



# Future Market Networks Limited

**Annual Report 2018-19**

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## Corporate Information

### THE BOARD OF DIRECTORS

Mr. Vijai Singh Dugar	DIN: 06463399
Ms. Udita Jhunjhunwala	DIN: 00120951
Mr. K.A. Somayajulu	DIN: 02535927
Mr. Sunil Biyani	DIN: 00006583
Mr. Rajesh Kalyani	DIN: 00220632
Mr. Pramod Arora	DIN: 02559344
Mr. Pawan Kumar Agarwal	DIN: 01435580

Chairman & Independent Director  
Independent Director  
Independent Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
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

Viren Gandhi & Co., 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](mailto:info.fmn@futuregroup.in)  
Website : [www.fmn.co.in](http://www.fmn.co.in)  
CIN: L45400MH2008PLC179914

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited.  
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](mailto: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

**11<sup>th</sup> Annual General Meeting**  
**on Monday, September 16, 2019 at 1.30 P.M at Sunville Banquets, 9, Dr. Annie Besant Road,**  
**Worli, Mumbai – 400018**

#### 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 sand 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 2018-19.

Members are requested to bring their copy of the Annual Report to the meeting. 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 11<sup>th</sup> Annual General Meeting of the members of Future Market Networks Limited will be held Monday, 16<sup>th</sup> day of September 2019 at 1.30 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 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, 2019 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, 2019 together with the report of Auditors thereon.
2. To appoint a director in place of Mr. Sunil Biyani (DIN: 00006583), 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. 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.
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 a **Special 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, in place of the retiring auditor M/s Viren Gandhi & Company bearing ICAI Firm Registration No. 111558W allotted by ICAI, for a period of 1 year from the conclusion of eleventh annual general meeting till the conclusion of the twelfth 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 in connection with the Audit of Accounts of the Company.”

### SPECIAL BUSINESS:

5. To consider and approve appointment of Mr. Pawan Kumar Agarwal (DIN: 01435580) as a Director of the Company 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 Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Pawan Kumar Agarwal (DIN: 01435580), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.”

6. To approve the appointment and remuneration of Mr. Pawan Kumar Agarwal (DIN: 01435580) as Executive Director and Chief Financial Officer of the Company and if thought fit, to pass with or without modification (s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals as may be necessary, the approval of the members be and is hereby accorded to the appointment of Mr. Pawan Kumar Agarwal (holding DIN: 01435580), as Executive Director & Chief Financial Officer on the Board of the Company for the period and upon the following terms and conditions, including remuneration and perquisites as approved by the Board of Directors, with the liberty of Board of Director (hereinafter referred to as “the Board”, which term shall include any committee constituted or to be constituted by the Board) from time to time to alter the said terms and conditions, in such manner as may be agreed to between the Board and Mr. Pawan Kumar Agarwal and as may be permissible at law,

#### Period:

Five years w.e.f. May 21, 2019, with the liberty to either party to terminate the appointment on one month’s notice in writing to the other.

Current Remuneration: (Amount in ₹)

i.	Basic Salary per month	1,00,683/-
ii.	Allowances per month:	
	1. House Rent Allowances	60,410/-
	2. Special Allowance	2,51,265/-
iii.	Other monthly privileges	56,325/-
iv.	Annual performance incentive (variable)	10,50,000/-

with such increment(s) in the salary and allowances as per the Company Policy, subject to the limits as provided under the Act, from time to time during the tenure of his appointment. These allowances however, will not be taken into account for calculation of benefits such as Provident Fund, National Pension System, Gratuity, Leave encashment and Ex-Gratia;

- i. Perquisites and other amenities payable/provided to the Executive Director are as under:-
1. Company's contribution towards provident fund per month (presently 12%) as per the applicable rules and not exceeding the limit as laid down under the Income Tax Rules, 1962.
  2. Company's contribution towards National Pension System (NPS) per month (presently 10%) as per the applicable rules and not exceeding the limit as laid down under the Income Tax Rules, 1962.
  3. Following allowances/perquisites/facilities are given as per Company's Rules:

i.	Leave Travel Allowance
ii.	Gratuity as per applicable Rules;
iii.	One month's paid leave every year. Un-availed leave to be dealt with as per the policy of the Company;
iv.	Medical Allowance / Expenses – as per the policy of the Company.
v.	Telephone / Mobile Phone expenses;
vi.	Other benefits & perquisites, including Employee Stock Options as per the Rules applicable to the Senior Executives / Key Managerial Personnel of the Company and / or which may become applicable in future and / or any other allowances, perquisites as the Board may, from time to time decide.

The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

Provided that where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Executive Director.

So long as Mr. Pawan Kumar Agarwal functions as the Executive Director of the Company, his office shall not be subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board or the Chairman of the Board may on the recommendation of the Nomination, Remuneration and Compensation Committee of the Board and subject to applicable rules, grant employee stock options, as may be deemed appropriate, to Mr. Pawan Kumar Agarwal, during the period of his appointment."

7. To 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 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, Companies (Significant Beneficial Owners) Rules, 2018, (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 enter into following transactions with FEL 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
Rentals / Deposits / Common Area Maintenance Charges / Inter Corporate Deposit / Sale / Purchase of commercial / retail space	Future Enterprises Limited (FEL)	None	In terms of Companies (Significant Beneficial Owners) Rules, 2018	Arrangements with respect to purchase / sale of commercial / retail space, both present and future, at various locations in India on lease/license, for various retail formats of FEL 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 ₹ 200 Crore per annum.	The existing arrangements have been reviewed by the Board and Audit Committee and the transactions are at ordinary course of business and at arm's length price.

## FUTURE MARKET NETWORKS LIMITED

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**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 arrangements 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.fmn@futuregroup.in

Website: www.fmn.co.in

Place : Mumbai

Date : August 13, 2019

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

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

**IMPORTANT NOTES:**

1. An explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013("Act") and applicable Secretarial Standards, relating to special business to be transacted at the Annual General Meeting is annexed to the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.** A person can act as a proxy on behalf of members up to and not exceeding fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company.  
The instrument appointing proxy in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting.
3. Corporate Members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013 (the "Act"), are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. **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.**
5. **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.**
6. Any members proposes to seek any clarification on the financial statements are requested to send the queries to the Company at its registered office at least seven working days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
7. 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 Monday, September 09, 2019 to Monday, September 16, 2019 (both days inclusive).
8. Under Section 124 of the Companies Act, 2013, 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. The Company has not yet declared dividend, however, in terms of section 125 (l) of the Companies Act, 2013, the unclaimed sale proceeds of fractional shares arise out of issuance of shares consequent to the Demerger of the Company an amount of ₹ 73,268/- (rupees seventy three thousand two hundred sixty eight only) which was due to transfer to IEPF was transferred on November 23, 2018.  
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.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. The Independent Directors of the Company have been appointed for a maximum term of 5 years in accordance with the relevant provisions of the Companies Act, 2013 and are not eligible to retire by rotation.
11. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment, at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for his / her / their appointment/ reappointment.
12. In terms of Section 101 and 136 of the Act read with the Rules made thereunder, electronic copy of the Annual Report is being send to all the Members whose email ID's are registered with the Company / Depository Participant (s) for communication purpose unless any Member has requested for a hard copy of the same.  
Physical copy of the Annual Report is being sent to those Members, who have either opted for the same or have not registered their email addresses. In case any Member wishes to get a physical copy of the Annual Report, a request may be sent to [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) mentioning the folio number / DP ID and Client ID, as the case may be. The Annual Report is also available in the "Investors Relations" section on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in).
13. Electronic copy of the Notice of the 11<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 11<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.  
Members may also note that the Notice of the 11<sup>th</sup> Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2019 will also be available on the Company's website [www.fmn.co.in](http://www.fmn.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari East, Mumbai - 400060 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication; the shareholders may also send requests to the Company's email id: [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in).
14. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information related to e-voting are given in this Notice under Note No. 25. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.

15. Following statutory registers shall be available for inspection by the Members at the Registered Office and copies thereof at the Corporate Office of the Company on all working days during business hours:
- Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act. The said Register shall also be produced at the commencement of the AGM and shall remain open and accessible during the continuance of the AGM to any person having the right to attend the AGM.
  - Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act. The said Register shall be kept open for inspection at the AGM and shall be made accessible to any person attending AGM.
16. Members can avail of the nomination facility by filing Form SH – 13, as prescribed under section 72 of the Act and Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company or the RTA.
17. The Annual Reports will not be distributed at the Annual General Meeting. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting along with the Annual Report.
18. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
19. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
20. Documents referred to in the Notice and explanatory statement are open for inspection at the Registered Office and the Corporate Office of the Company on all working days, (Monday to Friday) from 10.00 a.m to 1.00 p.m., except holidays, upto the date of the 11<sup>th</sup> AGM i.e September 16, 2019.
21. The Equity Shares of the Company are compulsorily traded in demat form and the shareholders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.
22. Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agent viz. Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
23. Non-Resident Shareholders are requested to inform immediately Registrar and Share Transfer Agent , Link Intime India Private Limited:
- The change in the Residential status on return to India for permanent settlement.
  - 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.
24. Members desirous of receiving communication from the Company in electronic form, may register their email address with their respective depository participant. If, however, shares are held in physical form, Members are advised to register their e-mail address with the RTA by sending communication on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), along with their folio no. and valid e-mail address for registration.
25. Voting through electronic means and poll:
- In compliance with the provisions of Section 108 of the Companies Act, 2013 (“the Act”) and Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereof and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides to Members the facility of exercising their right to cast vote(s) either by (a) remote e-voting (by using an electronic voting system as explained herein below (b) ballot paper at the AGM venue. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- The Company also will be providing voting facility through polling paper at the Meeting and members attending the Meeting who have not already cast their vote by remote e-voting may be able to exercise their voting right at the Meeting. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- The Company has signed an agreement with National Securities Depository Limited (“NSDL”) for facilitating e-voting to enable the Members to cast their vote(s) electronically.
- The procedure and instructions for remote E-Voting facility are as follows:
- 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?**
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- Open the e-mail and also open PDF file namely “FMNL e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password. NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”.
  - 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.
  - Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
  - 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 e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



v. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	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*****.
b) 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*****.
c) 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***

vi. 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, your 'initial password' is communicated to you on your postal address.

vii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

viii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ix. Now, you will have to click on "Login" button.

x. 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?

- i. 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.
- ii. 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.
- iii. Select "EVEN" of "Future Market Networks Limited".
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. 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.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - I. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote. However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting vote. If you forget your password, you can reset your password by using "Forget User Details / Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no: 1800-222-990.
  - II. The remote e-voting period commences on Friday, September 13, 2019 (9:00 am) and ends on Sunday, September 15, 2019 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 09, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder by means of e-voting, shareholder shall not be allowed to change it subsequently.
  - III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 16, 2019.

- IV. Any person who acquires shares of the Company and becomes member of the Company after the dispatch of the Notice and holding shares as of the cut-off date, i.e. August 16 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or issuer.
- V. A member may participate in the Annual General Meeting even after exercising his right to vote through remote voting but shall not be allowed to vote again at the AGM.
- VI. Mr. Alwyn D'souza, Practicing Company Secretary of M/s. Alwyn D'souza & Co, Company Secretaries, Mumbai, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner at the 11<sup>th</sup> Annual General Meeting of the Company.
- VII. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the scrutinizer, by use of "Ballot Paper" for all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make within a period of three (3) days from the 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 authorized by him, of the Company.
- IX. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.fmn.co.in](http://www.fmn.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).
- X. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of voting results (i.e remote e-Voting and voting held at the AGM)
26. It may be noted that shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-Voting. In case of receipt of vote by both the modes, voting done through e-Voting shall prevail and voting done by Physical Ballot shall be treated as invalid.
27. **General Guidelines for shareholders:**
- 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](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - 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](http://www.evoting.nsdl.com) to reset the password.
  - 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**Registered Office:**

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

CIN: L45400MH2008PLC179914

E-mail: [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in)

Website: [www.fmn.co.in](http://www.fmn.co.in)

Place : Mumbai

Date : August 13, 2019

**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. 4, 5, 6 & 7 of the accompanying Notice:

#### Item No. 4

The Shareholders of the Company at their 8<sup>th</sup> Annual General Meeting held on September 20, 2016 appointed M/s. Viren Gandhi & Co., Chartered Accountants as the Statutory Auditor for a period of 3 (Three) years i.e till the conclusion of the Ensuing Annual General Meeting of the Company. Since M/s. Viren Gandhi & Co., Chartered Accountants has completed their tenure of two consecutive terms as stipulated under Section 139 (2) of the Companies Act, 2013 ("the Act") they will cease to be the Statutory Auditors of the Company.

Based on the recommendation made by the Audit Committee of the Board, it is proposed to 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, in place of the retiring auditor M/s Viren Gandhi & Company bearing ICAI Firm Registration No. 111558W allotted by ICAI, for a period of 1 year from the conclusion of eleventh annual general meeting till the conclusion of the twelfth annual general meeting.

There are no material deviation in the fee payable to the statutory auditor in comparison to the fees paid to retiring statutory auditor. The fees paid to the retiring statutory auditor is disclosed in the notes to accounts.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Accordingly, the Board recommends the Special Resolution as set out in item No. 4 of the Notice for the approval of the Members.

#### Item No. 5 & 6

Pursuant to the provisions of Sections 196, 197 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder and as recommended by the Nomination, Remuneration and Compensation Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on May 21, 2019 appointed Mr. Pawan Kumar Agarwal (DIN : 01435580) as the Executive Director & Chief Financial Officer of the Company for a period of five years.

Mr. Pawan Kumar Agarwal, aged 42 years is a qualified Chartered Accountant and Company Secretary. Mr Agarwal is currently serving as the Chief Financial Officer of the Company and having versatile corporate experience of over 2 decades in strategic management, financial planning, project management, corporate restructuring, resource mobilisation, treasury, budgeting, MIS and compliance with proven ability to impact business growth, reduce costs, maximize profits, create and execute strategic business/financial plans and taxation, etc. His Director Identification Number (DIN) is 01435580. He has worked at various senior management level positions in the Group.

Considering his adequate experience in various fields, the Board recommends the appointment of Mr. Pawan Kumar Agarwal as an Executive Director and Chief Financial Officer of the Company for a period of five years with effect from May 21, 2019 on the terms as to remuneration, allowances etc. as set out in the resolution being Item No. 6 of the accompanying Notice subject to the approval of the Central Government required, if any, or any other approval as may be required under law.

Considering Mr. Pawan Kumar Agarwal capability, experience, and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and recommended for your approval.

Mr. Pawan Kumar Agarwal is not related to any Director of the Company. A brief resume of Mr. Pawan Kumar Agarwal as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as an Annexure to this Notice.

The Company is engaged in capital intensive project with long term tenures. The Company is taking all possible steps to improve the financials and performance. In view of the relevant extant provisions of law relating to payment of managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid within the limits arrived at in accordance with the requirements laid down under Schedule V, subject to the following:-

- i. The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination, Remuneration and Compensation Committee of Directors.
- ii. There is no default in repayment of any of its debts or interest payable thereon.
- iii. A special resolution has been passed at a general meeting of the Company approving the Remuneration.

The Nomination, Remuneration and Compensation Committee at its meeting held on May 21, 2019 has already approved the remuneration, payable to Mr. Pawan Kumar Agarwal, Executive Director & Chief Financial Officer of the Company. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

The specified information while seeking approval/consent of the shareholders as required under Schedule V is listed out herein below:

I.	General Information		
1)	Nature of Industry	Construction Activities / Retail Infrastructure.	
2)	Date or expected date of commencement of commercial production.	Commercial operations commenced in the year 2010.	
3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable.	
4)	Financial performance based on given indicators.		
		As per audited financial results for the year	
		(₹ in crore)	
		<b>2016-17</b>	<b>2017-18</b>
		<b>2018-19</b>	
	Paid Up Capital	56.29	56.29
	Reserves & Surplus	136.01	137.52
	Statement of Profit & Loss		
	Revenue from Operations	82.50	79.41
	Other Income	33.39	34.96
	Total Revenue	115.89	114.37
	Total Expenses	139.42	108.90
	Profit before Taxation	(23.53)	5.47
	Tax Expenses/ (Income) including Deferred Tax	0.53	3.67
5)	Foreign investments or collaborators, if any	-----	-----
II.	Information about the Appointee		
1.	Background details	Mr. Pawan Kumar Agarwal, aged 42 years is a qualified Chartered Accountant and Company Secretary. Mr Agarwal was serving as the Chief Financial Officer of the Company immediately prior to this appointment and having versatile corporate experience of over 2 decades in strategic management, financial planning, project management, corporate restructuring, resource mobilisation, treasury, budgeting, MIS and compliance with proven ability to impact business growth, reduce costs, maximize profits, create and execute strategic business/financial plans and taxation, etc. His Director Identification Number (DIN) is 01435580. He is associated with the Group and had worked at various senior management level positions.	
2.	Past remuneration	He is being appointed on the Board w.e.f May 21, 2019. Prior to the appointment, Mr. Agarwal has been designated as Chief Financial Officer of the Company and being paid remuneration in terms of his appointment.	
3.	Recognition or awards	Mr. Pawan Kumar Agarwal, was appreciated and facilitated by the Group at various occasions considering his achievements.	
4.	Job profile and his suitability.	His job involves diverse fields of business development, strategic management, financial planning, project management, corporate restructuring, resource mobilisation, treasury, budgeting, MIS and compliance including strategic planning. He is having vast experience of corporate management and possesses required competencies.	
5.	Remuneration proposed.	As mentioned in the resolution.	
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Considering the experience and knowledge of Mr. Pawan Kumar Agarwal, towards the business of the Company, the remuneration is considered to be in line with the industry norms, size of the Company and position he occupies and the segment into which the Company carries on its business.	
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Besides the remuneration proposed, Mr. Pawan Kumar Agarwal does not have any pecuniary relationship with the Company. There are no managerial personnel related to him.	

III.	Other Information	
1.	Reasons of loss or inadequate profits	The Company is engaged in capital intensive project with long term tenures and high financial costs.
2.	Steps taken or proposed to be taken for improvement	The Company is engaged in the business of construction and development activities of infra-logistic parks, project management as well as mall management activities and is expected to generate sufficient profitability in the near future.
3.	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement of its business activities and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.
IV.	Disclosures:	
1.	The remuneration package proposed to be given to Mr. Pawan Kumar Agarwal as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. The respective tenure of the aforesaid managerial personnel shall be governed by the resolutions passed by the Shareholders in General Meetings with a notice period of one month by either side.	
2.	Mr. Pawan Kumar Agarwal was not related to any Director or Promoter of the Company at any time during the period of two years prior to his appointment as an Executive Director and Chief Financial Officer.	

The Company has received a notice in writing from member along with the deposit of ₹ 1 lakh as specified in section 160 of the Companies Act, 2013 proposing the candidature of Mr. Pawan Kumar Agarwal to be appointed as an Executive Director and Chief Financial Officer of the Company in accordance with the provisions of the Companies Act, 2013.

Mr. Pawan Kumar Agarwal holds 14,500 equity shares in the Company in his name. He was also granted Employee Stock Options of 1,50,000 which are not yet exercised.

Copy of the draft letter of appointment of Mr. Pawan Kumar Agarwal as an Executive Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Accordingly, the Board recommends the Resolutions as set out in Item No. 5 & 6 of the Notice for the approval of the Members.

Save and except Mr. Pawan Kumar Agarwal and his relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

#### Item No. 7

The Company is engaged, inter alia, in the business of management of shopping malls on long term basis. Future Enterprises Limited (FEL) is identified as related party of the Company in terms of the provisions of Companies (Significant Beneficial Owners) Rules, 2018.

In the ordinary course of business, the Company has entered into various long term arrangement for lease / license / Rentals / Deposits / Common Area Maintenance Charges / Inter Corporate Deposit / Sale and Purchase of commercial / retail space with FEL in relation to their business.

Pursuant to the requirements prescribed under the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time, the details in relation to the related party transactions are provided in the resolution.

Pursuant to Regulation 23 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the aggregate value of the consideration involved with respective related party transactions can qualify as material related party transaction and hence require approval of shareholders. In terms of the said Regulation, respective members who are Interested shall abstain from voting in respect of the proposed resolution given in the notice, irrespective of whether the entity is a party to the particular transaction or not.

The Board recommends the Resolution at Item No. 7 for the approval of the Members. None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution save and except to the extent of their shareholding in the respective companies.

#### Registered Office:

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

CIN: L45400MH2008PLC179914

E-mail: info.fmnI@futuregroup.in

Website: www.fmn.co.in

Place : Mumbai

Date : August 13, 2019

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

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

## FUTURE MARKET NETWORKS LIMITED

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.	<b>Name of Director</b>	Mr. Rajesh Kalyani
	<b>DIN</b>	00220632
	<b>Date of Birth</b>	October 8, 1969
	<b>Date of Appointment</b>	September 23, 2010
	<b>Qualification</b>	Chartered Accountant
	<b>Expertise in specific functional areas</b>	Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 28 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.
	<b>Other Directorship(s) / Designated Partner</b>	Retail Light Techniques India Limited R.R. Kalyani Enterprises LLP Expandus Capital Limited
	<b>Membership in Committees</b>	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
	<b>Number of shares held in the Company</b>	41025
	<b>Relationship with other Directors</b>	None
<b>Number of meetings of the Board attended during the financial year</b>	Please refer Corporate Governance Report section of the Annual Report 2018-19	

2.	<b>Name of Director</b>	Mr. Sunil Biyani
	<b>DIN</b>	00006583
	<b>Date of Birth</b>	May 27, 1969
	<b>Date of Appointment</b>	May 30, 2013
	<b>Qualification</b>	Master's in Business Administration
	<b>Expertise in specific functional areas</b>	Mr. Sunil Biyani is a Commerce Graduate with Masters in Business Administration. He is instrumental in setting up various formats in the Group. He has extensive experience in textiles, retail sectors, building and construction, property related transactions and project management. He leads the real estate and mall management teams of various group companies within the Future Group.
	<b>Other Directorship(s) / Designated Partner</b>	Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited) Apollo Design Apparel Parks Limited Goldmohur Design and Apparel Park Limited Bartraya Mall Development Company Private Limited Splendor Fitness Private Limited Star Shopping Centres Private Limited Utility Developers Private Limited Sun City Properties Private Limited White Knight Mercantile LLP Oviya Multitrading LLP Biyani Capital Resources LLP GSR Capital Resources LLP
	<b>Membership in Committees</b>	Name of the Company : Apollo Design Apparel Parks Limited Committee : Audit Committee Position held : Member Name of the Company : Goldmohur Design and Apparel Park Limited Committee : Audit Committee Position held : Member Name of the Company : Future Market Networks Limited Committee : Stakeholders Relationship Committee Position held : Member Name of the Company: Galaxy Cloud Kitchens Limited Committee : Stakeholders Relationship Committee Position held : Member
	<b>Number of shares held in the Company</b>	50. In terms of the shareholding pattern of the Company, Mr. Sunil Biyani is a part of Promoter Group.
	<b>Relationship with other Directors</b>	None
<b>Number of meetings of the Board attended during the financial year</b>	Please refer Corporate Governance Report section of the Annual Report 2018-19	

3.	<b>Name of the Director</b>	Mr. Pawan Kumar Agarwal
	<b>DIN</b>	01435580
	<b>Date of Birth</b>	April 16, 1977
	<b>Qualifications</b>	Chartered Accountant and Company Secretary
	<b>Date of Appointment</b>	May 21, 2019
	<b>Expertise in specific functional areas</b>	Mr. Pawan Kumar Agarwal, aged 42 years is a qualified Chartered Accountant and Company Secretary. Mr. Agarwal is currently serving as the Chief Financial Officer of the Company and having versatile corporate experience of over 2 decades in strategic management, financial planning, project management, corporate restructuring, resource mobilisation, treasury, budgeting, MIS and compliance with proven ability to impact business growth, reduce costs, maximize profits, create and execute strategic business/financial plans and taxation, etc. He is associated with the Group and had worked at various senior management level positions.
	<b>Other Directorships Held</b>	Knitted Shirts Private Limited Future Retail Destination Limited Future Trade Markets Private Limited Riddhi Siddhi Mall Management Private Limited Aashirwad Malls Private Limited Jeremia Real Estate Private Limited Gati Realtors Private Limited
	<b>Membership in Committees</b>	Name of the Company : Future Retail Destination Limited Committee : Audit Committee, Nomination, Remuneration and Compensation Committee Position held : Chairman Name of the Company : Gati Realtors Private Limited Committee : Audit Committee and Nomination, Remuneration and Compensation Committee Position held : Chairman
	<b>Number of shares held in the Company</b>	14500
	<b>Relationship with other Directors</b>	None



# Board's Report

**Report by Board of Directors**

To the Members,

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report of Future Market Networks Limited ("the Company") along with the audited financial statements for the financial year ended March 31, 2019.

**Financial Results:**

The Company's performance during the financial year ended March 31, 2019 as compared to the previous financial year is summarized below:

**a) Standalone**

(₹ in lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from Operations	10378.57	7941.43
Other Income	1849.60	3496.26
<b>Total Income</b>	<b>12228.17</b>	<b>11437.69</b>
Operating Cost	4942.36	4868.65
Cost of units sold	3.54	39.28
Personnel Cost	389.93	469.82
Other Expenses	1239.48	699.51
<b>Total Expenditure</b>	<b>6575.31</b>	<b>6077.26</b>
Profit before Interest, Depreciation and Tax	5652.86	5360.43
Less: Interest	1957.02	2326.54
Less: Depreciation	2505.88	2486.41
Profit / (Loss) before Taxation	<b>1189.96</b>	<b>547.48</b>
Less: Exceptional Item	-	-
Less: Provision for taxation	-	-
Less: Deferred Tax/Earlier Year's Provision Written back	225.93	367.20
<b>Profit (Loss) after Taxation</b>	<b>964.03</b>	<b>180.28</b>

**b) Consolidated**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from Operations	10860.48	8424.76
Other Income	1699.84	3373.64
<b>Total Revenue</b>	<b>12560.32</b>	<b>11798.40</b>
Operating Cost	5017.44	4966.47
Cost of units sold	3.54	39.28
Personnel Cost	418.33	469.82
Other Expenses	1380.20	806.83
<b>Total Expenditure</b>	<b>6819.51</b>	<b>6282.40</b>
Profit before Interest, Depreciation and Tax	5740.81	5516.00
Less: Interest	2026.27	2457.12
Less: Depreciation	2626.32	2607.61
Add: Share of net profit of associates and joint ventures accounted by using equity method	145.77	(1639.62)
Add: Profit on conversion of investment in equity instruments of joint venture into subsidiaries	-	149.41
<b>Profit before tax from Continuing Operations</b>	<b>1249.52</b>	<b>(1038.94)</b>
Less: Provision for taxation/Earlier Year's Provision Written back	11.00	19.84
Less: Deferred Tax	273.12	399.71
<b>Profit/(Loss) after Taxation from continuing operation</b>	<b>949.87</b>	<b>(1458.49)</b>
<b>Profit/(Loss) from discontinued operation</b>	<b>7.75</b>	<b>-</b>
<b>Profit/ (Loss) for the year</b>	<b>957.62</b>	<b>(1458.49)</b>

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.

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

Your Company had entered into a 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") in order to consolidate the business under single entity. The scheme is approved by Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench on August 2, 2019. The Appointed Date under the Scheme is April 1, 2017.

### **Standalone Highlights**

During the year ended March 31, 2019, your Company has achieved total Revenue (i.e. Revenue from Operations & Other income) of ₹12228.17 Lakhs as against ₹11437.69 Lakhs for the previous year ended March 31, 2018. Your Company has achieved Profit before tax of ₹ 1189.96 Lakhs for the current year as against ₹ 547.48 Lakhs for the previous year (an increase of 117.35 % over the previous year).

### **Consolidated Highlights**

During the year ended March 31, 2019, your Company's consolidated Revenue stood at ₹ 12560.32 Lakhs as against ₹ 11798.40 Lakhs for the previous year ended March 31, 2018. Your Company has achieved Profit before tax of ₹ 1249.52 Lakhs for the current year as against a loss of ₹ 1038.94 Lakhs for the previous year on consolidated basis.

### **Business outlook**

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 engaged to construct, develop and sell 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) (SPV 1 and 2 (SPV's) both are presently wholly owned subsidiaries of FMNL), entered into a strategic arrangement with ESR NAGPUR 1 PTE LTD and ESR DELHI 3 PTE LTD (investor SPV's) respectively.

Your Company shall dilute 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 SPV's.

### **Secretarial Standards**

During the financial year ended March 31, 2019, 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.

### **Dividend**

The Board is not recommending any dividend for the financial year ended March 31, 2019 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.

### **Unpaid / Unclaimed fractional entitlement**

In terms of the provisions of Section 125(2)(l) of the Act and other applicable provisions of the Act read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, an amount of ₹ 73,268 (Rupees seventy three thousand two hundred sixty eight only) related to sale proceeds of fractional shares arising out of the Scheme of Demerger arrangement with Pantaloon Retail India Limited (now known as Future Enterprises Limited) was transferred to the Investor Education and Protection Fund during the year under review.

### **Appropriations**

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

### **Share Capital**

The Authorized Share Capital of the Company is ₹ 90,31,00,000/- (Rupees Ninety Crores Thirty One Lakhs) divided into 9,02,60,000 equity shares of ₹ 10/- each and 5000 Preference Shares of ₹ 100/- each.

The subscribed and paid up share capital of the Company as on March 31, 2019 is ₹ 56,29,12,810/- divided into 5,62,91,281 equity shares of ₹ 10/- each.

### **Credit Rating**

Acuite Ratings & Research Limited (erstwhile SMERA Ratings Limited) has assigned the rating of 'ACUITE 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.

## Deposits from Public

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 are not applicable.

## 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, 2019 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](http://www.fmn.co.in).

## Subsidiaries and Associates

At the beginning of the year, your Company had 6 subsidiaries and 3 Associates. During the year under review:

- i. Future Retail Destination Limited became a Wholly Owned Subsidiary of the Company with effect from September 18, 2018 as compared to a Joint Venture in the previous financial year and Jeremia Real Estate Private Limited became a Wholly Owned Subsidiary on account of acquisition of 100% of the paid up share capital by the Company with effect from August 28, 2018, and
- ii. Utility Developers Private Limited ceased to be the Joint Ventures / Associates of the Company.

As on March 31, 2019 the Company has the following Subsidiaries and joint ventures:

Sr. No.	Name of the Subsidiary	Sr. No.	Name of the Subsidiary
1	Aashirwad Malls Private Limited	5	Sun City Properties Private Limited
2	Suhani Mall Management Company Private Limited	6	Gati Realtors Private Limited
3	Future Trade Markets Private Limited	7	Future Retail Destination Limited
4	Star Shopping Centres Private Limited*	8	Jeremia Real Estate Private Limited
<hr/>			
Sr. No.	Name of the Joint Venture		
1	Riddhi Siddhi Mall Management Private Limited		

\* Note: Star Shopping Centres Private Limited is treated as Joint Venture while preparation of Financial Statements in terms of IND AS.

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 'A'**.

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.

## Director's Responsibility Statement

To the best of their knowledge and belief, Directors of the Company make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever applicable;
- b) they have selected such accounting policies and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- 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, 2019 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.

## Corporate Governance

In compliance with the Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is given as an Annexure and forms an integral part of this Annual Report. A Certificate from the statutory auditors confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended to the Corporate Governance Report.

## Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 (2) of the Listing Regulations is appended to this 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

Mr. Sunil Biyani was appointed as the Managing Director of the Company for a period of 5 (five) years, with effect from May 30, 2013. His term was completed on May 30, 2018 and he ceased to be the Managing Director of the Company. However, Mr. Sunil Biyani shall continue to be on the Board of the Company as a Non-Executive Director liable to retire by rotation.

Mr. Pramod Arora was appointed as a Whole Time Director of the Company for a period of 3 (three) years with effect from August 14, 2017. Mr. Pramod Arora resigned as the Whole Time Director of the Company with effect from October 08, 2018. However, Mr. Pramod Arora shall continue to be on the Board of the Company as a Non-Executive Director liable to retire by rotation.

Mr. Pawan Kumar Agarwal, is appointed as an Additional Director with effect from May 21, 2019 and designated as Executive Director and Chief Financial Officer of the Company for a period of 5 (five) years, subject to the approval of the members at the ensuing Annual General Meeting.

### Appointment

In terms of the provisions of Section 152 (6) (c) of the Act read with the Articles of Association of the Company, Mr. Sunil Biyani and Mr. Rajesh Kalyani will retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers themselves for reappointment and resolution for their reappointment, is incorporated in the Notice of the ensuing Annual General Meeting. The Board recommends their reappointment for your approval.

On the recommendation of Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company at its meeting held on May 21, 2019, subject to the approval of the members of the Company, appointed Mr. Pawan Kumar Agarwal as an Executive Director and Chief Financial Officer of the Company, not liable to retire by rotation for a period of 5 (five) years commencing from May 21, 2019 to May 20, 2024 (both days inclusive) on the terms and conditions as set out in the Agreement duly executed between the Company and Mr. Pawan Kumar Agarwal. Requisite proposal seeking your approval for his appointment and payment of remuneration forms part of the Notice convening the 11<sup>th</sup> Annual General Meeting of the Company. The Board recommends his appointment for your approval.

The brief resume and other information as required under Regulation 36 (3) of Listing Regulations relating to Mr. Sunil Biyani, Mr. Rajesh Kalyani and Mr. Pawan Kumar Agarwal 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

All Independent Directors of the Company have submitted the declaration of Independence as required under Section 149 (7) of the Act, confirming that they meet the criteria of independence as laid down under Section 149 (6) of the Act and read with applicable provisions of the Listing Regulations.

### Performance Evaluation

Pursuant to the provisions of Section 134(3)(d), Section 149(6) and Schedule IV of the Act read with 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

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 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.

The details of loans given, guarantees given, investments made and securities provided under the provisions of Section 186 of the Act are provided in the Notes to the standalone financial statement.

### 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.

### Disclosure relating to Employee Stock Option Scheme

#### i. FMNL - Employee Stock Option Scheme - 2012

All the options granted under FMNL – Employee Stock Option Scheme – 2012 were either exercised or lapsed. Considering the administrative convenience and better governance the Scheme was suspended with effect from May 25, 2018.

#### ii. 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 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 during the year under review lapsed consequent to the resignation of the employee.

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, 2019 are furnished as **Annexure "B"** attached herewith and forms part of this report.

### 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, 2019 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 January 30, 2019, 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.

### 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.

### **Auditors and their Reports**

The matters related to Auditors and their Reports are as under:

#### **Observations of statutory auditors on financial statements for the year ended March 31, 2019**

The Auditor's Report on Standalone and Consolidated Ind AS financial statements is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Statutory Auditors has not reported any matter under Section 143(12) of the Act in respect to their report for the year ended March 31, 2019. Therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

#### **Statutory Auditors and their report**

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.

The Shareholders of the Company at their 8<sup>th</sup> Annual General Meeting held on September 20, 2016 appointed M/s. Viren Gandhi & Co., Chartered Accountants as the Statutory Auditor for a period of 3 (Three) years i.e till the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company which is scheduled to be held on September 16, 2019. Since M/s. Viren Gandhi & Co., Chartered Accountants has completed their tenure of two consecutive terms as stipulated under Section 139 (2) of the Act, they will cease to be the Statutory Auditors of the Company.

M/s. S K Patodia & Associates., Chartered Accountants, Mumbai, bearing ICAI Registration No. 112723W had accorded their consent to be appointed as Statutory Auditors of the Company in place of M/s. Viren Gandhi & Co. Chartered Accountants, Mumbai.

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.

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.

#### **Secretarial Auditor and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Act, Mr. Alwyn D'Souza of Alwyn D'Souza & Company, Practicing Company Secretaries (CP No. 5137) had been appointed to undertake the secretarial audit of the Company for the financial year ended on March 31, 2019. The Secretarial Audit Report is annexed herewith as **Annexure 'C'**, which forms an integral part of this report. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act. Therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

#### **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.

#### **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](http://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 'D'**, 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.

### **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 73.06 % 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.

### **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 behavior 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>.

### **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 'E'** to this Report.

### **Corporate Social Responsibility (CSR)**

In accordance with the requirements of Section 135 of the Act 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.

### **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.

### **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 'F'** 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, 2019 shall be placed on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in).

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

Mr. Pramod Arora, Whole Time Director of the Company (up to October 08, 2018) was appointed as the Managing Director of Future Retail Destination Limited (FRDL), which is wholly owned subsidiary of the Company with effect from September 18, 2018.

Remuneration paid to Mr. Pramod Arora from FRDL being its Managing Director and the aggregate remuneration payable from both the companies up to October 08, 2018 has not exceed the overall remuneration as set out in the resolution approved by the Shareholders of the Company at any point of time.



**Detection of Fraud**

There have been no instance of Fraud reported by the Auditors under section 143 (12) of the Act and Rules framed thereunder either to the Company or the Central Government.

**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.

**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.

**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, 2019 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 'G'**.

**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 'H'** to the Board's report. The auditor's certificate for financial year 2019 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](http://www.fmn.co.in).

**Policy on Director's Appointment and Remuneration**

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 Act, is available on our website at [www.fmn.co.in](http://www.fmn.co.in).

There has been no change in the policy since last fiscal. We affirm that the remuneration paid to directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

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 letter of appointments issued to independent directors is available on our website at [www.fmn.co.in](http://www.fmn.co.in).

**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](http://www.fmn.co.in).

**Listing on stock exchanges**

The Company has entered into Listing Agreement with BSE Limited (BSE) and The National Stock Exchange of India Ltd. (NSE) in terms of the Regulation 34 (3) read with Schedule V of the Listing Regulations, and the listing fee for the year 2019-20 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, 2019, 99.89% 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, 2019 with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo has been annexed to this Report as **Annexure 'I'** which forms an integral part of this report.

### Maintenance of cost records

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

### 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

Vijai Singh Dugar  
Chairman  
DIN: 06463399

Pawan Kumar Agarwal  
Executive Director & CFO  
DIN: 01435580

Place: Mumbai

Date: August 13, 2019

**ANNEXURE 'A' 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.**  
(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	Subsidiary 6	Subsidiary 7	Subsidiary 8
1	Name of the subsidiary	Aashirwad Malls Pvt. Ltd.	Suhani Mall Management Co. Pvt. Ltd	Future Trade Markets Pvt. Ltd.	Star Shopping Centres Pvt. Ltd.	Sun City Properties Pvt. Ltd.	Gati Realtors Private Limited	Jeremia Real Estate Pvt. Ltd.	Future Retail Destination Limited
2	Date of becoming subsidiary	20/01/2012	20/01/2012	20/01/2012	20/01/2012	20/01/2012	14/08/2017	28/08/2018	18/09/2018
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
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	NA	NA	NA
5	Share capital	10,00,000	98,23,010	65,80,300	2,50,000	2,06,00,000	10,86,25,000	1,00,000	30,00,00,000
6	Reserves & surplus	7,47,543	28,52,60,552	23,27,23,551	1,12,37,789	(18,51,610)	(3,89,341)	(13,35,140)	(59,71,597)
7	Total assets	45,00,288	84,91,73,787	24,39,28,549	8,09,93,852	8,42,45,252	12,47,05,143	19,03,813	30,99,87,140
8	Total Liabilities	27,52,745	55,40,90,225	46,24,698	6,95,06,063	6,54,96,862	1,64,69,484	31,38,953	1,59,58,737
9	Investments	-	24,09,16,896	20,32,33,513	-	-	-	-	8,29,94,084
10	Turnover	44,92,402	4,38,48,403	1,52,12,152	27,76,68,823	2,91,729	-	-	30,07,584
10	Profit / Loss before taxation	(2,40,856)	94,75,424	97,03,831	77,40,619	1,24,648	(2,44,196)	(4,72,125)	16,33,464
11	Provision for taxation/ Deferred Tax	-	32,51,194	25,36,502	80,72,090	32,409	-	-	7,78,462
12	Profit after taxation	(2,40,856)	62,24,230	71,67,329	(3,31,471)	92,239	(2,44,196)	(4,72,125)	8,55,002
13	Proposed Dividend	-	-	-	-	-	-	-	-
14	% of shareholding	100.00%	86.26%	100.00%	60.00%	55.17%	100.00%	100.00%	100.00%

Names of subsidiaries which are yet to commence operations - Sun City Properties Private Limited

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

Note: (i) Star Shopping Centres Private Limited is treated as Joint Venture for the purpose of IND AS while preparation of Financial Statements.

(ii) Future Retail Destination Limited was already accounted as subsidiary w.e.f. May 30, 2017 as per IND AS while preparation of Financial Statements.

**Part "B": Associates and Joint Ventures**

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

Sr. No.	Name of Associates/Joint Ventures	Riddhi Siddhi Mall Management Pvt. Ltd.
1	Latest audited Balance Sheet Date	31-Mar-19
2	Date of becoming Associate/Joint Venture	20-Jan-12
3	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	6,384
	Amount of Investment in Associates/Joint Venture (₹)	16,29,77,636
	Extend of Holding%	50%
4	Description of how there is significant influence	In terms of Joint Venture Agreement
5	Reason why the associate/joint venture is not consolidated	-
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹)	63,60,02,006
7	Profit/Loss for the year (₹)	2,95,50,760
i.	Considered in Consolidation (₹)	1,47,75,380
ii	Not Considered in Consolidation (₹)	1,47,75,380

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 Utility Developers Pvt. Ltd. w.e.f. 28-09-2018

\* Future Retail Destination Limited became a wholly owned subsidiary of the Company w.e.f 18-09-2018

**For and on behalf of Board of Directors**

Place: Mumbai  
Date: August 13, 2019

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Pawan Kumar Agarwal**  
Executive Director & CFO  
DIN: 01435580

## ANNEXURE 'B' 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, 2019.

Sr. No.	Particulars	"Future Market Networks Limited Employee Stock Option Scheme (ESOS) – 2016"
1)	Options granted during the year	7,60,000 (PY: Nil)
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	5,50,000 (PY: Nil)
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: Nil)
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 conversations) 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 'C' TO THE BOARD'S REPORT

FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 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, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the 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, 2019** 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.
- (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 there of 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 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 ₹17.41 Cr (over and above the existing receivables standing in the books) 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 Equity Shareholders of the Company at their meeting convened on September 19, 2018 as per the directions of the National Company Law Tribunal, Mumbai Bench and the matter was pending as on March 31, 2019.
- (c) Mr. Pramod Arora has resigned as Whole Time Director of the Company w.e.f. October 8, 2019 and continued as Non-Executive Director on the Board of the Company. Further, Mr. Sunil Biyani was appointed as the Managing Director of the Company for a period of 5 years with effect from May 30, 2013 in terms of the resolutions passed by the members and accordingly his term was completed and ceased to be the Managing Director of the Company w.e.f. May 30, 2018. He has continued to be as a Non-Executive Director on the Board of the Company. However, the Company is in the process of appointing the suitable person to comply with the requirement of Section 203 of the Companies Act, 2013.
- (d) During the financial year, the Company has completed the acquisition of 50% equity share capital of Future Retail Destination Limited (viz. 1,50,00,000 equity shares of ₹10/- each) held by IL&FS Township and Urban Assets Limited (ITUAL) in terms of the Share Purchase Agreement entered into between the parties on May 31, 2017. Consequent to the completion of aforesaid acquisition, Future Retail Destination Limited (FRDL) became a Wholly Owned Subsidiary of the Company.
- (e) During the financial year, the Company has acquired 100% equity share capital of a private limited company viz. Jeremia Real Estate Private Limited (JREPL). Accordingly, JREPL has now become a Wholly Owned Subsidiary of the Company.
- (f) During the financial year, FMNL – Employee Stock Option Scheme – 2012 was suspended and the Company has granted 7,60,000 options at first tranche under FMNL – Employee Stock Option Scheme – 2016 with the approval of Nomination and Remuneration Committee at its meeting held on May 25, 2018.

**Alwyn D'Souza & Co.**  
Company Secretaries

**Alwyn D'Souza, FCS.5559**  
[Proprietor]

[Certificate of Practice No.5137]

Place: Mumbai  
Date: May 21, 2019

Note: This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

### ANNEXURE 1 TO THE SECRETARIAL AUDIT REPORT

To,  
The Members,  
Future Market Networks Limited

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. The verification was done 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]

Place: Mumbai

Date: May 21, 2019



## ANNEXURE 'D' TO BOARD' 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:

Name(s) of the related party and nature of relationship	Nil
Nature of contracts / arrangements / transactions	
Duration of the contracts / arrangements / transactions	
Salient terms of the contracts / arrangements / transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date(s) of approval by the Board	
Amount paid as advances, if any	
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:

Name(s) of the related party and nature of relationship.	Future Retail Limited (FRL) (In terms of Indian Accounting Standard 24)
Nature of contracts / arrangements / transactions.	Rentals / Deposits / Common Area Maintenance Charges / Inter Corporate Deposit / Advances / Reimbursement of expenses.
Duration of the contracts / arrangements / transactions.	Based on the commercial arrangement
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.
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.
Amount paid as advances, if any.	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: August 13, 2019

**ANNEXURE 'E' 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 2018-19 are as under:

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (₹ in Lakhs) (1)	% increase in Remuneration in the financial year 2018-19 (2)	Ratio of Remuneration of each Director to MRE for financial year 2018-19 (3=(1)/MRE)
Mr. Sunil Biyani Non-Executive Director	-	-	-
Mr. Pramod Arora** Whole Time Director	46.09	-	5.12
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	40.39	8.00	4.48
Mr. Pawan Agarwal Chief Financial Officer	51.38	8.00	5.70

(Above excludes sitting fee, whosoever applicable)

\*\* Ceased to be Whole Time Director w.e.f October 08, 2018.

- ii. The Median Remuneration of the Employees of the Company during the financial year 2018-19 under review is ₹ 75,063/- as compared to ₹ 77,761/- in the previous Financial Year 2017-18.
- iii. The percentage increase in the median remuneration of employees in the financial year: (3.47)%
- iv. Number of permanent employees on the rolls of Company as on March 31, 2019: 19 (Nineteen).
- 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: 10%.
- vi. Percentage increase/ (decrease) in the managerial remuneration: N.A.
- vii. 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 2018-19 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 2018-19 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**

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Pawan Kumar Agarwal**  
Executive Director & CFO  
DIN: 01435580

Place: Mumbai  
Date: August 13, 2019

## ANNEXURE 'F' TO THE BOARD'S REPORT

FORM NO. MGT – 9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended March 31, 2019

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

<b>I. Registration and other details</b>	
CIN	L45400MH2008PLC179914
Registration Date	March 10, 2008
Name of the Company	Future Market Networks Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details.	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai - 400060 Tel. No: 022-40695603 Fax: 022-40695773
Whether Listed Company	Yes
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	99.93

**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
<b>Riddhi Siddhi Mall Management Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U70102MH2006PTC161884	Associate	50	2 (6)
<b>Future Retail Destination Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U51909MH2008PLC181060	Subsidiary	100	2 (87)
<b>Suhani Mall Management Company Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45200MH2005PTC156837	Subsidiary	86.27	2 (87)
<b>Future Trade Markets Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45400MH2011PTC224924	Subsidiary	100	2 (87)
<b>Aashirwad Malls Private Limited</b> Ahmedabad City Mall, Opp. Arya Samaj Mandir, Raipur -Kankaria Road, Raipur, Ahmedabad, Gujarat- 380022	U70101GJ2004PTC045030	Subsidiary	100	2 (87)
<b>Star Shopping Centres Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U51101DL2008PTC184935	Subsidiary	60	2 (87)

Name and address of the Company	Corporate Identity Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
<b>Sun City Properties Private Limited</b> 16A, Brabourne Road 9 <sup>th</sup> Floor Kolkata, West Bengal 700001	U70109WB1998PTC087521	Subsidiary	55.17	2 (87)
<b>Gati Realtors Private Limited</b> 5 <sup>th</sup> Floor, Future Group Office, SOBO Central Mall, 28, Pt. Madan Mohan Malviya Road, Nr Haji Ali, Tardeo, Mumbai - 400034	U45203MH2013PTC248056	Subsidiary	100	2 (87)
<b>Jeremia Real Estate Private Limited</b> 5 <sup>th</sup> Floor, Future Group Office, SOBO Central Mall, 28, Pt. Madan Mohan Malviya Road, Nr Haji Ali, Tardeo, Mumbai - 400034	U74999MH2013PTC244711	Subsidiary	100	2 (87)
<b>Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)</b> Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U74140MH2007PTC175603	Holding	73.06	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	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual / HUF	541	--	541	--	541	--	541	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	41182869	--	41182869	73.16	41182869	--	41182869	73.16	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(1)</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>73.16</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>73.16</b>	<b>--</b>
<b>2) Foreign</b>	--	--	--	--	--	--	--	--	--
a) NRI's- Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>73.16</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>73.16</b>	<b>--</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds / UTI	4527	--	4527	0.01	4527	--	4527	0.01	--
b) Banks / FI	260452	--	260452	0.46	263767	--	263767	0.47	0.01
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	31184	--	31184	0.06	31184	--	31184	0.06	--
g) FI's	--	--	--	--	--	--	--	--	--

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	
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
j) Foreign Portfolio Investors	17040	--	17040	0.03	50000	--	50000	0.09	0.06
<b>Sub-Total (B) (1)</b>	<b>313203</b>	<b>--</b>	<b>313203</b>	<b>0.56</b>	<b>349478</b>	<b>--</b>	<b>349478</b>	<b>0.62</b>	<b>0.06</b>
<b>1) Non - Institutions</b>									
a) Bodies Corporate									
i. Indian	9125435	197	9125632	16.21	8115155	197	8115352	14.42	-1.79
ii. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	1661431	62411	1723842	3.06	2465485	59971	2525456	4.49	1.43
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3493954	--	3493954	6.21	3710094	--	3710094	6.59	0.38
c) NBFCs registered with RBI	--	--	--	--	1550	--	1550	0.00	--
d) Others (specify)									
i. Non-Resident Indian (Repat)	31131	110	31241	0.06	39973	110	40083	0.07	0.01
ii. Non-Resident Indian (Non- Repat)	13156	--	13156	0.02	21259	--	21259	0.04	0.02
iii. Clearing Member	282493	--	282493	0.50	116831	--	116831	0.21	-0.29
iv. Directors & Relative	41025	--	41025	0.07	41025	--	41025	0.07	--
v. Trusts	23	--	23	0.00	--	--	--	0.00	--
vi. Hindu Undivided Family	83302	--	83302	0.15	186743	--	186743	0.33	0.18
<b>Sub-Total (B) (2)</b>	<b>14731950</b>	<b>62718</b>	<b>14794668</b>	<b>26.28</b>	<b>14698115</b>	<b>60278</b>	<b>14758393</b>	<b>26.22</b>	<b>-0.06</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>15045153</b>	<b>62718</b>	<b>15107871</b>	<b>26.84</b>	<b>15047593</b>	<b>60278</b>	<b>15107871</b>	<b>26.84</b>	<b>--</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Grant Total (A+B+C)</b>	<b>56228563</b>	<b>62718</b>	<b>56291281</b>	<b>100.00</b>	<b>56231003</b>	<b>60278</b>	<b>56291281</b>	<b>100</b>	<b>--</b>

## 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 Pvt. Ltd. (Formerly known as Suhani Trading And Investment Consultants Pvt. Ltd.)	41129343	73.06	60.49	41129343	73.06	71.68	-
Surplus Finvest Private Limited	53526	0.10	53526	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	-
<b>Total</b>	<b>41183410</b>	<b>73.16</b>	<b>60.49</b>	<b>41183410</b>	<b>73.16</b>	<b>71.68</b>	

**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	73.16
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the end of the year	41183410	73.16	41183410	73.16

**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	4309260	7.65	4097145	7.28
2. Genil Commotrade Private Limited	2700000	4.80	2237597	3.98
3. Kapil Narendra Gupta	2090000	3.71	1970000	3.50
4. Jugal Kishore Maheshwari	0	0.00	380000	0.67
5. Sanghai Commercial And Credits Private Limited	0	0.00	288575	0.51
6. Life Insurance Corporation of India	260447	0.46	260447	0.46
7. Anika Merchants And Traders Private Limited	304169	0.54	202435	0.36
8. Rivaaz Trade Ventures Private Limited	62163	0.11	196197	0.35
9. Misbah Jan.	172000	0.31	180200	0.32
10. Adibhuta Investments Private Limited	0	0.00	145000	0.26
11. Punyah Business Ventures Private Limited	167650	0.30	106198	0.19
12. Mohini Resources Private Limited	450000	0.80	0	0.00
13. Payal Commercial Company Limited	447150	0.79	0	0.00
14. Ashok Kumar Todi	139608	0.25	0	0.00

**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
<b>Mr. Sunil Biyani</b>				
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):	-	-	-	-
<b>At the end of the year</b>	<b>50</b>	<b>0.00</b>	<b>50</b>	<b>0.00</b>

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
<b>Mr. Rajesh Kalyani</b>				
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):	-	-	-	-
<b>At the end of the year</b>	<b>41,025</b>	<b>0.07</b>	<b>41,025</b>	<b>0.07</b>

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
<b>Mr. Anil Cherian, Head: Legal &amp; Company Secretary</b>				
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):	-	-	-	-
<b>At the end of the year</b>	<b>12,500</b>	<b>0.02</b>	<b>12,500</b>	<b>0.02</b>

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
<b>Mr. Pawan Kumar Agarwal, Chief Financial Officer</b>				
At the beginning of the year	11,069	0.02	11,069	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):	-69 (sale of shares on 16/04/2018)	0.00	11,000	0.02
	817 (bought shares on 11/10/2018)	0.00	11,817	0.02
	2183 (bought shares on 11/12/2018)	0.00	14,000	0.02
	500 (bought shares on 20/02/2019)	0.00	14500	0.03
<b>At the end of the year</b>			<b>14,500</b>	<b>0.03</b>

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
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	78.04	283.47	-	361.51
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>78.04</b>	<b>283.47</b>	<b>-</b>	<b>361.51</b>
<b>Change in Indebtedness during the financial year</b>				
i. Addition	-	177.89	-	177.89
ii. Reduction	-43.04	-105.71	-	-148.75
<b>Net Change</b>	<b>-43.04</b>	<b>72.18</b>	<b>-</b>	<b>29.14</b>

Particulars	Secured Loans excluding Deposits	Unsecured Loans/ Advances	Deposits	Total Indebtedness
Indebtedness at the end 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	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>35.00</b>	<b>355.65</b>	<b>-</b>	<b>390.65</b>

**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. Pramod Arora* Whole Time Director	Total Amount
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	46.09	46.09
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - as others specify	- -	- -
5	Others , Please specify	-	-
	<b>Total A</b>	<b>46.09</b>	<b>46.09</b>

\* Ceased to be the Whole Time Director w.e.f October 08, 2018.

**B. Remuneration to other Directors:**

(in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	<b>K. A. Somayajulu</b>	<b>Vijai Singh Dugar</b>	<b>Udita Jhunjunwala</b>	
	• 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
2.	Other Non- Executive Directors	<b>Rajesh Kalyani</b>	<b>Pramod Arora</b>	<b>Sunil Biyani</b>	
	• Fee for attending board / committee meetings	3,35,000	80,000	1,20,000	5,35,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	3,35,000	80,000	1,20,000	5,35,000
	Total (B) = (1+2)				<b>13,45,000</b>
	<b>Total Managerial Remuneration</b>				<b>13,45,000</b>
	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	40.10	51.05
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.29	0.33
	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	-	-
	<b>Total</b>	<b>40.39</b>	<b>51.38</b>

\* 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, 2019.

### ANNEXURE 'G' TO THE BOARD'S REPORT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Future Market Networks Limited

We have examined the compliance of conditions of corporate governance by Future Market Networks Limited ("the Company"), for the year ended March 31, 2019, as prescribed in Regulation 17 to 27, 46 (2) (b) to (i) and para C, D, and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable.

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

**For and on behalf of  
Viren Gandhi & Co.  
Firm Registration No: 111558W  
Chartered Accountants**

**Chintan Gandhi  
Partner  
Membership No: 137079**

Place: Mumbai

Date: May 21, 2019

**ANNEXURE 'H' TO THE BOARD'S REPORT**

Declaration by Executive Director & CFO

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 & CFO 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, 2019.

**For Future Market Networks Limited**

Date: August 13, 2019  
Place: Mumbai

Sd/-  
**Pawan Kumar Agarwal**  
Executive Director & CFO  
DIN: 01435580

**ANNEXURE 'I' 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 ware houses 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:

Nil

- 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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in lakhs)

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**Future Market Networks Limited**

We have examined the Register and other records/documents maintained by **Future Market Networks Limited** (CIN: L45400MH2008PLC179914) hereinafter referred to as "the Company") for issuing this certificate, in accordance with Regulation 34(3) read with Sub Clause 10(i) of Clause C of Schedule V of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the information and explanations given to us and based on such verification as considered necessary, we hereby certify the following Directors on the Board of the Company are not debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority for the year ended March 31, 2019:

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.	Somayajulu Kodukula Ayyanna	02535927	Director	13/11/2014
5.	Pramod Arora	02559344	Director	14/08/2017
6.	Vijai Singh Dugar	06463399	Director	01/02/2013

**Alwyn D'Souza & Co.**  
Company Secretaries

**Alwyn D'Souza, FCS.5559**  
[Proprietor]

[Certificate of Practice No.5137]

Place: Mumbai  
Date: April 1, 2019

## Management Discussion & Analysis

### Economic review

#### Indian economy

According to the Asian Development Bank, growth of Indian economy is expected to pick up in FY20 on revived rural consumption, continued growth in private investment in response to improved bank and corporate balance sheets, more competitive domestic firms and products under the Goods and Services Tax. Domestic demand is expected to remain the main driver of growth.

Investment is growing steadily, driven by the gradual increase in capacity utilization, large infrastructure programmes and recent structural reforms which are supporting investors' confidence, in particular the new Insolvency and Bankruptcy Code and public bank recapitalization. Private consumption remains strong, in particular in rural areas where incomes are benefitting from the good monsoon and steady government spending on rural roads, housing and employment programs.

#### Real Estate Industry

The real estate markets are witnessing a revival, post the slowdown in 2017. The government's policy push to affordable housing is helping this segment gain traction and developers across the country are showing a keen interest in participating in this sector's growth story. The real estate sector holds considerable significance in India and is expected to contribute about 13% by 2025. By 2030, the Indian real estate industry is expected to touch USD1 trillion, becoming the third largest globally.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

Another rising sector is organized warehousing, which has seen a sharp increase in demand due to advancements in e-commerce. Now, with the liberalization of FDI policy, demand for warehousing is expected to escalate even more. The electronic and white goods segment is another key driver, as the need for substantial warehouses in urban and semi-urban areas will increase. According to an industry report, India is set to witness investments close to ₹ 50,000cr for creation of warehousing facilities across the country between 2018 and 2020.

The Indian warehouse market was worth ₹ 561 Billion in 2018. The market is further projected to reach ₹ 968 Billion by 2024, growing at a CAGR of 9.5% during 2019-2024.

With the January-March period of 2019 witnessing 8.4 million square feet of absorption, it is expected to clock around 38 million square feet by end of 2019. With high demand, lease transactions have remained high so far.

#### Arrangement for Logistic Park

Company is engaged to construct, develop and sell 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) (SPV 1 and 2 (SPV's) both are presently wholly owned subsidiaries of FMNL), entered into a strategic arrangement with ESR NAGPUR 1 PTE LTD and ESR DELHI 3 PTE LTD (investor SPV's) respectively.

Your Company shall dilute 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 SPV's.

#### 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.

Through the scheme of merger, Star Shopping Centres Private Limited is getting merged with the Company. The scheme is aimed strengthening 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.

## 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 increased by 30.69% to ₹ 103.79 Crores in 2018-19 from ₹ 79.41 Crores in 2017-18.

### Other Income

Other Income decreased to ₹ 18.50 Crores for 2018-19 from ₹34.96 Crores for 2017-18.

### Operating Margin

EBIDTA (including other income) for 2018-19 was ₹ 56.48 Crores as compared to ₹ 53.43 Crores for 2017-18. In terms of percentage, EBIDTA remains stable at 5.70% for 2018 -19 and for 2017-18.

## Costs & Expenses

- **Employee Costs**

Manpower cost for 2018-19 was ₹ 3.90 Crores, which decreased from ₹ 4.70 Crores in 2017-18. In terms of percentage of Turnover, it decreased to 3.19% as compared to 4.11 % in the previous year. The decrease is mainly due to increase in turnover for current year.

- **Other Expenses**

Other Expenses as a percentage of turnover has increased to 10.14 % in 2018-19 as compared to 6.12 % in 2017-18.

- **Interest Expenses**

Interest expenses for the year 2018-19 decreased to ₹ 19.52 Crores from ₹ 23.09 Crores in 2017-18. In terms of percentage of Turnover it has decreased to 15.96 % for 2018-19 from 20.19% for 2017-18.

- **Depreciation**

Depreciation cost as a percentage of turnover has marginally decreased to 20.49% in 2018-19 to 21.74% in 2017-18.

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

The Company's Deferred Tax Asset (net) has decreased from ₹ 71.11 Crores in 2017-18 to ₹ 63.44 Crores in 2018-19. The Company has made current Tax provision of ₹ Nil and deferred Tax provision of ₹ 2.72 Crores and Earlier Year's Provision Written back (0.46). Hence total Tax expenses works out to ₹ 2.26 Crores.

- **Profit before Tax**

As a result of the foregoing factors, profit before tax increased 117.35 % from ₹ 5.47 Crores in 2017-18 to ₹ 11.90 Crores in 2018-19.

- **Net Worth**

The net worth of the Company has increased from ₹ 144.75 Crores as on March 31, 2018 to ₹ 155.60 Crores as on March 31, 2019.

- **Income Tax Expense**

Income tax expense was ₹ 3.67 Crores for 2017-18 and ₹ 2.26 Crores 2018-19.

- **Profit for the Year**

As a result of the foregoing factors, profit after tax increased 434.74 % from ₹ 1.80 Crores in 2017-18 to ₹ 9.64 Crores in 2018-19.

- **Earnings Per Share (EPS)**

Basic and Diluted EPS was ₹ 0.32 for 2017-18 and ₹ 1.71 for 2018-19.

- **Borrowings**

The total standalone borrowing has decreased from ₹ 162.66 Crores as on March 31, 2018 to ₹113.58 Crores as on March 31, 2019 (Current maturities are excluded while determining the borrowings).

- **Cash and Bank Balance.**

Cash and Bank balance decreased from ₹ 7.49 Crores as of March 2018 to ₹ 4.26 Crores as of March 2019.

- **Investments**

Total Investment of the Company decreased from ₹ 134.84 Crores as of March 2018 to ₹ 98.79 Crores as of March 2019 (Investments showing under Asset held for sale are not considered.)

- **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, 2019 were ₹ 109.76 Crores as against ₹ 131.50 Crores as on March 31, 2018.

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, 2019 was ₹ 352.70 Crores as against ₹ 341.56 Crores as on March 31, 2018.

- **Net Profit Margin**

Net Profit Margin increased to 434.74% in 2018-19 as compared 2017-18, mainly due to increase in revenue from operations.

- **Return on Net Worth**

Return on Net Worth increased from 1.25% in 2017-18 to 6.20% in 2018-19, mainly due to increase in revenue from operations.

- **Interest Coverage Ratio**

The Interest Coverage Ratio increased from 2.31 times in 2017-18 to 2.89 times in 2018-19. During the year, finance costs decreased from ₹ 23.09 Crores in 2017-18 to ₹ 19.52 Crores in 2018-19.

- **Debt Equity Ratio**

The debt equity ratio decreased from 0.22 in 2017-18 to 0.54 in 2018-19 due to decrease in gross debt from ₹ 77 88 Crores in 2017-18 to ₹ 34.95 Crores in 2018-19.

- **Debtors turnover Ratio**

The debtor turnover ratio decreased from 0.14 in 2017-18 to 0.09 in 2018-19 due to decrease in trade receivable from ₹ 15.73 Crores in 2017-18 to ₹ 10.72 crore in 2018-19

- **Current Ratio**

The current ratio decreased from 0.39 in 2017-18 to 0.31 in 2018-19.

### 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, 2019 stood at 19.

#### **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, 2019

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').

#### 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 stakeholders disclosure and transparency and board responsibility.

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 guiding principles and practices are summarised in this Corporate Governance Report.

#### I. The Governance Structure

##### 1. Board of Directors

###### a) Board Structure

The Company has an optimal combination of executive, non-executive and independent directors to maintain the independence of the Board from the management, which is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 (the Act) and Regulation 17 of Listing.

The Board of Directors consists of 7 (seven) Directors, of which 3 (three) are Independent Directors including a Woman Director, 3 (three) are Non-Executive and Non-Independent Directors and 1 (one) is Executive Director. The Chairman of the Board is a Non-Executive Independent Director.

Mr. Sunil Biyani was appointed as the Managing Director of the Company for a period of 5 (five) years, with effect from May 30, 2013. His term was completed on May 30, 2018 and he ceased to be the Managing Director of the Company. However, Mr. Sunil Biyani shall continue to be on the Board of the Company as a Non-Executive Director liable to retire by rotation.

Mr. Pramod Arora was appointed as a Whole Time Director of the Company for a period of 3 (three) years with effect from August 14, 2017. Mr. Pramod Arora resigned as the Whole Time Director of the Company with effect from October 08, 2018. However, Mr. Pramod Arora shall continue to be on the Board of the Company as a Non-Executive Director liable to retire by rotation.

Mr. Pawan Kumar Agarwal, has been appointed as an Executive Director and Chief Financial Officer of the Company with effect from May 21, 2019. Necessary resolution seeking approval of members of the Company for appointment of Mr. Pawan Kumar Agarwal, as an Executive Director and Chief Financial Officer of the Company forms part of the Notice convening 11<sup>th</sup> Annual General Meeting (AGM) of the Company.

Attention of the members is invited to the relevant item of the Notice of the AGM seeking their approval for appointment of Directors. Relevant information as required under the Listing Regulations is appended in the AGM Notice.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

There are no inter-se relationships between the Board members. In the opinion of the Board, the Independent Directors fulfill the conditions as specified in Listing Regulations and are independent of the management. Further, disclosures have been made by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 26(1) of the Listing Regulations.

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 Jhunjhunwala	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. Sunil Biyani resigned from the post Managing Director w.e.f May 30, 2018 and continue to be on the Board as a Non-Executive Director.
- \*\* Mr. Pramod Arora resigned from the post Whole Time Director w.e.f October 08, 2018 and continue to be on the Board as a Non-Executive Director.
- \*\*\* Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & Chief Financial Officer on the Board w.e.f May 21, 2019.

**b) Board meetings held and Director's attendance record**

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 maximum time gap between any two meetings of the Board is not more than 120 days.

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

The details of Board meetings held during the Financial Year 2018-19 and Director's attendance record are given in Table 1 and Table 2.

**Table 1:** The details of meetings of the Board held during the financial year 2018-19 are as under:

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 25, 2018	6	5
July 31, 2018	6	5
October 30, 2018	6	6
January 30, 2019	6	6

**Note:**

- Video conferencing facility was made available to directors to participate in the proceedings of the Board and its committees. 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.

The recommendations of the Committee on the proposals requiring Board approval were duly accepted by the Board.

**Table 2: 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 2018-19	Number of Board Meetings attended during the financial year 2018-19	Whether attended last AGM (held on September 19, 2018)	Directorships held in companies incorporated in India as at March 31, 2019	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	Independent Director	4	4	Yes	6	1	2	-	-
Ms. Udit Jhunjhunwala	Independent Director	4	2	No	3	2	-	Galaxy Cloud Kitchens Limited	Independent Director

Name of Director	Category	Number of Board Meetings held during the financial year 2018-19	Number of Board Meetings attended during the financial year 2018-19	Whether attended last AGM (held on September 19, 2018)	Directorships held in companies incorporated in India as at March 31, 2019	Number of Memberships / Chairmanship in Board Committees as at March 31, 2019 (Including FMNL)		Other Directorships	
						Membership	Chairmanship	Name of Listed Entity	Category
Mr. K. A. Somayajulu	Independent Director	4	4	Yes	3	2	2	-	-
Mr. Sunil Biyani	Non-Executive Director	4	4	No	10	4	-	Galaxy Cloud Kitchens Limited	Director
Mr. Rajesh R. Kalyani	Non-Executive Director	4	4	Yes	2	2	1	-	-
Mr. Pramod Arora	Non-Executive Director	4	4	Yes	2	-	-	-	-

**Notes:**

- Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & CFO on the Board w.e.f May 21, 2019.
- Number of directorships do not include alternate directorships, directorships in foreign companies and Section 8 Companies.
- 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.
- As required under Regulation 26(1) of Listing Regulations and confirmed by directors, none of the Directors are: (i) member of more than 10 (ten) committees; and (ii) chairman of more than 5 (five) committees. A separate meeting of independent directors was held on January 30, 2019, inter alia, to review the performance of non-independent directors, Chairman of the Company and the Board as a whole.

**Table 3: 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, 2019	Dividend Paid during the financial year 2018-19	Number of Options held under FMNL – ESOS -2016 as on March 31, 2019
Mr. Vijai Singh Dugar	-	-	-
Ms. Udita Jhunjhunwala	-	-	-
Mr. K. A. Somayajulu	-	-	-
Mr. Sunil Biyani	50	-	-
Mr. Rajesh R. Kalyani	41,025	-	-
Mr. Pramod Arora	-	-	*
Mr. Pawan Kumar Agarwal**	14,500	-	1,50,000

\* Options granted to Mr. Pramod Arora are lapsed on account of his resignation from the employment w.e.f October 08, 2018.

\*\* Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & CFO 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.

**c) Relationship between Directors inter-se**

There are no inter-se relationships between the Board members.

**d) Chairman of the Board**

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

**e) 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.

**f) 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.

**g) 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.

**h) 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.

**i) 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](http://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.

**j) 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 January 30, 2019 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.

**k) 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.

### **l) 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.

### **m) 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](http://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, 2019 and a declaration to this effect is appended to this report.

### **n) 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:

- o The ability to contribute to and monitor corporate governance practices.
- o The ability to contribute to by introducing best practices to address business challenges and risks.
- o 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, 2019.

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

### **o) 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.

### **p) 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.

### **q) 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.

## **2. Committees of the Board**

Currently the Board has Five (5) Committees: 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, 2019, 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 Listing Regulations and the provisions of Section 177 of the Act and rules made thereunder.

**Table 4: 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. The Chairman of the Audit Committee was present at the Annual General Meeting to answer Members queries. Minutes of each of the meeting of the Audit Committee are placed before the Board in its meetings. The Audit Committee invites the executives of the Company viz. Chief Financial Officer, Head of Finance, etc, as it considers appropriate and the representatives of the Statutory Auditors and Internal Auditors 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.

The Audit Committee of the Company performs the following functions:

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**

The constitution, scope and powers of the Nomination & Remuneration Committee of the Board of Directors are in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Nomination & Remuneration 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.

As on March 31, 2019, Nomination, Remuneration and Compensation Committee comprises of 3 (three) Non-Executive Director out of whom 2 (two) Directors are Independent Directors. The Committee’s constitution and terms of reference are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

In the financial year 2018-19, one meeting of the committee was held on May 25, 2018. The minutes of the meeting of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Board.

**Table 5: 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

Mr. Anil Cherian, Head-Legal & Company Secretary of the Company acts as the Secretary of the Nomination, Remuneration and Compensation Committee.

**Following are the roles of Nomination, Remuneration and Compensation Committee**

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;

**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 2018-19 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.

**Remuneration of Directors**

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel which is available on our website at [www.fmn.co.in](http://www.fmn.co.in). and the major points relating to Remuneration policy is as follows:



**A. Remuneration structure of Directors**

- i. 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.
- ii. 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.

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

- i. 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.
- ii. The remuneration structure to KMPs and Senior Management personnel may include a variable performance linked component.

**C. 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 Director.

**Remuneration to Directors****a. Whole Time Director**

The remuneration paid to the Whole Time 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. Pramod Arora	46.09	-	9.22	-	55.31	Three years w.e.f August 14, 2017	1	*

**Notes:**

Options granted to Mr. Pramod Arora has been lapsed on account of his resignation from the Employment w.e.f October 08, 2018.

All the above components of remuneration, except performance bonus, are fixed in nature.

There is no separate provision for payment of severance fees.

**b. Non-Executive Directors**

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

Name of Director	Category	Sitting Fees Paid	Total
Mr. Vijai Singh Dugar	Independent	3,55,000	3,55,000
Ms. Udita Jhunjhunwala	Independent	1,00,000	1,00,000
Mr. K. A. Somayajulu	Independent	3,55,000	3,55,000
Mr. Sunil Biyani	Non-Executive	1,20,000	1,20,000
Mr. Rajesh R. Kalyani	Non-Executive	3,35,000	3,35,000
Mr. Pramod Arora	Non-Executive	80,000	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.

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. Share Transfer Committee**

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

**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 oversee the performance of the Registrars and Share Transfer Agents i.e. Link Intime India Private Limited.

The Committee met 4 (Four) times during the year ended March 31, 2019.

**Table 6: 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	4	4
Mr. Rajesh Kalyani	Non-Executive Director	4	4
Ms. Uditā Jhunjhunwala	Independent Director	4	3

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

**D. Stakeholder’s Relationship Committee**

The Stakeholders Relationship Committee oversees, inter alia, timely redressal of shareholders’ 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, viz. Mr. Vijai Singh Dugar, two Non-Executive Non-Independent Directors, viz. 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.

**Status of Investor Complaints for the Financial Year ended March 31, 2019**

Complaints outstanding as on April 1, 2018	-
Complaints received during the financial year ended March 31, 2019	7
Complaints resolved during the financial year ended March 31, 2019	7
Complaints outstanding as on March 31, 2019	-

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

There are no pending share transfers as on March 31, 2019.

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

- 1. Consider, resolve and monitor redressal of investors’ / shareholders’ 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.

#### 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.

#### E. 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 9 (Nine) 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. Sunil Biyani 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. Sunil Biyani: Non-Executive Director

Mr. Sunil Biyani is a Commerce Graduate with Masters in Business Administration and is instrumental in setting up various formats in the Group. He has extensive experience in textiles, retail sectors, Building and Construction, Property related transaction and project management. He leads the real estate, mall management teams of various group companies within the Future Group.

#### Mr. Rajesh Kalyani: Non-Executive Director

Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 28 years of experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.

#### Mr. Pawan Kumar Agarwal: Executive Director & Chief Financial Officer

Mr. Pawan Kumar Agarwal, aged 42 years is a qualified Chartered Accountant and Company Secretary. Mr Agarwal is currently serving as the Chief Financial Officer of the Company and having versatile corporate experience of over 2 decades in strategic management, financial planning, project management, corporate restructuring, resource mobilisation, treasury, budgeting, MIS and compliance with proven ability to impact business growth, reduce costs, maximize profits, create and execute strategic business/ financial plans and taxation, etc. His Director Identification Number (DIN) is 01435580. He is associated with the Group and had worked at various senior management level positions.

#### II. General Body Meetings

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

Financial Year	Venue	Date	Time
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
2015-16	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	20/09/2016	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 20, 2016	2	Approval of Future Market Networks Limited Employee Stock Option Scheme – 2016. Approval of Future Market Networks Limited Employee Stock Option Scheme – 2016 for employees / directors of the Subsidiary Companies.
September 15, 2017	2	Re-Appointment of Mr. Vijai Singh Dugar as an Independent Director for a further tenure of 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	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. Udita Jhunjhunwala as an Independent Director for a further tenure of five consecutive years w.e.f September 28, 2018.

**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 2018-19, pursuant to the provisions of Section 110 of the Companies Act read with the Companies (Management and Administration) Rules, 2014, the Company has passed 2 (two) special resolutions through postal ballot, details of which are as under:

**POSTAL BALLOT: 1**

Financial Year	2018-19
Date of the Postal Ballot Notice: February 02, 2019	Voting Period: February 09, 2019 to March 11, 2019
Date of Declaration of Result: March 13, 2019	Date of Approval: March 13, 2019
Date of Postal Ballot	Postal Ballot Results were declared on Wednesday, March 13, 2019
Scrutinizer	Mr. Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co.
Details of the postal Ballot	On February 08, 2019, the Company had completed the dispatch of the notice under Section 110 of the Companies Act, 2013, along with the Postal Ballot forms and self-addressed prepaid reply envelopes to the members of the Company whose names appeared on the Register of Members/ List of Beneficiaries as on February 01, 2019. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.
Resolutions	<ol style="list-style-type: none"> <li>To approve sale of equity shares of Future Retail Destination Limited ("FRDL"), a wholly owned subsidiary of the Company in terms section 180(1)(a) of the Companies Act, 2013.</li> <li>To approve sale of equity shares of Gati Realtors Private Limited ("GATI"), a wholly owned subsidiary of the Company in terms section 180(1)(a) of the Companies Act, 2013.</li> </ol>

**Resolution No. 1**

Details of the voting pattern: Details of the votes casted for Special Resolution for sale of investments in Future Retail Destination Limited, a wholly owned subsidiary of the Company under section 180(1)(a) of the Companies Act, 2013 are as under:

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/[1]*100	[4]	[5]	[6]=[4]/[2]*100	[7]=[5]/[2]*100
Promoter and Promoter Group	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	41183410	41183410	100.000	41183410	0	100.000	0.000
	<b>Total</b>							
Public -Institutions	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	383949	0	0.000	0	0	0.000	0.000
	<b>Total</b>							
Public Non Institutions	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	14723922	9478168	64.373	9477879	289	99.997	0.003
	<b>Total</b>							
<b>Total</b>		<b>56291281</b>	<b>50661578</b>	<b>89.999</b>	<b>50661289</b>	<b>289</b>	<b>99.999</b>	<b>0.001</b>

(\*) Including votes Polled through E-Voting facility

**Resolution No. 2**

Details of the voting pattern: Details of the votes casted for Special Resolution for sale of investments in Gati Realtors Private Limited, a wholly owned subsidiary of the Company under section 180(1)(a) of the Companies Act, 2013 are as under:

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/[1]*100	[4]	[5]	[6]=[4]/[2]*100	[7]=[5]/[2]*100
Promoter and Promoter Group	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	41183410	41183410	100.000	41183410	0	100.000	0.000
	<b>Total</b>							
Public -Institutions	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	383949	0	0.000	0	0	0.000	0.000
	<b>Total</b>							
Public Non Institutions	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	14723922	9478141	64.372	9477866	275	99.997	0.003
	<b>Total</b>							
<b>Total</b>		<b>56291281</b>	<b>50661551</b>	<b>89.999</b>	<b>50661276</b>	<b>275</b>	<b>99.999</b>	<b>0.001</b>

(\*) Including votes Polled through E-Voting facility

### III. Means of Communication

Website	Your Company maintains a website <a href="http://www.fmn.co.in">www.fmn.co.in</a> , 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 <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> 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 <a href="mailto:info.fmn@futuregroup.in">info.fmn@futuregroup.in</a> has been designated for the purpose of registering complaints by shareholders or investors.

### IV. 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 – 4000 060.
- c. **Annual General Meeting**
  - i. AGM Day, Date : Monday, September 16, 2019
  - ii. Time & Venue : 1.30 P.M, Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018
- 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 9, 2019 to September 16, 2018 (both days inclusive)
- f. **Financial Calendar (tentative):**

First Quarterly Result	:	on or before August 14, 2019
Second Quarterly Result	:	on or before November 14, 2019
Third Quarterly Result	:	on or before February 14, 2020
Financial year ending	:	on or before May 30, 2020
- g. **Listing of Equity Shares on Stock Exchanges**
  - I. **BSE Limited (BSE)**  
Phiroze Jeejee bhoy 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

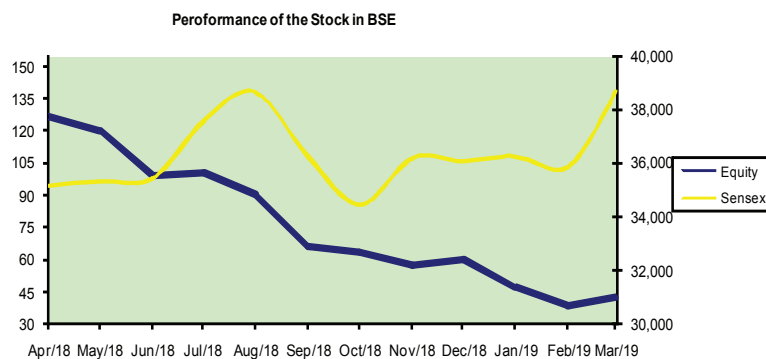
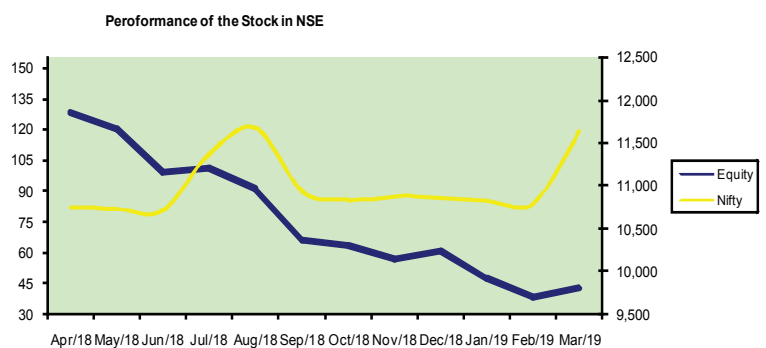
High, lows and Volumes of FMNL from April 1, 2018 to March 31, 2019 at BSE and NSE.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2018	156.10	113.00	14,73,221	159.00	113.00	76,82,683
May 2018	149.90	113.85	11,64,022	150.45	113.50	60,13,352
June 2018	122.90	94.85	2,99,354	121.90	95.25	12,91,051
July 2018	116.10	93.00	4,01,339	115.40	94.95	24,23,040
August 2018	110.00	86.15	2,38,682	109.80	86.55	21,52,835
September 2018	94.85	63.35	2,91,819	95.20	62.35	8,37,531
October 2018	76.80	56.50	3,15,559	76.80	56.00	19,96,034
November 2018	66.20	53.35	1,10,084	67.00	53.55	7,09,409
December 2018	69.75	50.50	6,03,925	69.40	50.20	16,74,855
January 2019	61.65	47.00	89,735	62.80	46.55	5,94,040
February 2019	49.00	33.30	2,14,350	49.50	33.15	10,54,054
March 2019	60.15	38.75	2,87,756	60.45	38.10	20,80,021

[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.



**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, 2019 is as below:

**i. Distribution of shareholding as on March 31, 2019**

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	945383	1.68	15352	92.17
501 – 1000	496327	0.88	625	3.75
1001 – 2000	510815	0.91	335	2.01
2001 – 3000	255261	0.46	102	0.61
3001 – 4000	154319	0.27	43	0.26
4001 – 5000	201768	0.36	42	0.25
5001 – 10000	462630	0.82	65	0.39
Greater than 10000	53264778	94.62	92	0.56
<b>Total</b>	<b>56291281</b>	<b>100.00</b>	<b>16656</b>	<b>100.00</b>

**ii. Shareholding pattern by ownership as on March 31, 2019**

Categories	As on March 31, 2019	
	No. of Shares	Percentage
Promoters, Relatives and Associates	4,11,83,410	73.16
Directors	41,025	0.07
Public Financial Institutions / State Financial Corporation / Insurance Companies	2,91,631	0.52
Mutual Funds (Indian)	4,527	0.01
Nationalized and other Banks	3,320	0.01
NRI / OCBs	61,342	0.11
Public	62,35,550	11.08
NBFCs registered with RBI	1,550	0.00
Others (CM/Other Bodies Corporate/HUF/Foreign Portfolio Investor (Corporate))	84,68,926	15.04
Total	56291281	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, 2019, 56231003 Equity Shares representing 99.89% 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	60278	0.11
<b>Demat Segment</b>		
NSDL	50193390	89.17
CDSL	6037613	10.72
<b>Total</b>	<b>56291281</b>	<b>100.00</b>

**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](mailto: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 shares on the allotment of shares subsequent to the demerger were sold in the open market and the proceeds of the same were proportionately distributed to shareholders who were entitled to such fractional shares. The unpaid/unclaimed fractional entitlement amounting to ₹ 73,268 /- (Rupees Seventy Three Thousand Two Hundred and Sixty Eight Only) was transferred to Investor Education and Protection Fund (IEPF) in terms of applicable provisions of law.

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 Kolkata, Siliguri, 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 - 40695603  
Fax: 022 - 40695773  
Email id for investors: [info.fmnI@futuregroup.in](mailto:info.fmnI@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](mailto: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, 2019.

**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, 2019.

**u. Credit Rating**

During the year under review, Acuite Ratings & Research Limited (erstwhile SMERA Ratings Limited) have reaffirmed its ratings assigned to the Company's Longterm Bank facility, as under:

Sr. No.	Facility	Rating
1	Long term Bank facility	ACUITE A-/Stable

**V. Additional Shareholders Disclosure/ information**

**(i) Materially significant related party transaction**

All transactions entered into during the financial year 2018- 19 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 Listing 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 2018-19, 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 Listing 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. DeeptiGangan, Ms. Ankita Kyal and Mr. Vinod Nair.

During the financial year 2018-19, no complaints were received by the Company. There were no complaints pending as on the end of the financial year 2018-19. 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 Listing Regulations the Company reports the following details in respect of equity shares lying in the suspense account as on March 31, 2019:

S.No	Particulars (for the financial year 2018-19)	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;	-	-
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	-	-

**Note:**

As an abundant precaution, the company is in the process of transferring 20,509 Equity Shares held by 1269 shareholders, which are lying unclaimed / undelivered with the Company. Subsequent to the completion of the transfer of aforesaid shares to Demat Suspense Account, the voting rights on the equity shares shall be frozen till the rightful owner claims such shares.

**(viii) Details of utilisation 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 2018-19 are as under:

Nature of Service Provided	Amount (In ₹ Lakhs)
Audit Fees	5.60
Audit under other Statutes	0.50
Quarterly Limited Review Report	0.90
<b>Total</b>	<b>7.00</b>

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

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ₹ 73,268/- (Rupees Seventy Three Thousand Two Hundred and Sixty Eight Only) of unpaid/unclaimed fractional entitlements were transferred during the financial year 2018-19 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](http://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](http://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](http://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 2019-20 have been paid to BSE and NSE.

**(xxi)** The Company has paid custodial fees for the year 2019-20 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 Standalone Financial Statements**

We have audited the standalone financial statements of FUTURE MARKET NETWORKS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2019 the standalone 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 a summary of significant accounting policies and other explanatory information.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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, 2019 its profit and other comprehensive income, its cash flows and changes in equity 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 Standalone Financial Statements” section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the Matter was addressed in our audit?
<p><b>Revenue Recognition: (Refer Note 15 of the Standalone Financial Statements)</b></p> <p>Revenue from leasing out of commercial units/ shops represents 95% of the total revenue from operations of the company and hence revenue from lease rentals virtually represents the total revenue.</p> <p>Revenue pertaining to lease rents is recognized on straight line basis over the lease term in accordance with IND AS 17.</p> <p>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 recognized in the Statement of Profit &amp; Loss in the period they are earned.</p>	<p><b>Our audit procedures on Revenue recognition included the following</b></p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the revenue recognition accounting policies, the amount of revenue recognized as per the agreement entered into with the tenants along with IND AS 17.</li> <li>• We tested the design, implementation and operating effectiveness of controls over the recognition of lease rent due from the parties.</li> <li>• We performed substantive testing on a test check basis by verifying the lease rent received during the year with the documents, which included the agreements entered into with the tenants.</li> <li>• Analytical procedures were performed to identify deviations in monthly rent received from the tenants / lessees / sub-lessees.</li> <li>• We undertook site visits during the year for selected malls to evaluate the effectiveness of the company’s internal control policies, to test check the adequacy of the revenue recognized in the financial statements.</li> <li>• With regards to contingent rent, we 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.</li> <li>• Adequate accrual for contingent rent at the year-end based on previous statistics / trends.</li> <li>• We tested the design, implementation and operating effectiveness of controls over the calculation of discount and rebates.</li> </ul>

<p><b>Asset Classified as Held For Sale (Refer Note 9 of the Financial Statements)</b></p> <p>An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.</p> <p>The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. The asset to qualify for recognition as held for sale, the sale should be expected to be completed within one year of such classification.</p> <p>An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.</p> <p>The company has classified one of its investment properties (10 Acres Mall, Ahmedabad) as held for sale during July, 2016. The said property was pledged for guarantee given to bank for Acute Realty Private Limited. (Refer Note 36). During the year, the borrowing pertaining to the guarantee is now repaid and asset is free of any encumbrance.</p> <p>The sale terms are finalized and the transaction is pending for some legal compliances which the board believes, to be finalized in a short time.</p> <p>Further, the Company also in January, 2019 resolved to sell the entire stake of their wholly owned subsidiaries Gati Realtors Private Limited &amp; Future Retail Destination Limited. The buyer has been identified and the particulars of the sale deed are at an advance stage of finalization. The sale is expected to be completed in next 12 Months. The investments are presented separately under asset held for sale.</p>	<p><b>Our audit procedures on Revenue recognition included the following</b></p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the accounting policies and estimates.</li> <li>• We challenged the assumptions and critical judgments made by management which impacted their estimate of fair value less cost to sell, the estimated time to sell the assets &amp; their carrying value at each reporting date.</li> <li>• We discussed the status of the sale transaction and the possible impact of any changes to the sale terms on the financial statements with the management.</li> <li>• We assessed the appropriateness of classifications of the assets upon expiry of one year of initial classification and adequacy of the continuance of such classification.</li> <li>• Income from the said assets held for sale being earned by the Company, properly classified under discontinued operations.</li> </ul>
<p><b>Recognition and measurement of deferred tax assets</b></p> <p>The carrying amount of the deferred tax assets represents 10.85 % of the Company's total assets.</p> <p>The Company has deferred tax assets in respect of brought forward losses and other temporary differences, as set out in note 6.</p> <p>The recognition of deferred tax assets involves judgment regarding the likelihood of the reasonable certainty of realization of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets.</p> <p>Management records deferred tax assets in respect of brought forward business losses in cases where it is reasonably certain based on the projected profitability determined on the basis of approved business plans that sufficient taxable income will be available to absorb the brought forward business loss.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Through discussions with management, we understood the Company's process for recording deferred tax assets;</li> <li>• We have analyzed the projected business plans and profitability of the Company based on definitive agreements and other documentation;</li> <li>• We have performed sensitivity analysis and inquired into the basis of the projections for the reasonable certainty of utilization of the brought forward business losses and therefore recognition of deferred tax assets; and</li> <li>• We tested the underlying data for the key deferred tax and tax provision calculations.</li> </ul>

### Other Information

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.

### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 Standalone Financial Statements

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

As part of an audit in accordance with Standards on Auditing, 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 explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 Statement of Cash Flow 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the 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 35 on Contingent Liabilities to the standalone financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019; and
3. 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. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Viren Gandhi & Co**  
**Chartered Accountants**  
**ICAI Firm Registration No. 111558W**

**Place: Mumbai**  
**Date: May 21, 2019**

**Chintan Gandhi**  
**Partner**  
**Membership No.137079**

**ANNEXURE I TO THE AUDITOR'S REPORT**

(As referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) In respect of Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, these fixed assets and investment properties have been physically verified by management at regular intervals, which in our opinion is reasonable considering 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 all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) In respect of its Inventories:
 

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 Companies Act, 2013
  - (a) In our opinion and according to 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 explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant 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 Companies Act, 2013 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 Companies Act for the products of the company.
- (vii) In respect of statutory dues:
  - (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues as applicable with the appropriate authorities with respect to Provident Fund, Income-tax, Goods & Service Tax, Cess and other material statutory dues.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, Goods & Service Tax, cess and other material statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) Details of dues of service tax, which have not been deposited as at March 31, 2019 on account of dispute, are given below.

Name of the Statute	Nature of the dues	Amount (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	95.80	Prior to 2014	High Court

The above disputed service tax amount is due and payable by the third party (Refer note 35)

- (viii) Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from government and has not issued any debentures. Accordingly, the Paragraph 3(viii) of the order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has also not raised any money by way of term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (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 reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

**For Viren Gandhi & Co**  
**Chartered Accountants**  
**ICAI Firm Registration No. 111558W**

**Place: Mumbai**  
**Date: May 21, 2019**

**Chintan Gandhi**  
**Partner**  
**Membership No.137079**

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date

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

We have audited the internal financial controls over financial reporting of FUTURE MARKET NETWORKS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2019 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").

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note. 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.

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to the standalone financial statement and their operating effectiveness.

Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**For Viren Gandhi & Co**  
**Chartered Accountants**  
ICAI Firm Registration No. 111558W

Place: Mumbai  
Date: May 21, 2019

**Chintan Gandhi**  
**Partner**  
Membership No.137079

## Balance Sheet as at March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	8,710.09	11,038.95
Capital work-in-progress	3	82.81	-
Investment properties	4	7,905.79	7,468.39
<b>Financial assets</b>			
Investments	5 (a)	9,568.24	12,973.40
Loans	5 (c)	141.08	4,258.07
Deferred tax assets (net)	6	6,344.15	7,110.20
Other non-current assets	7	4,440.02	4,264.93
<b>Total non-current assets</b>		<b>37,192.18</b>	<b>47,113.94</b>
<b>Current assets</b>			
Inventories	8	917.61	918.71
<b>Financial assets</b>			
Investments	5 (a)	311.20	510.54
Trade receivables	5 (b)	1,072.36	1,573.38
Cash and cash equivalents	5 (d)	418.18	742.01
Bank Balances other than above	5 (e)	7.60	7.15
Loans	5 (c)	6,100.76	7,564.09
Other financial assets	5 (f)	157.57	157.61
Other current assets	7	1,990.72	1,676.79
		<b>10,976.00</b>	<b>13,150.28</b>
Assets classified as held for sale	9	10,266.92	6,277.75
<b>Total current assets</b>		<b>21,242.92</b>	<b>19,428.03</b>
<b>Total assets</b>		<b>58,435.10</b>	<b>66,541.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10 (a)	5,629.13	5,629.13
Other Equity	10 (b)	15,287.02	13,751.99
<b>Total Equity</b>		<b>20,916.15</b>	<b>19,381.12</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11 (a)	-	3,505.51
Other financial liabilities	11 (b)	1,598.25	8,895.68
Employee benefit obligations	12	27.31	31.51
Other non-current liabilities	13	623.24	572.19
<b>Total non-current liabilities</b>		<b>2,248.80</b>	<b>13,004.89</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11 (a)	11,358.24	12,760.30
Trade payables	11 (c)	440.97	1,347.59
Other financial liabilities	11 (b)	3,895.79	7,594.63
Employee benefit obligations	12	0.49	0.50
Other current liabilities	13	19,574.66	12,452.94
<b>Total current liabilities</b>		<b>35,270.15</b>	<b>34,155.96</b>
<b>Total liabilities</b>		<b>37,518.95</b>	<b>47,160.85</b>
<b>Total Equity and Liabilities</b>		<b>58,435.10</b>	<b>66,541.97</b>
The above balance sheet should be read in conjunction with the accompanying notes.	1-36		

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

Chintan Gandhi  
Partner

Vijai Singh Dugar  
Director  
DIN: 06463399

Rajesh Kalyani  
Director  
DIN: 00220632

Place: Mumbai  
Date: May 21, 2019

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN : 01435580

Anil Cherian  
Head - Legal and Company Secretary

**Statement of Profit and Loss for year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	15	10,378.57	7,941.43
Other income	16	1,849.60	3,496.26
<b>Total income</b>		<b>12,228.17</b>	<b>11,437.69</b>
<b>Expenses</b>			
Operating Cost	17	4,942.36	4,868.65
Cost of units sold	18	3.54	39.28
Employee benefits expense	19	389.93	469.82
Finance costs	20	1,957.02	2,326.54
Depreciation and amortization expense	21	2,505.88	2,486.41
Other expenses	22	1,239.48	699.51
<b>Total expenses</b>		<b>11,038.21</b>	<b>10,890.21</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>1,189.96</b>	<b>547.48</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>1,189.96</b>	<b>547.48</b>
<b>Income tax expenses</b>			
Current tax	6	-	-
Deferred tax	6	271.63	367.20
Earlier Year's Provision Written back		(45.70)	-
<b>Total tax expenses</b>		<b>225.93</b>	<b>367.20</b>
<b>Profit/(Loss) for the year (A)</b>		<b>964.03</b>	<b>180.28</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	8.32	1.24
Equity instruments through other comprehensive income	10	607.09	(32.16)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	2.02	0.41
Equity instruments through other comprehensive income	10	492.42	(1.63)
<b>Other comprehensive income for the year, net of taxes (B)</b>		<b>120.97</b>	<b>(29.70)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,085.00</b>	<b>150.58</b>
<b>Earnings per equity share</b>			
Basic (face value of ₹ 10/- each) (in ₹)	26	1.71	0.32
Diluted (face value of ₹ 10/- each) (in ₹)		1.71	0.32
The above statement of profit and loss should be read in conjunction with the accompanying notes.	1-36		

As per our Report of even date

For Viren Gandhi & Co.

Chartered Accountants

Chintan Gandhi

Partner

Place: Mumbai

Date: May 21, 2019

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

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, 2018	5,629.13
Changes in equity share capital	-
As at March 31, 2019	5,629.13

## B. Other Equity

	Reserve and surplus				Other Reserve	Total other equity
	Securities premium	Retained earnings	Capital Reserve	Subordinated Debt	FVOCI- equity investments	
Balance as at April 1, 2017	25,291.33	(19,212.75)	7,474.75	4,905.96	(4,857.88)	13,601.41
Profit / (Loss) for the year	-	180.28	-	-	-	180.28
Other comprehensive income for the year	-	0.83	-	-	(30.53)	(29.70)
<b>Total comprehensive income for the year</b>	-	<b>181.11</b>	-	-	<b>(30.53)</b>	<b>150.58</b>
Balance as at March 31, 2018	25,291.33	(19,031.64)	7,474.75	4,905.96	(4,888.41)	13,751.99
Balance as at April 1, 2018	25,291.33	(19,031.64)	7,474.75	4,905.96	(4,888.41)	13,751.99
Profit / (Loss) for the year	-	964.03	-	-	-	964.03
Other comprehensive income for the year	-	6.30	-	-	114.67	120.97
<b>Total comprehensive income for the year</b>	-	<b>970.33</b>	-	-	<b>114.67</b>	<b>1,085.00</b>
Addition during the year	-	-	-	450.03	-	450.03
Reclassification	-	(4,619.66)	-	-	4,619.66	-
<b>Balance as at March 31, 2019</b>	<b>25,291.33</b>	<b>(22,680.97)</b>	<b>7,474.75</b>	<b>5,355.99</b>	<b>(154.08)</b>	<b>15,287.02</b>

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

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

Chintan Gandhi  
Partner

Place: Mumbai  
Date: May 21, 2019

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

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DIN : 01435580

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Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

**Cash Flow Statement Year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	<b>Cash Flow from operating activities</b>		
	<b>Profit / (Loss) before income tax</b>	<b>1,189.96</b>	<b>547.48</b>
	Adjustments for		
	<b>Add:</b>		
	Provision For Doubtful Debt	20.75	32.59
	Depreciation and amortisation expenses	2,505.88	2,486.41
	Finance costs	1,957.02	2,326.54
	Bad debts and irrecoverable balances written off	32.58	-
	Provision for Gratuity & Leave Encashment	4.44	11.94
	<b>Less:</b>		
	Interest received	(1,380.72)	(1,922.66)
	Sundry balance written back	(32.40)	(5.11)
	Profit on sale of investment	(335.50)	(303.50)
	Profit on sale of assets	-	(1,129.52)
	Gratuity & Leave Encashment Paid	(0.33)	(0.29)
	<b>Operating Profit before Working Capital change</b>	<b>3,961.68</b>	<b>2,043.88</b>
	<b>Change in operating assets and liabilities</b>		
	Trade and Other Receivable	841.24	487.98
	Trade Payable, Other Liabilities & Provisions	(5,193.76)	5,291.87
	Inventory	1.11	11.09
		<b>(4,351.41)</b>	<b>5,790.94</b>
	<b>Cash generated / (used) from operations</b>	<b>(389.73)</b>	<b>7,834.82</b>
	Income taxes paid	308.59	43.64
<b>A</b>	<b>Net cash inflow / (outflow) from operating activities</b>	<b>(698.32)</b>	<b>7,791.18</b>
	<b>Cash flow from investing activities:</b>		
	Sale of Fixed Assets	-	2,795.22
	Purchase of Fixed Assets	(697.23)	(386.06)
	Sale of Investment	1,762.29	381.60
	Purchase of Investment	(1,403.70)	(1,239.11)
	Loans received / (given)	5,652.21	1,402.18
	Interest received	780.60	995.57
	Fixed Deposit	(0.46)	(0.46)
<b>B</b>	<b>Net cash inflow from investing activities</b>	<b>6,093.71</b>	<b>3,948.94</b>
	<b>Cash flow from financing activities</b>		
	Interest paid	(662.49)	(1,575.88)
	Proceeds from Subordinated Debt	450.00	-
	Net Proceeds of Short Term Borrowings	(1,402.06)	(1,448.90)
	Net Repayment of Long Term Borrowings	(4,304.01)	(7,418.17)
<b>C</b>	<b>Net cash outflow from financing activities</b>	<b>(5,918.56)</b>	<b>(10,442.95)</b>



## Cash Flow Statement Year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(523.17)</b>	<b>1,297.17</b>
Add: Cash and cash equivalents at the beginning of the financial year	1,252.55	(44.62)
<b>Cash and cash equivalents at the end of the year</b>	<b>729.38</b>	<b>1,252.55</b>
<b>Cash and cash equivalents at the end of the year</b>		
Cash and cash equivalents [See Note 5(d)]	418.18	742.01
Investment in Liquid Funds [See Note 5(a)]	311.20	510.54
<b>Balance as per Statement of Cash Flow</b>	<b>729.38</b>	<b>1,252.55</b>

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

Particulars	As at March 31, 2017	Cash Flows	Non Cash Changes	As at March 31, 2018
Current Borrowings	14,209.20	(1,448.90)	-	12,760.30
Non Current Borrowings (including current maturities)	15,187.53	(7,418.17)	18.65	7,788.01

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

Chintan Gandhi  
Partner

Place: Mumbai  
Date: May 21, 2019

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

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

## FUTURE MARKET NETWORKS LIMITED

### 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. Equity shares of the Company are listed with BSE Limited and 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 Company is currently managing approximately 1.40 million sq ft of retail space and owns various real estate properties across India.

### 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 Companies Act, 2013 (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 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, 2018, there are no ongoing contracts covered under the provisions of IND – AS 115 and hence there is no transitional impact.

The Company derives revenues primarily from leasing of immoveable properties which is primarily covered under IND AS – 17 and consequently the same are accounted as per the said standard.

In relation to revenues not covered under IND AS 17, 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.

**m) Leases****As a lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

**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.

Refer Note (x) below in implications of IND AS 116

**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 Networks 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 (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 no 14)
  - Estimation of current tax expense and payable (Note no 6)
  - Estimated Fair value of unlisted securities – (Note no 23)

- Estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note no 2(b))
- Estimation of Fair valuation of employee share options and no. of expected vesting options (Note no 29) Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets (e.g. MAT) 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.

x) **Recent Accounting Pronouncements**

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

• **Ind AS 116 –**

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability

Previously, the operating lease was expensed on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

On transition, for leases other than short-term leases and leases of low value assets, the Company will recognise a rightof- use asset of ₹ 154.10 crore and a corresponding lease liability of ₹ 223.99 crore with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the consolidated statement of cash flows.

- **Ind AS 12 – Income taxes** (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments) 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. The company does not expect any impact from this pronouncement. 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 Company does not expect any significant impact of the amendment on its financial statements.

- **Ind AS 23 – Borrowing Costs** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.
- **Ind AS 28 – Long-term Interests in Associates and Joint Ventures** The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures to which equity method is not applied & hence the company does not expect any impact from this amendment.
- **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements** The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

**Notes to the financial statements for the year ended March 31, 2019**

**3. Property, Plant and Equipment**

	Leasehold Improvements	Air Conditioner	Computers	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Capital work-in-progress
<b>Year ended March 31, 2018</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	6,912.27	2,037.20	24.88	4,401.94	147.02	4,412.99	0.01	17,936.31	-
Additions	-	4.10	1.21	-	0.72	380.04	-	386.07	-
Disposal/Transfer	-	-	-	(211.61)	-	(369.10)	-	(580.71)	-
<b>Closing gross carrying amount</b>	<b>6,912.27</b>	<b>2,041.30</b>	<b>26.09</b>	<b>4,190.33</b>	<b>147.74</b>	<b>4,423.93</b>	<b>0.01</b>	<b>17,741.67</b>	<b>-</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	1,370.19	628.58	12.32	1,304.26	123.09	1,259.11	-	4,697.55	-
Depreciation charge during the year	752.29	317.00	3.53	645.85	6.61	636.63	-	2,361.91	-
Depreciation related to Disposal/Transfer	-	-	-	(126.81)	-	(229.93)	-	(356.74)	-
<b>Closing accumulated depreciation</b>	<b>2,122.48</b>	<b>945.58</b>	<b>15.85</b>	<b>1,823.30</b>	<b>129.70</b>	<b>1,665.81</b>	<b>-</b>	<b>6,702.72</b>	<b>-</b>
<b>Net carrying amount</b>	<b>4,789.79</b>	<b>1,095.72</b>	<b>10.24</b>	<b>2,367.03</b>	<b>18.04</b>	<b>2,758.12</b>	<b>0.01</b>	<b>11,038.95</b>	<b>-</b>
<b>Year ended March 31, 2019</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	6,912.27	2,041.30	26.09	4,190.33	147.74	4,423.93	0.01	17,741.67	-
Additions	11.88	17.23	3.31	-	1.60	11.37	-	45.39	82.81
Disposal/Transfer	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>6,924.15</b>	<b>2,058.53</b>	<b>29.40</b>	<b>4,190.33</b>	<b>149.34</b>	<b>4,435.30</b>	<b>0.01</b>	<b>17,787.06</b>	<b>82.81</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	2,122.48	945.58	15.85	1,823.30	129.70	1,665.81	-	6,702.72	-
Depreciation charge during the year	793.92	317.88	3.01	633.46	1.51	624.47	-	2,374.25	-
Depreciation related to Disposal/Transfer	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>2,916.40</b>	<b>1,263.46</b>	<b>18.86</b>	<b>2,456.76</b>	<b>131.21</b>	<b>2,290.28</b>	<b>-</b>	<b>9,076.97</b>	<b>-</b>
<b>Net carrying amount</b>	<b>4,007.75</b>	<b>795.07</b>	<b>10.54</b>	<b>1,733.57</b>	<b>18.13</b>	<b>2,145.02</b>	<b>0.01</b>	<b>8,710.09</b>	<b>82.81</b>

(i) Property, plant and equipment pledged as security

(Refer Note 28 for information on property, plant and equipment pledged as security by the company).

**4. Investment Properties**

	Freehold Land	Building	Total
<b>Year ended March 31, 2018</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	7,688.75	7,758.69
Additions	-	-	-
Disposal/Transfer	-	(11.84)	(11.84)
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>7,676.91</b>	<b>7,746.85</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	154.32	154.32
Depreciation charge during the year	-	124.50	124.50
Depreciation related to Disposal/Transfer	-	(0.36)	(0.36)
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>278.46</b>	<b>278.46</b>
<b>Net carrying amount</b>	<b>69.94</b>	<b>7,398.45</b>	<b>7,468.39</b>



## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
<b>Year ended March 31, 2019</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	7,676.91	7,746.85
Additions	-	569.03	569.03
Disposal/Transfer	-	-	-
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>8,245.94</b>	<b>8,315.88</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	278.46	278.46
Depreciation charge during the year	-	131.63	131.63
Depreciation related to Disposal/Transfer	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>410.09</b>	<b>410.09</b>
<b>Net carrying amount</b>	<b>69.94</b>	<b>7,835.85</b>	<b>7,905.79</b>

- (i) Investment Properties pledged as security  
(Refer Note 28 for information on asset pledged as security by the company).

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

	As at March 31, 2019	As at March 31, 2018
Rental income	1,013.75	846.33
Direct operating expenses from property that generated rental income	96.57	68.87
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	917.18	777.46
Depreciation	131.63	124.50
Profit from investment properties	785.55	652.96

## (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, 2019	As at March 31, 2018
Within one year	727.16	627.67
Later than one year but not later than 5 years	1,579.08	2,053.08
Later than 5 years	-	-
<b>Total</b>	<b>2,306.24</b>	<b>2,680.75</b>

## (iii) Fair value

	As at March 31, 2019	As at March 31, 2018
Investment properties	42,162.12	36,717.03

**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, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**5(a) Investments**

	As at March 31, 2019	As at March 31, 2018
<b>a. Investment in subsidiaries</b>		
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
1,50,00,000 Equity Shares of Future Retail Destination Limited	-	1,500.00
1,08,62,500 Equity Shares of Gati Realtors Private Limited	-	1,085.68
10,000 Equity Shares of Jeremia Real Estate Private Limited (FV ₹ 2/-) - Note (i)	0.20	-
<b>b. Investment in joint venture</b>		
Unquoted		
6,384 Equity Shares of Riddhi Siddhi Mall Management Private Limited	698.14	698.14
Nil (2018:25,000) Equity Shares of Utility Developers Private Limited	-	2.50
15,000 Equity Shares of Star Shopping Centres Private Limited	1.50	1.50
<b>Total (a+b)</b>	<b>8,608.88</b>	<b>11,196.86</b>
<b>c. Investment in preference shares of joint venture</b>		
Unquoted		
257, 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	931.64	931.64
<b>Total (c)</b>	<b>931.64</b>	<b>931.64</b>
<b>d. Investment in equity instruments</b>		
<b>Fair value through other comprehensive income</b>		
Unquoted		
11,425 Equity Shares of V.R.Procurement Corporation Private Limited	23.03	23.02
10,000 Equity Shares of Navika Developers Private Limited	1.00	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	1.00	1.00
10,000 Equity Shares of Ujjain Future Bazaar Private Limited	1.00	1.04
6,900 (2018:10,000) Equity Shares of Harmony Malls Management Private Limited	0.69	1.00
Nil (2018 :10,000) Equity Shares of Precision Realty Developers Private Limited	-	1.38
Nil (2018 :60,000) Equity Shares of Acute Retail Infra Private Limited (Formerly known as Acute Realty Private Limited)	-	349.15
Nil (2018 :10,000) Equity Shares of Niyman Mall Management Company Private Limited	-	11.55
10,000 Equity Shares of Ojas Mall Management Private Limited	1.00	1.06
Nil (2018 :10,000) Equity Shares of Nishta Mall Management Company Private Limited	-	230.75
Nil (2018 :1,30,000) Equity Shares of Unique Malls Private Limited	-	223.95
<b>Total (d)</b>	<b>27.72</b>	<b>844.90</b>
<b>Non-current investments total (a+b+c+d)</b>	<b>9,568.24</b>	<b>12,973.40</b>
Aggregate amount of unquoted investments	<b>9,568.24</b>	<b>12,973.40</b>
<b>Current</b>		
UTI - Floating Rate Fund	300.44	510.54
Aditya Birla Sun Life Floating Rate Fund	10.76	-
<b>Current investments total</b>	<b>311.20</b>	<b>510.54</b>

(i) During the Financial Year 2018-19, the Company has acquired 100% shares of Jeremia Real Estate Private Limited. (Refer Note 27 on Acquisition of Subsidiaries).

## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 5(b) Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Related Parties	575.71	507.31
Others	576.13	1,157.39
<b>Total</b>	<b>1,151.84</b>	<b>1,664.70</b>
Less: Allowance for bad and doubtful debts	(79.48)	(91.32)
<b>Total Trade receivables</b>	<b>1,072.36</b>	<b>1,573.38</b>
<b>Breakup of securities details</b>		
Secured, considered good	-	-
Unsecured, considered good	1,083.19	1,587.14
Doubtful	68.65	77.56
<b>Total</b>	<b>1,151.84</b>	<b>1,664.70</b>
Less: Allowance for doubtful debts	(79.48)	(91.32)
<b>Total trade receivables</b>	<b>1,072.36</b>	<b>1,573.38</b>

## 5(c) Loans

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Security Deposits	141.08	1,739.15
Loans and advances to others	-	1,618.92
Advance against purchases of shares	-	900.00
<b>Total Non current loans and advances</b>	<b>141.08</b>	<b>4,258.07</b>
<b>Current</b>		
Security Deposits	1,908.51	243.56
Loans and advances	3,498.62	6,447.13
Loans and advances to related parties	693.63	873.40
<b>Total current loans and advances</b>	<b>6,100.76</b>	<b>7,564.09</b>

## 5(d) Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.84	0.84
<b>Balances with Banks</b>		
In current accounts	417.34	741.17
<b>Total Cash and cash equivalents</b>	<b>418.18</b>	<b>742.01</b>

## 5(e) Bank Balances other than above

	As at March 31, 2019	As at March 31, 2018
Fixed Deposit*	6.50	6.50
Interest accrued on fixed deposit	1.10	0.65
<b>Total Bank Balances other than above</b>	<b>7.60</b>	<b>7.15</b>
* Lien against Bank Guarantee		

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

5(f) **Other financial assets**

	As at March 31, 2019	As at March 31, 2018
<b>Other current financial assets</b>		
<b>Considered good</b>		
Unbilled Revenue	154.57	141.27
Advance to Staff	3.00	16.34
<b>Total current financial assets</b>	<b>157.57</b>	<b>157.61</b>

6. **Current and deferred tax**

6(a) **Statement of profit and loss:**

	March 31, 2019	March 31, 2018
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	(45.70)	-
<b>Total current tax (expense)</b>	<b>(45.70)</b>	<b>-</b>
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	271.63	367.20
(Decrease) increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>271.63</b>	<b>367.20</b>
<b>Income tax expense</b>	<b>225.93</b>	<b>367.20</b>

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

	March 31, 2019	March 31, 2018
<b>Profit from operation before income tax expenses</b>	1,189.96	547.48
<b>Tax rate @33.063%</b>	331.05	181.01
<i>Differences due to:</i>		
Permanent Differences	(3.30)	2.25
Standard Deduction on Rental Income	(123.64)	(134.87)
Excess provisions for previous years w/off	(45.70)	-
Adjustment related to Unabsorbed Tax Losses	(155.25)	322.61
Fixed Assets - Depreciation	227.74	(12.70)
Others	(4.99)	8.90
<b>Income tax expenses</b>	<b>225.93</b>	<b>367.20</b>

6(c) **Tax losses**

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the company

	March 31, 2019	March 31, 2018
Unused tax losses for which no deferred tax asset has been recognised	-	3,571.58
Potential tax benefit @ 33.063%	-	1,180.87

## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

As on March 31, 2019, the Company has net operating losses and carry forwards that shall expire as follows:

<b>Net operating losses</b>		
2021		-
2022		1,265.31
2023		4,303.28
2024		2,369.19
2026		547.34
		<b>8,485.12</b>
<b>Unabsorbed depreciation</b>		
Indefinitely		9,852.55

## 6(d) Deferred tax assets (net)

	March 31, 2019	March 31, 2018	March 31, 2017
<b>Deferred tax assets</b>			
Unabsorbed Tax Losses	5,101.54	5,027.86	5,027.87
Provisions	33.75	12.47	8.62
Fair valuation of financial assets-P&L (Net)	(7.05)	133.67	381.95
Fair valuation of financial assets-OCI (Net)	59.39	155.66	154.03
Property Plant & Equipment	1,152.64	1,094.94	1,218.63
MAT credit entitlement	-	679.17	679.18
Freehold Land	7.79	8.33	7.41
<b>Deferred tax liabilities</b>			
Defined benefit obligation	(3.91)	(1.90)	(1.49)
<b>Total deferred tax assets (net)</b>	<b>6,344.15</b>	<b>7,110.20</b>	<b>7,476.20</b>

## 6(e) Movement in deferred tax liabilities

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial assets	Property Plant & Equipment	Freehold Land	MAT credit entitlement	Total
<b>At March 31, 2017</b>	<b>7.14</b>	<b>5,027.86</b>	<b>535.97</b>	<b>1,218.63</b>	<b>7.41</b>	<b>679.17</b>	<b>7,476.18</b>
(Charged)/credited:							
- to profit or loss	3.85	-	(248.28)	(123.69)	0.92	-	(367.20)
- to other comprehensive income	(0.41)	-	1.63	-	-	-	1.22
<b>At March 31, 2018</b>	<b>10.58</b>	<b>5,027.86</b>	<b>289.32</b>	<b>1,094.94</b>	<b>8.33</b>	<b>679.17</b>	<b>7,110.20</b>
(Charged)/credited:							
- to profit or loss	21.28	469.83	(140.72)	57.70	(0.54)	(679.17)	(271.62)
- to other comprehensive income	(2.01)	(396.15)	(96.27)	-	-	-	(494.43)
<b>At March 31, 2019</b>	<b>29.85</b>	<b>5,101.54</b>	<b>52.33</b>	<b>1,152.64</b>	<b>7.79</b>	<b>-</b>	<b>6,344.15</b>

## 7. Other assets

	As at March 31, 2019	As at March 31, 2018
<b>Other non-current assets</b>		
Business Advance - Related Party	-	171.91
Capital Advance	3,350.00	3,355.00
Corpus Funds	7.50	-
Balances with Govt. Authorities	772.20	397.68
Prepaid Expense	310.32	340.34
<b>Total Other Non-current assets</b>	<b>4,440.02</b>	<b>4,264.93</b>
<b>Other current assets</b>		
Security Deposits	5.86	5.86
Business Advance	1,947.39	1,605.56
Prepaid Expense	37.47	65.37
<b>Total Other current assets</b>	<b>1,990.72</b>	<b>1,676.79</b>

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

8. Inventories	As at March 31, 2019	As at March 31, 2018
Finished Shops	917.61	918.71
<b>Total Inventories</b>	<b>917.61</b>	<b>918.71</b>

9. Assets classified as held for sale	As at March 31, 2019	As at March 31, 2018
Buildings	6,277.75	6,277.75
Investments	3,989.17	-
<b>Total</b>	<b>10,266.92</b>	<b>6,277.75</b>

In July 2016, the Board of directors resolved to dispose 10 Acres Mall situated at Ahmedabad which is vested with the Company through an approved scheme of amalgamation. The buyer has been identified and the part of the property has been transferred. The balance sale portion is expected to be completed within next 12 months. The asset is presented separately under assets held for sale. The sale terms are getting finalized and the transaction is expected to be completed in a short time and the Board believes to complete the transaction in the next FY. Hence the assets are continued to be classified as held for sale.

In January, 2019 the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries Gati Realtors Private Limited & Future Retail Destination Limited. The buyer has been identified and the particulars of the sale deed are at an advance stage of finalization. The sale is expected to be completed in next 12 Months. The investments are presented separately under asset 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, 2019	As at March 31, 2018
<b>Authorised</b>		
9,02,60,000 Equity Shares [March 31, 2018: 9,02,60,000] of ₹10/- each	9,026.00	9,026.00
5,000 Preference Shares [March 31, 2018: 5,000] of ₹100/- each	5.00	5.00
<b>Total</b>	<b>9,031.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
5,62,91,851 Equity Shares [March 31, 2018: 5,62,91,851] of ₹10/- each	5,629.19	5,629.19
<b>Total</b>	<b>5,629.19</b>	<b>5,629.19</b>

\*includes 570 shares held in abeyance

	As at March 31, 2019	As at March 31, 2018
<b>Subscribed and paid up</b>		
5,62,91,281 Equity Shares [March 31, 2018: 5,62,91,281] of ₹10/- each	5,629.13	5,629.13
<b>Total</b>	<b>5,629.13</b>	<b>5,629.13</b>

**a) Movements in Equity Share Capital**

	As at March 31, 2019		As at March 31, 2018	
	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	-	-	-	-
<b>Balance as at the end of the year</b>	<b>5,62,91,281</b>	<b>5,629.13</b>	<b>5,62,91,281</b>	<b>5,629.13</b>

**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, 2019

(All amounts in INR lakhs, unless otherwise stated)

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.

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

	As at March 31, 2019		As at March 31, 2018	
	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	73.06%	4,11,29,343	73.06%
Ishbhoomi Fabtraders Private Limited	40,97,145	7.28%	43,09,260	7.66%
	<b>4,52,26,488</b>	<b>80.34%</b>	<b>4,54,38,603</b>	<b>80.72%</b>

Pursuant to the scheme of amalgamation of Manz Retail Private Limited, ESES Commercials Private Limited, PIL Industries Limited, Future Corporate Resources Limited, Gargi Business Ventures Private Limited, Weavette Business Ventures Limited with Suhani Trading and Investment Consultants Private Limited and their respective shareholders sanctioned by the National Company Law Tribunal, Mumbai Bench vide order dated October 18, 2017 and filed with ROC on November 14, 2017, the shares held by transferor companies in Future Market Networks Limited now vested with Suhani Trading and Investment Consultants Private Limited. The name of Suhani Trading and Investments Consultant Private Limited has changed to Future Corporate Resources Private Limited.

## 10(b) Other Equity

	As at March 31, 2019	As at March 31, 2018
<b>Reserve and surplus</b>		
Capital Reserve	7,474.75	7,474.75
Securities Premium	25,291.33	25,291.33
Retained Earnings	(22,680.97)	(19,031.64)
Subordinated Debt*	5,355.99	4,905.96
Other Reserves	(154.08)	(4,888.41)
<b>Total</b>	<b>15,287.02</b>	<b>13,751.99</b>

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

	As at March 31, 2019	As at March 31, 2018
<b>(i) Capital Reserve</b>		
Opening Balance	7,474.75	7,474.75
Movement during the year	-	-
<b>Closing Balance</b>	<b>7,474.75</b>	<b>7,474.75</b>
<b>(ii) Securities Premium</b>		
Opening Balance	25,291.33	25,291.33
Movement during the year	-	-
<b>Closing Balance</b>	<b>25,291.33</b>	<b>25,291.33</b>
<b>(iii) Retained Earnings</b>		
Opening Balance	(19,031.64)	(19,212.75)
Add: profit for the year	964.03	180.28
Items of other comprehensive income recognised in retained earnings	(4,619.66)	-
Remeasurements of post-employment benefit obligation	8.32	1.24
Deferred tax (Actuarial Gains)	(2.02)	(0.41)
<b>Closing Balance</b>	<b>(22,680.97)</b>	<b>(19,031.64)</b>

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

<b>(iv) Other Reserves</b>		
Opening Balance	(4,888.41)	(4,857.88)
Items of other comprehensive income transfer to retained earnings	4,619.66	-
Change in fair value of FVOCI equity instruments	607.09	(32.16)
Deferred tax (Fair Value)	(492.42)	1.63
<b>Closing Balance</b>	<b>(154.08)</b>	<b>(4,888.41)</b>

**Nature and purpose of other reserves**

**Securities premium reserve**

Securities premium reserve 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, 2019	As at March 31, 2018
<b>Non current Borrowing</b>		
<b>Secured</b>		
Term loans from banks	3,495.24	7,788.01
<b>Total Non current Borrowing</b>	<b>3,495.24</b>	<b>7,788.01</b>
Less: Current Maturities of long term borrowing	(3,495.24)	(4,282.50)
<b>Non current borrowings</b>	<b>-</b>	<b>3,505.51</b>

**Secured borrowings and assets pledged as security**

Sr. No	Nature of security	Terms of Repayment
1.	Term Loan from Bank balance outstanding amounting to ₹ NIL (March 31, 2018: ₹ 1,304.01 lakhs) are secured by are secured by (a) Charge on Assets of ₹ 10,500 lakhs created out of the proposed Term Loan. (b) First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to ₹ 10,000 lakhs (c) Second Pari Passu charge on the immovable property owned by Bansii Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 14 quarterly installments starting from March 2015. Last instalment due in June 2018. Rate of interest - MCLR (1 Year) +4 % Present Effective Rate 12.55% p.a. (13.70%)
2.	Term Loan from Bank balance outstanding amounting to ₹ 3500 lakhs (March 31, 2018: ₹ 6,500 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 Bansii Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Bansii 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 - 11.10% (12.35%)

	As at March 31, 2019	As at March 31, 2018
<b>Current Borrowing</b>		
<b>Unsecured</b>		
Loans from related party	-	12,760.30
Other Loans and Advances	11,358.24	-
<b>Total Current Borrowing</b>	<b>11,358.24</b>	<b>12,760.30</b>



## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 11(b). Other Non-current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits:		
From Related Parties	239.45	262.43
From Others	1,358.80	8,633.25
<b>Total Non-current financial liabilities</b>	<b>1,598.25</b>	<b>8,895.68</b>

## Other Current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits:		
From Related Parties	98.42	29.04
From Others	302.13	3,264.07
<b>Total</b>	<b>400.55</b>	<b>3,293.11</b>
Current Maturities of Long-Term Borrowings	3,495.24	4,282.50
Corpus Funds	-	14.78
Other payables (Retention Money)	-	4.24
<b>Total Current financial liabilities</b>	<b>3,895.79</b>	<b>7,594.63</b>

## 11(c). Trade payables

	As at March 31, 2019	As at March 31, 2018
Trade payables:		
Related Parties	8.24	39.22
Others	432.73	1,308.37
<b>Total Trade payables</b>	<b>440.97</b>	<b>1,347.59</b>

## 12. Employee benefit obligations

	As at March 31, 2019	As at March 31, 2018
<b>Non current Employee benefit obligations</b>		
Gratuity	19.22	21.09
Leave entitlement	8.09	10.42
<b>Total Non current Employee benefit obligations</b>	<b>27.31</b>	<b>31.51</b>
<b>Current Employee benefit obligations</b>		
Gratuity	0.34	0.30
Leave entitlement	0.15	0.20
<b>Total current Employee benefit obligations</b>	<b>0.49</b>	<b>0.50</b>

## 13. Other liabilities

	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Deferred Rent Income	623.24	572.19
<b>Total Other Non-current liabilities</b>	<b>623.24</b>	<b>572.19</b>
<b>Current</b>		
Statutory dues (including provident fund, tax deducted at source and others)	128.87	253.19
Advance from customers	18,849.81	10,680.92
Deferred Rent Income	222.55	1,139.36
Other payables	373.43	379.47
<b>Total Other current liabilities</b>	<b>19,574.66</b>	<b>12,452.94</b>

**Notes to the financial statements for the year ended March 31, 2019**

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

(All amounts in INR lakhs, unless otherwise stated)

**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 ₹ 13.15 Lakhs (previous year ₹ 16.21 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, 2019	As at March 31, 2018
<b>Opening defined benefit obligation</b>	<b>21.40</b>	<b>13.85</b>
Current service cost	5.00	7.78
Interest expense/(income)	1.63	1.02
<i>Remeasurements</i>		
Experience (gains)/losses	-	-
<b>Total amount recognised in profit and loss</b>	<b>6.63</b>	<b>8.80</b>
<i>Remeasurements</i>		
(Gain )/loss from change in financial assumptions	0.12	(0.81)
Experience (gains)/losses	(8.43)	(0.44)
<b>Total amount recognised in other comprehensive income</b>	<b>(8.31)</b>	<b>(1.25)</b>
Employer contributions	-	-
Benefit payments	(0.16)	-
<b>Closing defined benefit obligation</b>	<b>19.56</b>	<b>21.40</b>

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

	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	19.56	21.40
Fair value of plan assets	-	-
Surplus /(Deficit)	19.56	21.40
Effect of assets ceiling	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>19.56</b>	<b>21.40</b>

**Significant estimates: Actuarial assumptions**

*The significant actuarial assumptions were as follows:*

	Gratuity	
	As at March 31, 2019	As at March 31, 2018
<b>Financial Assumptions</b>		
Discount rate	7.65%	7.70%
Salary growth rate	5.00%	5.00%
<b>Demographic Assumptions</b>		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1.00%	1.00%
Retirement age	58 years	58 years

## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Sensitivity analysis

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

	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Discount rate		
a. Discount rate -100 basis point	22.21	24.22
b. Discount rate+100 basis point	17.31	18.98
Salary growth rate		
a. Rate -100 basis point	17.24	18.90
b. Rate+100 basis point	21.64	24.00

## Expected Future Cash Flows

	As at March 31, 2019	As at March 31, 2018
Year 1	0.34	0.31
Year 2	1.45	0.33
Year 3	0.37	1.32
Year 4	0.39	0.45
Year 5	0.43	0.47
Year 6 to 10	3.57	2.88

## 15. Revenue from Operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sales	7.53	52.01
Rent and other related revenues	9,871.04	7,889.42
Management Consultancy	500.00	-
<b>Total</b>	<b>10,378.57</b>	<b>7,941.43</b>

## 16. Other income

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest income</b>		
On bank deposits	0.48	0.58
On others	1,380.24	1,922.08
Income From Debtors Assignment	-	123.00
Profit on sale of Fixed Assets	-	1,129.51
Profit on sale of Investments	407.68	307.80
Fair Valuation of Investments	1.20	7.86
Excess Provision Written Back	32.40	-
Miscellaneous Income	27.60	5.43
<b>Total</b>	<b>1,849.60</b>	<b>3,496.26</b>

## 17. Operating Cost

	Year ended March 31, 2019	Year ended March 31, 2018
Mall Maintenance Charges	211.14	121.05
Rent	4,731.22	4,747.60
<b>Total</b>	<b>4,942.36</b>	<b>4,868.65</b>

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**18. Cost of Units sold**

	Year ended March 31, 2019	Year ended March 31, 2018
Cost of units sold	3.54	39.28
<b>Total</b>	<b>3.54</b>	<b>39.28</b>

**19. Employee benefits expense**

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	359.23	436.87
Contribution to Provident and Other Funds	22.75	30.09
Staff Welfare Expenses	7.95	2.86
<b>Total</b>	<b>389.93</b>	<b>469.82</b>

**20. Finance costs**

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses	1,951.71	2,309.09
Other Borrowing costs	5.31	17.45
<b>Total</b>	<b>1,957.02</b>	<b>2,326.54</b>

**21. Depreciation and amortization expense**

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant and Equipment	2,374.25	2,361.91
Depreciation on Investment property	131.63	124.50
<b>Total</b>	<b>2,505.88</b>	<b>2,486.41</b>

**22. Other expenses**

	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel	471.18	192.12
Repairs and Maintenance - Others	217.63	81.30
<b>Auditor's Remuneration</b>		
Statutory Audit Fees	5.60	5.00
Tax Audit Fees	0.50	0.50
Other Services	0.90	0.90
Rates and Taxes	215.86	100.46
Insurance	11.59	14.99
Legal and Professional Fees	136.06	133.83
Listing Fees/Custodian Charges	6.74	10.70
Director Sitting Fees	13.45	11.05
Marketing and Promotion	24.83	14.22
Office Rent	36.90	39.64
Provision for Doubtful Debts	20.75	32.59
Travelling and Conveyance Expenses	23.04	21.47
Water Charges	10.97	9.34
Other Expenses	43.48	31.40
<b>Total</b>	<b>1,239.48</b>	<b>699.51</b>

## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 23. Fair value measurements

## 23(a) Financial instruments by category

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity Instruments	-	27.72	-	-	844.90	-
- Mutual Funds	311.20	-	-	510.54	-	-
Loans	-	-	6,241.84	-	-	11,822.16
Trade receivables	-	-	1,072.36	-	-	1,573.38
Cash and cash equivalents	-	-	418.18	-	-	742.01
Bank Balances other than above	-	-	7.60	-	-	7.15
Other financial assets	-	-	157.57	-	-	157.61
<b>Total financial assets</b>	<b>311.20</b>	<b>27.72</b>	<b>7,897.55</b>	<b>510.54</b>	<b>844.90</b>	<b>14,302.31</b>
<b>Financial liabilities</b>						
Borrowings	-	-	11,358.24	-	-	16,265.81
Deposits from customer	-	-	1,598.25	-	-	8,895.68
Other financial liabilities	-	-	3,895.79	-	-	7,594.63
Trade payables	-	-	440.97	-	-	1,347.59
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>17,293.25</b>	<b>-</b>	<b>-</b>	<b>34,103.71</b>

## 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, 2019:

	Investment in - Equity instruments
<b>As at April 1, 2017</b>	<b>877.18</b>
Sale of Investment	(0.10)
Gains/(losses) recognised in Other Comprehensive Income	(32.16)
<b>As at March 31, 2018</b>	<b>844.92</b>
Sale of Investment	(1,424.27)
Gains/(losses) recognised in Other Comprehensive Income	607.09
<b>As at March 31, 2019</b>	<b>27.74</b>

**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, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans	6,241.84	6,281.68	11,822.16	11,867.34
<b>Total financial assets</b>	<b>6,241.84</b>	<b>6,281.68</b>	<b>11,822.16</b>	<b>11,867.34</b>
<b>Financial liabilities</b>				
Borrowings	11,358.24	11,358.24	16,265.81	16,265.81
Deposits from customer	1,598.25	1,708.26	8,895.68	9,000.81
<b>Total financial liabilities</b>	<b>12,956.49</b>	<b>13,066.50</b>	<b>25,161.49</b>	<b>25,266.62</b>

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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.

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, 2019	March 31, 2018
BSE Sensex 30- Increase 5%	15.56	25.53
BSE Sensex 30- Decrease 5%	(15.56)	(25.53)

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, 2019	March 31, 2018
Variable rate borrowings	3,495.24	7,788.01
Percentage of variable rate borrowings to total borrowings	24%	38%
<b>Total borrowings</b>	<b>14,853.48</b>	<b>20,548.31</b>

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	March 31, 2019	March 31, 2018
Interest rates – increase by 50 basis points*	(17.48)	(38.94)
Interest rates – decrease by 50 basis points*	17.48	38.94

\*Holding all other variables constant

## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

**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 & 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**

	As at March 31, 2019	As at March 31, 2018
<b>Opening provision</b>	<b>91.31</b>	<b>84.62</b>
Add: Additional provision made	20.74	32.59
Less: Provision write off	32.59	25.90
<b>Closing provisions</b>	<b>79.46</b>	<b>91.31</b>

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.

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
<b>As at March 31, 2019</b>			
Trade payables	440.97	-	<b>440.97</b>
Borrowings	11,358.24	-	<b>11,358.24</b>
Other Financial liabilities	3,900.55	2,545.19	<b>6,445.74</b>
<b>As at March 31, 2018</b>			
Trade payables	1,347.59	-	<b>1,347.59</b>
Borrowings	12,760.30	3,521.52	<b>16,281.82</b>
Other Financial liabilities	7,594.63	10,784.78	<b>18,379.41</b>

**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, 2019	As at March 31, 2018
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the company	964.03	180.28
Total basic earnings per share attributable to the equity holders of the company (in ₹)	1.71	0.32
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,62,91,281	5,62,91,281
Diluted earning per share is same as basic earning per share		

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**27. Acquisition of Subsidiaries:**

**a. Jeremia Real Estate Private Limited**

On August 27, 2018 the Company has acquired 10,000 Equity Shares of Jeremia Real Estate Private Limited, being 100% shareholding. The acquisition of the specified assets referred to as "Business Combination" under Ind AS 103. Total Purchase Consideration transferred: ₹ 0.20 lakhs upon acquisition. The fair value of net assets acquired as at the date of acquisition were ₹ (7.63 lakhs).

**b. Future Retail Destination Limited**

The Company was already holding 50% of the shareholding in Future Retail Destination Limited (FRDL). Pursuant to Share Purchase Agreement dated May 31, 2017, the Company purchased 1,50,00,000 shares of FRDL, being balance 50% of the share holding of FRDL from the other co-venturer in the month of September 2018. Further, since the Company had already established full control over operations of FRDL, by virtue of the agreement, it is already being treated as subsidiary of the Company, since the date of above agreement.

The purchase consideration paid by the Company to its venturer is ₹1400 Lakhs for acquisition of balance 50% stake. Further it may also be noted that the Company has resolved to divest the entire stake in FRDL to an identified buyer, and the sale is expected to be completed within a period on next twelve months. Consequently, the investment in FRDL is classified as "Assets held for Sale - under Note 9".

**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, 2019	As at March 31, 2018
<b>Non-Current Assets</b>		
First Charge		
Property, Plant and Equipment	8,710.09	11,038.95
Investment Properties	2,867.70	2,988.71
Assets Held for Sale	-	6,277.75
<b>Total Non Current Assets pledged as Security</b>	<b>11,577.79</b>	<b>20,305.41</b>
<b>Total Assets pledged as Security</b>	<b>11,577.79</b>	<b>20,305.41</b>

**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 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, 2019		As at March 31, 2018	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	-	-	-	-
Options granted during the period	85	760,000	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	(550,000)	-	-
Forfeited during the period	-	-	-	-
<b>Options outstanding at the end of the period</b>	-	<b>210,000</b>	-	-
<b>Options vested and exercisable at the end of the period</b>	-	-	-	-



## Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## (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, 2019	March 31, 2018
Employee compensation expense	-	-

Effect of the employee share option plan on the financial statements is as follows:

Particulars	March 31, 2019	March 31, 2018
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	122.1

## 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, 2019	March 31, 2018
PAN India Food Solutions Private Limited	Director Interested	Director Interested
Splendor Fitness Private Limited		
Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited)		
Grihith Trade Ventures Private Limited (w.e.f 05.06.2018)	-	-
Naman Mall Management Company Private Limited (wholly owned subsidiary upto 01.09.2017)	Subsidiary	Subsidiary
Aashirwad Malls Private Limited		
Suhani Mall Management Company Private Limited		
Sun City Properties Private Limited		
Gati Realtors Private Limited		
Future Trade Market Private Limited		
Future Retail Destination Limited		
Jeremia Real Estate Private Limited (w.e.f 27.08.2018)	-	-
Star Shopping Centres Private Limited	Joint Venture	Joint Venture
Riddhi Siddhi Mall Management Private Limited		
Utility Developers Private Limited (upto 31.07.2018)	Holding Company	Holding Company
Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)		
Retail Trust		

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

Future Retail Limited	Associate of Holding Company	Associate of Holding Company
Praxis Home Retail Limited		
Kamadgiri Fashion Limited		
Mr. Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Mr. Pawan Agarwal		
Mr. Pramod Arora (Upto 08.10.2018)		
Ms. Ritu Pawan Agarwal	Relative of KMP	Relative of KMP
Ms. Jollamma Anil Cherian		
Mr. Sunil Biyani (Managing Director upto 30.05.2018)	Non Executive Director	Managing Director
Mr. Rajesh Kalyani	Non Executive Director	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, 2019	March 31, 2018
Short-term employee benefits	137.86	159.79
Post-employment benefits	11.83	19.59
<b>Total</b>	<b>149.69</b>	<b>179.38</b>

(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
<b>Interest Income</b>	<b>63.91</b>	<b>36.71</b>	-	-	-	-	-
	<i>76.51</i>	<i>48.70</i>	-	-	-	-	-
<b>Management Consultancy</b>	-	<b>500.00</b>	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Lease Rent Expenses</b>	-	-	-	<b>6.72</b>	-	<b>6.00</b>	<b>36.89</b>
	-	-	-	<i>6.72</i>	-	-	<i>22.46</i>
<b>Reimbursement of Expenses</b>	-	-	-	-	-	-	<b>56.68</b>
	-	-	-	-	<i>1.10</i>	-	<i>16.78</i>
<b>Sitting Fees</b>	-	-	-	-	<b>13.45</b>	-	-
	-	-	-	-	<i>11.05</i>	-	-
<b>Promoter Contribution</b>	-	-	<b>450.00</b>	-	-	-	-
	-	-	-	-	-	-	-
<b>Investment in shares</b>	-	-	-	-	-	-	-
	<i>1,085.67</i>	-	-	-	-	-	-
<b>Share application money Given</b>	-	-	-	-	-	-	-
	<i>1,085.25</i>	-	-	-	-	-	-
<b>Advances /Loans given net off received back</b>	<b>183.00</b>	<b>(631.30)</b>	-	-	-	-	-
	<i>(539.13)</i>	<i>352.07</i>	-	-	-	-	-
<b>Advances /Loans / Deposits taken net off repaid back</b>	-	-	<b>(450.00)</b>	-	-	<b>(660.23)</b>	<b>181.85</b>
	-	-	-	-	-	-	<i>(2,935.11)</i>
<b>Purchase</b>	-	-	-	-	-	-	<b>0.49</b>
	-	-	-	-	-	<i>1.41</i>	-
<b>Rent Income</b>	-	-	-	-	-	-	<b>1,523.56</b>
	-	-	-	-	-	<i>5.25</i>	<i>586.21</i>

Note: Figures in italic represents previous year's figures.

## Notes to the financial statements for the year ended March 31, 2019

(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
Income from Debtors Assignment	-	-	-	-	-	123.00	-
Deposit received	-	-	-	-	-	-	51.00
Miscellaneous Expenses	-	-	-	-	-	-	0.37
<b>Outstanding Balance as at March 31, 2019</b>							
Receivable	-	240.25	-	-	-	-	335.46
Payables	-	-	-	-	-	3.24	5.00
Subordinated Debt	-	-	5,355.97	-	-	-	-
Loans & Advances	624.64	68.99	-	-	-	-	-
Loan / Advance Taken	385.49	663.95	450.00	-	-	-	12,578.46
Security Deposits Taken	-	-	-	-	-	-	504.00
	-	-	-	-	-	-	453.00

Note: Figures in italic represents previous year's figures.

## (d) Significant Related Party transactions:

Nature of Transaction	Name of the Company	March 31, 2019	March 31, 2018
Interest Income	Suhani Mall Management Company Private Limited	14.26	12.52
	Future Retail Destination Limited	1.64	21.02
	Sun City Properties Private Limited	32.85	28.81
	Aashirwad Malls Private Limited	1.32	-
	Jeremia Real Estate Private Limited	2.39	-
	Gati Realtors Private Limited	10.80	1.50
	Riddhi Siddhi Mall Management Private Limited	36.71	48.70
	Naman Mall Management Company Private Limited	-	12.65
Project Management Consultancy	Star Shopping Centres Private Limited	500.00	-
Lease Rent Expenses	Ms. Jollamma Anil Cherian	3.36	3.36
	Ms. Ritu Pawan Agarwal	3.36	3.36
Reimbursement of Expenses	Future Retail Limited	56.68	16.78
	Mr. Pramod Arora	-	1.10
Sitting Fees	Mr. Rajesh Kalyani	3.35	2.80
	Mr. Sunil Biyani	1.20	-
	Mr. Vijai Singh Dugar	3.55	3.50
	Mr. K.A Somayajulu	3.55	3.60
	Mr. Pramod Arora	0.80	-
	Ms. Udita Jhunjunwala	1.00	1.15
Investment in Shares	Gati Realtors Private Limited	-	1,085.67
Share Application Money Given	Gati Realtors Private Limited	-	1,085.25
Promotor's Contribution	Future Corporate Resources Private Limited (Formerly Known as "Suhani Trading and Investment Consultants Private Limited")	450.00	-

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Name of the Company	March 31, 2019	March 31, 2018
Loan Given net off received Back	Suhani Mall Management Company Private Limited	17.67	62.09
	Future Trade Markets Private Limited	-	(20.50)
	Future Retail Destination Limited	-	(220.65)
	Sun City Properties Private Limited	0.80	-
	Aashirwad Malls Private Limited	17.55	4.14
	Jeremia Real Estate Private Limited (w.e.f 27.08.2018)	27.86	-
	Gafi Realtors Private Limited	119.12	14.75
	Naman Mall Management Company Private Limited (wholly owned subsidiary upto 30.09.2017) (Director Intereted)	-	(379.27)
	Riddhi Siddhi Mall Management Private Limited	(458.95)	351.63
	Star Shopping Centres Private Limited	(171.91)	(68.77)
Advances /Loans taken net off repaid back	Future Retail Limited	181.85	(2,935.11)
	Grihiith Trade Ventures Private Limited	(660.23)	-
Deposit Received	Future Retail Limited	51.00	-
Rent Income	Future Retail Limited	1,397.14	550.88
	Praxis Home Retail Limited	126.42	35.34
Rent Expenses	Future Retail Limited	36.89	22.46
	Galaxy Entertainment Corporation Limited i.e Galaxy Cloud Kitchens Limited	6.00	5.25
Income from Debtors Assignment	PAN India Food Solutions Private Limited (w.e.f 14.08.2017)	-	123.00

**31. In respect of operating lease taken by the company, the future minimum lease rental obligation under operating leases -**

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
i)	Lease rentals recognized in Statement of Profit and Loss	4,697.44	4,622.43
ii)	Lease rentals payable not later than one year	2,594.60	2,188.09
iii)	Lease rentals payable later than one year and not later than five years	7,819.02	8,054.61
iv)	Lease rentals payable later than five years	1,605.25	2,925.34

**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, 2019	Year ended March 31, 2018
i)	Gross block of assets let out on operating lease	26,032.95	25,418.54
ii)	Accumulated depreciation as at March 31,	9,487.01	6,981.13
iii)	Depreciation charged during the year to the Statement of Profit and Loss	2,505.88	2,486.41
iv)	Lease rentals recognised in Statement of Profit and Loss	8,352.54	6,341.56
v)	Lease rentals receivable not later than one year	5,953.03	5,411.20
vi)	Lease rentals receivable later than one year and not later than five years	14,918.32	20,288.96
vii)	Lease rentals receivable later than five years	-	9.33

**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, 2019

(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, 2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>A</b>	<b>Loans Given</b>					
	1 Future Trade Markets Private Limited	Subsidiary	-	-	31.09	29.36
	2 Suhani Mall Management Company Private Limited	Subsidiary	164.52	132.74	164.52	132.74
	3 Star Shopping Centres Private Limited	Joint Venture	-	171.91	171.91	249.15
	4 Sun City Properties Private Limited	Subsidiary	266.82	233.87	266.82	233.87
	5 Riddhi Siddhi Mall Management Private Limited	Joint Venture	68.99	491.61	491.61	542.77
	6 Future Retail Destination Limited	Subsidiary	-	-	92.47	243.53
	7 Utility Developers Private Limited	Joint Venture	-	0.44	0.44	0.44
	8 Ojas Mall Management Private Limited	Other Body Corporate	-	412.95	530.97	482.39
	9 Niyman Mall Management Company Private Limited	Other Body Corporate	-	451.18	524.78	451.18
	10 Acute Retail Infra Private Limited (Formerly known as Acute Realty Private Limited)	Other Body Corporate	-	187.28	196.52	1,312.31
	11 Nishta Mall Management Company Private Limited	Other Body Corporate	-	1,692.37	1,704.99	1,748.31
	12 Precision Realty Developers Private Limited	Other Body Corporate	-	2,065.16	2,071.16	2,065.16
	13 Unique Malls Private Limited	Other Body Corporate	-	2,271.15	2,285.15	5,205.82
	14 Navika Developers Private Limited	Other Body Corporate	-	12.90	12.90	269.00
	15 Ujjain Future Bazaar Private Limited	Other Body Corporate	3,313.39	784.65	3,313.39	784.65
	16 Harmony Malls Management Private Limited	Other Body Corporate	-	649.97	649.97	1,046.65
	17 Gati Realtors Private Limited	Subsidiary	144.56	14.75	144.56	14.75
	18 Aashirwad Malls Private Limited	Subsidiary	18.73	-	18.73	-
	19 Jeremia Real Estate Private Limited	Other Body Corporate	30.00	-	30.00	-
	20 Vegith Global Services Private Limited	Other Body Corporate	115.73	-	150.00	-
<b>B</b>	<b>Corporate Guarantee Given</b>					
	i. IDBI Bank Limited-Acute Realty Private Limited	Other Body Corporate	-	18,700	-	-
	ii. Central bank of India - Unique Malls Private Limited	Other Body Corporate	18,750	18,750	-	-
	iii. Central Bank of India - Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)	Investing Party	-	15,000	-	-
<b>C</b>	<b>Investments</b>	Investments made are given under Schedule 5(a)				

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**35. Contingent Liabilities not provided for:**

(a) Corporate Guarantee given to bank on behalf of Companies- ₹ 18,750 Lakhs (2018: ₹ 52,450 Lakhs)  
(Refer note 34)

(b) Service Tax disputed demand - ₹ 95.80 lakhs (2018: ₹ 779.80 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.

(c) 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 ₹ 12,90,52,379/- (Rupees Twelve Crore Ninety Lakhs Fifty Two Thousand Three Hundred Seventy Nine Only) 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.

(d) The Company has sub lease rights with respect to the 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 ₹ 17.41 Cr (over and above the existing receivables standing in the books) 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.

**36. Capital Commitments / Asset Purchase Agreement / Put Option Agreement**

(a) During the current year, the Company (FMNL) has entered into a put option asset purchase agreement, wherein the FMNL has undertaken an obligation through a put option in relation to a loan facility of ₹ 75 crores provided by Axis Bank Ltd to a Borrower for purchase of assets being movable assets. FMNL has entered into an asset purchase agreement with the Borrower for purchase of said assets in future. In the event of any 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 has also mortgaged its immoveable property with the bank against its obligations, as a part of the above transaction. (Included in Note 28 - Assets Pledged as Security).

**As per our Report of even date**

**For Viren Gandhi & Co.**

**Chartered Accountants**

**Chintan Gandhi**  
**Partner**

**Place: Mumbai**  
**Date: May 21, 2019**

**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**

**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 Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statement of FUTURE MARKET NETWORKS LIMITED (“the Holding Company”) and its subsidiaries (together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019 the Consolidated Profit and Loss Statement (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended, and notes to the consolidated financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (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 its associates and its joint ventures as at March 31, 2019 its Consolidated profit and other comprehensive income, its Consolidated cash flows and Consolidated changes in equity for the year ended .

**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 joint ventures 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.

The Key Audit Matter	How the Matter was addressed in our audit?
<p><b>Revenue Recognition: (Refer Note 15 of the Standalone Financial Statements)</b></p> <p>Revenue from leasing out of commercial units/ shops represents 95.10% of the total revenue from operations of the company and hence revenue from lease rentals virtually represents the total revenue.</p> <p>Revenue pertaining to lease rents is recognized on straight line basis over the lease term in accordance with IND AS 17.</p> <p>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 recognized in the Statement of Profit &amp; Loss in the period they are earned.</p>	<p><b>Our audit procedures on Revenue recognition included the following</b></p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the revenue recognition accounting policies, the amount of revenue recognized as per the agreement entered into with the tenants along with IND AS 17</li> <li>• We tested the design, implementation and operating effectiveness of controls over the recognition of lease rent due from the parties.</li> <li>• We performed substantive testing on a test check basis by verifying the lease rent received during the year with the documents, which included the agreements entered into with the tenants.</li> <li>• Analytical procedures were performed to identify deviations in monthly rent received from the tenants / lessees / sub-lessees</li> <li>• We undertook site visits during the year for selected malls to evaluate the effectiveness of the company’s internal control policies, to test check the adequacy of the revenue recognized in the financial statements.</li> <li>• With regards to contingent rent, we 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.</li> <li>• Adequate accrual for contingent rent at the year-end based on previous statistics / trends</li> <li>• We tested the design, implementation and operating effectiveness of controls over the calculation of discount and rebates.</li> </ul>



<p><b>Asset Classified as Held For Sale (Refer Note 9 of the Financial Statements)</b></p> <p>An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.</p> <p>The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. The asset to qualify for recognition as held for sale, the sale should be expected to be completed within one year of such classification.</p> <p>An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.</p> <p>The company has classified one of its investment properties (10 Acres Mall, Ahmedabad) as held for sale during July, 2016. The said property was pledged for guarantee given to bank for Acute Retail Infra Private Limited (Formerly known as Acute Realty Private Limited). (Refer Note 36). During the year, the borrowing pertaining to the guarantee is now repaid and asset is free of any encumbrance.</p> <p>The sale terms are finalized and the transaction is pending for some legal compliance which the board believes, to be finalized in a short time.</p> <p>Further, the Company also in January, 2019 resolved to sell the entire stake of their wholly owned subsidiaries Gati Realtors Private Limited &amp; Future Retail Destination Limited. The buyer has been identified and the particulars of the sale deed are at an advance stage of finalization. The sale is expected to be completed in next 12 Months. The investments are presented separately under asset held for sale.</p>	<p><b>Our audit procedures on Revenue recognition included the following</b></p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the accounting policies and estimates.</li> <li>• We challenged the assumptions and critical judgments made by management which impacted their estimate of fair value less cost to sell, the estimated time to sell the assets &amp; their carrying value at each reporting date.</li> <li>• We discussed the status of the sale transaction and the possible impact of any changes to the sale terms on the financial statements with the management.</li> <li>• We assessed the appropriateness of classifications of the assets upon expiry of one year of initial classification and adequacy of the continuance of such classification.</li> <li>• We assessed whether any income from the said assets held for sale was being earned by the Company.</li> </ul>
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#### Other Information

The Holding 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 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.

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group, its associates and joint ventures 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 joint ventures 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 joint ventures are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with Standards on Auditing, 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 explaining our opinion on whether the Group, its associates and its joint ventures has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the financial statements of seven subsidiaries included in the consolidated financial statement, whose financial statements reflect total assets of ₹ 16,184.43 Lakhs as at March 31, 2019 total revenues of ₹ 668.52 lakhs, total net profit of ₹ 133.81 lakhs and total comprehensive income of ₹ 604.19 Lakhs and cash inflows of ₹ 944.82 lakhs for the year ended March 31, 2019 as considered in the consolidated financial statement. The consolidated financial results also include the group's share of profit of ₹ 145.77 Lakhs and total comprehensive income of ₹ 6.21 Lakhs for the year ended March 31, 2019 as considered in the consolidated financial results, in respect of two joint ventures, whose financial statements have not been audited by

us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial result, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated 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.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and other financial information of such subsidiaries, its associates and its joint ventures, 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 financial statements comply with the India Accounting Standards specified under Section 133 of the Act;
  - e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Group, its associates and joint ventures has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 36 on Contingent Liabilities to the consolidated financial statements;
    - (ii) The Group, its associates and joint ventures did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associate and its joint ventures incorporated in India during the year ended March 31, 2019.
2. With respect to the matter to be included in the Auditor's report under Section 197(16): In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India 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 which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Viren Gandhi & Co**  
Chartered Accountants  
ICAI Firm Registration No. 111558W

Place: Mumbai  
Date: May 21, 2019

**Chintan Gandhi**  
Partner  
Membership No.137079

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FUTURE MARKET NETWORKS LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date)

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

We have audited the internal financial controls over financial reporting of FUTURE MARKET NETWORKS LIMITED ("the Holding Company"), its subsidiaries and jointly venture (the holding company and its subsidiaries together referred to as "the group"), as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiaries, its associates and its jointly controlled entities have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries, its associates and its jointly ventures considering the essential components of internal control stated in the Guidance Note on Audit On Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company's its subsidiaries, associates, and jointly controlled entities all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

#### Auditor's Responsibility

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

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

We believe that the audit evidence 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 Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

The internal financial controls over financial reporting in so far as it relates to seven subsidiary companies and two joint ventures have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls over financial reporting for the Holding Company, its seven subsidiary companies, two joint venture companies, as aforesaid, under Section 143(3) (i) of the Act in so far as it relates to such seven subsidiary companies and two joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**For Viren Gandhi & Co**  
**Chartered Accountants**  
**ICAI Firm Registration No. 111558W**

**Place: Mumbai**  
**Date: May 21, 2019**

**Chintan Gandhi**  
**Partner**  
**Membership No.137079**

**Consolidated Balance Sheet As At March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	8,864.62	11,256.48
Capital work-in-progress	3	632.68	995.29
Investment properties	4	11,396.51	13,677.03
Goodwill on consolidation		1,834.36	1,826.53
Investments accounted for using the equity method	5 (a)	806.89	899.78
<b>Financial assets</b>			
Investments	5 (a)	3,368.53	3,548.65
Loans	5 (c)	141.08	4,258.07
Other financial assets	5 (f)	17.57	16.36
Deferred tax assets (net)	6	6,344.15	7,110.20
Other non-current assets	7	4,440.02	4,265.18
<b>Total non-current assets</b>		<b>37,846.41</b>	<b>47,853.57</b>
<b>Current assets</b>			
Inventories	8	917.61	918.71
<b>Financial assets</b>			
Investments	5 (a)	2,343.54	2,369.60
Trade receivables	5 (b)	1,149.04	1,664.40
Cash and cash equivalents	5 (d)	427.20	891.06
Bank Balances other than above	5 (e)	219.67	207.15
Loans	5 (c)	8,019.41	10,272.73
Other financial assets	5 (f)	270.70	267.79
Other current assets	7	2,111.84	1,779.12
		<b>15,459.01</b>	<b>18,370.56</b>
Assets classified as held for sale	9	10,591.36	6,277.75
<b>Total current assets</b>		<b>26,050.37</b>	<b>24,648.31</b>
<b>Total assets</b>		<b>63,896.78</b>	<b>72,501.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10 (a)	5,629.13	5,629.13
Other Equity	10 (b)	14,253.44	12,261.44
<b>Equity attributable to owners</b>		<b>19,882.57</b>	<b>17,890.57</b>
Non Controlling Interest		494.59	1,884.90
<b>Total Equity</b>		<b>20,377.16</b>	<b>19,775.47</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11 (a)	-	4,044.09
Other financial liabilities	11 (b)	1,755.56	9,033.67
Employee benefit obligations	12	27.31	31.51
Deferred tax liabilities (net)	6	227.89	21.98
Other non-current liabilities	13	634.38	601.73
<b>Total non-current liabilities</b>		<b>2,645.14</b>	<b>13,732.98</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11 (a)	11,707.05	15,039.75
Trade payables	11 (c)	459.11	1,422.93
Other financial liabilities	11 (b)	4,145.27	10,007.38
Employee benefit obligations	12	0.49	0.50
Current tax liabilities (net)	6	12.81	13.95
Other current liabilities	13	24,370.03	12,508.92
Liabilities classified as held for sale		179.72	-
<b>Total current liabilities</b>		<b>40,874.48</b>	<b>38,993.43</b>
<b>Total liabilities</b>		<b>43,519.62</b>	<b>52,726.41</b>
<b>Total Equity and Liabilities</b>		<b>63,896.78</b>	<b>72,501.88</b>
The above consolidated balance sheet should be read in conjunction with the accompanying notes.	1-37		

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

Chintan Gandhi  
Partner

Vijai Singh Dugar  
Director  
DIN: 06463399

Rajesh Kalyani  
Director  
DIN: 00220632

Place: Mumbai  
Date: May 21, 2019

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN : 01435580

Anil Cherian  
Head – Legal and Company Secretary

## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	15	10,860.48	8,424.76
Other income	16	1,699.84	3,373.64
<b>Total income</b>		<b>12,560.32</b>	<b>11,798.40</b>
<b>Expenses</b>			
Operating Cost	17	5,017.44	4,966.47
Cost of units sold	18	3.54	39.28
Employee benefits expense	19	418.33	469.82
Finance costs	20	2,026.27	2,457.12
Depreciation and amortization expense	21	2,626.32	2,607.61
Other expenses	22	1,380.20	806.83
<b>Total expenses</b>		<b>11,472.10</b>	<b>11,347.13</b>
<b>Profit before exceptional item, share of net profits of investments accounted for using equity method and tax</b>		<b>1,088.22</b>	<b>451.27</b>
Share of net profit of associates and joint ventures accounted by using equity method		145.77	(1,639.62)
<b>Profit before exceptional item and tax</b>		<b>1,233.99</b>	<b>(1,188.35)</b>
Add : Profit on conversion of investment in equity instruments of joint venture into subsidiaries		-	149.41
<b>Profit/(Loss) before tax from Continuing Operations</b>		<b>1,233.99</b>	<b>(1,038.94)</b>
<b>Income tax expenses</b>			
Current tax	6	11.00	19.84
Deferred tax	6	318.82	399.71
Earlier Year's Provision Written back		(45.70)	-
<b>Total tax expenses</b>		<b>284.12</b>	<b>419.55</b>
<b>Profit/(Loss) after tax from Continuing Operations</b>		<b>949.87</b>	<b>(1,458.49)</b>
<b>Discontinued Operations</b>			
Profit/(Loss) from Discontinued Operations before tax		15.53	-
Tax Expense on Discontinued Operations		7.78	-
<b>Profit/(Loss) from Discontinued Operations</b>		<b>7.75</b>	<b>-</b>
<b>Profit/(Loss) for the Year (A)</b>		<b>957.62</b>	<b>(1,458.49)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	8.31	1.24
Equity instruments through other comprehensive income	10	1,244.17	(32.37)
Share of other comprehensive income of associates and joint ventures accounted by using equity method		6.22	0.80
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	6	2.01	0.41
Equity instruments through other comprehensive income	6	659.12	(23.60)
Share of other comprehensive income of associates and joint ventures accounted by using equity method		-	-
<b>Other comprehensive income for the year, net of taxes(B)</b>		<b>597.57</b>	<b>(7.14)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,555.19</b>	<b>(1,465.63)</b>
<b>Profit is attributable to :</b>			
Owners of Future Market Networks Limited		946.70	(1,463.29)
Non Controlling Interest		10.92	4.81
<b>Other comprehensive income is attributable to :</b>			
Owners of Future Market Networks Limited		532.93	(10.13)
Non Controlling Interest		64.63	2.99

**Consolidated Statement of Profit and Loss for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Total comprehensive income is attributable to :</b>			
Owners of Future Market Networks Limited		1,479.63	(1,473.42)
Non Controlling Interest		75.55	7.81
<b>Total comprehensive income is attributable to Owners of Future Market Networks Limited</b>			
Continuing Operations		1,471.88	(1,473.42)
Discontinuing Operations		7.75	-
<b>Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Continuing Operations</b>			
Basic (face value of ₹ 10/ - each) (in ₹)		1.67	(2.60)
Diluted (face value of ₹ 10/ - each) (in ₹)		1.67	(2.60)
<b>Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Discontinuing Operations</b>			
Basic (face value of ₹ 10/ - each) (in ₹)		0.01	-
Diluted (face value of ₹ 10/ - each) (in ₹)		0.01	-
<b>Earnings per equity share from profit attributable to owners of Future Market Networks Limited</b>			
Basic (face value of ₹ 10/ - each) (in ₹)	26	1.68	(2.60)
Diluted (face value of ₹ 10/ - each) (in ₹)		1.68	(2.60)
The above statement of consolidated profit and loss should be read in conjunction with the accompanying notes.	1-37		

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

**Chintan Gandhi**  
Partner

**Vijai Singh Dugar**  
Director  
DIN: 06463399

**Rajesh Kalyani**  
Director  
DIN: 00220632

Place: Mumbai  
Date: May 21, 2019

**Pawan Agarwal**  
Executive Director and Chief Financial Officer  
DIN : 01435580

**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 2018	5629.13
Changes in equity share capital	-
As at March 31 2019	5629.13

### B. Other Equity

	Reserve and surplus				Other Reserve	Total other equity	Non-controlling interests	Total
	Securities premium	Retained earnings	Capital Reserve	Subordinated Debt	FVOCI-equity investments			
Balance as at April 1, 2017	25,291.33	(19,858.12)	8,004.69	4,905.97	(4,609.02)	13,734.85	410.28	14,145.13
Profit / (Loss) for the year	-	(1,463.29)	-	-	-	(1,463.29)	4.81	(1,458.48)
Other comprehensive income for the year	-	0.83	-	-	(10.95)	(10.12)	2.99	(7.13)
<b>Total comprehensive income for the year</b>	-	(1,462.46)	-	-	(10.95)	(1,473.41)	7.81	(1,465.60)
Addition during the year	-	-	-	-	-	-	1,466.82	1,466.82
Balance as at March 31, 2018	25,291.33	(21,320.58)	8,004.69	4,905.97	(4,619.97)	12,261.44	1,884.90	14,146.34
Profit / (Loss) for the year	-	946.70	-	-	-	946.70	10.92	957.62
Other comprehensive income for the year	-	6.30	-	-	526.64	532.94	64.63	597.57
<b>Total comprehensive income for the year</b>	-	953.00	-	-	526.64	1,479.64	75.55	1,555.19
Addition / (Deduction) during the year	-	62.37	-	449.99	-	512.36	(1,465.87)	(953.51)
Reclassification	-	(4,619.66)	-	-	4,619.66	-	-	-
Balance as at March 31, 2019	25,291.33	(24,924.87)	8,004.69	5,355.96	526.33	14,253.44	494.59	14,748.03

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

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

Chintan Gandhi  
Partner

Place: Mumbai  
Date: May 21, 2019

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

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head – Legal and Company Secretary

**Consolidated Cash Flow Statement For The Year Ended March 31 2019**

(All Amounts in INR Lakhs, Unless Otherwise Stated)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	<b>Cash Flow from operating activities</b>		
	Profit / (Loss) before Tax (including discontinued operations)	(1249.52)	(1038.93)
	Adjustments for		
	<b>Add:</b>		
	Provision For Doubtful Debt	20.74	32.59
	Depreciation and amortisation expenses	2,626.32	2,607.61
	Finance costs	2,026.27	2,457.13
	Bad debts and irrecoverable balances written off	32.59	-
	Provision for Gratuity & Leave Encashment	4.45	11.94
	Share of loss of Equity Accounted Entities	(145.77)	1,639.62
	<b>Less:</b>		
	Interest received	(1,334.91)	(1,867.97)
	Sundry balance written back	(32.40)	(5.11)
	Profit on Sale of Investment	(93.13)	(181.50)
	Profit on sale of assets	-	(1,129.52)
	Dividend Income	(1.45)	-
	Gratuity Paid	(0.34)	(0.29)
	Profit on conversion of investment in equity instruments of joint venture into subsidiaries	-	(149.42)
	<b>Operating Profit before Working Capital change</b>	<b>4,351.89</b>	<b>2,376.15</b>
	<b>Change in operating assets and liabilities</b>		
	Trade and Other Receivable	811.43	2,405.53
	Trade Payable, Other Liabilities & Provisions	(2,251.47)	5,395.17
	Inventory	1.11	11.09
		<b>(1,438.93)</b>	<b>7,811.79</b>
	<b>Cash generated from operations</b>	<b>2,912.96</b>	<b>10,187.94</b>
	Income taxes paid	(328.73)	(49.55)
<b>A</b>	<b>Net cash outflow from operating activities</b>	<b>2,584.23</b>	<b>10,138.39</b>
	<b>Cash flow from investing activities:</b>		
	Sale of Fixed Assets	-	2,795.22
	Purchase of Fixed Assets	(1,028.08)	(889.35)
	Sale of Investment	1,762.29	381.60
	Purchase of Investment	(1,403.70)	(1,020.36)
	Loans received / (given)	6,460.46	1477.79
	Interest / Dividend received	736.24	1867.97
	Fixed Deposit	(13.73)	(200.45)
<b>B</b>	<b>Net cash inflow from investing activities</b>	<b>6,513.48</b>	<b>4,412.42</b>
	<b>Cash flow from financing activities</b>		
	Interest paid	(712.42)	(1,706.46)
	Proceeds from Subordinated Debt	450.00	-
	Net Proceeds of Short Term Borrowings	(3,372.32)	(2,142.87)
	Net Repayment of Long Term Borrowings	(5,041.32)	(7,756.31)
<b>C</b>	<b>Net cash outflow from financing activities</b>	<b>(8,676.06)</b>	<b>(11,605.64)</b>

## Consolidated Cash Flow Statement

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Net increase/(decrease) in cash and cash equivalents from Continuing Operations</b>	<b>421.65</b>	<b>2,945.17</b>
Add: Cash and cash equivalents at the beginning of the financial year	3260.66	4.33
Add: Cash and cash equivalents of subsidiaries acquired during the year	0.86	311.16
Less: Cash and cash equivalents classified as held for sale	(912.43)	-
<b>Cash and cash equivalents at the end of the year</b>	<b>2,770.74</b>	<b>3,260.66</b>
<b>Cash and cash equivalents at the end of the year</b>		
Cash and cash equivalents	427.20	891.06
Investment in Liquid Funds	2,343.54	2,369.60
<b>Balance as per Statement of Cash Flow</b>	<b>2,770.74</b>	<b>3,260.66</b>

## Change in Liability arising from financing activities

Particulars	As at March 31, 2018	Cash Flows	Non Cash Changes	As at March 31, 2019
Current Borrowings	15,039.76	(3,341.07)	8.36	11,707.05
Non Current Borrowings (including current maturities)	8,722.46	(5,041.32)	11.25	3,692.39

Particulars	As at March 31, 2017	Cash Flows	Non Cash Changes	As at March 31, 2018
Current Borrowings	17,182.23	(2,142.88)	0.41	15,039.76
Non Current Borrowings (including current maturities)	16,460.12	(7,756.31)	18.65	8,722.46

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind As-7), "Statement of Cash Flows".

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

Chintan Gandhi  
Partner

Place: Mumbai  
Date: May 21, 2019

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

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head – Legal and Company Secretary

## 1. BACKGROUND

Future Market Networks Limited (The Group) is a public limited group incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013. Equity shares of the Group are listed with BSE Limited and National Stock Exchange of India Limited. 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 Group is currently managing approximately 1.40 million sq ft of retail space and owns various real estate properties across India.

## 2. Significant Accounting Policies:

### (a) Basis of preparation

#### (i) Compliance with IndAS:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (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 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 recognized as a 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.

• Leasehold Improvements	16 years
• Machinery	10 years
• Furniture, fittings and equipment	10 years
• Office and other equipments	5 Years
• Computer and software	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:

- a. **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 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 of fair value gains and losses to Statement of Profit and Dividends from such investments are recognised in profit or loss as other income when the Group established.

(i) **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 group 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.

(ii) **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.

(iii) **Income recognition**

**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.

**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.

(e) **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.

(f) **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.

**(g) Revenue Recognition**

As on April 1, 2018, there are no ongoing contracts covered under the provisions of IND – AS 115 and hence there is no transitional impact.

The Group derives revenues primarily from leasing of immoveable properties which is primarily covered under IND AS – 17 and consequently the same are accounted as per the said standard.

In relation to revenues not covered under IND AS 17, 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 recognized 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.

**(h) Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(i) 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.

**(j) 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.

Remeasurement 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.

### **Termination Benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### **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 28.

## **(k) 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 group 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 substantively 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.

## **(l) Leases**

### **As a lessee**

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.



**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.

Refer Note (v)(a) below in implications of IND AS 116

**(m) Foreign Currency transactions****Functional and presentation currency**

Items included in the financial statements of each of the group's entities 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 Networks 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.

**(n) 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.

**(o) 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.

**(p) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

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 group, and makes strategic decisions. Refer Note 25 for segment information presented.

**(q) 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.

**(r) 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.

**(s) 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.

**(t) 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.

**(u) 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 groups 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:

- a) Estimation of defined benefit obligation (Note 14)
- b) Estimation of current tax expense and payable (Note 6)
- c) Estimated Fair value of unlisted securities –(Note 23)
- d) Estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.(b))
- e) Estimation of Fair valuation of employee share options and no. of expected vesting options (Note 28)
- f) Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets (e.g. MAT) can be used Note 6
- g) 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.

**(v) Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

● **Ind AS 116 –**

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Group will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability

Previously, the operating lease was expensed on a straightline basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

On transition, for leases other than short-term leases and leases of low value assets, the Group will recognise a right of – use asset of ₹ 156.71 crore and a corresponding lease liability of ₹ 230.25 crore with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the consolidated statement of cash flows.

- **Ind AS 12** – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments) 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. The company does not expect any impact from this pronouncement. 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 Group does not expect any significant impact of the amendment on its financial statements.

- **Ind AS 23** – Borrowing Costs The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.
- **Ind AS 28** – Long-term Interests in Associates and Joint Ventures The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures to which equity method is not applied & hence the company does not expect any impact from this amendment.
- **Ind AS 103** – Business Combinations and Ind AS 111 – Joint Arrangements The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**3. Property, Plant and Equipment**

	Leasehold Improvements	Air Conditioner	Computer and Software	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Capital work-in-progress
<b>Year ended March 31, 2018</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	10,675.03	2,339.24	25.12	4,401.95	147.08	4,517.13	0.01	22,105.56	348.08
Additions	-	4.10	1.21	-	0.72	380.05	-	386.08	647.21
Disposal/Transfer/Reclassification	-	-	-	(211.62)	-	(369.10)	-	(580.72)	-
Assets classified as Investment Properties	(3,762.76)	-	-	-	-	-	-	(3,762.76)	-
<b>Closing gross carrying amount</b>	<b>6,912.27</b>	<b>2,343.34</b>	<b>26.33</b>	<b>4,190.33</b>	<b>147.80</b>	<b>4,528.08</b>	<b>0.01</b>	<b>18,148.16</b>	<b>995.29</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	1,486.60	722.27	12.32	1,304.25	123.09	1,291.41	-	4,939.94	-
Depreciation charge during the year	752.29	363.84	3.53	645.84	6.61	652.81	-	2,424.92	-
Depreciation related to Disposal/Transfer	-	-	-	(126.80)	-	(229.97)	-	(356.77)	-
Depreciation related to Assets classified as Investment Properties	(116.41)	-	-	-	-	-	-	(116.41)	-
<b>Closing accumulated depreciation</b>	<b>2,122.48</b>	<b>1,086.11</b>	<b>15.85</b>	<b>1,823.29</b>	<b>129.70</b>	<b>1,714.25</b>	<b>-</b>	<b>6,891.68</b>	<b>-</b>
<b>Net carrying amount March 31, 2018</b>	<b>4,789.79</b>	<b>1,257.23</b>	<b>10.48</b>	<b>2,367.04</b>	<b>18.10</b>	<b>2,813.83</b>	<b>0.01</b>	<b>11,256.48</b>	<b>995.29</b>
<b>Year ended March 31, 2019</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	6,912.27	2,343.34	26.33	4,190.33	147.80	4,528.08	0.01	18,148.16	995.29
Additions	11.88	17.23	3.94	-	1.61	11.37	-	46.03	413.07
Disposal/Transfer/Reclassification	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	(0.65)	-	-	-	-	(0.65)	(775.68)
<b>Closing gross carrying amount</b>	<b>6,924.15</b>	<b>2,360.57</b>	<b>29.62</b>	<b>4,190.33</b>	<b>149.41</b>	<b>4,539.45</b>	<b>0.01</b>	<b>18,193.54</b>	<b>632.68</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	2,122.48	1,086.11	15.85	1,823.29	129.70	1,714.25	-	6,891.68	-
Depreciation charge during the year	793.92	364.72	3.01	633.46	1.51	640.62	-	2,437.24	-
Depreciation related to Disposal/Transfer	-	-	-	-	-	-	-	-	-
Depreciation related to Assets classified as held for sale	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>2,916.40</b>	<b>1,450.83</b>	<b>18.86</b>	<b>2,456.75</b>	<b>131.21</b>	<b>2,354.87</b>	<b>-</b>	<b>9,328.92</b>	<b>-</b>
<b>Net carrying amount March 31, 2019</b>	<b>4,007.75</b>	<b>909.74</b>	<b>10.76</b>	<b>1,733.58</b>	<b>18.20</b>	<b>2,184.58</b>	<b>0.01</b>	<b>8,864.62</b>	<b>632.68</b>

**4. Investment Properties**

	Freehold Land	Building	Total
<b>Year ended March 31, 2018</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	7,688.75	7,758.69
Additions / Reclassification	2,868.31	3,514.94	6,383.25
Disposal/Transfer	-	(11.84)	(11.84)
<b>Closing gross carrying amount</b>	<b>2,938.25</b>	<b>11,191.85</b>	<b>14,130.10</b>
<b>Accumulated depreciation and impairment</b>			
Opening accumulated depreciation	-	154.32	154.32
Accumulated Depreciation on reclassification	-	116.41	116.41
Depreciation charge during the year	-	182.69	182.69
Depreciation related to Disposal/Transfer	-	(0.35)	(0.35)
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>453.07</b>	<b>453.07</b>
<b>Net carrying amount March 31, 2018</b>	<b>2,938.25</b>	<b>10,738.78</b>	<b>13,677.03</b>

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
<b>Year ended March 31, 2019</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	2,938.25	11,191.85	14,130.10
Additions / Reclassification	-	569.04	569.04
Disposal/Transfer	-	(39.97)	(39.97)
Assets classified as held for sale	(2,620.51)	-	(2,620.51)
<b>Closing gross carrying amount</b>	<b>317.74</b>	<b>11,720.92</b>	<b>12,038.66</b>
<b>Accumulated depreciation and impairment</b>			
Opening accumulated depreciation	-	453.07	453.07
Accumulated Depreciation on reclassification	-	-	-
Depreciation charge during the year	-	189.08	189.08
Depreciation related to Disposal/Transfer	-	-	-
Depreciation related to Assets classified as held for sale	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>642.15</b>	<b>642.15</b>
<b>Net carrying amount March 31, 2019</b>	<b>317.74</b>	<b>11,078.77</b>	<b>11,396.51</b>

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

	As at March 31, 2019	As at March 31, 2018
Rental income	1,450.89	1,284.90
Direct operating expenses from property that generated rental income	173.92	138.20
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	1,276.97	1,146.70
Depreciation	182.69	182.70
Profit from investment properties	1,094.28	964.00

## (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, 2019	As at March 31, 2018
Within one year	727.16	627.68
Later than one year but not later than 5 years	1,579.08	2,053.09
Later than 5 years	-	-
<b>Total</b>	<b>2,306.24</b>	<b>2,680.77</b>

## (iii) Fair value

	As at March 31, 2019	As at March 31, 2018
Investment properties	47,248.33	43,648.20

**Estimation of fair value**

The company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties

## 5(a). Investments

	As at March 31, 2019	As at March 31, 2018
<b>a. Investment in joint venture</b>		
<b>Unquoted</b>		
6,384 Equity Shares of Riddhi Siddhi Mall Management Private Limited	737.98	590.23
25,000 Equity Shares of Utility Developers Private Limited	-	240.80
15,000 Equity Shares of Star Shopping Centres Private Limited	68.91	68.75
<b>Total (a)</b>	<b>806.89</b>	<b>899.78</b>

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>b. Investment in preference shares of joint venture</b>		
Unquoted		
257 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/ – each fully paid up.	931.64	931.64
<b>Total (b)</b>	<b>931.64</b>	<b>931.64</b>
<b>c. Investment in equity instruments</b>		
<b>Fair value through other comprehensive income</b>		
Unquoted		
11,425 Equity Shares of V.R.Procurement Corporation Private Limited	23.03	23.03
10,000 Equity Shares of Navika Developers Private Limited	1.00	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	1.00	1.00
10,000 Equity Shares of Ujjain Future Bazaar Private Limited	1.00	1.05
6900 (10,000) Equity Shares of Harmony Malls Management Private Limited	0.69	1.00
20,00,000 (20,10,000) Equity Shares of Precision Realty Developers Private Limited	338.80	277.38
98,094 (1,58,094) Equity Shares of Acute Retail Infra Private Limited (Formerly known as Acute Realty Private Limited)	722.81	919.98
NIL (10,000) Equity Shares of Niyman Mall Management Company Private Limited	-	11.55
10,000 Equity Shares of Ojas Mall Management Private Limited	1.00	1.06
35582 (43,582) Equity Shares of Nishita Mall Management Company Private Limited	1,148.98	1,005.66
87272 (2,17,272) Equity Shares of Unique Malls Private Limited	198.58	374.30
<b>Total (c)</b>	<b>2,436.89</b>	<b>2,617.01</b>
<b>Non-current investments total (a+b+c)</b>	<b>4,175.42</b>	<b>4,448.43</b>
<b>Current</b>		
UTI – Floating Rate Fund	2,332.78	2,369.60
Aditya Birla Sun life Floating Rate Fund	10.76	-
<b>Current investments total</b>	<b>2,343.54</b>	<b>2,369.60</b>

**5(b). Trade receivables**

	As at March 31, 2019	As at March 31, 2018
Trade receivables		
From Related Party	575.71	507.31
From Others	652.81	1,248.42
<b>Total</b>	<b>1,228.52</b>	<b>1,755.72</b>
Less: Allowance for bad and doubtful debts	(79.48)	(91.32)
<b>Total Trade receivables</b>	<b>1,149.04</b>	<b>1,664.40</b>
<b>Breakup of securities details</b>		
Secured, considered good	-	-
Unsecured, considered good	1,159.88	1,678.16
Doubtful	68.65	77.57
<b>Total</b>	<b>1,228.53</b>	<b>1,755.73</b>
Less: Allowance for doubtful debts	(79.48)	(91.32)
<b>Total trade receivables</b>	<b>1,149.05</b>	<b>1,664.41</b>

(Refer Note 27 for information on trade receivables pledged as security by the company).

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 5(c). Loans

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Security Deposits	141.08	1,739.14
Loans and advances to others	–	1,618.93
Advance against purchases of shares	–	900.00
<b>Total Non current loans and advances</b>	<b>141.08</b>	<b>4,258.07</b>
<b>Current</b>		
Security Deposits	1,951.79	268.58
Loans and advances	5,998.62	7,512.10
Loans and advances to related parties	69.00	2,492.05
<b>Total current loans and advances</b>	<b>8,019.41</b>	<b>10,272.73</b>

## 5(d). Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
<b>Cash on hand</b>	1.30	1.16
<b>Balances with Banks</b>		
In current accounts	425.90	889.90
<b>Total Cash and cash equivalents</b>	<b>427.20</b>	<b>891.06</b>

## 5(e). Bank Balances other than above

	As at March 31, 2019	As at March 31, 2018
Fixed Deposit*	218.56	206.50
Interest accrued on fixed deposit	1.11	0.65
<b>Total Bank Balances other than above</b>	<b>219.67</b>	<b>207.15</b>

\* Lien against Bank Guarantee (₹ 6.50 Lakhs)

## 5(f). Other financial assets

	As at March 31, 2019	As at March 31, 2018
<b>Other non-current financial assets</b>		
<b>Considered good</b>		
Bank deposits with more than 12 months maturity	17.57	16.36
<b>Total Non-current financial assets</b>	<b>17.57</b>	<b>16.36</b>
<b>Other current financial assets</b>		
<b>Considered good</b>		
Unbilled Revenue	154.57	141.27
Advance to Staff	4.50	17.59
Advance to others	109.41	106.90
Interest Accrued but not due	2.22	2.03
<b>Total current financial assets</b>	<b>270.70</b>	<b>267.79</b>

## 6. Current and deferred tax

## 6(a) Statement of profit and loss:

	March 31, 2019	March 31, 2018
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	11.00	19.84
Adjustments for current tax of prior periods	(45.70)	–
<b>Total current tax (expense)</b>	<b>(34.70)</b>	<b>19.84</b>

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	326.60	399.71
(Decrease) increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>326.60</b>	<b>399.71</b>
<b>Income tax expense</b>	<b>291.90</b>	<b>419.55</b>

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

	March 31, 2019	March 31, 2018
<b>Profit from operation before income tax expenses</b>	<b>1,249.52</b>	<b>(1,038.94)</b>
<b>Income tax rate @ 33.063%</b>	<b>347.61</b>	<b>(343.50)</b>
<i>Differences due to:</i>		
Permanent Differences	(3.29)	2.14
Profit of share in associate and Joint Venture not taxable	26.88	542.11
Standard Deduction on Rental Income	(123.65)	(134.86)
Difference in tax rate of other group entity	(3.62)	(5.79)
Adjustment related to Unabsorbed Losses	(141.35)	339.14
Excess provisions for previous years w/off	(45.70)	-
Fixed Assets – Depreciation	227.74	(12.69)
Others	7.29	33.00
<b>Income tax expenses</b>	<b>291.91</b>	<b>419.55</b>

6(c) Tax losses

	March 31, 2019	March 31, 2018
<b>Net Deferred Tax Asset</b>		
Tax losses	5,101.54	5,027.86
Provisions	33.75	12.47
Fair valuation of financials assets-P&L (Net)	(7.04)	133.67
Fair valuation of financials assets-OCI (Net)	59.39	155.66
Property Plant & Equipment	1,152.63	1,094.94
MAT credit entitlement	-	679.17
Freehold Land	7.78	8.32
Defined benefit obligation	(3.90)	(1.89)
<b>Net Deferred Tax Asset</b>	<b>6,344.15</b>	<b>7,110.20</b>
<b>Net Deferred Tax Liabilities</b>		
Tax losses	468.38	513.95
MAT Credit	7.99	-
Fair valuation of financials assets-OCI (Net)	(276.25)	(109.54)
Property, plant and equipment	(401.42)	(409.41)
Fair valuation of financials assets-P&L (Net)	(26.59)	(16.99)
<b>Net Deferred Tax Liabilities</b>	<b>(227.89)</b>	<b>(21.98)</b>
<b>Deferred tax assets (net)</b>	<b>6,116.26</b>	<b>7,088.22</b>

6(d) Tax losses

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group

	March 31, 2019	March 31, 2018
Unused tax losses for which no deferred tax asset has been recognised	-	3,571.57
Potential tax benefit @ 33.063%	-	1,180.87



## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 6(e) Movement in deferred tax liabilities

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial asstes	Property Plant & Equipment	Freehold Land	MAT credit entitlement	Total
<b>At March 31, 2017</b>	<b>7.14</b>	<b>5,562.34</b>	<b>399.46</b>	<b>809.22</b>	<b>7.41</b>	<b>679.17</b>	<b>7,464.74</b>
(Charged)/credited:							
- to profit or loss	3.85	(20.52)	(260.27)	(123.69)	0.92	-	(399.71)
- to other comprehensive income	(0.41)	-	23.60	-	-	-	23.19
- Deferred tax on basis adjustment	-	-	-	-	-	-	-
<b>At March 31, 2018</b>	<b>10.58</b>	<b>5,541.82</b>	<b>162.79</b>	<b>685.53</b>	<b>8.33</b>	<b>679.17</b>	<b>7,088.22</b>
(Charged)/credited:							
- to profit or loss	21.28	424.26	(150.31)	65.68	(0.55)	(679.17)	(318.81)
- to other comprehensive income	(2.02)	(396.16)	(262.97)	-	-	-	(661.15)
- Deferred tax on basis adjustment	-	-	-	-	-	7.99	7.99
<b>At March 31, 2019</b>	<b>29.84</b>	<b>5,569.92</b>	<b>(250.49)</b>	<b>751.21</b>	<b>7.78</b>	<b>7.99</b>	<b>6,116.25</b>

## 7. Other assets

	As at March 31, 2019	As at March 31, 2018
<b>Other non-current assets</b>		
Security Deposits	-	0.25
Business Advance – Related Party	-	171.91
Capital Advance	3,350.00	3,355.00
Corpus Funds	7.50	-
Balances with Govt. Authorities	772.20	397.68
Prepaid Expense	310.32	340.34
<b>Total Other Non-current assets</b>	<b>4,440.02</b>	<b>4,265.18</b>
<b>Other current assets</b>		
Security Deposits	5.86	5.87
Business Advance	1,947.39	1,608.58
Balances with Govt. Authorities	97.60	63.43
Prepaid Expense	56.28	83.22
Advance to others	4.71	18.02
<b>Total Other current assets</b>	<b>2,111.84</b>	<b>1,779.12</b>

## 8. Inventories

	As at March 31, 2019	As at March 31, 2018
Finished Shops	917.61	918.71
<b>Total Inventories</b>	<b>917.61</b>	<b>918.71</b>

## 9. Assets classified as held for sale

	As at March 31, 2019	As at March 31, 2018
Buildings	6,277.75	6,277.75
Investments	4,313.61	-
<b>Total</b>	<b>10,591.36</b>	<b>6,277.75</b>

In July 2016, the Board of directors resolved to dispose 10 Acres Mall situated at Ahmedabad which is vested with the Company through an approved scheme of amalgamation. The buyer has been identified and the part of the property has been transferred. The balance sale portion is expected to be completed within next 12 months. The asset is presented separately under assets held for sale

The sale terms are getting finalized and the transaction is expected to be completed in a short time and the Board believes to complete the transaction in the next FY. Hence the assets are continued to be classified as held for sale

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

In January, 2019 the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries Gati Realtors Pvt Ltd & Future Retail Destination Ltd. The buyer has been identified and the particulars of the sale deed are at an advance stage of finalization. The sale is expected to be completed in next 12 Months. The investments are presented separately under asset held for sale and is classified as discontinued operations. Refer Note 29 on discontinued operations.

**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, 2019	As at March 31, 2018
<b>Authorised</b>		
9,02,60,000 Equity Shares [March 31, 2018: 9,02,60,000] of ₹ 10/- each	9,026.00	9,026.00
5,000 Preference Shares [March 31, 2018: 5,000 ] of ₹ 100/- each	5.00	5.00
<b>Total</b>	<b>9,031.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
5,62,91,851 Equity Shares [March 31, 2018: 5,62,91,851] of ₹ 10/- each	5,629.19	5,629.19
<b>Total</b>	<b>5,629.19</b>	<b>5,629.19</b>
*includes 570 shares held in abeyance		
<b>Subscribed and paid up</b>		
5,62,91,281 Equity Shares [March 31, 2018: 5,62,91,281] of ₹ 10/- each	5,629.13	5,629.13
<b>Total</b>	<b>5,629.13</b>	<b>5,629.13</b>

**a) Movements in Equity Share Capital**

	As at March 31, 2019		As at March 31, 2018	
	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	-	-	-	-
<b>Balance as at the end of the year</b>	<b>5,62,91,281</b>	<b>5,629.13</b>	<b>5,62,91,281</b>	<b>5,629.13</b>

**Terms and Rights attached to equity shares:-**

The Group 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.

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

	As at March 31, 2019		As at March 31, 2018	
	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	73.06%	4,11,29,343	73.06%
Ishbhoomi Fabtraders Private Limited	40,97,145	7.28%	43,09,260	7.66%
	<b>4,52,26,488</b>	<b>80.34%</b>	<b>4,54,38,603</b>	<b>80.72%</b>

Pursuant to the scheme of amalgamation of Manz Retail Private Limited, ESES Commercials Private Limited, PIL Industries Limited, Future Corporate Resources Limited, Gargi Business Ventures Private Limited, Weavette Business Ventures Limited with Suhani Trading and Investment Consultants Private Limited and their respective shareholders sanctioned by the National Company Law Tribunal, Mumbai Bench vide order dated October 18, 2017 and filed with ROC on November 14, 2017, the shares held by transferor companies in Future Market Networks Ltd now vested with Suhani Trading and Investment Consultants Private Limited. The name of Suhani Trading and Investment Consultants Private Limited has changed to Future Corporate Resources Private Limited.

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 10(b) Other Equity

	As at March 31, 2019	As at March 31, 2018
<b>Reserve and surplus</b>		
Capital Reserve	8,004.69	8,004.69
Securities Premium	25,291.33	25,291.33
Retained Earnings	(24,924.87)	(21,320.58)
Subordinated Debt*	5,355.96	4,905.97
Other Reserves	526.33	(4,619.97)
<b>Total</b>	<b>14,253.44</b>	<b>12,261.44</b>

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

	As at March 31, 2019	As at March 31, 2018
<b>(i) Capital Reserve</b>		
Opening Balance	8,004.69	8,004.69
Movement during the year	-	-
<b>Closing Balance</b>	<b>8,004.69</b>	<b>8,004.69</b>
<b>(ii) Securities Premium</b>		
Opening Balance	25,291.33	25,291.33
Movement during the year	-	-
<b>Closing Balance</b>	<b>25,291.33</b>	<b>25,291.33</b>
<b>(iii) Retained Earnings</b>		
Opening Balance	(21,320.58)	(19,858.12)
Add: profit for the year	946.70	(1,463.29)
Addition / (Deduction) during the year	62.37	-
Items of other comprehensive income recognised in retained earnings	(4,619.66)	-
Remeasurements of post-employment benefit obligation & Deferred Tax (Actuarial Gains)	6.30	0.83
<b>Closing Balance</b>	<b>(24,924.87)</b>	<b>(21,320.58)</b>
<b>(iv) Other Reserves</b>		
Opening Balance	(4,619.97)	(4,609.02)
Change in fair value of FVOCI equity instruments & Deferred Tax there-on (Fair Value)	526.64	(10.95)
Items of other comprehensive income transfer to retained earnings	4,619.66	-
<b>Closing Balance</b>	<b>526.33</b>	<b>(4,619.97)</b>

**Nature and purpose of other reserves****Securities premium reserve**

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

**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.

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**11(a) Borrowings**

	As at March 31, 2019	As at March 31, 2018
<b>Non current Borrowing</b>		
<b>Secured</b>		
Term loans from banks	3,692.39	8,411.27
Less: Current Maturities of long term borrowing	(3,692.39)	(4,678.38)
<b>Unsecured</b>		
Other Loans	-	311.20
<b>Total Non current Borrowing</b>	<b>-</b>	<b>4,044.09</b>

Nature of security	Terms of Repayment
Term Loan from Bank balance outstanding amounting to ₹ NIL (March 31, 2018: ₹ 1,304.01 lakhs) are secured by (a) Charge on Assets of ₹ 10,500 lakhs created out of the proposed Term Loan. (b) First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to ₹ 10,000 lakhs (c) Second Pari Passu charge on the immovable property owned by Bansi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 14 quarterly instalments starting from March 2015. Last instalment due in June 2018. Rate of interest – MCLR (1 Year) +4 % Present Effective Rate 12.55% p.a. (13.70%)
Term Loan from Bank balance outstanding amounting to ₹ 3,500 lakhs (March 31, 2018: ₹ 6,500 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 Bansi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Bansi 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 – 11.10% (12.35%)
Term Loan from Bank balance outstanding amounting to ₹ 197.15 lacs (March 31, 2018 : ₹ 623.26 lakhs ) is secured by Hypothecation of lease rent receivables from Future Lifestyle Fashions Limited. Collateral : Equitable mortgage of mall located at plot Bearing T.S No 145 part of Mart Ward , Block No 6, main Road, Visakhapatnam , Andra Pradesh	Repayable in 108 quarterly instalments starting from Feb 2011 . Last instalment due in Jan . 2020. Rate of interest – 4% above the Base Rate Present Effect Rate – 11.70% (Previous Year – 12.95% p.a.)

<b>Current Borrowing</b>		
<b>Unsecured</b>		
Loans from related party	333.82	14,911.06
Other Loans and Advances	11,373.23	159.96
Less: Interest Accrued	-	(31.27)
<b>Total Current Borrowing</b>	<b>11,707.05</b>	<b>15,039.75</b>

**11(b) Other financial liabilities**

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
<b>Security deposits:</b>		
From Related Parties	239.45	262.43
From Others	1,516.11	8,771.24
<b>Total Non-current financial liabilities</b>	<b>1,755.56</b>	<b>9,033.67</b>
<b>Current</b>		
<b>Security deposits:</b>		
From Related Parties	98.41	29.04
From Others	305.57	3,417.58
<b>Total</b>	<b>403.98</b>	<b>3,446.62</b>

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Current Maturities of Long-Term Borrowings	3,692.39	4,678.38
Interest accrued but not due	–	31.28
Corpus Funds	–	14.78
Other payables (Retention Money)	48.90	1,836.32
<b>Total Current financial liabilities</b>	<b>4,145.27</b>	<b>10,007.38</b>

## 11(c) Trade payables

	As at March 31, 2019	As at March 31, 2018
Trade payables :		
Related Parties	8.24	39.23
Others	450.87	1,383.70
<b>Total Trade payables</b>	<b>459.11</b>	<b>1,422.93</b>

## 12. Employee benefit obligations

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Gratuity	19.22	21.10
Leave entitlement	8.09	10.41
<b>Total Non current Employee benefit obligations</b>	<b>27.31</b>	<b>31.51</b>
<b>Current</b>		
Gratuity	0.34	0.30
Leave entitlement	0.15	0.20
<b>Total current Employee benefit obligations</b>	<b>0.49</b>	<b>0.50</b>

## 13. Other liabilities

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Deferred Rent Income	634.38	601.73
<b>Total Other Non-current liabilities</b>	<b>634.38</b>	<b>601.73</b>
<b>Current</b>		
Statutory dues (including provident fund, tax deducted at source and others)	142.26	277.42
Advance from customers		
From Others	8,548.24	10,680.92
From related party	15,078.46	–
Deferred Rent Income	227.63	1,152.68
Other payables	373.44	397.90
<b>Total Other current liabilities</b>	<b>24,370.03</b>	<b>12,508.92</b>

## 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 ₹13.15 Lakhs (previous year ₹16.21 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.

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

*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, 2019	As at March 31, 2018
<b>Opening defined benefit obligation</b>	<b>21.40</b>	<b>13.86</b>
Current service cost	5.00	7.77
Interest expense/(income)	1.64	1.01
<b>Total amount recognised in profit and loss</b>	<b>6.64</b>	<b>8.78</b>
<i>Remeasurements</i>		
(Gain )/loss from change in financial assumptions	0.13	(0.81)
Experience (gains)/losses	(8.44)	(0.43)
<b>Total amount recognised in other comprehensive income</b>	<b>(8.31)</b>	<b>(1.24)</b>
Employer contributions	-	-
Benefit payments	(0.16)	-
<b>Closing defined benefit obligation</b>	<b>19.57</b>	<b>21.40</b>

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

	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	19.57	21.40
Fair value of plan assets	-	-
<b>Surplus / (Deficit)</b>	<b>19.57</b>	<b>21.40</b>
Effect of assets ceiling	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>19.57</b>	<b>21.40</b>

**Significant estimates: Actuarial assumptions**

*The significant actuarial assumptions were as follows:*

	Gratuity	
	As at March 31, 2019	As at March 31, 2018
<b>Financial Assumptions</b>		
Discount rate	7.65%	7.70%
Salary growth rate	5.00%	5.00%
<b>Demographic Assumptions</b>		
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, 2019	As at March 31, 2018
Discount rate		
a. Discount rate – 100 basis point	22.21	24.23
b. Discount rate +100 basis point	17.31	18.98
Salary growth rate		
a. Rate – 100 basis point	17.24	18.90
b. Rate +100 basis point	21.64	24.00

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Expected Future Cash Flows

	As at March 31, 2019	As at March 31, 2018
Year 1	0.34	0.31
Year 2	1.45	0.33
Year 3	0.37	1.32
Year 4	0.39	0.45
Year 5	0.43	0.48
Year 6 to 10	3.57	2.88

## 15. Revenue from Operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sales	7.53	52.01
Rent and other related revenues	10,324.98	8,346.30
Management Consultancy	527.97	26.45
<b>Total</b>	<b>10,860.48</b>	<b>8,424.76</b>

## 16. Other income

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest income</b>		
On bank deposits	14.32	5.86
On others	1,320.59	1,862.10
Income From Debtors Assignment	–	123.00
Profit on sale of Fixed Assets	–	1,129.51
Profit on sale of Investment	246.03	200.14
Fair Valuation of Investments	57.30	47.57
Sale of Scrap	–	0.03
Miscellaneous Income	61.60	5.43
<b>Total</b>	<b>1,699.84</b>	<b>3,373.64</b>

## 17. Operating Cost

	Year ended March 31, 2019	Year ended March 31, 2018
Mall Maintenance Charges	228.30	145.10
Rent including lease rentals	4,789.14	4,797.52
Management Consultancy Charges	–	23.85
<b>Total</b>	<b>5,017.44</b>	<b>4,966.47</b>

## 18. Cost of Units sold

	Year ended March 31, 2019	Year ended March 31, 2018
Cost of units sold	3.54	39.28
<b>Total</b>	<b>3.54</b>	<b>39.28</b>

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**19. Employee benefits expense**

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	387.63	436.88
Contribution to Provident and Other Funds	22.75	30.08
Staff Welfare Expenses	7.95	2.86
<b>Total</b>	<b>418.33</b>	<b>469.82</b>

**20. Finance costs**

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses	2,020.79	2,439.54
Other Borrowing costs	5.48	17.58
<b>Total</b>	<b>2,026.27</b>	<b>2,457.12</b>

**21. Depreciation and amortization expense**

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant and Equipment	2,437.24	2,424.92
Depreciation on Investment property	189.08	182.69
<b>Total</b>	<b>2,626.32</b>	<b>2,607.61</b>

**22. Other expenses**

	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel	480.49	203.45
Repairs and Maintenance – Others	220.54	86.61
<b>Auditors' Remuneration</b>		
Statutory Audit Fees	7.29	7.26
Tax Audit Fees	0.50	0.50
Other Services	0.90	0.90
Rates and Taxes	235.27	119.88
Insurance	12.84	16.49
Legal and Professional Fees	179.91	135.08
Listing Fees/Custodian Charges	6.74	10.70
Management Consultancy Charges	40.00	50.00
Director Sitting Fees	17.45	16.05
Provision for Doubtful Debts	20.74	32.58
Travelling and Conveyance Expenses	24.60	25.64
Sundry Balance Written Off	5.15	–
Water Charges	10.97	9.33
Marketing and Promotion	24.83	14.23
Office Rent	36.89	39.64
Other Expenses	55.09	38.49
<b>Total</b>	<b>1,380.20</b>	<b>806.83</b>



## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 23. Fair value measurements

## 23(a) Financial instruments by category

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
– Equity Instruments	-	2,436.89	-	-	2,617.01	-
– Mutual Funds	2,343.54	-	-	2,369.60	-	-
Loans	-	-	8,160.49	-	-	14,530.80
Trade receivables	-	-	1,149.04	-	-	1,664.40
Cash and cash equivalents	-	-	427.20	-	-	891.06
Bank Balances other than above	-	-	237.24	-	-	207.15
Other financial assets	-	-	270.70	-	-	284.15
<b>Total financial assets</b>	<b>2,343.54</b>	<b>2,436.89</b>	<b>10,244.67</b>	<b>2,369.60</b>	<b>2,617.01</b>	<b>17,577.56</b>
<b>Financial liabilities</b>						
Borrowings	-	-	11,707.05	-	-	19,083.84
Deposits from customer	-	-	1,755.56	-	-	9,033.67
Other financial liabilities	-	-	4,145.27	-	-	10,007.38
Trade payables	-	-	459.11	-	-	1,422.93
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>18,066.99</b>	<b>-</b>	<b>-</b>	<b>39,547.82</b>

## 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
<b>As at April 1, 2017</b>	<b>2,649.47</b>
Sale of Investment	(0.10)
Gains/(losses) recognised in Other Comprehensive Income	(32.37)
<b>As at March 31, 2018</b>	<b>2,617.00</b>
Sale of Investment	(1,424.29)
Gains/(losses) recognised in Other Comprehensive Income	1,244.17
<b>As at March 31, 2019</b>	<b>2,436.88</b>

## 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, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans	8,160.49	8,200.33	14,530.80	14,575.98
<b>Total</b>	<b>8,160.49</b>	<b>8,200.33</b>	<b>14,530.80</b>	<b>14,575.98</b>
<b>Financial liabilities</b>				
Borrowings	11,707.05	11,707.05	19,083.84	19,083.84
Deposits from customer	1,755.56	1,869.27	9,033.67	9,140.78
<b>Total</b>	<b>13,462.61</b>	<b>13,576.32</b>	<b>28,117.51</b>	<b>28,224.62</b>

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

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.

**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, 2019	March 31, 2018
BSE Sensex 30 – Increase 5%	117.18	118.48
BSE Sensex 30 – Decrease 5%	(117.18)	(118.48)

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, 2019	March 31, 2018
Variable rate borrowings	3,692.39	8,411.27
Percentage of variable rate borrowings to total borrowings	24%	36%
<b>Total borrowings</b>	<b>15,399.44</b>	<b>23,451.02</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 50 basis points*	(18.46)	(42.06)
Interest rates – decrease by 50 basis points*	18.46	42.06

\*Holding all other variables constant

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

**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 & 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**

	As at March 31, 2019	As at March 31, 2018
<b>Opening provision</b>	<b>91.32</b>	<b>84.62</b>
Add: Additional provision made	20.75	32.58
Less: Provision write off	32.58	25.89
<b>Closing provisions</b>	<b>79.48</b>	<b>91.32</b>

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 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
<b>As at March 31, 2019</b>				
Trade payables	459.11	459.11	-	459.11
Borrowings	11,707.05	11,707.05	-	11,707.05
Other Financial liabilities	6,875.23	4,150.03	2,725.20	6,875.23
<b>As at March 31, 2018</b>				
Trade payables	1,422.93	1,422.93	-	1,422.93
Borrowings	19,099.85	15,039.75	4,060.10	19,099.85
Other Financial liabilities	20,972.17	10,007.38	10,964.79	20,972.17

**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 Managing 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

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

(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, 2019		As at March 31, 2018	
	Revenue from external customers	Total segment revenue	Revenue from external customers	Total segment revenue
Mall Management	10860.49	10,860.49	8425.76	8,424.76
<b>Total segment revenue</b>	<b>10,860.49</b>	<b>10,860.49</b>	<b>8,424.76</b>	<b>8,424.76</b>

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, 2019	As at March 31, 2018
India	10,860.49	8,424.76
Outside India	-	-
<b>Total</b>	<b>10,860.49</b>	<b>8,424.76</b>

(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, 2019	As at March 31, 2018
India	28,133.74	37,194.72
Outside India	-	-
<b>Total</b>	<b>28,133.74</b>	<b>37,194.72</b>

\*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, 2019	As at March 31, 2018
Customer 1	1,397.14	1,310.72

26. **Earnings per share**

	As at March 31, 2019	As at March 31, 2018
<b>(a) Basic and diluted earnings per share</b>		
<b>Profit attributable to the equity holders of the group from Continuing Operations</b>	938.95	(1,463.29)
Total basic earnings per share attributable to the equity holders of the group (in ₹)	1.67	(2.60)
<b>Profit attributable to the equity holders of the group from Discontinuing Operations</b>	7.75	-
Total basic earnings per share attributable to the equity holders of the group (in ₹)	0.01	-
<b>Profit attributable to the equity holders of the group from Continuing &amp; Discontinuing Operations</b>	946.70	(1,463.29)
Total basic earnings per share attributable to the equity holders of the group (in ₹)	1.68	(2.60)
<b>(b) Weighted average number of shares used as the denominator</b>	5,62,91,281	5,62,91,281
<b>(c) Diluted earning per share is same as basic earning per share</b>		

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## 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, 2019	As at March 31, 2018
<b>Current Assets</b>		
<b>Financial Assets</b>		
<i>First Charge</i>		
– Trade Receivables	30.71	33.61
<b>Total Current Assets pledged as Security</b>	<b>30.71</b>	<b>33.61</b>
<b>Non-Current Assets</b>		
<i>First Charge</i>		
Property, Plant and Equipment	8,864.63	11,256.49
Investment Properties	6,110.63	6,329.04
Assets Held for Sale	–	6,277.75
<b>Total Non Current Assets pledged as Security</b>	<b>14,975.26</b>	<b>23,863.28</b>
<b>Total Assets pledged as Security</b>	<b>15,005.97</b>	<b>23,896.89</b>

## 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 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, 2019		As at March 31, 2018	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	-	-	-	-
Options granted during the period	85	760,000	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	(550,000)	-	-
Forfeited during the period	-	-	-	-
<b>Options outstanding at the end of the period</b>	-	<b>210,000</b>	-	-
<b>Options vested and exercisable at the end of the period</b>	-	-	-	-

## (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, 2019	March 31, 2018
Employee compensation expense	-	1.89

Effect of the employee share option plan on the consolidated financial statements is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
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.

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

(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	122.1

**29. Discontinued Operation**

a) **Description**

"In January 2019, the board of directors of the company has resolved to divest the entire stake of their wholly owned subsidiaries Gati Realtors Private Limited & Future Retail Destination Limited acquired on August 14, 2017 & September 18, 2018 respectively. The management of the company has initiated an active program to locate the buyer for its subsidiaries.

Consequently, the associated assets & liabilities are presented as held for sale and is classified as discontinued operation in the financial statements for year ended March 2019.

As on March 31, 2019, the buyer has been identified and the particulars of the sale deed are at an advance stage of finalization. The sale is expected to be completed in next 12 Months.

b) **Financial performance and cash flow information**

	Gati Realtors Private Limited		Future Retail Destination Limited	
	April 2018 to March 2019	April 2017 to March 2018	April 2018 to March 2019	April 2017 to March 2018
<b>Financial performance</b>				
Revenue from Operations	-	-	-	-
Other Income	-	-	30.08	-
<b>Total</b>	-	-	<b>30.08</b>	-
<b>Expenses</b>				
Employee benefits expense	-	-	5.74	-
Depreciation and amortization expense	0.02	-	-	-
Other expenses (including impairment loss)	2.44	0.88	6.37	1.91
<b>Total</b>	<b>2.46</b>	<b>0.88</b>	<b>12.11</b>	<b>1.91</b>
<b>Profit before tax</b>	<b>(2.46)</b>	<b>(0.88)</b>	<b>17.97</b>	<b>(1.91)</b>
Tax Expenses	-	-	7.79	-
<b>Profit from discontinued operation</b>	<b>(2.46)</b>	<b>(0.88)</b>	<b>10.18</b>	<b>(1.91)</b>

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 March 31, 2019:

	Gati Realtors Private Limited	Future Retail Destination Limited
<b>Assets classified as held for sale:</b>		
Property, Plant and equipment	0.61	-
Capital Work-in progress	189.49	586.18
Investment properties	1,042.09	1,578.41
Other Non Current Assets	0.90	1.50
Investments	-	829.94
Cash and cash equivalents	1.66	80.83
Other assets	-	2.00
<b>Total assets of disposal group classified as held for sale</b>	<b>1,234.75</b>	<b>3,078.86</b>

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

<b>Liabilities directly associated with assets classified as held for sale:</b>		
Trade Payables	18.64	–
Other Liabilities	1.50	151.67
Deferred tax Liability(net)	–	7.79
Other current liabilities	–	0.14
<b>Total liabilities of disposal group classified as held for sale</b>	<b>20.14</b>	<b>159.60</b>
<b>Net Assets</b>	<b>1,214.64</b>	<b>2,919.28</b>
<b>Cash Flow</b>		
Net cash inflow 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)
<b>Net increase in cash generated from discontinued operation</b>	<b>(1,751.89)</b>	<b>793.77</b>

## 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	
	31-Mar-19	31-Mar-18
PAN India Food Solutions Private Limited	Director Interested	Director Interested
Splendor Fitness Private Limited		
Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited)		
Grihith Trade Ventures Private Limited (w.e.f 05.06.2018)	-	
Naman Mall Management Company Private Limited (wholly owned subsidiary upto 01/09/2017)	-	
Future Trade Market Private Limited (till 16.08.2017)	-	Joint Venture
Future Retail Destination Limited (till 18.09.2018)	-	
Star Shopping Centres Private Limited	Joint Venture	
Riddhi Siddhi Mall Management Private Limited		
Utility Developers Private Limited (upto 31.07.2018)		
Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)	Holding Company	Holding Company
Retail Trust (w.e.f. 14.10.2017)	Ultimate Parent Entity	Ultimate Parent Entity
Future Retail Limited (w.e.f. 14.10.2017)	Associate of Holding Company	Associate of Holding Company
Praxis Home Retail Limited (w.e.f. 14.10.2017)		
Kamadgiri Fashion Limited	Subsidiary of Holding Company	Subsidiary of Holding Company
Future Outdoor Media Solutions Limited		
Mr. Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Mr. Pawan Agarwal		
Mr. Pramod Arora (Upto 08.10.2018)		
Ms. Ritu Pawan Agarwal	Relative of KMP	Relative of KMP
Ms. Jollamma Anil Cherian	Non Executive Director	Managing Director
Mr. Sunil Biyani (Managing Director upto 30.05.2018)		
Mr. Rajesh Kalyani	Non Executive Director	Non Executive Director
Ms. Udit Jhunjunwala	Independent Director	Independent Director
Mr. Vijai Singh Dugar		
Mr. K.A Somayajulu		

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

(b) **Key management personnel compensation**

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits	187.48	211.86
Post-employment benefits	11.83	19.59
<b>Total</b>	<b>199.31</b>	<b>231.45</b>

(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	Subsidiary of the Holding Company	KMP
Interest Income	36.71	-	-	-	-	-	-	-
	48.70	-	-	-	-	-	-	-
Management Consultancy	500.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Lease Rent Expenses	-	-	6.72	-	6.00	36.90	-	-
	-	-	6.72	-	-	22.46	-	-
Reimbursement of Expenses	-	-	-	-	-	56.68	-	-
	-	-	-	1.10	-	16.79	-	-
Sitting Fees	-	-	-	15.25	-	-	-	3.00
	-	-	-	13.15	-	-	-	-
Advances / Loans given net off received back	(631.30)	-	-	-	-	-	(2,000.00)	-
	352.08	-	-	-	-	-	-	-
Advances /Loans / Deposits taken net off repaid back	-	2,050.00	-	-	(660.23)	181.85	-	-
	-	-	-	-	-	(2,935.11)	-	-
Purchase	-	-	-	-	-	0.50	-	-
	-	-	-	-	1.42	-	-	-
Rent Income	-	-	-	-	-	1,523.56	-	-
	-	-	-	-	6.13	586.22	-	-
Deposit received	-	-	-	-	-	51.00	-	-
	-	-	-	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	0.37	-	-
	-	-	-	-	-	-	-	-
Income from Debtors Assignment	-	-	-	-	-	-	-	-
	-	-	-	-	123.00	-	-	-
Promoter Contribution	-	450.00	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Note: Figures in italic represents previous year's figures.



## Notes to the consolidated financial statements for the year ended March 31, 2019

(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	Subsidiary of the Holding Company	KMP
<b>Outstanding Balance as at March 31, 2019</b>								
Receivable	240.25	-	-	-	-	335.47	-	-
	-	-	-	-	-	507.31	-	-
Payables	-	-	-	-	3.24	5.00	-	-
	-	-	-	-	-	39.23	-	-
Subordinated Debt	-	5,355.97	-	-	-	-	-	-
	-	4,905.97	-	-	-	-	-	-
Loans & Advances	69.00	-	-	-	-	-	-	-
	663.96	-	-	-	-	-	2,000.00	-
Loans & Advances Taken	-	2,500.00	-	-	-	12,578.46	-	-
	-	450.00	-	-	-	(12,760.31)	-	-
Security Deposit	-	-	-	-	-	504.00	-	-
	-	-	-	-	-	453.00	-	-

Note: Figures in italic represents previous year's figures.

## (d) Significant Related Party transactions:

Nature of Transaction	Name of the Company	March 31, 2019	March 31, 2018
Interest Income	Riddhi Siddhi Mall Management Private Limited	36.71	48.70
Project Management Consultancy	Star Shopping Centers Private Limited	500.00	-
Lease Rent Expenses	Jollamma Anil Cherian	3.36	3.36
	Ritu Pawan Agarwal	3.36	3.36
Reimbursement of Expenses	Future Retail Limited	56.68	16.79
Sitting Fees	Mr. Rajesh Kalyani	3.35	2.80
	Mr. Sunil Biyani	1.20	-
	Mr. Vijai Singh Dugar	4.95	5.60
	Mr. Anil Cherain	1.40	-
	Mr. Pawan Agarwal	1.60	-
	Mr. K.A Somayajulu	3.55	3.60
	Ms. Udita Jhunjhunwala	1.40	1.15
Loan Given net off received Back	Riddhi Siddhi Mall Management Private Limited	(458.95)	351.64
	Star Shopping Centres Private Limited	(171.91)	68.78
	Future Outdoor Media Solutions Limited	(2,000.00)	-
Advances /Loans taken net off repaid back	Future Retail Limited	181.85	(2,935.11)
	Grihith Trade Ventures Private Limited	(660.23)	-
	Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)	2,500.00	-
Deposit Received	Future Retail Limited	51.00	-
Purchase	Galaxy Entertainment Corporation Limited i.e Galaxy Cloud Kitchens Limited	-	1.42
Rent Income	Future Retail Limited	1,397.14	550.88
	Galaxy Entertainment Corporation Limited i.e Galaxy Cloud Kitchens Limited	-	6.13
	Praxis Home Retail Limited	126.43	35.34
Rent Expenses	Future Retail Limited	36.90	22.46
	Galaxy Entertainment Corporation Limited i.e Galaxy Cloud Kitchens Limited	6.00	-
Income from Debtors Assignment	PAN India Food Solutions Private Limited (w.e.f 14.08.2017)	-	123.00
Promotor's Contribution	Future Corporate Resources Private Limited (Formerly Known as "Suhani Trading and Investment Consultants Private Limited")	450.00	-

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

**31. In respect of operating lease taken by the company, the future minimum lease rental obligation under operating leases –**

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
i)	Lease rentals recognized in Statement of Profit and Loss	4,755.37	4,672.35
ii)	Lease rentals payable not later than one year	2,594.60	2,188.09
iii)	Lease rentals payable later than one year and not later than five years	7,819.02	8,054.61
iv)	Lease rentals payable later than five years	1,605.25	2,925.34

**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, 2019	Year ended March 31, 2018
i)	Gross block of assets let out on operating lease	29,914.46	29,340.01
ii)	Accumulated depreciation as at March 31	9,971.07	7,344.75
iii)	Depreciation charged during the year to the Statement of Profit and Loss	2,626.32	2,607.61
iv)	Lease rentals recognised in Statement of Profit and Loss	8,776.37	6,766.82
v)	Lease rentals receivable not later than one year	5,953.03	5,411.20
vi)	Lease rentals receivable later than one year and not later than five years	14,918.32	20,288.96
vii)	Lease rentals receivable later than five years	–	9.33

**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 group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the group. 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
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
Future Retail Destination Limited	18-Sept-18	India	100.00%	50.00%	NIL	50.00%	Ware-housing & Real Estate
Gafi Realtors Private Limited	14-Aug-17	India	100.00%	100.00%	NIL	NIL	Ware-housing & Real Estate
Jeremia Real Estate Private Limited	27-Aug-18	India	100.00%	NIL	NIL	NIL	Ware-housing & Real Estate

## Notes to the consolidated financial statements for the year ended March 31, 2019

(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 Company Private Limited		Sun City Properties Private Limited		Future Retail Destination Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Summarised balance sheet</b>						
Current assets	2,667.55	2,157.72	62.56	60.08	-	1,033.71
Current liabilities	5,161.49	4,679.14	654.97	39.37	-	152.49
<b>Net current assets</b>	<b>(2,493.94)</b>	<b>(2,521.42)</b>	<b>(592.41)</b>	<b>20.71</b>	<b>-</b>	<b>881.22</b>
Non-current assets	5,824.20	5,346.31	779.90	710.92	-	2,050.52
Non-current liabilities	379.42	406.68	-	545.07	-	-
<b>Net non-current assets</b>	<b>5,444.78</b>	<b>4,939.63</b>	<b>779.90</b>	<b>165.85</b>	<b>-</b>	<b>2,050.52</b>
<b>Net assets</b>	<b>2,950.84</b>	<b>2,418.21</b>	<b>187.49</b>	<b>186.56</b>	<b>-</b>	<b>2,931.74</b>
<b>Accumulated NCI</b>	<b>410.56</b>	<b>335.42</b>	<b>84.05</b>	<b>83.63</b>	<b>-</b>	<b>1,465.87</b>

	Suhani Mall Management Company Private Limited		Sun City Properties Private Limited		Future Retail Destination Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Summarised statement of profit and loss</b>						
Revenue	438.49	441.46	2.92	2.91	-	-
Profit for the year	62.25	29.28	0.93	0.06	-	(1.91)
Other comprehensive income	470.38	21.77	-	-	-	-
<b>Total comprehensive income</b>	<b>532.63</b>	<b>51.05</b>	<b>0.93</b>	<b>0.06</b>	<b>-</b>	<b>(1.91)</b>
<b>Profit allocated to NCI</b>	<b>73.18</b>	<b>7.01</b>	<b>0.42</b>	<b>0.03</b>	<b>-</b>	<b>(0.96)</b>
<b>Dividends paid to NCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Suhani Mall Management Company Private Limited		Sun City Properties Private Limited		Future Retail Destination Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Summarised cash flow</b>						
Cash flows from operating activities	3,067.49	420.57	(0.74)	(0.74)	-	(79.42)
Cash flows from investing activities	(498.65)	2.89	(70.61)	(70.61)	-	194.99
Cash flows from financing activities	(2,572.83)	(481.33)	71.34	71.34	-	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(3.99)</b>	<b>(57.87)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>-</b>	<b>115.57</b>

## (c) Interests in associates and joint ventures

Set out below are the associates and 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Future Trade Markets Private Limited	India	Joint Venture	70.00%	Equity method	-	-	-	1,880.06
Star Shopping Centres Private Limited	India	Joint Venture	60.00%	Equity method	68.91	68.75	(0.16)	(60.14)
Utility Developers Private Limited	India	Joint Venture	50.00%	Equity method	-	240.80	-	(126.35)
Riddhi Siddhi Mall Management Private Limited	India	Joint Venture	50.00%	Equity method	1,669.62	1,521.87	(147.75)	(54.90)
Future Retail Destination Limited	India	Joint Venture	50.00%	Equity method	-	-	-	0.95
<b>Total equity accounted investments</b>					<b>1,738.53</b>	<b>1,831.42</b>	<b>(147.91)</b>	<b>1,639.62</b>

**Notes to the consolidated financial statements for the year ended March 31, 2019**

(All amounts in INR lakhs, unless otherwise stated)

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
Star Shopping Centres Private Limited	March 31, 2019	707.73	606.73	101.00	102.21	88.33	13.88	114.88	68.93
	March 31, 2018	668.36	591.76	76.60	106.54	68.52	38.02	114.62	68.77
Utility Developers Private Limited	March 31, 2019	-	-	-	-	-	-	-	-
	March 31, 2018	539.91	52.43	487.48	188.39	-	188.39	675.88	337.94
Riddhi Siddhi Mall Management Private Limited	March 31, 2019	346.48	141.99	204.49	6,235.69	80.16	6,155.53	6,360.02	3,180.01
	March 31, 2018	341.92	577.00	(235.08)	6,374.26	74.67	6,299.59	6,064.51	3,032.26

Summarised statement of profit and loss	Year ended	Revenue	Profit for the year	Other comprehensive income	Total comprehensive income
Future Trade Markets Private Limited	March 31, 2019	-	-	-	-
	March 31, 2018	112.96	(2,656.42)	-	(2,656.42)
Star Shopping Centres Private Limited	March 31, 2019	2,776.69	(3.31)	3.57	0.26
	March 31, 2018	2,532.10	100.24	(0.09)	100.16
Utility Developers Private Limited	March 31, 2019	-	-	-	-
	March 31, 2018	561.23	252.71	1.51	254.21
Riddhi Siddhi Mall Management Private Limited	March 31, 2019	656.46	295.51	-	295.51
	March 31, 2018	440.48	109.80	-	109.80
Future Retail Destination Limited	March 31, 2019	-	-	-	-
	March 31, 2018	-	1.91	-	1.91

**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
<b>Parent</b>								
Future Market Networks Limited	36.28%	6,761.83	81.02%	657.77	20.46%	120.97	55.50%	778.74
<b>Subsidiaries:</b>								
Aashirwad Malls Private Limited	3.10%	578.12	-0.14%	(1.10)	0.00%	-	-0.08%	(1.10)
Suhani Mall Management Company Private Limited	17.25%	3,215.42	9.42%	76.50	79.54%	470.38	38.97%	546.88
Sun City Properties Private Limited	8.22%	1,532.37	0.11%	0.93	0.00%	-	0.07%	0.93
Future Trade Markets Private Limited	12.83%	2,391.55	8.91%	72.35	0.00%	-	5.15%	72.35
Gati Realtors Private Limited	6.52%	1,214.63	-0.30%	(2.45)	0.00%	-	-0.17%	(2.45)
Future Retail Destination Limited	15.66%	2,919.27	1.27%	10.20	0.00%	-	0.73%	10.20
Jeremia Real Estate Private Limited	0.14%	25.49	-0.29%	(2.34)	0.00%	-	-0.17%	(2.34)
<b>Total</b>	100%	18,638.68	-100.00%	811.86	-100%	591.35	-100.00%	1,403.21
<b>Minority Interest in all subsidiaries</b>		<b>(494.60)</b>		<b>10.93</b>		<b>64.64</b>		<b>75.57</b>
<b>Joint Ventures</b>		<b>1,738.53</b>		<b>145.77</b>		<b>6.22</b>		<b>151.99</b>
<b>Total</b>		<b>19,882.61</b>		<b>946.70</b>		<b>532.93</b>		<b>1,479.63</b>

## Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

**36. Contingent Liabilities and Capital Commitments not provided for:**

- (a) Corporate Guarantee given to bank on behalf of Companies – ₹18,750 Lakhs (2018: ₹52,450 Lakhs)  
(Refer Note – 34 – Standalone Financial Statements)
- (b) Income tax demand – NIL (2018: ₹ NIL)
- (c) Service Tax disputed demand – ₹95.80lacs (2018: ₹779.80 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 ₹ 12,90,52,379/- (Rupees Twelve Crore Ninety Lakhs Fifty Two Thousand Three Hundred Seventy Nine Only) 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 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 ₹ 17.41 Cr (over and above the existing receivables standing in the books) 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.

**37. Capital Commitments / Asset Purchase Agreement / Put option agreement**

- (a) Estimated amount of contract remaining to be executed on capital work in progress and not provided for ₹ 14.40 Lakhs.
- (b) During the current year, the Holding Company (FMNL) has entered into a put option asset purchase agreement, wherein the FMNL has undertaken an obligation through a put option in relation to a loan facility of ₹ 75 crores provided by Axis Bank Ltd to a Borrower for purchase of assets being movable assets. FMNL has entered into an asset purchase agreement with the Borrower for purchase of said assets in future. In the event of any 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 has also mortgaged its immovable property with the bank against its obligations, as a part of the above transaction. (Included in Note 27 – Assets Pledged as Security).

As per our Report of even date  
For Viren Gandhi & Co.  
Chartered Accountants

Chintan Gandhi  
Partner

Place: Mumbai  
Date: May 21, 2019

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

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head – Legal and Company Secretary



# FUTURE MARKET NETWORKS LIMITED

Registered Office: Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060  
 Tel No.: 022 -4069 5603, Fax No.: 022 – 4069 5773, E-mail: info.fmn@futuregroup.in  
 Website: www.fmn.co.in • CIN: L45400MH2008PLC179914

## FORM NO. MGT – 11 PROXY FORM

**[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s):  
 Registered address:

E-mail Id:

Folio No./ Client ID:

DP ID:

I/ We being the member(s) of \_\_\_\_\_ shares of the Future Market Networks Limited hereby appoint:

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 11<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 16<sup>th</sup> day of September 2019 at 1.30 pm at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of such resolutions, as are indicated below:

Resolutions	Optional*	
	For	Against
<b>Ordinary Business</b>		
1. Consider and adopt: a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 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, 2019 together with the report of Auditors thereon.		
2. Appointment of Director in place of Mr. Sunil Biyani (DIN: 00006583) who retires by rotation and being eligible offers himself for re-appointment.		
3. Appointment of Director in place of Mr. Rajesh Kalyani (DIN: 00220632) who retires by rotation and being eligible offers himself for re-appointment.		
4. Appointment of Statutory Auditors and authorizing the Board to fix their remuneration.		
<b>Special Business</b>		
5. Appointment of Mr. Pawan Kumar Agarwal (DIN: 01435580) as a Director of the Company.		
6. Appointment and remuneration of Mr. Pawan Kumar Agarwal (DIN: 01435580) as an Executive Director and Chief Financial Officer of the Company.		
7. Approval of Related Party Transaction with Future Enterprises Limited.		

Signed this ..... day of ..... 2019.

Signature of shareholder(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

AFFIX  
 RE.1/-  
 REVENUE  
 STAMP

**Note(s)**

The Proxy Form in order to be effective should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of aforesaid Annual General Meeting.

For Resolutions, Explanatory Statements and Notes, please refer Notice of 11<sup>th</sup> Annual General Meeting of the Company.

\* It is optional to put "X" in appropriate column against the Resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all Resolution (s), you proxy will be entitled to vote in the manner he / she thinks appropriate.

11<sup>th</sup> AGM - Route Map to the AGM Venue









# FUTURE MARKET NETWORKS

catalysing consumption

CIN: L45400MH2008PLC179914

Registered Office:

Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (E), Mumbai - 400060  
Website : [www.fmn.co.in](http://www.fmn.co.in)