.23	1.11
		(13,943.76)	(1,612.07)
	Cash generated from operations	(7,807.16)	2,823.50
	Income taxes (paid)/ refund	(330.29)	(328.73)
A	Net cash outflow from operating activities	(8,137.45)	2,494.77
	Cash flow from investing activities:		
	Purchase of Property, Plant & Equipment, CWIP and Investment Property	(688.43)	(1,030.86)
	Proceeds from divestment in stake of subsidiary	-	1,762.29
	Proceeds from Redemption / Sale of Non Current Investments	3,906.64	-
	Redemption of Preference shares	1,160.00	-
	Purchase of Investment	-	(1,403.70)
	Proceeds from Sale of Property, Plant & Equipment	7,339.01	-
	Loans received / (given)	(1,532.92)	6,460.46
	Interest received	630.23	746.62
	Proceeds from maturity of bank deposits	(11.48)	-
	Investment in Bank Deposits	-	(13.73)
B	Net cash inflow from investing activities	10,803.05	6,521.08
	Cash flow from financing activities		
	Interest paid	(330.17)	(723.05)
	Proceeds from Subordinated Debt	-	450.00
	Net Proceeds from Current Borrowings	(3,486.05)	(3,372.33)
	Net Repayment of Non Current Borrowings	-	(5,041.32)
C	Net cash outflow from financing activities	(3,816.22)	(8,686.70)

Consolidated Cash Flow Statement for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
Net increase/(decrease) in cash and cash equivalents from Continuing Operations	(1,150.63)	329.15
Add: Cash and cash equivalents at the beginning of the financial year	2,878.28	3,460.70
Add: Cash and cash equivalents classified as held for sale at the beginning of the period	-	-
Add: Cash and cash equivalents of subsidiaries acquired during the year	-	0.86
Less: Cash and cash equivalents classified as held for sale	-	(912.43)
Cash and cash equivalents at the end of the year	1,727.65	2,878.28
Cash and cash equivalents [See Note 5(d)]	676.66	534.74
Investment in Liquid Funds [See Note 5(a)]	1,050.99	2,343.54
Balance as per Statement of Cash Flow	1,727.65	2,878.28

* Restated pursuant to merger (Refer Note 37)

The above statement of cash flows should be read in conjunction with the accompanying notes.

Change in Liability arising from financing activities

Particulars	As at March 31, 2019	Cash Flows	Non Cash Changes	As at March 31, 2020
Current Borrowings	11,707.06	10,436.04	894.15	376.87
Non Current Borrowings (including current maturities)	3,692.39	3,698.79	(6.40)	(0.00)

Particulars	As at March 31, 2018	Cash Flows	Non Cash Changes	As at March 31, 2019
Current Borrowings	15,039.76	(3,341.06)	8.36	11,707.06
Non Current Borrowings (including current maturities)	8,722.46	(5,041.32)	11.25	3,692.39

As per our report of even date
For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
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Pawan Agarwal
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DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**1. BACKGROUND**

Future Market Networks Limited (the “Company”) is a public limited company incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013 (“the Act”). Information on the Group’s structure is provided in Note 34. Equity shares of the Company are listed with the BSE Limited and the National Stock Exchange of India. The group is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India.

The consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred to as the “Group”). These consolidated financial statements were authorized for issue by the Company’s Board of Directors on June 30, 2020.

2. Significant Accounting Policies:**a) Basis of preparation:****i. Compliance with Ind AS**

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

The accounting policies are applied consistently to all the periods presented in the financial statements.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value;
- assets held for sale measured at lower of carrying amount or fair value less cost to sell; and
- share-based payments

iii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

Principles of consolidation and equity accounting:**i. Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii. Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

iii. Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv. Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group’s share of the post – acquisition profits or losses of the investee in profit and loss, and other comprehensive income of the investee in other

comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1 (h) below.

v. **Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity (Note 34).

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

b) Property, plant and equipment:

All items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term. Leasehold improvements are amortised over the period of lease or estimated useful life, whichever is lower.

Useful life considered for calculation of depreciation for various assets class are as follows-

• Leasehold Improvements	16 years
• Machinery	10 years
• Furniture, fittings and equipment	10 years
• Office and other equipments	5 Years
• Computers	3 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

c) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent

expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Freehold land is carried at cost. Investment properties are depreciated using the straight-line method over their estimated useful lives.

Useful life considered for calculation of depreciation for Freehold Building is as follows-

- Freehold buildings 60 years

d) Investments and other financial assets:

i. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments:

The Group subsequently measures all equity investments other than in subsidiaries, joint ventures and associates at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognised in profit or loss as other income when the right to receive of the Group established.

iii. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability is recognised when the obligation specified in the contract is discharged, completed or expired.

e) Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

f) Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

g) Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

h) Cash and Cash Equivalents:

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less from the Balance Sheet date.

i) Revenue Recognition:

As on April 1, 2019, there are no ongoing contracts covered under the provisions of Ind – AS 115.

The Group derives revenues primarily from leasing of immovable properties which is primarily covered under Ind AS – 116 and consequently the same are accounted as per the said standard.

In relation to revenues not covered under Ind AS 116, the revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sale of services are recognized at a time on which the performance obligation is satisfied except Revenue from real estate property development where in revenue is recognized in the financial year in which the agreement to sell is executed.

The period over which revenue is recognised is based on entity's right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

j) Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

k) Employee Benefits:

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of

services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

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, which is based on the Black Scholes model.

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 recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 28.

l) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

On March 30, 2019, the Ministry of Corporate Affairs issued amendments in the guidance to the Ind AS 12 – Income taxes. The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty Financial Statements.
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e. 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

m) Leases:

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

As a lessee

The Ministry of Corporate Affairs (“MCA”) notified the new Ind AS 116 “Leases’ with the date of initial application being April 1, 2019.

On April 1, 2019, the Group has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Group has made use of the following practical expedients available in its transition to Ind AS 116 –

- a) The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before April 1, 2019.
- b) The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- c) The Group excluded the initial direct costs from measurement of the RoU asset
- d) The Group does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.
- e) The weighted average rate of discount applied to lease liabilities as at April 1, 2019 is 11%.

(Refer Note no. 31)

n) Foreign Currency transactions:

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (INR), which is Future Market Network's Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

o) Inventories:

Inventories which comprise of finished stock of completed projects are valued at lower of cost or net realizable value. Cost is determined by including cost of land (including development rights), internal development cost, external development charges, materials, services, related overheads and apportioned borrowing costs.

p) Investments in joint ventures and associates:

Investments in joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

q) Earnings per share:

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Note 26).

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

r) Segment Reporting:

The Group is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment. The operations of the Group are within the geographical territory of India which is considered as a single geographical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director, who has been identified as being the chief operating decision maker, assesses the financial performance and position of the company, and makes strategic decisions. Refer Note 25 for segment information presented.

s) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t) Borrowing costs:

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

Other borrowing costs are expensed in the period in which they are incurred.

u) Provisions and contingent liabilities:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

v) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

w) Critical estimates and judgments:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal and actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 14)
- Estimation of current tax expense and payable (Note 6)
- Estimated Fair value of unlisted securities – (Note 23)
- Estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.(a)(b))
- Estimation of Fair valuation of employee share options and no. of expected vesting options (Note 28)
- Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets can be used (Note 6)
- Probable outcome of matters included under Contingent Liabilities

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

3. Property, Plant and Equipment

Particulars	Leasehold Improvements	Air Conditioner	Computer and Software	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Right of Use Assets	Capital work-in-progress
Year ended March 31, 2019 *										
Gross carrying amount										
Opening gross carrying amount	6,933.43	2,343.34	42.98	4,204.52	156.82	4,528.08	0.01	18,209.18	-	995.29
Additions	11.88	17.22	4.44	-	3.88	11.37	-	48.79	-	413.06
Assets classified as held for sale	-	-	(0.60)	-	-	-	-	(0.60)	-	(775.67)
Closing gross carrying amount	6,945.31	2,360.56	46.82	4,204.52	160.70	4,539.45	0.01	18,257.37	-	632.68
Accumulated depreciation										
Opening accumulated depreciation	2,141.20	1,086.11	28.86	1,829.55	133.32	1,714.27	-	6,933.31	-	-
Depreciation charge during the year	795.29	364.72	4.73	634.66	3.22	640.62	-	2,443.24	-	-
Closing accumulated depreciation	2,936.49	1,450.83	33.59	2,464.21	136.54	2,354.89	-	9,376.55	-	-
Net carrying amount March 31, 2019	4,008.82	909.73	13.23	1,740.31	24.16	2,184.56	0.01	8,880.82	-	632.68
Year ended March 31, 2020										
Gross carrying amount										
Opening gross carrying amount	6,945.31	2,360.56	46.82	4,204.52	160.70	4,539.45	0.01	18,257.37	-	632.68
Additions	-	-	3.51	3.76	2.33	47.86	-	57.46	17,393.07	558.41
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	6,945.31	2,360.56	50.33	4,208.28	163.03	4,587.31	0.01	18,314.83	17,393.07	1,191.09
Accumulated depreciation										
Opening accumulated depreciation	2,936.49	1,450.83	33.59	2,464.21	136.54	2,354.89	-	9,376.55	-	-
Depreciation charge during the year	472.67	365.44	10.10	634.72	17.55	641.18	0.01	2,141.67	2,915.70	-
Depreciation related to Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	3,409.16	1,816.27	43.69	3,098.93	154.09	2,996.07	0.01	11,518.22	2,915.70	-
Net carrying amount March 31, 2020	3,536.15	544.29	6.64	1,109.35	8.94	1,591.24	-	6,796.61	14,477.37	1,191.09

(i) Property, plant and equipment pledged as security (Refer Note 27)

(ii) Capital work-in-progress mainly comprises building, furniture & fixtures.

* Restated pursuant to merger (Refer Note 37)

4. Investment Properties

	Freehold Land	Building	Total
Year ended March 31, 2019 *			
Gross carrying amount			
Opening gross carrying amount	2,938.25	11,191.85	14,130.10
Additions	-	569.04	569.04
Disposal/Transfer	-	(39.97)	(39.97)
Assets classified as held for sale	(2,620.50)	-	(2,620.50)
Closing gross carrying amount	317.75	11,720.92	12,038.67
Accumulated depreciation and impairment			
Opening accumulated depreciation	-	453.07	453.07
Depreciation charge during the year	-	189.08	189.08
Closing accumulated depreciation	-	642.15	642.15
Net carrying amount	317.75	11,078.77	11,396.52

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
Year ended March 31, 2020			
Gross carrying amount			
Opening gross carrying amount	317.75	11,720.92	12,038.67
Additions	72.56	-	72.56
Disposal/Transfer	-	(4.53)	(4.53)
Assets classified as Investment Properties	-	-	-
Closing gross carrying amount	390.31	11,716.39	12,106.70
Accumulated depreciation and impairment			
Opening accumulated depreciation	-	642.15	642.15
Depreciation charge during the year	-	190.75	190.75
Depreciation related to Disposal/Transfer	-	(0.23)	(0.23)
Closing accumulated depreciation	-	832.67	832.67
Net carrying amount	390.31	10,883.72	11,274.03

Refer Note 27 for information on asset pledged as security by the company.

* Restated pursuant to merger (Refer Note 37)

(i) Amounts recognised in profit or loss for investment properties

	As at March 31, 2020	As at March 31, 2019
Rental income	1,478.49	1,450.89
Direct operating expenses from property that generated rental income	122.88	173.92
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	1,355.61	1,276.97
Depreciation	190.75	189.08
Profit from investment properties	1,164.86	1,087.89

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	As at March 31, 2020	As at March 31, 2019
Within one year	940.15	727.16
Later than one year but not later than 5 years	1,806.48	1,579.08
Later than 5 years	-	-
Total	2,746.63	2,306.24

(iii) Fair value

	As at March 31, 2020	As at March 31, 2019
Investment properties	46,444.57	47,248.33

Estimation of fair value

Estimation of fair value - The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in respective area. This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

5(a). Investments

	As at March 31, 2020	As at March 31, 2019
a. Investment in joint venture		
Unquoted		
6384 Equity Shares of Riddhi Siddhi Mall Management Private Limited	841.56	737.98
Total (a)	841.56	737.98
b. Investment in preference shares		
Unquoted		
141 (2019: 257), 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	770.64	931.64
Total (b)	770.64	931.64
c. Investment in equity instruments		
Fair value through other comprehensive income		
Unquoted		
11,425 Equity Shares of V.R.Procurement Corporation Private Limited	23.02	23.03
Nil* (2019: 10,000) Equity Shares of Navika Developers Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Shreya Mall Management Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Ujjain Future Bazaar Private Limited	-	1.00
6,903* (2019: 6900) Equity Shares of Harmony Mall Management Private Limited	0.69	0.69
20,00,000 Equity Shares of Precision Reality Developers Private Limited	167.00	338.80
98,094** Equity Shares of Acute Retail Infra Private Limited	573.44	722.81
10,000 Equity Shares of Ojas Trade Lease and Mall Management Private Limited	1.00	1.00
33,582 Equity Shares of Nishta Mall Management Company Private Limited	654.28	1,148.99
87,272 Equity Shares of Unique Malls Private Limited	574.20	198.57
Total (c)	1,993.63	2,436.89
Non-current investments total (a+b+c)	3,605.82	4,106.51
Investments accounted for using the equity method(a+b)	1,612.20	1,669.62
Investments (in others)(c)	1,993.63	2,436.89
Aggregate amount of unquoted investments	3,605.83	4,106.51
Current		
UTI - Floating Rate Fund	1,050.99	2,332.78
Aditya Birla Sun Life Floating Rate Fund	-	10.76
Current investments total	1,050.99	2,343.54

*During the year, pursuant to a Scheme of Amalgamation, Navika Developers Private Limited, Rain Fruits and More Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited merged with Harmony Malls Management Private Limited (Harmony). Accordingly in lieu of the investments held by the Company in Navika Developers Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited received 1 fully paid up equity (one) share each of Harmony Malls Management Private Limited.

** Investment in equity instruments pledge as security (Refer Note 27)

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

5(b). Trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Receivables from related parties	997.14	399.35
Others	2,865.65	807.85
Less: Allowance for bad and doubtful debts	(137.59)	(79.48)
Total Trade receivables	3,725.20	1,127.72
Breakup of securities details		
Secured, considered good		
Unsecured, considered good	3,759.90	1,138.55
Doubtful	102.89	68.65
Total	3,862.79	1,207.20
Less: Allowance for doubtful debts	(137.59)	(79.48)
Total Trade receivables	3,725.20	1,127.72

Refer Note 27 for information on Trade receivable pledged as security by the company.

5(c). Loans

	As at March 31, 2020	As at March 31, 2019
Non- Current		
Security Deposits	225.26	210.16
Total Non-current loans and advances	225.26	210.16
Current		
Security Deposits	1,895.28	1,887.44
Loans and advances to others	7,081.82	5,998.62
Loans and advances to related parties	640.34	69.00
Total current loans and advances	9,617.44	7,955.06

5(d). Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cash on hand	5.09	1.71
Balances with Banks	-	-
In current accounts	671.57	533.03
Total Cash and cash equivalents	676.66	534.74

5(e). Bank Balances other than above

	As at March 31, 2020	As at March 31, 2019
Fixed Deposit*	230.79	218.57
Interest accrued on fixed deposit	0.36	1.10
Total Bank Balances other than above	231.15	219.67

*Lien against Bank Guarantee, ₹ 6.50 lakhs (March 31, 2019 : ₹ 6.50 lakhs)

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

5(f). Other financial assets

	As at March 31, 2020	As at March 31, 2019
Other non-current financial assets		
Considered good		
Bank deposits with more than 12 months maturity	18.75	17.57
Total Non-current financial assets	18.75	17.57

Other financial assets

	As at March 31, 2020	As at March 31, 2019
Other current financial assets		
Considered good		
Interest Accrued but not due	1.79	2.22
Loan and Advances to others	3,790.48	109.41
Unbilled Revenue	196.05	154.57
Advance to Staff	12.78	4.50
Total current financial assets	4,001.10	270.70

6(a). Non - Current Tax Assets

	As at March 31, 2020	As at March 31, 2019
Balances with Govt. Authorities	1,073.54	899.19
Total Non-current tax assets	1,073.54	899.19

6(b). Current and deferred tax

6(b). (i) Statement of profit and loss:

	As at March 31, 2020	As at March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	7.01	18.99
Adjustments for current tax of prior periods	(3.77)	(45.70)
Total current tax (expense)	3.24	(26.71)
Deferred tax		
Decrease (increase) in deferred tax assets	928.75	351.30
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	928.75	351.30
Income tax expense	931.99	324.59

6(b) (ii) The reconciliation between the statutory income tax rate applicable to the group and the effective income tax rate of the group is as follows :

	As at March 31, 2020	As at March 31, 2019
Profit from operation before income tax expenses	3,924.74	1,328.91
Tax rate @ 25.168% / 27.82%	992.55	369.70
Differences due to:		
Permanent differences	0.03	6.33
Profit of share in associate and JV not taxable	(480.71)	26.32
Standard deduction on rental income	(115.32)	(123.64)
Change in tax rate	599.88	-
Difference in tax rate of other group entity	-	(3.62)
Adjustment related to unabsorbed losses	81.12	(141.35)
Property, Plant & Equipment - Depreciation	(100.22)	-
Excess provisions for previous years w/off	(3.77)	(45.70)
Leases	(44.65)	-
Others	3.07	236.55
Income tax expenses	931.99	324.59

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

6(b) (iii) Tax losses

	As at March 31, 2020	As at March 31, 2019
Net Deferred Tax Asset		
Tax losses	4,016.84	5,021.48
Defined benefit obligation	-	0.06
Provisions	46.86	33.75
Fair valuation of financials assets-P&L (Net)	71.90	(7.04)
Fair valuation of financials assets-OCI (Net)	54.48	59.39
Property Plant & Equipment	1,199.67	1,153.11
Freehold Land	7.84	7.78
Lease Liability	1,749.41	-
Net Deferred Tax Asset	7,147.00	6,268.53
Net Deferred Tax Liabilities		
Tax losses	430.36	468.38
MAT Credit	-	7.99
Fair valuation of financials assets-OCI (Net)	-	(276.25)
Property, plant and equipment	(406.71)	(401.43)
Fair valuation of financials assets-P&L (Net)	-	(26.59)
Fair Valuation of Security Deposit	(30.62)	-
Fair Valuation of Investment	(156.61)	-
Security Deposit - Given	28.63	-
Lease Liability	95.09	-
Net Deferred Tax Liabilities	(39.86)	(227.89)
Deferred tax assets (net)	7,107.14	6,040.64

6(b) (iv) Movement in deferred tax liabilities

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial assets	Property Plant & Equipment	Freehold Land	MAT credit entitlement	Security Deposits	Leases	Total
At March 31, 2018*	16.09	5,495.45	162.79	685.09	8.32	679.17	-	-	7,046.91
(Charged)/credited:									
- to profit or loss	21.35	390.57	(150.31)	66.60	(0.54)	(679.17)	-	-	(351.51)
- to other comprehensive income	(3.63)	(396.15)	(262.97)	-	-	-	-	-	(662.75)
- Deferred tax on basis adjustment	-	-	-	-	-	7.99	-	-	7.99
At March 31, 2019*	33.81	5,489.86	(250.50)	751.69	7.78	7.99	-	-	6,040.64
(Charged)/credited:									
- to profit or loss	9.64	(1,042.66)	74.91	41.27	0.06	-	28.63	1,844.50	956.36
- to other comprehensive income	3.41	(0.00)	114.73	-	-	-	-	-	118.14
- Deferred tax on basis adjustment	-	-	-	-	-	(7.99)	-	-	(7.99)
At March 31, 2020	46.86	4,447.20	(60.85)	792.97	7.84	-	28.63	1,844.50	7,107.14

* Restated pursuant to merger (Refer Note 37)

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

7. Other assets

	As at March 31, 2020	As at March 31, 2019
Other non-current assets		
Business Advance	880.20	1,450.27
Capital Advance	3,350.00	3,350.00
Corpus Funds	7.50	7.50
Balances with Govt. Authorities	102.03	21.80
Prepaid Expense	-	310.80
Total Other Non-current assets	4,339.73	5,140.37
Other current assets		
Security Deposits	231.00	5.86
Business Advance	449.12	686.12
Balances with Govt. Authorities	108.79	97.60
Prepaid Expense	38.07	65.61
Other receivables	4.81	67.40
Total Other current assets	831.79	922.59

8. Inventories

	As at March 31, 2020	As at March 31, 2019
Finished Shops	863.37	917.61
Total Inventories	863.37	917.61

9. Assets classified as held for sale

	As at March 31, 2020	As at March 31, 2019
Buildings*	-	6,277.75
Investments	3,725.20	4,313.61
Total	3,725.20	10,591.36

*During the year, the company has disposed off substantial part of the building situated at Ahmedabad for ₹ 7,297.49 Lakhs which was vested with the company through an approved scheme of amalgamation.

In January 2019, the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited). 51% stake of both the entities have been sold during the year and sale of remaining 49% stake is expected to be completed in next 12 Months. The investments are presented separately under assets held for sale.

Non-recurring fair value measurements

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the assets was based on the proposed sales consideration negotiated with the buyer.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

10(a). Equity Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised		
90,300,000 Equity Shares [31st March, 2019: 90,260,000] of ₹ 10/- each	9,030.00	9,026.00
5,000 Preference Shares [31st March, 2019: 5,000] of ₹ 100/- each	5.00	5.00
Total	9,035.00	9,031.00
Issued Capital*		
5,75,44,951 Equity Shares [31st March, 2019: 56,291,851] of ₹ 10/- each	5,754.50	5,629.19
Total	5,754.50	5,629.19
*includes 570 shares held in abeyance		
Subscribed and paid up		
5,75,44,381 Equity Shares [31st March, 2019: 56,291,281] of ₹ 10/- each	5,754.44	5,629.13
Total	5,754.44	5,629.13

a) Movements in Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,62,91,281	5,629.13	5,62,91,281	5,629.13
Add: shares issued during the year	12,53,100	125.31	-	-
Balance as at the end of the year	5,75,44,381	5,754.44	5,62,91,281	5,629.13

Terms and Rights attached to equity shares:-

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder is eligible to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts in proportion of their shareholding.

Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2019) including equity shares issued pursuant to contract without payment being received in cash

- (i) In Financial Year 2015 -16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.
- (ii) In Financial Year 2016 -17 - Allotted 1,20,125 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 14, 2016.
- (iii) In Financial Year 2019-20 - Allotted 12,53,100 equity shares of ₹ 10/- each under Scheme of Merger by absorption. (Refer Note 37)

b) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the group.

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% held	Number of shares	% held
Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)	4,11,29,343	71.47%	4,11,29,343	73.06%
Ishbhoomi Fabtraders Private Limited	40,96,745	7.12%	40,97,145	7.28%
	4,52,26,088	78.59%	4,52,26,488	80.34%

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

10(b). Other Equity

	As at March 31, 2020	As at March 31, 2019
Capital Reserve	3,166.47	3,166.47
Securities Premium	27,045.67	25,291.33
Retained Earnings	(24,542.18)	(22,030.11)
Subordinated Debt *	5,355.98	5,355.98
Other Reserves	239.66	524.12
Total Other Equity	11,265.60	12,307.79

* The subordinated debt represents loan taken from Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)

(i) Capital Reserve

	As at March 31, 2020	As at March 31, 2019
Opening Balance	3,166.47	3,166.47
Closing Balance	3,166.47	3,166.47

(ii) Securities Premium

	As at March 31, 2020	As at March 31, 2019
Opening Balance	25,291.33	25,291.33
Share issued	1,754.34	-
Closing Balance	27,045.67	25,291.33

(iii) Retained Earnings

	As at March 31, 2020	As at March 31, 2019
Opening Balance	(22,030.11)	(18,476.11)
Add: Profit for the year	2,967.85	993.41
Add: Profit on acquisition of JV	-	62.38
Add: Lease Liability	(5,471.24)	-
Items of other comprehensive income recognised in retained earnings:	-	(4,619.65)
Remeasurements of post-employment benefit obligation & Deferred Tax (Actuarial Gains)	(8.68)	9.86
Closing Balance	(24,542.18)	(22,030.11)

(iv) Other Reserves

	As at March 31, 2020	As at March 31, 2019
Opening Balance	524.12	(4,620.02)
Change in fair value of FVOCI equity instruments & Deferred Tax there-on (Fair Value)	(284.46)	524.49
Items of other comprehensive income transfer to retained earnings	-	4,619.65
Closing Balance	239.66	524.12

Nature and purpose of other reserves**Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

FVOCI equity investments

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

11(a). Borrowings

	As at March 31, 2020	As at March 31, 2019
Non current Borrowing		
Secured		
Term loans from banks	-	3,692.39
Total Long Term Borrowing	-	3,692.39
Less: Current Maturities of long term borrowing	-	3,692.39
Non current borrowings	-	-

Nature of security	Terms of Repayment
Term Loan from Bank, balance outstanding ₹ NIL lakhs (March 31, 2019 : ₹ 3,500.00 lakhs) are secured by (a) Charge on Assets created out of the proposed Term Loan. (b) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited located at SOBO Central Mall (c) Corporate Guarantee of Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters.	Repayable in 16 quarterly instalments starting from June 2016. Last instalment due in March 2020. Rate of interest - MCLR (1 Year) + 2.35% Present Effective Rate - Nil (11.10%)
Term Loan from Bank, balance outstanding ₹ NIL lakhs (March 31, 2019 : ₹ 197.15 lakhs) is secured by hypothecation of lease rent receivables from Future Lifestyle Fashions Limited. Collateral : Equitable mortgage of mall located at plot bearing TS No 145 Part of Mart ward, Block No 6, Main Road, Visakhapatnam, Andhra Pradesh.	Repayable in 108 quarterly instalments starting from February 2011. Last instalment due in January 2020. Rate of interest - 4% above the Base Rate Present Effective Rate - Nil (11.70%)

Current Borrowing

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Loans from related party	361.87	333.82
Other Loans and Advances	15.00	11,373.23
Total Current Borrowing	376.87	11,707.05

11(b). Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
Non Current		
Security deposits		
From Related Parties	294.77	244.45
From Others	1,629.79	1,571.31
Lease Liabilities	18,425.98	-
Total Non-current financial liabilities	20,350.54	1,815.76

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Current		
Security deposits		
From Related Parties	108.36	98.42
From Others	123.48	389.98
Total	231.84	488.40
Current Maturities of Long-Term Borrowings	-	3,692.39
Lease Liabilities	3,380.76	-
Purchase Consideration	-	1,879.65
Other Payables (Retention Money)	2,131.97	352.85
Total Current financial liabilities	5,744.57	6,413.29

11(c). Trade payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding due of micro and small enterprises	59.81	-
Total outstanding from others:		
Related Parties	684.92	35.09
Others	759.44	558.55
Total Trade payables	1,504.17	593.64

12. Provisions

	As at March 31, 2020	As at March 31, 2019
Non current Employee benefit obligations		
Gratuity	41.92	26.42
Leave entitlement	20.95	8.09
Total Non current Employee benefit obligations	62.87	34.51
Current Employee benefit obligations		
Gratuity	1.82	5.37
Leave entitlement	0.81	0.15
Other Provisions	48.67	35.46
Total current Employee benefit obligations	51.30	40.98

13. Other liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred Rent Income	581.67	655.30
Total Other Non-current liabilities	581.67	655.30

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Current		
Statutory dues (including provident fund, tax deducted at source and others)	149.11	147.81
from Related Parties	-	15,078.46
from Others	29,690.45	8,548.23
Deferred Rent Income	252.73	238.24
Other payables	403.82	144.50
Total Other current liabilities	30,496.11	24,157.24

14. Disclosure as per Indian Accounting Standard 19 - Employee Benefits
Defined Contribution Plan
Provident Fund

The contributions to the Provident Fund of the employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Employer's Contribution to Provident Fund amounting to ₹ 20.08 Lakhs (previous year ₹ 16.57 Lakhs) has been recognized as an expense in the Statement of Profit and Loss.

Defined Benefit Plan
Gratuity

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or company scheme whichever is beneficial. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	31.80	38.57
Current service cost	4.87	7.09
Interest expense/(income)	2.42	2.97
Total amount recognised in profit and loss	7.29	10.06
Acquisition / Divestiture	12.24	-
(Gain)/loss from change in demographic assumptions	(0.04)	-
(Gain)/loss from change in financial assumptions	4.31	0.13
Experience (gains)/losses	7.82	(13.62)
Total amount recognised in other comprehensive income	12.09	(13.49)
Employer contributions	-	-
Benefit payments	(7.44)	(3.34)
Closing defined benefit obligation	43.74	31.80

The net liability disclosed above relates to unfunded plans are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	43.74	31.80
Fair value of plan assets	-	-
Surplus /(Deficit)	43.74	31.80
Effect of assets ceiling	-	-
Net Defined Benefit Liability/(Assets)	43.74	31.80

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.76%	7.65%
Salary growth rate	5.00%	5.00%
Demographic Assumptions		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1.00%	1.00%
Retirement age	58 years	58 years

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Discount rate		
a. Discount rate -100 basis point	49.38	22.21
b. Discount rate+100 basis point	38.94	17.31
Salary growth rate		
a. Rate -100 basis point	39.40	17.24
b. Rate+100 basis point	48.46	21.64

Expected Future Cash Flows

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Year 1	1.82	0.34
Year 2	0.70	1.45
Year 3	1.67	0.37
Year 4	2.18	0.39
Year 5	2.99	0.43
Year 6 to 10	12.53	3.57

15. Revenue from Operations

	Year ended March 31, 2020	Year ended March 31, 2019
Sales	150.01	7.52
Rent and other related revenues	12,464.92	12,952.52
Project Management Consultancy	61.86	27.97
Brokerage & Commissions Income	-	138.73
Total	12,676.79	13,126.74

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

16. Other Income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income		
On bank deposits	13.50	14.33
On others	560.90	1,330.97
Profit on sale of Property, Plant & Equipment	1,056.96	-
Profit on sale of Investments	3,835.70	246.02
Fair Valuation of Investments	0.11	57.31
Profit on Redemption of Preference Shares	999.00	-
Excess Provision Written Back	225.99	32.40
Dividend Income*	-	1.46
Miscellaneous Income	36.57	27.79
Total	6,728.73	1,710.28

* Dividend Received ₹ 25.70 (Previous Year ₹ Nil).

17. Operating Costs

	Year ended March 31, 2020	Year ended March 31, 2019
Mall Maintenance Charges	3,253.16	2,017.03
Rent	376.05	4,789.15
Total	3,629.21	6,806.18

18. Changes in inventories of finished goods, work-in progress and stock-in-trade

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of units sold	121.28	3.54
Total	121.28	3.54

19. Employee Benefits Expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus	597.83	607.56
Contribution to Provident and Other Funds	28.76	26.27
Staff Welfare Expenses	11.52	12.20
Total	638.11	646.03

20. Finance Costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses	3,035.19	2,031.43
Other Borrowing costs	0.20	5.47
Total	3,035.39	2,036.90

21. Depreciation and amortization expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	2,141.65	2,443.24
Depreciation on Investment Property	190.75	189.08
Depreciation on Right of Use Assets	2,915.70	-
Total	5,248.10	2,632.32

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

22. Other Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	441.03	480.49
Repairs and Maintenance - Others	361.68	220.54
Auditors' Remuneration		
Statutory Audit Fees	9.02	9.29
Tax Audit Fees	1.00	0.50
Other Services	1.00	0.90
Rates and Taxes	364.72	235.27
Insurance	16.31	12.94
Legal and Professional Fees	651.72	193.94
Listing Fees/Custodian Charges	7.21	6.74
Management Consultancy Charges	-	40.00
Director Sitting Fees	19.00	18.05
Provision for Doubtful Debts	58.11	20.75
Travelling and Conveyance Expenses	34.68	51.09
Sundry Balance Written Off	10.85	5.15
Water Charges	12.68	10.97
Other Expenses	880.17	205.21
Total	2,869.18	1,511.83

23. Fair value measurements

23(a) Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
-Equity Instruments	-	1,993.63	-	-	2,436.89	-
-Mutual Funds	1,050.99	-	-	2,343.54	-	-
Loans	-	-	9,842.70	-	-	8,165.22
Trade receivables	-	-	3,725.23	-	-	1,127.73
Cash and cash equivalents	-	-	676.66	-	-	534.74
Bank Balances other than above	-	-	249.90	-	-	237.25
Other financial assets	-	-	4,001.11	-	-	270.71
Total financial assets	1,050.99	1,993.63	18,495.60	2,343.54	2,436.89	10,335.65
Financial liabilities						
Borrowings	-	-	376.87	-	-	11,707.06
Lease Liability	21,806.75	-	-	-	-	-
Deposits from customer	-	-	418.25	-	-	2,304.16
Other financial liabilities	-	-	2,131.98	-	-	5,924.90
Trade payables	-	-	1,504.18	-	-	593.64
Total financial liabilities	21,806.75	-	4,431.28	-	-	20,529.76

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

23(b) Fair value hierarchy

Investment in Mutual Funds which are measured at Fair Value through Profit and Loss Account are measured under Level 1.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed are calculated under Level 3 except loans and security deposits which is measured at Level 2.

Investment in Equity Shares which are measured at Fair Value through Other Comprehensive Income are measured under Level 3.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31 :

	Investment in - Equity instruments
As at March 31, 2018	2,617.01
Sale of Investment	(1,424.29)
Gains/(losses) recognised in Other Comprehensive Income	1,244.17
As at March 31, 2019	2,436.89
Sale of Investment	-
Gains/(losses) recognised in Other Comprehensive Income	(443.26)
As at March 31, 2020	1,993.63

Valuation processes

The group has obtained assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the group and the valuer on periodic basis. Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

23(c) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	9,842.70	9,842.70	8,165.22	8,205.06
Total	9,842.70	9,842.70	8,165.22	8,205.06
Financial liabilities				
Borrowings	376.87	376.87	11,707.06	11,707.06
Deposits from customer	418.25	418.25	2,304.16	2,417.87
Total	795.12	795.12	14,011.22	14,124.93

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, trade payables, cash and cash equivalent, Bank balances other than above, other financial assets and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 in the fair value hierarchy due to the inclusion of observable inputs.
3. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
4. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
5. The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). Further, the Company has no long-term Borrowings with fixed rate of interest.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

24. Financial risk management

The group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The group's senior management has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk are reviewed regularly to reflect changes in market conditions and the group's activities.

A. Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The group is not exposed to any foreign currency risk as neither operates internationally nor has any foreign currency transaction.

(a) Price Risk - Exposure:

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

	March 31, 2020	March 31, 2019
BSE Sensex 30- Increase 5%	52.55	117.18
BSE Sensex 30- Decrease 5%	(52.55)	(117.18)

Above referred sensitivity pertains to investment in quoted securities. Profit for the year would increase/(decrease) as a result of gains/(losses) on the same as at fair value through profit or loss.

(b) Interest rate risk:

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	-	3,692.39
Percentage of variable rate borrowings to total borrowings	0%	24%
Total borrowings	376.87	15,399.44

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	March 31, 2020	March 31, 2019
Interest rates – increase by 50 basis points*	-	(18.46)
Interest rates – decrease by 50 basis points*	-	18.46

*Holding all other variables constant

B. Credit Risks

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

The group measures the expected credit loss of trade receivables and loan and advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, adequate provision for the loss on collection of receivable has been made.

Movement in provisions of doubtful debts

	March 31, 2020	March 31, 2019
Opening provision	79.48	91.32
Add:- Additional provision made	58.11	20.75
Less:- Provision write off	-	32.59
Closing provisions	137.59	79.48

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

C. Liquidity Risk:

Liquidity risk is the risk that the group will face in meeting its obligations associated with its financial liabilities. The group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the group's credit rating and impair investor confidence.

The following table shows the maturity analysis of the group's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Maturity patterns of liabilities:

	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2020				
Trade payables	1,504.17	1,504.17	-	1,504.17
Borrowings	376.87	376.87	-	376.87
Other Financial liabilities	26,951.51	5,640.98	21,310.53	26,951.51
As at March 31, 2019				
Trade payables	593.64	593.64	-	593.64
Borrowings	11,707.06	11,707.05	-	11,707.05
Other Financial liabilities	9,203.46	6,418.05	2,785.41	9,203.46

D. Capital Management

The group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group does not distribute dividends to the shareholders.

25. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director of the group. Entire group has been as one reportable segment based on the information reviewed by CODM.

(a) Description of segments and principal activities

The group is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India

(b) Segment revenue

The group operates as a single segment. The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	As at March 31, 2020		As at March 31, 2019	
	Revenue from external customers	Total segment revenue	Revenue from external customers	Total segment revenue
Mall Management	12,676.79	12,676.79	13,126.74	13,126.74
Total segment revenue	12,676.79	12,676.79	13,126.74	13,126.74

The group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	As at March 31, 2020	As at March 31, 2019
India	12,676.79	13,126.74
Outside India	-	-
Total	12,676.79	13,126.74

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

(c) Segment assets

The group is domiciled in India. The amount of Non current assets broken down by location of the customers is shown in the table below.

Non current assets*	As at March 31, 2020	As at March 31, 2019
India	41,230.74	29,011.67
Outside India	-	-
Total	41,230.74	29,011.67

*Other than financial instruments and deferred tax assets

(d) Major Customer

Total 1 no of customers are contributing more than 10% of the total revenue of the group

Major Customer	As at March 31, 2020	As at March 31, 2019
Customer 1 (Related party)	1,643.33	1,673.86

26. Earnings per share

	As at March 31, 2020	As at March 31, 2019
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the group from Continuing Operations	2,984.88	985.66
Total basic earnings per share attributable to the equity holders of the group (₹)	5.24	1.75
Profit attributable to the equity holders of the group from Discontinuing Operations	(17.03)	7.75
Total basic earnings per share attributable to the equity holders of the group (₹)	(0.03)	0.01
Profit attributable to the equity holders of the group from Continuing & Discontinuing Operations	2,967.85	993.41
Total basic earnings per share attributable to the equity holders of the group (₹)	5.21	1.76
(b) Weighted average number of shares used as the denominator	5,69,41,797	5,62,91,281
(c) Diluted earnings per share is same as basic earning per share		

27. Assets pledge as security

The carrying amounts of assets pledged as security for current and non - current borrowings are :

Particulars	As at March 31, 2020	As at March 31, 2019
Current Assets		
Financial Assets		
First Charge		
- Trade Receivables	-	30.71
Total Current Assets pledged as Security	-	30.71
Non-Current Assets		
First Charge		
Property, Plant and Equipment	-	8,864.63
Capital Work-in-Progress	-	-
Investment Properties	-	6,110.63
Investment in equity instruments	573.44	722.81
Total Non Current Assets pledged as Security	573.44	15,698.07
Total Assets pledged as Security	573.44	15,728.78

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

28. Share based payments

(a) Employee option plan/ Tradable Options

- (i) FMNL-Employee Stock Option Scheme-2012 was suspended with effect from May 25, 2018.
- (ii) Employee option trade plan/Tradable Options

Future Market Networks Limited (FMNL) has granted 7,60,000 options to eligible employees on May 25, 2018 under Employee Stock Option Scheme 2016 ("ESOS 2016") at an exercise price of ₹ 85/- per equity share. These options shall vest over a period of four years in the proportion of 25% for each year from the date of grant. These options can be exercised anytime within a period of three years from the date of vesting.

(b) The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	₹ 85.00	2,10,000	-	-
Options granted during the period	-	-	₹ 85.00	7,60,000
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	(5,50,000)
Forfeited during the period	-	-	-	-
Options outstanding at the end of the period	-	2,10,000	-	2,10,000
Options vested and exercisable at the end of the period	-	-	-	-

(c) Effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position:

Total expenses arising from share-based payment transactions on account of Share option plans recognised in consolidated profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee compensation expense	-	-

Effect of the employee share option plan on the consolidated financial statements is as follows:

Particulars	March 31, 2020	March 31, 2019
Deferred employee compensation reserve	-	-

Note:

Since the fair value of the employee stock options is lower than the exercise price there will be no Employee compensation expense and hence there is no impact in the Statement of Profit & Loss.

(d) Method and Assumptions Used to Estimate the Fair Value of Options Granted During the Year:

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

1. Risk Free Interest Rate	7.59% - 7.88%
2. Expected Life	2.5 - 5.5 years
3. Expected Volatility	76.99%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	122.10

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

29. Discontinued Operations

a) Description

In January 2019, the Board of Directors of the Holding company had resolved to divest the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited), acquired on August 14, 2017 and September 18, 2018 respectively.

Consequently, the associated assets & liabilities are presented as held for sale and is classified as discontinued operations in the financial statements for year ended year ended March 31, 2020 and for the year ended March 31, 2019.

Accordingly, both Gati Realtors Private Limited and Future Retail Destination Private Limited ceased to be the subsidiaries of the Company with effect from August 29, 2019 and October 26, 2019 respectively. 51% stake of both the entities have been sold during the year and Sale of remaining 49% stake is expected to be completed in next 12 Months. The investments are presented separately under assets held for sale.

b) Financial performance and cash flow information

	Gati Realtors Private Limited		Future Retail Destination Private Limited	
	April 1, 2019 to August 28, 2019	April 1, 2018 to March 31, 2019	April 1, 2019 to October 25, 2019	April 1, 2018 to March 31, 2019
Financial performance				
Revenue from Operations				
Other Income	23.03	-	9.18	30.08
Total	23.03	-	9.18	30.08
Expenses				
Employee benefits expense	-	-	-	5.74
Finance costs	0.78	-	-	-
Depreciation and amortization expense	0.07	0.02	-	-
Other expenses (including impairment loss)	1.25	2.44	23.46	6.37
Total	2.10	2.46	23.46	12.11
Profit before tax	20.93	(2.46)	(14.28)	17.97
Tax Expenses	4.37	-	(3.72)	7.79
Profit from discontinued operations	16.56	(2.46)	(10.56)	10.18

c) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were classified as held for sale in relation to the discontinued operations as at August 28, 2019 in case of Gati Realtors Private Limited and October 25, 2019 in case of Future Retail Destination Private Limited :

Earnings per share

Particulars	Gati Realtors Private Limited	Future Retail Destination Private Limited
Assets classified as held for sale:		
Property, Plant and equipment	0.74	1,578.42
Capital Work-in progress	804.43	997.67
Investment properties	996.33	-
Other Non Current Assets	0.90	1.50
Investments	-	548.48
Cash and cash equivalents	126.47	1.61
Trade Receivables	-	-
Other Financial assets	9.77	-
Other assets	0.30	2.06
Total assets of disposal group classified as held for sale	1,938.94	3,129.74
Liabilities directly associated with assets classified as held for sale:		
Borrowings	606.58	-
Trade Payables	3.66	-
Other Liabilities	216.68	198.52
Current tax Liability (net)	4.37	-
Deferred tax Liability (net)	-	4.64
Other current liabilities	8.71	0.57
Total liabilities of disposal group classified as held for sale	840.00	203.73
Net Assets	1,098.94	2,926.01

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Cash Flow		
Net cash inflow / (outflow) from operating activities	219.79	187.23
Net cash inflow / (outflow) from investing activities	(556.99)	(997.07)
Net cash inflow / (outflow) from financing activities	462.02	-
Net increase / (decrease) in cash generated from discontinued operations	124.82	(809.84)

The following assets and liabilities were classified as held for sale in relation to the discontinued operations as at March 31, 2019 :

Particulars	Gati Realtors Private Limited	Future Retail Destination Private Limited
Assets classified as held for sale:		
Property, Plant and equipment	0.62	-
Capital Work-in progress	189.50	586.18
Investment properties	1,042.10	1,578.42
Other Non Current Assets	0.90	1.50
Investments	-	829.95
Cash and cash equivalents	1.66	80.83
Other assets	-	2.00
Total assets of disposal group classified as held for sale	1,234.78	3,078.88
Liabilities directly associated with assets classified as held for sale:		
Trade Payables	18.64	-
Other Liabilities	1.50	151.67
Deferred tax liability (net)	-	7.79
Other current liabilities	-	0.14
Total liabilities of disposal group classified as held for sale	20.14	159.60
Net Assets	1,214.64	2,919.28

Cash Flow		
Net cash inflow / (outflow) from operating activities	12.27	16.79
Net cash inflow / (outflow) from investing activities	(14,745.49)	778.66
Net cash inflow / (outflow) from financing activities	12,981.33	(1.68)
Net increase / (decrease) in cash generated from discontinued operations	(1,751.89)	793.77

30. Related party transactions

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

(a) Name of related parties and related parties relationship:-

Name of Related Parties	Relationship	
	March 31, 2020	March 31, 2019
PAN India Food Solutions Private Limited	-	-
Splendor Fitness Private Limited	-	-
Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited)	Director Interest	Director Interest
Grihith Trade Ventures Private Limited (w.e.f. 05.06.2018)	-	-
Utility Developers Private Limited (upto 31.07.2018)	Director Interest	Joint Venture
Riddhi Siddhi Mall Management Private Limited	-	-
Gati Realtors Private Limited (w.e.f. 29.08.2019)	Joint Venture	-
Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited) (w.e.f. 26.10.2019)	-	-
Future Corporate Resources Private Limited (Formerly known as Suhani Trading & Investment Consultants Private Limited)	Holding Company	Holding Company
Retail Trust	Ultimate Parent Entity	Ultimate Parent Entity

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Name of Related Parties	Relationship	
	March 31, 2020	March 31, 2019
Future Retail Limited	Associate of Holding Company	Associate of Holding Company
Praxis Home Retail Limited	Promoter's Group Company	Promoter's Group Company
Future Enterprises Limited		
Future Generali India Insurance Company Limited		
Future Lifestyle Fashions Limited		
Future Supply Chain Solutions Limited		
Nufuture Digital (India) Limited		
Future Generali India Insurance Company Limited		
Future Media India Limited		
Future Outdoor Media Solutions Limited	Relative of KMP	Relative of KMP
Ms. Ritu Pawan Agarwal		
Ms. Jollamma Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Mr. Anil Cherian		
Mr. Pawan Agarwal (upto 20.05.2019)		
Mr. Pramod Arora (upto 08.10.2018)		
Mr. Pawan Agarwal (w.e.f. 21.05.2019)		
Mr. Pramod Arora (w.e.f. 09.10.2018)	Executive Director & CFO	Non-Executive Director
Mr. Sunil Biyani (Director upto 30.05.2018)	Non-Executive Director	
Mr. Rajesh Kalyani	Non-Executive Director	
Ms. Udita Jhunjhunwala	Independent Director	Independent Director
Mr. Vijai Singh Dugar		
Mr. K.A Somayajulu		

(b) Key management personnel compensation

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	91.37	139.88
Post-employment benefits	15.58	11.83
Total	106.95	151.71

(c) The following transactions were carried out with the Related Parties in the ordinary course of business:-

Nature of Transaction	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
Interest Income	32.12	-	-	-	-	-	-	-
	36.71	-	-	-	-	-	-	-
Project Management Consultancy	35.00	-	-	-	-	-	-	9.00
Brokrage & Commision	-	-	-	-	-	-	-	-
	-	-	-	-	-	89.84	-	-
Lease Rent Expenses	-	-	6.72	-	4.50	5.69	-	12.24
	-	-	6.72	-	6.00	36.89	-	-
Reimbursement of Expenses	-	-	-	-	-	251.31	-	67.48
	-	-	-	-	-	312.04	-	-
Sitting Fees / Remuneration	-	-	-	68.98	-	-	40.88	-

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
	-	-	-	15.85	-	-	142.88	-
Project Expenses	-	-	-	-	-	-	-	625.00
Promotor Contribution	-	450.00	-	-	-	-	-	-
Advances /Loans given net off received back	(68.99)	-	-	-	-	-	-	-
	(459.39)	-	-	-	-	-	-	(2,000.00)
Advances /Loans / Deposits taken net off repaid back	-	-	-	-	-	322.78	-	2,610.82
	-	2,050.00	-	-	(660.23)	181.85	-	-
Purchase of Property, Plant & Equipments and Capital work in progress	-	-	-	-	6.35	1.09	-	-
	-	-	-	-	-	1.99	-	-
Rent Income	-	-	-	-	-	1,287.98	-	762.95
	-	-	-	-	-	1,534.04	-	-
Preference share redumption	1,160.00	-	-	-	-	-	-	-
Dividnd from Pref. Shares #	0.00	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	56.00	-	-
Insurance Expenses	-	-	-	-	-	-	-	20.97
Miscellaneous Expenses	-	-	-	-	-	0.37	-	-
CAM Income	-	-	-	-	-	355.35	-	140.07
	-	-	-	-	-	334.23	-	-
CAM Paid	-	-	-	-	-	2.89	-	-
Sundry Balance Written off	-	-	-	-	-	3.13	-	199.87
	-	-	-	-	-	5.00	-	-
# Dividend Received ₹ 25.70 (Previous Year ₹ Nil)								
Outstanding Balance as at March 31, 2020								
Receivable	-	-	-	-	28.19	845.28	-	123.69
	-	-	-	-	-	399.35	-	-
Payables	-	-	-	0.65	-	7,451.00	0.25	683.94
	-	-	-	-	3.24	5.00	-	-
Subordinated Debt	-	5,355.97	-	-	-	-	-	-
	-	5,355.97	-	-	-	-	-	-
Loans & Advances	640.33	-	-	-	-	-	-	1.51
	68.99	-	-	-	-	-	-	-
Loan / Advance Taken	-	-	-	-	-	12,901.24	-	16,029.26
	-	2,500.00	-	-	-	(12,578.46)	-	-
Investments in OCPS	770.64	-	-	-	-	-	-	-
Security Deposits Taken	-	-	-	-	49.74	459.00	-	205.94
	-	-	-	-	-	504.00	-	-

Note: Figures in italic represents previous year's figures.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

(d) Significant Related Party transactions:

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
Interest Income	Gati Realtors Private Limited	28.93	-
	Riddhi Siddhi Mall Management Private Limited	3.19	36.71
Brokrage & Commision	Future Retail Limited	-	89.84
Project Management Consultancy	Riddhi Siddhi Mall Management Private Limited	35.00	-
	Nufuture Digital (India) Limited	9.00	-
Lease Rent Expenses	Jollamma Anil Cherian	3.36	3.36
	Ritu Pawan Agarwal	3.36	3.36
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	4.50	6.00
	Future Retail Limited	5.69	-
	Future Lifestyle Fashions Limited	12.24	-
	Future Retail Limited	-	36.89
Reimbursement of Expenses	Future Retail Limited	251.31	275.59
	Praxis Home Retail Limited	47.64	36.45
	Future Lifestyle Fashions Limited	19.85	-
Remuneration to KMP	Mr. Pawan Agarwal	51.78	52.37
	Mr. Anil Cherian	39.58	41.42
	Mr. Pramod Arora	-	46.09
Sitting Fees	Mr. Pawan Agarwal	1.70	1.60
	Mr. Anil Cherian	1.30	1.40
	Mr. Rajesh Kalyani	3.35	3.35
	Mr. Sunil Biyani	1.60	1.20
	Mr. Vijai Singh Dugar	5.10	5.55
	Mr. K.A Somayajulu	3.55	3.55
	Mr. Pramod Arora	0.80	0.80
	Ms. Udit Jhunjhunwala	1.10	1.40
	Ms. Udit Jhunjhunwala	1.10	1.40
Pref. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	1,160.00	-
Dividend from Pref. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	-	-
Insurance Expenses	Future Generali India Insurance Company Limited	20.80	-
	Future Generali India lifeInsurance Company Limited	0.17	-
Project Expenses	Future Supply Chain Solutions Limited	625.00	-
Loan Given net off received Back	Utility Developers Private Limited	-	(0.44)
	Riddhi Siddhi Mall Management Private Limited	(68.99)	(458.95)
	Future Outdoor Media Solutions Limited	-	(2,000.00)
Advances /Loans taken net off repaid back	Future Retail Limited	322.78	181.85
	Future Enterprises Limited	2,394.15	-
	Future Supply Chain Solutions Limited	216.68	-
	Grihith Trade Ventures Private Limited	-	(660.23)
	Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investments Private Limited)	-	2,500.00
Deposit Received	Future Retail Limited	-	56.00
Purchase	Future Retail Limited	1.09	1.99
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	6.35	-

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
Rent Income	Future Retail Limited	1,287.98	1,406.77
	Praxis Home Retail Limited	193.73	127.28
	Future Lifestyle Fashions Limited	569.21	-
Staff Welfare Expenses	Kamadgiri Fashion Limited	-	0.37
CAM Income	Future Retail Limited	355.35	267.10
	Praxis Home Retail Limited	88.13	67.14
	Future Supply Chain Solutions Limited	43.94	-
	Future Lifestyle Fashions Limited	8.00	-
CAM Paid	Future Retail Limited	2.89	-
Promotor's Contribution	Future Corporate Resources Private Limited (Formerly Known as "Suhani Trading and Investment Private Limited")	-	450.00
Sundry Balance Written off	Future Retail Limited	3.13	5.00
	Praxis Home Retail Limited	0.02	-
	Future Lifestyle Fashions Limited	189.00	-
	Future Media India Limited	10.85	-

31. In respect of lease taken by the company, the future minimum lease rental obligation under :

- (i) Amount recognised in the balance sheet

Right-of-use assets

Particulars	As at March 31, 2020
As at March 31, 2019 -	
Right-of-use assets on transition	-
Additions	17,393.07
Depreciation charge for the year	2,915.70
Deletions	-
Net carrying amount as at March 31, 2020	14,477.37

Lease liabilities

Maturity analysis of lease liabilities

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Not later than one year	4,758.81	2,664.37
ii)	Later than one year but not later than five years	7,484.90	8,074.25
iii)	Later than five years	1,344.13	3,021.35

Effective 1 April 2019, the company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently the company recorded the lease liability and right of use assets at the present value of the lease payments discounted at incremental borrowings as on the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

Particulars	As at March 31, 2020
(ii) Amounts recognised in the Statement of Profit or Loss	
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	2,915.70
Interest expense (included in finance costs)	2,521.20
Expense relating to short-term leases (included in other expenses)	393.97
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-
Income from subleasing right-of-use assets (included in other income)	-
(iii) Gains or losses arising from sale and leaseback transactions -	-
(iv) The total cash outflow for leases during the year ended March 31, 2020	5,119.37

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

32. In respect of operating lease given by the company, the future minimum lease rental receivable under operating leases is as follows:

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Gross block of assets let out on operating lease	26,149.69	26,096.79
ii)	Accumulated depreciation as at March 31	11,746.37	9,534.73
iii)	Depreciation charged during the year to the Statement of Profit and Loss	5,113.97	2,511.91
iv)	Lease rentals recognised in Statement of Profit and Loss	8,722.04	8,352.54
v)	Lease rentals receivable not later than one year	8,722.04	5,953.03
vi)	Lease rentals receivable later than one year and not later than five years	26,090.02	14,918.32
vii)	Lease rentals receivable later than five years	-	-

33. Payable to MSME

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

34. Interests in other entities

(a) Subsidiaries

The Group's subsidiaries are set out below. Share capital consisting solely of equity shares that are held directly by the group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Date of acquiring subsidiary	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Aashirwad Malls Private Limited	20-Jan-12	India	100.00%	100.00%	NIL	NIL	Mall Management
Suhani Mall Management Company Private Limited	20-Jan-12	India	86.26%	86.26%	13.74%	13.74%	Mall Management
Sun City Properties Private Limited	20-Jan-12	India	55.17%	55.17%	44.83%	44.83%	Mall Management
Future Trade Markets Private Limited	16-Aug-17	India	100.00%	100.00%	NIL	NIL	Ware-housing & Real Estate
Jeremia Real Estate Private Limited	27-Aug-18	India	100.00%	100.00%	NIL	NIL	Ware-housing & Real Estate
Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited) (upto 25.10.2019)*	18-Sep-18	India	-	100.00%	-	NIL	Ware-housing & Real Estate
Gati Realtors Private Limited (upto 28.08.2019)*	14-Aug-17	India	-	100.00%	-	NIL	Ware-housing & Real Estate

* In January, 2019 the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited). Out of total holding, 51% shares of both entities has been sold during the year. Sale of remaining 49% stake of both entities is expected to be completed in next 12 months.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-group eliminations.

	Suhani Mall Management Private Limited		Sun City Properties Private Limited	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Summarised balance sheet				
Current assets	2,936.12	2,667.54	84.47	62.56
Current liabilities	5,131.98	5,161.48	739.42	654.97
Net current assets	(2,195.86)	(2,493.94)	(654.95)	(592.41)
Non-current assets	5,512.33	5,824.20	842.53	779.90
Non-current liabilities	811.81	379.42	-	-
Net non-current assets	4,700.52	5,444.78	842.53	779.90
Net assets	2,504.66	2,950.84	187.58	187.49
Accumulated NCI	391.37	410.55	84.08	84.04
	Suhani Mall Management Private Limited		Sun City Properties Private Limited	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Summarised statement of profit and loss				
Revenue	480.28	438.48	2.91	2.92
Profit for the year	147.87	62.24	0.09	0.92
Other comprehensive income	(320.61)	470.38	-	-
Total comprehensive income	(172.74)	532.62	0.09	0.92
Profit allocated to NCI	(23.73)	73.18	0.04	0.41
Dividends paid to NCI	-	-	-	-
	Suhani Mall Management Private Limited		Sun City Properties Private Limited	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Summarised cash flow				
Cash flows from operating activities	209.69	3,067.49	(14.87)	(0.74)
Cash flows from investing activities	7.07	(498.65)	(59.73)	(70.60)
Cash flows from financing activities	(19.73)	(2,572.83)	74.20	71.33
Net increase/ (decrease) in cash and cash equivalents	197.03	(3.99)	(0.40)	(0.01)

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

(c) Interests in associates and joint ventures

Set out below are the joint ventures of the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly or indirectly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)	Accounting method	Carrying Value		Share of (Profit) / Loss from Associates and Joint Ventures	
					March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Gati Realtors Private Limited (from 28.08.2019)*	India	Join Venture	49.00%	Equity method	2,140.11	-	14.43	-
Riddhi Siddhi Mall Management Private Limited	India	Join Venture	50.00%	Equity method	1,612.20	1,669.62	(103.57)	(147.75)
Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited) (from 25.10.2019)*	India	Join Venture	49.00%	Equity method	1,585.10	-	12.27	-
Total equity accounted investments					5,337.41	1,669.62	(76.87)	(147.75)

Summarised balance sheet	Year ended	Current assets	Current liabilities	Net current assets	Non-current assets	Non-current liabilities	Net non-current assets	Net assets	% of share
Riddhi Siddhi Mall Management Private Limited	March 31, 2020	795.84	2,789.49	(1,993.65)	6,454.05	213.23	6,240.82	4,247.17	2,123.59
	March 31, 2019	346.48	141.99	204.49	6,235.69	80.16	6,155.53	6,360.02	3,180.01
Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited) (w.e.f. 25.10.2019)	March 31, 2020	1,125.01	302.36	822.65	5,257.72	2,842.20	2,415.52	3,238.17	1,586.70
	March 31, 2019	-	-	-	-	-	-	-	-
Gati Realtors Private Limited (w.e.f. 28.08.2019)	March 31, 2020	1,157.60	1,399.01	(241.41)	8,427.52	5,547.04	2,880.48	2,639.07	1,293.14
	March 31, 2019	-	-	-	-	-	-	-	-

Summarised statement of profit and loss	Year ended	Revenue	Profit for the year	Other comprehensive income	Total comprehensive income
Riddhi Siddhi Mall Management Private Limited	March 31, 2020	725.93	207.15	-	207.15
	March 31, 2019	656.46	295.51	-	295.51
Future Retail Destination private Limited Formerly known as Future Retail Destination Limited) (w.e.f. 25.10.2019)	March 31, 2020	5.18	(35.62)	-	(35.62)
	March 31, 2019	-	-	-	-
Gati Realtors Private Limited (w.e.f. 28.08.2019)	March 31, 2020	32.61	(12.88)	-	(12.88)
	March 31, 2019	-	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

35. Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary -

Name of Enterprise	Net assets i.e Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	%	Amount	%	Amount	%	Amount	%	Amount
Parent								
Future Market Networks Limited	53.89%	8,558.80	97.65%	2,847.36	4.92%	(16.59)	109.78%	2,830.77
Subsidiaries:								
Aashirwad Malls Private Limited	3.49%	553.70	-0.59%	(17.19)	0.00%	-	-0.67%	(17.19)
Suhani Mall Management Company Private Limited	18.19%	2,889.00	6.21%	180.98	95.08%	(320.60)	-5.41%	(139.62)
Sun City Properties Private limited	9.70%	1,541.01	0.00%	0.09	0.00%	-	0.00%	0.09
Future Trade Markets Private Limited	14.57%	2,314.85	-2.62%	(76.36)	0.00%	-	-2.96%	(76.36)
Gati Realtors Private Limited	0.00%	-	-0.22%	(6.45)	0.00%	-	-0.25%	(6.45)
Future Retail Destination Private Limited	0.00%	-	-0.36%	(10.57)	0.00%	-	-0.41%	(10.57)
Jeremia Real Estate Private Limited	0.16%	25.93	-0.07%	(1.97)	0.00%	-	-0.08%	(1.97)
Total	100%	15,883	-100.00%	2,915.89	-100%	(337.19)	-100.00%	2,578.70
Minority Interest in all subsidiaries		475.45		24.91		(44.05)		(19.14)
Joint Ventures		1,612.20		76.87		-		76.87
Total		17,020.04		2,967.85		(293.14)		2,674.71

36. Change in Tax Rate

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

37. Scheme of Merger by absorption of Star Shopping Centres Private Limited

The Holding Company had entered into a Scheme of Merger by absorption of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") in order to consolidate the business under single entity. The Scheme was approved by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017.

Pursuant to the aforesaid Scheme of merger the Authorized Share Capital of the Holding Company has been increased to ₹ 9,035.00 lakhs (Rupees Nine Thousand Thirty Five Lakhs) divided into 9,03,00,000 equity shares of ₹ 10/- each and 5,000 Preference Shares of ₹ 100/- each.

- a) The figures for the current year include figures of Star Shopping Centres Private Limited (STAR / Transferor Company), the subsidiary of the Company (60% of the paid up share capital held by the Company), which is amalgamated with the Company with effect from April 1, 2017, being the appointed date, as per the Scheme of Merger by absorption ("the scheme") of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") sanctioned Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017 and are therefore to that extent not comparable with those of previous year.
- b) In accordance with the scheme and as per approval of the NCLT:
 - i) The assets and liabilities of STAR have been transferred to and vested with the Holding Company with effect from April 1, 2017 and have been recorded at their respective fair values under the purchase method of accounting for amalgamations as prescribed in Indian Accounting Standard 103 on Accounting of Amalgamations.
 - ii) Consequent to Merger by absorption, the Holding Company allotted 12,53,100 Equity Shares of ₹ 10/- each fully paid up on September 24, 2019 to the eligible shareholders of Transferor Company who holds 40% of the paid up share capital of Transferor Company and 60% of the equity capital held by the Holding Company in Transferor Company shall be cancelled.

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Accordingly, the Holding Company has accounted for the merger under the purchase consideration method retrospectively for all periods presented in the above results as prescribed in Ind AS 103 - Business Combinations of entities under joint control. Accordingly, the previous period/ year numbers have been restated with effect from April 1, 2017, being the Appointed Date, as provided in the Scheme. The impact of the merger on these results is as under :

Particulars	As at March 31, 2019	
	Reported	Restated
Non-current assets		
Property, plant and equipment	8,864.62	8,880.82
Deferred tax assets (net)	6,344.15	6,268.53
Current assets		
Financial assets		
Trade receivables	1,149.04	1,127.72
Cash and cash equivalents	427.20	534.74
Other current assets	2,111.84	922.59
Equity		
Other Equity	14,253.44	12,307.79
Non-current liabilities		
Financial liabilities		
Other financial liabilities	1,755.56	1,815.76
Provisions	27.31	34.51
Other non-current liabilities	634.38	655.30
Current liabilities		
Financial liabilities		
Trade payables	459.11	593.64
Other financial liabilities	4,145.27	6,413.29
Other current liabilities	24,370.03	24,157.24
Provisions	0.49	40.98

Particulars	Year ended	
	Reported	Restated
Revenue from operations	10,860.48	13,126.74
Profit / (Loss) before tax	1,233.99	1,313.38
Profit / (Loss) after tax	949.87	996.57

38. Impact of COVID-19

Due to the outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be medium term in nature. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

39. Contingent Liabilities not provided for:

- Corporate Guarantee given to bank on behalf of Companies - ₹ 18,750 Lakhs (2019: ₹ 18,750 Lakhs) (Refer Note 34 of standalone financial statements)
- Corporate Guarantee given to NBFC for sanctioning term loan of ₹ 14,000 lakhs (2019 : ₹ Nil) to Hare Krishna Operating Lease Private Limited for exclusive charge on immovable property of R Mall situated at Lal Bahadur Shastri Marg, Revenue Village of Mulund West to the extent of - ₹ 7,000 lakhs (2019 : ₹ Nil). The fair value of the immovable property as at March 31, 2020 is ₹12,248.16 lakhs. (Refer Note 34 of standalone financial statements)

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

- c) Service Tax disputed demand - ₹ Nil (2019 : ₹ 95.80 lakhs)

The demand is related to the tax liabilities of the erstwhile owner of the commercial property situated at D-09, Dhanvantari Chikitsa Kendra Yojna, Nanakheda, Ujjain, Madhya Pradesh – 456010. The property was acquired from a financial institution and not from the alleged assessee/erstwhile owner.

Based on the interpretation of relevant provisions, the Company has been legally advised that the demand is not maintainable and accordingly no provision has been made.

- (d) In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 1,290.52 lakhs to the Claimant after allowing certain counter claims of the Company.

The Company has filed an Arbitration Petition challenging the arbitration award U/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta. Claimant through its Proprietor has also challenged the aforesaid arbitration award before the Hon'ble High Court, Calcutta. The matters are pending before the High Court, Calcutta.

- (e) The Company has sub lease rights with respect to the above OCC mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. The parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company viz. Consent Terms dated December 8, 2017 and Supplemental Consent Terms dated April 2019 (Consent Terms). The Consent Terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor (Neel Kamal City Shopping Mall (India) Limited - which has taken it on lease from the lessor and sub-leased it to the Company) under the original arrangement till March 31, 2019 for an amount of ₹ 1,741 lakhs (over and above the existing receivables standing in the books), out of which ₹ 491 lakhs was paid during the year under review, with an arrangement for future periods including reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the Consent Terms. In case, the Consent Terms are accepted as filed, the Company will have to honour its payment obligations for the said amount and the parties shall be administrated in terms of the Consent Terms. However, if the Consent Terms are not approved, the parties shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the Consent Terms.

Also, few Gala owners of the mall have filed claim of ₹ 218.53 lakhs against the company to pay the lease rental/claim amount along with @18% interest, for appointment of court receiver, appointment of commissioner to visit suit premises and retained from subletting and/or giving the suit premises on Leave and License basis or parting with possession or inducting any third party.

- (f) Demand due to delay in payment of interest under section 31(4) under Maharashtra Stamp Act for ₹ 90.83 lakhs (2019 : ₹ Nil) with regard to the amalgamation of Future Realtors (India) Private Limited, AIGL Holdings & investments Private Limited and Prudent Vintrade Private Limited with Future Market Networks Limited (formerly known as Agre Developers Limited) affected in January 2012.
- (g) A debt recovery case was filed by Union Bank of India of ₹ 294.67 lakhs before Debt Recovery Tribunal -III Kolkata. The company has filed fresh interim application against the defendant and the matter is postponed to April 17, 2020 against the Learned DIT III.
- (h) An arbitration petition was filed by Mr.LaxmiPat Surana before High Court at Calcutta for occupational charges in respect of the licensed premises situated at Block B Puja Complex, known as Puja the Mega Mart at Jhargram Rd, Kharagpur. Accordingly the court has passed the direction in the favour of the petitioner for ₹ 7,050.61 lakhs. However, the matter could not be taken due to COVID 19 situation.
- (i) An Execution Application was filed by Laxmi Pat Surana (Petitioner) before the High Court at Calcutta to pay ₹ 2,573.99 lakhs. However, there is no further progress under this matter.
- (j) TDS disputed demand - ₹ 5.46 lakhs (2019 : ₹ 5.46 lakhs)

The demand is related to the penalty levied u/s 272A(2)(g) of the Income Tax Act, 1961 pertaining to financial year 2014-15. The Company has filed an appeal against the demand.

40. Capital Commitments / Asset Purchase Agreement / Put Option Agreement

- (a) Estimated amount of contract remaining to be executed on capital work in progress and not provide for - ₹ Nil (2019 : ₹ 14.40 lakhs)

- (b) In the previous year, the Company (FMNL) has entered into a put option asset purchase agreement, wherein the FMNL has issued a put option to Axis Bank Ltd in relation to a loan facility of ₹ 7,500 lakhs provided by the Bank to a Borrower for purchase of assets being movable assets. In case of default by the borrower, the Bank can enforce the put option agreement entered with FMNL, whereby FMNL shall be obligated to purchase the assets acquired by the Borrower out of the loan amount, at a price which shall not be less than the outstanding loan obligation of the Borrower towards the Bank.

FMNL had also mortgaged its immovable property with the bank against the facility given by the Bank to the borrower, as a part of the above transaction. (Included in Note 27 - Assets Pledged as Security)

For S K Patodia & Associates
Chartered Accountants
Firm Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership Number : 146268

Place : Mumbai
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar
Director
DIN: 06463399

Pawan Agarwal
Executive Director and Chief Financial Officer
DIN: 01435580

Place : Mumbai
Date : June 30, 2020

Rajesh Kalyani
Director
DIN: 00220632

Anil Cherian
Head - Legal and Company Secretary

FUTURE MARKET NETWORKS

catalysing consumption

CIN: L45400MH2008PLC179914

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