

September 16, 2017

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

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

Dear Sirs,

**Sub: Outcome of 9<sup>th</sup> Annual General Meeting (AGM) and voting results of the Company**

**Ref: Scrip Code: BSE - 533296 and NSE - FMNL**

With reference to the above, please note that the 9<sup>th</sup> Annual General Meeting (AGM) of the Company was held on Friday, September 15, 2017 at 2.00 pm at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 and the business mentioned in the Notice dated August 14, 2017 were transacted.

In this regard, Please find enclosed the following:

1. Summary of proceedings as required under Regulation 30, Para A of Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure - I.
2. Voting results as required under Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure - II.
3. Report of Scrutinizer dated September 16, 2017, Pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014.
4. Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

The above said information/documents related to the 9<sup>th</sup> Annual General Meeting ('AGM') is available on the company's website, [www.fmn.co.in](http://www.fmn.co.in)

Please take the same on records.

Thanking you,

Yours faithfully,

**For Future Market Networks Limited**

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

**Encl: a/a**



# Future Market Networks Limited

**Annual Report 2016-17**

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Vijai Singh Dugar	: Chairman & Independent Director
K.A. Somayajulu	: Independent Director
Udita Jhunjhunwala	: Independent Director
Rajesh Kalyani	: Non-Executive Director
Sunil Biyani	: Managing Director
Pramod Arora	: Whole -Time Director
Pawan Agarwal	: Chief Financial Officer
Anil Cherian	: Company Secretary & Compliance Officer

### STATUTORY AUDITORS

Viren Gandhi & Co.; Chartered Accountants, Mumbai

### BANKERS

Kotak Mahindra Bank  
Central Bank  
Bank of India  
Bank of Baroda

### REGISTERED OFFICE

Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (E) Mumbai – 400060  
Telephone : 022 - 6199 4487  
Fax : 022 - 6199 5269  
E-mail : info.fmn@futuregroup.in  
Website : www.fmn.co.in  
**CIN:** L45400MH2008PLC179914

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd  
C 101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai 400083  
Telephone : 022 - 4918 6000  
Fax : 022 - 4918 6060

#### 9<sup>th</sup> Annual General Meeting

on Friday, September 15, 2017 at 2.00 p.m.  
Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018

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 9<sup>th</sup> Annual General Meeting of the members of Future Market Networks Limited will be held at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 on Friday, 15<sup>th</sup> day of September 2017 at 2.00 p.m. 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, 2017 together with the reports of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2017 together with the report of Auditors thereon.
2. To appoint a director in place of Mr. Rajesh Kalyani (DIN: 00220632), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
3. To consider ratification of the appointment of Statutory Auditors and if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Viren Gandhi & Co., Chartered Accountants, Mumbai (Firm Registration No. 111558W), as Auditors of the Company for a term of three years i.e. till the conclusion of the Eleventh Annual General Meeting to be held in the year 2019, which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of Tenth Annual General Meeting of the Company to be held in the year 2018, at such remuneration, re-imbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Auditors from time to time."

#### Special Business:

4. To consider re-appointment of Mr. Vijai Singh Dugar (DIN: 03163399) as an Independent Director 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 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 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) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vijai Singh Dugar (DIN: 03163399), a non-executive Director of the Company, who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f. September 18, 2017 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.

5. To consider and approve the appointment of Mr. Pramod Arora (DIN: 02559344) as a Director of the Company and if thought fit, to pass 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. Pramod Arora (DIN: 02559344), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such 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. Pramod Arora (DIN: 03163399) as a Whole-time Director 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 subject to such other approvals as may be necessary, the approval of the Members of the Company, be and is hereby accorded to the appointment of Mr. Pramod Arora (holding DIN 02559344), as the Whole-time Director 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 liberty to the Board of Directors (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. Pramod Arora and as may be permissible at law:

A. Period:

Three years w.e.f. August 14, 2017, with the liberty to either party to terminate the appointment on one month's notice in writing to the other.

B. Remuneration: (Amount in ₹)

- i. Basic Salary per month : ₹ 6,80,000/-
- ii. Allowances per month :
  1. House Rent Allowances : ₹ 3,20,000/-
  2. Special Allowance: ₹ 10,00,000/-

with such increment(s) in the salary and allowances as the Board may decide from time to time, subject to a ceiling of ₹ 20,00,000/- (Rupees Twenty Lakhs only) for salary & aforesaid allowances per month during the tenure of his employment. These allowances however, will not be taken into account for calculation of benefits such as Provident Fund, National Pension System, Gratuity and Leave encashment;

iii. Perquisites and other amenities payable/provided to the Whole-time 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 Rules;
iv	Medical Allowance / Expenses – as per the policy of the Company;
v	Telephone / Mobile Phone expenses;
vi	Other Benefits & Perquisites as per the Rules applicable to the Senior Executives 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;

- C. 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 Whole-time

- D. Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.
- E. So long as Mr. Pramod Arora functions as the Whole-time Director of the Company, his office shall not be subject to retirement by rotation.

The Board or the Chairman of the Board may on the recommendation of the Nomination, Remuneration and Compensation Committee of the Board give annual increases in basic salary, various allowances and perquisites, as may be deemed appropriate, so that the payment to Mr. Pramod Arora in respect of the aforesaid, excluding gratuity, accumulated P.F., NPS and encashment of accumulated leave or any other retirement benefit does not exceed the limits specified under the provisions of the Act read with Schedule V, during the period of his appointment.

**RESOLVED FURTHER THAT** the Board of Directors, the Chairman of the Board and the Nomination, Remuneration and Compensation Committee of the Board be and are hereby severally authorized to take such steps as may be necessary or expedient in their entire discretion, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

**Registered Office:**

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

CIN: L45400MH2008PLC179914  
E-mail: [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in)  
Website: [www.fmn.co.in](http://www.fmn.co.in)

Place : Mumbai  
Date : August 14, 2017

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 ("AGM") 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. A corporate member intending to send its authorized representatives to attend the AGM in terms of Section 113 of the Act is requested to send the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf, at the AGM.
4. 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.
5. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), additional information in respect of the Directors, seeking appointment/re-appointment upon retirement by rotation at the AGM, is annexed to the Notice.
6. 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 Saturday, September 09, 2017 to Friday, September 15, 2017 (both days inclusive).
7. 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 (I) of the Companies Act, 2013, there are unclaimed sale proceeds of fractional shares arise out of issuance of shares consequent to the Demerger of the Company. This amount shall be due for transfer during the financial year 2017-2018.

The members who have not yet 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.

8. 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.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to RTA.
10. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
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 Director for his 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.fmn@futuregroup.in](mailto:info.fmn@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 9<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 9<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.
14. Members may also note that the Notice of the 9<sup>th</sup> Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2017 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.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in).
15. 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. 26. 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.
16. 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:
  - i. 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.
  - ii. 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.
17. 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.
18. 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.
19. 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.
20. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
21. 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 9<sup>th</sup> AGM i.e. September 15, 2017.
22. 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.
23. 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.

24. Non-Resident Shareholders are requested to inform immediately Registrar and Share Transfer Agent, Link Intime India Private Limited:

- a) The change in the Residential status on return to India for permanent settlement.
- b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.

25. 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.

26. Voting through electronic means and poll:

- I. 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:

**A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**

- i. Open email and open PDF file viz; "future market e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii. Click on Shareholder – Login
- iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- vii. Select "EVEN" (Electronic Voting Event Number) of Future Market Networks Limited.
- viii. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through 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)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :**

i.	Initial password is provided as below/at the bottom of the Attendance Slip for the AGM		
	EVEN (Electronic Voting Event Number)	USER ID	PASSWORD / PIN
ii.	Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.		

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 Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

- II. 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.
- III. 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).
- IV. The remote e-voting period commences on Tuesday, September 12, 2017 (9:00 am) and ends on Thursday, September 14, 2017 (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 08, 2017, 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.
- V. 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 11, 2017.

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 11, 2017 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or issuer.

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.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no: 1800-222-990.

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.

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 9<sup>th</sup> Annual General Meeting of the Company.

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.

- VI. 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.

The results declared along with the report of the scrutinizer shall be placed on the Company's website [www.fmn.co.in](http://www.fmn.co.in) and on the websites of Stock Exchanges and NSDL.

- VII. 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)

27. 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.

**Registered Office:**

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

CIN: L45400MH2008PLC179914

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

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

Place : Mumbai

Date : August 14, 2017

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 Nos. 3, 4 and 6 of the accompanying Notice:

#### **Item No. 3**

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

M/s. Viren Gandhi & Co., Chartered Accountants, Mumbai (Firm Registration No. 111558W) were appointed as Statutory Auditors of the Company for three consecutive financial years w.e.f. financial year 2015-16 at the Annual General Meeting of the Company held on September 20, 2016.

Accordingly, the audit of the Company for financial year 2015-16 was conducted by M/s. Viren Gandhi & Co., Chartered Accountants, Mumbai. Further, as per provisions of Section 139(1) of the Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, appointment of Statutory Auditor for the above tenure is subject to ratification by members at every Annual General Meeting by way of an ordinary resolution.

Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 3 of the Notice. The Board recommends the Resolution at Item No. 3 for approval by the Members.

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. 3 of the Notice.

#### **Item No. 4**

Mr. Vijai Singh Dugar, Independent Director of the Company was appointed pursuant to the approval of members through ordinary resolution passed at the Annual General Meeting of the Company held on September 18, 2014. The term of his current appointment is expiring on September 17, 2017.

In terms of Regulation 19(4) read with Para A - 5 of Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to recommendation of Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company at their meeting held on July 26, 2017 approved and recommended to the members for their approval for appointment of Mr. Vijai Singh Dugar for a second term of five years starting from September 18, 2017 to September 17, 2022.

The Board has considered rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Mr. Vijai Singh Dugar and recommended their re-appointment for second term of consecutive five years to the Members of the Company for approval.

Pursuant to section 149(10) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

Mr. Vijai Singh Dugar has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Vijai Singh Dugar fulfills the conditions as specified in the Companies Act, 2013 and the rules made thereunder read with Schedule IV for appointment as an Independent Director.

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. Vijai Singh Dugar to be re-appointed as an Independent Director of the Company in accordance with the provisions of the Companies Act, 2013.

Mr. Vijai Singh Dugar does not hold any share in the Company in his name.

Copy of the draft letter of appointment of Mr. Vijai Singh Dugar as an Independent 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 Special Resolution as set out in item No. 4 of the Notice for the approval of the Members.

Brief profile, qualification, experience, date of appointment on Board, number of Board meeting attended during the financial year 2016-17, his directorships, Membership/chairmanships of the Committees held in other companies of Mr. Vijai Singh Dugar are enclosed along with the explanatory statement/ corporate governance report.



Save and except Mr. Vijai Singh Dugar and his relatives, to the extent of their shareholding interest, if any, in the Company, 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. 4 of the Notice.

#### Item No: 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 August 14, 2017 appointed Mr. Pramod Arora (DIN 02559344) as the Whole-time Director of the Company with effect from August 14, 2017 for a period of three years.

Mr. Pramod Arora, aged 47 years holds a Bachelor's degree in Engineering and having versatile corporate experience of over 2 decades in strategy management, financial planning, project management etc. His Director Identification Number (DIN) is 02559344. He was associated with reputed corporates at senior management level positions and prior to joining the Company he worked with PVR Ltd, F&B Asia Ventures (India) Pvt. Ltd., etc.

Considering his adequate experience in various fields, the Board recommends the appointment of Mr. Pramod Arora as Whole-time Director of the Company for a period of three years with effect from August 14, 2017 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. Pramod Arora's 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. Pramod Arora is not related to any Director of the Company. A brief resume of Mr. Pramod Arora 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 engaged in capital intensive project with long term tenures. Hence, economic factors including high financial costs caused low profitability / losses in the immediately preceding financial years. 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 of the said section II related to effective capital of the Company, 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 be passed at a general meeting of the Company approving the Remuneration.

The Nomination, Remuneration and Compensation Committee at its meeting held on August 14, 2017 has already approved the remuneration, payable to Mr. Pramod Arora, Whole-time Director of the Company. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

The Board commends the Special Resolution set out at Item No. 6 of the accompanying Notice for the approval by the Members.

Except Mr. Pramod Arora, being the appointee, none of the other Directors / Key Managerial Personnel / their relatives is in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 6 of the Notice.

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)	<b>Financial performance based on given indicators.</b>			
		<b>As per audited financial results for the year</b>		
		<b>(₹ in crore)</b>		
		<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
	Paid Up Capital	55.85	56.17	56.29
	Reserves & Surplus	106.62	142.97	136.01
	<b>Statement of Profit &amp; Loss</b>			
	Revenue from Operations	72.06	80.78	82.50
	Other Income	12.90	27.41	33.39
	Total Revenue	<b>84.96</b>	<b>108.19</b>	<b>115.89</b>
	Total Expenses	138.26	139.21	139.42
	Profit before Taxation	(53.30)	(31.02)	31.02
	Tax Expenses/ (Income) including Deferred Tax	-----	(66.97)	0.53
5)	Foreign investments or collaborators, if any	-----	-----	-----
<b>II. Information about the Appointee</b>				
1.	Background details	Mr. Pramod Arora, aged 47 years holds a Bachelor's degree in Engineering and having versatile corporate experience of over 2 decades in strategy management, financial planning, project management etc. His Director Identification Number is 02559344. He was associated with reputed corporates at senior management level positions and prior to joining the Company he worked with PVR Ltd, F&B Asia Ventures (India) Pvt Ltd etc.		
2.	Past remuneration	He is being appointed on the Board w.e.f August 14, 2017. Prior to the appointment, Mr. Arora has been designated as Chief Executive Officer of the Company and being paid remuneration in terms of his appointment.		
3.	Recognition or awards	Mr. Pramod Arora, was appreciated and facilitated by his previous employers considering his achievements.		
4.	Job profile and his suitability.	His job involves diverse fields of business development and corporate affairs including strategic planning. He is having vast experience of corporate management and possesses required competencies.		
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. Pramod Arora, 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. Pramod Arora does not have any pecuniary relationship with the Company. There are no managerial personnel related to him.		
<b>III. Other Information</b>				
1.	Reasons of loss or inadequate profits	The Company engaged in capital intensive project with long term tenures. Hence, economic factors including high financial costs caused low profitability / losses in the immediately preceding financial years.		
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 for enabling the Company to make payment of remuneration of the managerial personnel at the level proposed hereinabove.		

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.
<b>IV. Disclosures</b>		
1.	The remuneration package proposed to be given to Mr. Pramod Arora 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. There is no severance fee or stock option in the case of the aforesaid managerial personnel as on the date of his appointment. 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. Pramod Arora is not holding securities of the Company. Further he 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 a Whole-time Director	

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. Pramod Arora to be appointed as an Whole-Time Director of the Company in accordance with the provisions of the Companies Act, 2013.

Mr. Pramod Arora does not hold any share in the Company in his name.

Copy of the draft letter of appointment of Mr. Pramod Arora as an Whole-Time 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 Special Resolution as set out in item No.6 of the Notice for the approval of the Members.

Brief profile, qualification, experience, date of appointment on Board, number of Board meeting attended during the financial year 2016-17, his directorships, Membership/chairmanships of the Committees held in other companies of Mr. Pramod Arora are enclosed along with the explanatory statement/ corporate governance report.

Save and except Mr. Pramod Arora and his relatives, to the extent of their shareholding interest, if any, in the Company, 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.

**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 14, 2017

By Order of the Board  
For Future Market Networks Limited

Anil Cherian  
Head : Legal & Company Secretary



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

<b>1.</b>	<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 26 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
	<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 Committee : Audit Committee, Nomination Remuneration and Compensation Committee, Stakeholder Relationship Committee Position held : Member
	<b>Number of shares held in the Company</b>	2,00,000
	<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 2016-17

The details provided herein above are as on March 31, 2017

<b>2.</b>	<b>Name of the Director</b>	Mr. Vijai Singh Dugar
	<b>DIN</b>	06463399
	<b>Date of Birth</b>	September 1, 1952
	<b>Qualifications</b>	Chartered Accountant
	<b>Date of Appointment</b>	February 1, 2013
	<b>Expertise in specific functional areas</b>	Mr. Vijay Singh Dugar, who is a qualified Chartered Accountant and was associated with Indian Oil Corporation Limited for more than 33 years in various capacities including Finance Head of IOBL, a Subsidiary of Indian Oil Corporation Limited and has vast professional expertise spreading a span of more than three decades in corporate finance, Internal Audit, strategic business planning and investment advisory.
	<b>Other Directorships Held</b>	Future Trade Markets Private Limited Star Shopping Centres Private Limited Suhani Mall Management Co. Pvt. Ltd. Naman Mall Management Co. Pvt. Ltd. Rachika Trading Private Limited

<b>Membership/ Chairmanship in Committees</b>	<b>Future Market Networks Limited</b> Audit Committee and Stakeholders Relationship Committee - Chairman Nomination, Remuneration and Compensation - Member
<b>Number of shares held in the Company</b>	Nil
<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 2016-17

The details provided herein above are as on March 31, 2017

<b>3.</b>	<b>Name of the Director</b>	Mr. Pramod Arora
	<b>DIN</b>	02559344
	<b>Date of Birth</b>	December 22, 1970
	<b>Qualifications</b>	Bachelor's degree in Engineering.
	<b>Date of Appointment</b>	August 14, 2017
	<b>Expertise in specific functional areas</b>	He was associated for over a decade with PVR Limited and handled key designations. He was the Managing Director and Chief Executive Officer of F&B Asia Ventures (India) Private Limited prior to joining the Company.
	<b>Other Directorships Held</b>	Gati Realtors Private Limited Star Shopping Centres Private Limited Carnival Films Private Limited
	<b>Membership/ Chairmanship in Committees</b>	None
	<b>Number of shares held in the Company</b>	Nil
	<b>Relationship with other Directors</b>	None
	<b>Number of meetings of the Board attended during the financial year</b>	None

The details provided herein above are as on August 14, 2017

# Directors' Report

## DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company (the Company / FMNL) hereby submits the report of the business and operations along with the audited financial statements, for the financial year ended March 31, 2017.

### Financial Results:

#### a) Standalone

(₹ in lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	8250.06	8077.99
Other Income	3383.53	2740.44
<b>Total Income</b>	<b>11588.59</b>	<b>10818.43</b>
Personnel Cost	467.63	440.10
Cost of units sold	384.66	261.18
Operating and other expenses	6275.38	5929.81
<b>Total Expenditure</b>	<b>7127.67</b>	<b>6631.09</b>
Profit before Interest, Depreciation and Tax	4460.92	4187.34
Less: Interest	4200.32	4606.62
Less: Depreciation	2613.89	2682.74
<b>Profit/(Loss) before Taxation</b>	<b>(2353.29)</b>	<b>(3102.02)</b>
Less: Exceptional Item	-	-
Less: Provision for taxation	-	-
Less: Deferred Tax	52.8	(6697.26)
<b>Profit (Loss) after Taxation</b>	<b>(2406.09)</b>	<b>3595.24</b>

#### b) Consolidated

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	8699.57	8914.2
Other Income	3307.19	2624.68
<b>Total Revenue</b>	<b>12006.76</b>	<b>11538.88</b>
Cost of units sold	384.66	261.18
Personnel Cost	467.63	440.10
Operating and other expenses	6390.32	5245.2
<b>Total Expenditure</b>	<b>7242.61</b>	<b>5946.48</b>
Profit before Interest, Depreciation and Tax	4764.15	5592.4
Less: Interest	4360.59	5562.97
Less: Depreciation	2735.08	3236.72
Profit/Loss before Taxation	(2331.52)	(3207.29)
Exceptional Item	-	-
Profit on sale of investment in equity instruments of associates/subsidiaries	-	6941.17
Share of net profit of associates and joint ventures accounted by using equity method	118.94	(14.23)
Less: Provision for taxation	1.81	12.28
Less: Deferred Tax	76.88	(6649.25)
<b>Profit/(Loss) after Taxation from continuing operation</b>	<b>(2291.27)</b>	<b>10356.62</b>
<b>Profit /(Loss) from discontinued operation</b>	<b>(398.76)</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>	<b>(2690.03)</b>	<b>10356.62</b>

### Notes:

The above figures are extracted from the standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS). For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, *First Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.*

### **Indian Accounting Standards:**

The Ministry of Corporate Affairs (MCA) vide its Notification dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with Rule 7, of the Companies, (Accounts) Rules, 2014.

Ind AS is applicable to the Company from April 1, 2016, with transition date of April 1, 2015 and IGAAP and previous GAAP.

The following are the areas which had an impact on account of transition to Ind AS:

- i. Business combinations including recording of intangibles and deferred taxes and accounting of common control transactions.
- ii. Measurement of financial liabilities at amortized cost.
- iii. Fair valuation of certain financial instruments.
- iv. Employee costs pertaining to defined benefit obligations.
- v. Actuarial gain/ (loss) on employee defined benefit funds recognized in other Comprehensive Income.
- vi. Fair Valuation of Equity Investments other than Investments in Subsidiaries, Associates and Joint Ventures.
- vii. Discounting of certain long term liabilities.
- viii. Share based payments.

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in Note 37 in the notes to accounts in the standalone and consolidated financial statements.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

### **Dividend:**

Your Directors have not recommended any dividend on account of losses incurred during the financial year ended March 31, 2017. Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) with regard to formulation of Dividend Distribution Policy are not applicable to our Company.

### **Transfer to reserves:**

In view of losses incurred during the year under review, your Directors have not recommended transfer of any amount to reserves during the financial year under review.

### **Disclosures under section 134(3)(I) of the Companies Act, 2013:**

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 and date of this report.

### **Particulars of loans, guarantees, investments and securities:**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note No. 34 to the standalone financial statement).

### **Internal Controls:**

The Company has robust internal control systems and procedures commensurate with its nature of business which meets the following objectives:

- providing assurance regarding the effectiveness and efficiency of operations;
- efficient use and safeguarding of resources;
- compliance with policies, procedures and applicable laws and regulations; and
- transactions being accurately recorded and promptly reported.

The Company continues to have periodical audits conducted of all its functions and activities to ensure that systems and procedures are followed across all areas.

The Audit Committee of Directors of the Company regularly reviews the adequacy of internal control systems through such audits. The Internal Auditor reports directly to the Audit Committee.

The Company also has a budgetary control system to monitor expenditure against approved budgets on an ongoing basis.

**Internal Financial Control and its adequacy:**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and the detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**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.

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.

**Share Capital:**

The Authorized Share Capital of the Company is ₹ 90,31,00,000/- divided into 9,02,60,000 equity shares of ₹ 10/- each and 5000 Preference Shares of ₹ 100/- each.

The paid up share capital of the Company as on March 31, 2017 is ₹ 56,29,12,810/- divided into 5,62,91,281 equity shares of ₹ 10/- each.

During the year under review, the Company had allotted 1,20,125 equity shares on December 14, 2016 for a total consideration of ₹ 14,41,500/- under Future Market Networks Limited - Employee Stock Option Scheme – 2012.

**Consolidated Financial Statements:**

As per Regulation 33 of the Listing Regulations and applicable provisions of the Companies Act, 2013 ("the Act") read with the rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2016-17 have been prepared in compliance with applicable accounting standards and on the basis of audited financial statements of the Company, unaudited financial statements.

**Cash Flow Statement**

In conformity with the provisions of Regulation 34 of Listing Regulations, the Cash Flow Statement for the year ended March 31, 2017 has been provided in the Annual Report and which forms part of this report.

**Management's discussion & analysis**

The Management Discussion and Analysis Report on the operations of the Company, as required under Regulation 34 of the Listing Regulation is provided in a separate section and forms an integral part of this Report.

**Subsidiaries and Associates.**

At the beginning of the year, we had 5 subsidiaries and 3 Associates. As on March 31, 2017 the Company has the following Subsidiaries and joint ventures:

Sr. No.	Name of the Subsidiary	Name of the Joint Venture
1	Aashirwad Malls Private Limited	Future Retail Destination Limited
2	Suhani Mall Management Co. Pvt. Ltd	Riddhi Siddhi Mall Management Pvt Ltd
3	Future Trade Markets Private Limited	Utility Developers Private Limited
4	Star Shopping Centres Private Limited	
5	Sun City Properties Private Limited	

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC - 1 is appended as Annexure - A to the Board Report. The Statement also provides the details of performance and financial positions of each of the subsidiaries.

During the period under review, the Company had acquired 100% equity share capital of Naman Mall Management Company Private Limited (Naman) which owns a shopping mall cum entertainment center at Indore with a total leasable area of 18761.78 sq. mts on June 22, 2016. However, considering the unexpected delay in the project, the Company vide a Share Purchase Agreement dated March 30, 2017 sold the entire investment in Naman to with Olive Commercial Company Limited for a consideration of ₹ 2,00,00,000/- (Rupees Two Crores Only) in compliance of section 180 and other applicable provisions of the Act.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website, [www.fmn.co.in](http://www.fmn.co.in). These documents will also be available for inspection till the date of AGM during business hours at our registered office at Mumbai.

### Particulars of Employees and other additional information

The ratio of the remuneration of each whole-time director and key managerial personal (KMP) to the median of employee's remuneration as per section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's Report under Annexure 'B'.

Additionally, statement containing the names of employees in terms of remuneration drawn as per the ceiling stipulated in terms of Rule 5 (2) (ii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of Annexure 'B'.

### Disclosure relating to Employee Stock Option Scheme

#### i. Future Market Networks Limited - Employee Stock Option Scheme 2012

The Company has formulated Future Market Networks Limited - Employee Stock Option Scheme 2012 (FMNL – ESOS 2012). The Scheme is in Compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Employee Benefits Regulations") and there has been no material changes to the aforesaid Plan during the financial year under review. Particulars of Employee Stock Options granted / vested / exercised during the year are given in Annexure 'C' to this report.

#### 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").

The Company has not yet granted the options. BSE Limited and National Stock Exchange Of India Limited have issued in principal approval for the aforesaid scheme.

The Statutory Auditors of the Company i.e. M/s. Viren Gandhi & Co, have certified that implementation of all the above ESOP Schemes/ Plan is in accordance with the erstwhile SEBI ESOP Guidelines, 1999, the SEBI (Share Based Employees Benefits) Regulations, 2014, as applicable and the resolutions passed by the Members at the respective General Meetings approving the ESOP Schemes/Plan.

### Corporate Governance

Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. At FMNL, the goal of corporate governance is to ensure fairness for every shareholder. We believe sound corporate governance is critical to enhance and retain investor trust. Our Board exercises its fiduciary responsibilities in the widest sense of the team. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

### Certificate on Corporate Governance

As per Regulation 34 (3) read with Schedule V of the Listing Regulation, the auditor's certificate on corporate governance is enclosed as Annexure 'D' to the Board's report. The auditor's certificate for financial year 2017 does not contain any qualification, reservation or adverse remark.

### Secretarial Auditor and Secretarial Audit Report

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Alwyn D'Souza of Alwyn D'Souza & Company, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-2017 is annexed herewith as Annexure 'E' and forms part of this report. The report does not contain any qualification, reservation or adverse remark.

### Extract of Annual Return

In accordance with Section 92 (3) of the Act, an extract of the Annual Report in prescribed format in form MGT-9 is attached as Annexure 'F'.

### Board diversity

The Company recognizes and embraces the importance of a diverse board in success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experiences, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our 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 [www.fmn.co.in](http://www.fmn.co.in).

## Disclosures related to Board, Committees and Policies

### Meetings of Board

The Board met Five (5) times during the financial year 2016 -17. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

### Audit Committee

The Audit Committee comprises of Mr. Vijai Singh Dugar, Mr. Somayajulu Ayyanna Kodukula, Independent Directors and Mr. Rajesh Kalyani, Non-Executive Director. Five meetings of the Committee were held during the year. For further details, please refer Corporate Governance Report forming part of the Annual Report.

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.

### Directors

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2017, the Board had 5 members, 3 of whom were Independent, 1 Non-Executive and 1 Managing Director.

### Re-appointment

In terms of the provisions of the Act, and in terms of the Memorandum and Articles of Association of the Company, Mr. Rajesh Kalyani retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

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

In accordance with the provisions of Section 149 of the Act, read with applicable clauses of Listing Regulations your Board of Directors recommend the re- appointment of Mr. Vijai Singh Dugar, as Independent Directors for a further term of 5 (five) consecutive years commencing from September 18, 2017 to September 16, 2022.

The Company has received Notice under Section 160 of the Act, from members signifying their intention to propose Mr. Vijai Singh Dugar as a candidate for the office of Independent Director at the ensuing Annual General Meeting.

The Company has also received the requisite disclosures/declarations from Mr. Vijai Singh Dugar as required under Section 149 and other applicable provisions of the Act.

Profile of all these Directors has been given in the Report on the Corporate Governance as well as in the Explanatory Statement to the Notice of the ensuing Annual General Meeting of the Company.

### Declarations by Independent Directors

The Company has received necessary declarations from each Independent Director under Section 149 (7) of the Act, that he /she meets the criteria if as specified under Section 149 (6) of the Act, and Regulation 16 (1) (b) of the Listing Regulations.

### 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.



### Board Evaluation

Listing Regulation mandates that the Board shall monitor and review the evaluation framework. The framework includes the evaluation of directors on various parameters.

The Act, states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Act, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance report.

### Familiarization program for independent directors

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

### Listing

The Company has entered into Listing Agreement with BSE Limited (BSE) and The National Stock Exchange of India Ltd. (NSE) in terms of the Listing Regulations and the listing fee for the year 2017-18 has been paid.

The Company has entered into necessary agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for availing the Depository services.

### Director's Responsibility Statement

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance.

The directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss of the Company for that period;
- c) they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Audit Reports and auditors

The Auditors' Report for fiscal 2017 does not contain any qualification, reservation, or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.



## Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Viren Gandhi & Co, Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 3 years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company. Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

## Particulars of Contracts or Arrangement with Related Parties

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 erstwhile Listing Agreement and Listing Regulations.

There are no material significant RPTs made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC -2 is not required. The Board has approved and adopted Policy on Related Party Transactions and the same is uploaded on the Company's website at [www.fmn.co.in](http://www.fmn.co.in).

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Policy is available on the Company's website [www.fmn.co.in](http://www.fmn.co.in).

## 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 has been 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 has been furnished.

## 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 Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

## Disclosure of 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 other than the 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.

However, the Company filed a petition under section 34 of Arbitration and Conciliation Act, 1996 challenging the arbitration award before the Hon'ble High Court, Calcutta. The Claimant also challenged the award by filing a petition under section 34. The matters are pending before the Hon'ble High Court, Calcutta.

## Detection of Fraud

No Fraud has been reported by the auditor's viz. statutory and internal auditors to the Audit Committee or the Board in terms of sub-section (12) of Section 143 of the Act.

## Deposits from Public

Your Company has not accepted any deposits from the public, during the year under review, within the ambit of Section 73 and 74 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014.

## Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. We follow a gender - neutral approach in handling complaints of sexual harassment and we are compliant with law of the land. We have also constituted an internal committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2016-17, no complaints were received by the Company related to sexual harassment.

### Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website viz. <http://fmn.co.in/investor-relations/policies.html>.

### Unclaimed shares

In respect of share certificates sent to shareholders and returned undelivered, the Company had already initiated the process of sending reminders to concerned shareholders. After completing the process, unclaimed shares, if any, will be transferred to "Unclaimed Suspense Account" as per the procedure laid down under Listing Regulations.

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

The particulars, as prescribed under sub-section (3) (m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are enclosed as Annexure 'G' to the Board's Report.

### Acknowledgement:

The Board appreciates and places on record the contribution made by the employees during the year under review. The Board also places on record their appreciation of the support of all stakeholders particularly shareholders, customers, bankers, suppliers and business partners.

### Cautionary Note

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

For and on behalf of Board of Directors

Place : Mumbai  
Date : July 26, 2017

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Sunil Biyani**  
Managing Director  
DIN: 00006583

## Addendum to Director's Report

The Directors Report for the financial year 2016-17 was approved by the Board of Directors at their meeting held on July 26, 2017. The board of directors at their meeting held on August 14, 2017 considered and approved the following:

### Appointment of Whole-Time Director

Mr. Pramod Arora has been appointed as Additional Director on the Board on August 14, 2017 and subsequently designated as Whole Time Director for a period of 3 (Three) years subject to the approval of the Shareholders at the ensuing Annual General Meeting.

The relevant details including profile of Mr. Pramod Arora as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. is included separately in the Notice calling the 9th Annual General Meeting of the Shareholders.

The Company has received Notice under Section 160 of the Act, from members signifying their intention to propose Mr. Pramod Arora as a candidate for the office of Director at the ensuing Annual General Meeting.

The Board recommends his appointment.

For and on behalf of Board of Directors

Place : Mumbai  
Date : August 14, 2017

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Sunil Biyani**  
Managing Director  
DIN: 00006583

## 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
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.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
3	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
4	Share capital	1,000,000	9,823,010	8,773,730	250,000	20,600,000
5	Reserves & surplus	3,587,981	226,894,720	565,516,625	1,175,784	(1,948,877)
6	Total assets	75,337,261	763,938,357	580,603,838	71,380,946	69,761,063
7	Total Liabilities	70,749,280	527,220,627	6,313,483	69,955,162	51,109,940
8	Investments	-	177,229,299	491,225,000	-	-
9	Turnover	3,502,402	41,504,122	22,090,000	243,168,061	318,000
10	Profit /Loss before taxation	478,762	4,985,455	11,812,624	4,852,348	74,465
11	Provision for taxation/ Deffered Tax	158,360	2,408,341	4,105,489	1,541,275	23,000
12	Profit after taxation	320,402	2,577,114	7,707,135	3,311,073	51,465
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	100.00%	86.26%	70.00%	60.00%	55.17%

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:

Naman Mall Management Co. Pvt. Ltd.

**Part “B”: Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates/Joint Ventures		*Future Retail Destination Ltd.	Utility Developers Pvt. Ltd.	Riddhi Siddhi Mall Management Pvt. Ltd.
1	Latest audited Balance Sheet Date	March 31, 2017	March 31, 2017	March 31, 2017
2	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	15,000,000	25,000	6,384
	Amount of Investment in Associates/Joint Venture (₹)	150,000,000	250,000	162,977,636
	Extend of Holding%	50%	50%	50%
3	Description of how there is significant influence	Due to Joint Venture Agreement	Due to Joint Venture Agreement	Due to Joint Venture Agreement
4	Reason why the associate/joint venture is not consolidated	-	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹)	293,364,085	42,166,664	595,471,502
6	Profit/Loss for the year (₹)	(2,416,134)	(212,447)	16,894,768
	i. Considered in Consolidation	(1,208,067)	(106,224)	8,447,384
	ii. Not Considered in Consolidation	(1,208,067)	(106,224)	8,447,384

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

Names of associates or joint ventures which have been liquidated or sold during the year. - NIL

\* The figures are based on management approved financial statements.

For and on behalf of Board of Directors

**Vijai Singh Dugar**

Chairman

DIN: 06463399

**Sunil Biyani**

Managing Director

DIN: 00006583

Place : Mumbai

Date : July 26, 2017

## Annexure 'B' 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. None of the Directors draw remuneration from the Company save and except sitting fee paid for meetings of Board and its Committees. Hence, the ratio of the remuneration of each director to the median remuneration of the employees of the Company cannot be determined.
- ii. The percentage increase in remuneration of Company Secretary and Chief Financial Officer during the financial year 2016-17, is as under:

Name of KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2016-17
Mr. Anil Cherian, Head : Legal & Company Secretary	40.05	15%
Mr. Pawan Agarwal Chief Financial Officer	46.58	15%

- iii. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 50,409.50/-, previous period it was ₹ 31,695/- .
- iv. There are 24 permanent employees on the rolls of Company as on March 31, 2017.
- v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial period i.e. 2015-16 was around 12%.
- vi. 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) 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 2016-17 as stipulated in Rule 5 (2) (i).
- ii. Mr. Pramod Arora has been appointed as Chief Executive Officer (CEO) of the Company w.e.f August 16, 2016 and his remuneration details in terms of Rule 5(2)(ii) are as follows:

Sr. No.	Name of the Employee	Designation	Remuneration (August 16, 2016 to March 31, 2017)
1.	Mr. Pramod Arora	Chief Executive Officer	₹ 1.55 Crores

- iii. The Directors of the Company does not draw remuneration from the Company and none of the employees directly or indirectly holds more than 2% of the equity shares of the Company.

For and on behalf of Board of Directors

Place : Mumbai  
Date : July 26, 2017

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Sunil Biyani**  
Managing Director  
DIN: 00006583

## Annexure 'C' 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) – 2012" in respect of the year ended March 31, 2017.

Sr. No	Particulars	"Future Market Networks Limited Employee Stock Option Scheme (ESOS) – 2012"
1.	Options granted during the year	Nil (PY: Nil)
2.	Pricing Formula	₹ 12/- per share (Face Value of ₹ 10/- each)
3.	Options Vested	436875 (PY: 329250)
4.	Options exercised	120125 (PY: 316750)
5.	The total number of shares arising as a result of exercise of option.	120125 (PY: 316750)
6.	Options Lapsed	2125 (PY: Nil)
7.	Variations of terms of Options	None
8.	Money realized by exercise of options.	₹14,41,500/-
9.	Total number of Options in force	1,21,125 (PY: 4,39,000)
10.	Employee wise details of options granted to:	
a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	<b>Directors:</b> Mr. Rajesh Kalyani <b>Key Managerial Personnel:</b> Mr. Anil Cherian Mr. Pawan Agarwal
b)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	None
c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	None
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share".	Refer Note No. 29 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 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;	7.45%
ii.	Expected life;	2.5 Years
iii.	Expected volatility;	70.70%
iv.	Expected dividend; and	0.00%
v.	The price of the underlying share in market at the time of option grant	23.95

## Declaration by Chief Executive Officer

To

The Members Future Market Networks Limited

Sub Declaration regarding compliance with the Company's Code of Conduct for Directors and Employees

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

I, Pramod Arora, Chief Executive Officer of Future Market Networks Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliances with the Code of Conduct for Directors and Employees of the Company.

For Future Market Networks Limited

Pramod Arora  
Chief Executive Officer

Place : Mumbai  
Date : July 26, 2017



**Annexure 'E' to the Board's Report  
FORM NO. MR.3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,**

**Future Market Networks Limited,**

Knowledge House, Shyam Nagar,

Off: Jogeshwari – Vikhroli Link Road,

Jogeshwari (East), Mumbai – 400 060

Maharashtra, India

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

The 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, 2017 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, 2017 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (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 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - (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.
- (vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971, Maharashtra Plastic Carry Bags (Manufacture and Usage) Rules, 2006, Maharashtra State Tax on Professions, Trades, Callings And Employments Act, 1975, Maharashtra State Tax on Professions, Trades, Callings And Employments Rules, 1975, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Environment (Protection) Act, 1986, E-Waste (Management and Handling) Rules, 2011, Maharashtra Shops and Establishments Act, 1948, Maharashtra Apartment Ownership Act, 1970, Bombay Lift Act, 1939, Bombay Lift Rules, 1958, The Trade Marks Act, 1999 and 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 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, 2009
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

requiring compliance thereof by the Company during the Audit period.

During the period under review the Company has complied with the provisions of the above mentioned Act, Rules, Regulations, Guidelines and Standards mentioned above subject to the following observation:

**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. There are no changes in the composition of the Board during the period under review.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**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 audit period, the following significant events / actions have taken place in pursuance of the above referred laws, rules, regulations, guidelines and standards:

- (a) Special Resolution passed in terms of Section 180(1)(a) of the Act through postal ballot for sale of investment held in Naman Mall Management Company Private Limited. The Company has entered into a Share Purchase Agreement on March 30, 2017 with Olive Commercial Company Limited for the sale of 100% Equity Share Capital held by the Company in Naman Mall Management Company Private Limited.
- (b) Shareholders' Approval was obtained at the Annual General Meeting held on September 20, 2016 for Future Market Networks Limited - Employees Stock Option Scheme - 2016 (FMNL-ESOS-2016) for Directors, Existing and Future, and Permanent Employees and FMNL-ESOS-2016 for Employees / Directors of the subsidiaries of the Company.
- (c) Neelkamal Realtors & Builders Private Limited has filed winding up Company Petition against the Company before the Hon'ble High Court at Mumbai in respect of Orchid City Centre mall and claimed a sum of ₹ 133,62,62,851 (together with @12% interest). The matter is pending before the Hon'ble High Court of Bombay.
- (d) The Company has filed Suit against Neelkamal Realtors & Builders Private Limited, before the Hon'ble High Court at Mumbai in respect of Orchid City Centre (OCC) mall for appointment of Court Receiver, High Court, Bombay or any other fit person as a receiver of the OCC Mall and require him to take possession of the OCC mall and also claimed damages and losses in the aggregate a sum of ₹107,46,43,094/- (Rupees One Hundred Seven Crore Forty Six Lakh Forty Three Thousand Ninety Four only) with interest @ 15% per annum from March 15 2017. The matter is pending before the Hon'ble High Court of Bombay.
- (e) In the Arbitration proceedings in respect of dispute arose out of termination of License Agreement relating to licensed premises situated at Block B Puja Complex, known as Puja the Mega Mart at Jhargram Rd, Kharragpur, the arbitrator has awarded amount approximately of ₹13 Crores/- to the Claimant after allowing certain counter claims of the Company. The Company filed a petition challenging the arbitration award U/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta. The matter is pending before the Hon'ble High Court of Calcutta.

Mr. Laxmi Pat Surana (Claimant and Proprietor of Mahaveer Construction) has also challenged the arbitration award to set aside the same and claimed before the Hon'ble High Court, Calcutta. The matter is pending before the Hon'ble High Court of Calcutta.

**For ALWYN D'SOUZA & Co.,**  
Company Secretaries

**[Alwyn P D'souza, FCS.5559]**

[Proprietor]

[Certificate of Practice No.5137]

Date : May 13, 2017

Place : Mumbai

**ANNEXURE 'F' TO THE BOARD'S REPORT  
FORM NO. MGT – 9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended March 31, 2017**

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

**I. Registration and other details**

a	CIN	L45400MH2008PLC179914
b	Registration Date	March 10, 2008
c	Name of the Company	Future Market Networks Limited
d	Category / Sub-Category of the Company	Company having Share Capital
e	Address of the Registered Office and contact details.	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai - 400060 Tel. No: 022-61994487 Fax: 022-61995269
f	Whether Listed Company	Yes
g	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Tel. No.: 022-49186270 Fax No.: 022-49186060

**II. Principal Activities of the Company**

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Rent / Management of immovable Properties	681	94.32

**III. Particulars of Holding, Subsidiary and Associate Companies**

Name and address of the Company	Corporate Identify 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	Associate	50	2 (6)
<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	70	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>Utility Developers Private Limited</b> 48,Todarmal Road Bengali Market, New Delhi, Delhi -110001	U70109DL2006PTC152581	Associate	50	2 (6)
<b>Star Shopping Centres Private Limited</b> E-6, 2 <sup>nd</sup> Floor Geetanjali Enclave New Delhi Delhi 110017	U51101DL2008PTC184935	Subsidiary	60	2 (87)

Name and address of the Company	Corporate Identify 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>Sattva Realtors Limited</b> Salarpuria Windsor, 4 <sup>th</sup> Floor, No.3, Ulsoor Main Road, Ulsoor Bangalore Karnataka 560001	U70102KA2007PLC044240	Associate	35	2 (6)

#### 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>									
1) <b>Indian</b>									
a) Individual / HUF	541	--	541	--	541	--	541	0.00	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	40886159	--	40886159	72.79	40939685	--	40939685	72.73	-0.06
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(1)</b>	<b>40886700</b>	--	<b>40886700</b>	<b>72.79</b>	<b>40940226</b>	--	<b>40940226</b>	<b>72.73</b>	<b>-0.06</b>
2) <b>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>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>40886700</b>	--	<b>40886700</b>	<b>72.79</b>	<b>40940226</b>	--	<b>40940226</b>	<b>72.73</b>	<b>-0.06</b>
<b>B. Public Shareholding</b>									
1) <b>Institutions</b>									
a) Mutual Funds / UTI	4527	--	4527	0.01	4527	--	4527	0.01	--
b) Banks / FI	260452	--	260452	0.46	260452	--	260452	0.46	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	319979	--	319979	0.57	31184	--	31184	0.06	-0.51
g) FI's	10911	--	10911	0.02	0	--	0	0.00	-0.02
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
j) Foreign Portfolio Investors	17459	--	17459	0.03	17291	--	17291	0.03	--
<b>Sub-Total (B) (1)</b>	<b>613328</b>	--	<b>613328</b>	<b>1.09</b>	<b>313454</b>	--	<b>313454</b>	<b>0.56</b>	<b>-0.53</b>
2) <b>Non - Institutions</b>									
a) Bodies Corporate									
i. Indian	8801390	197	8801587	15.67	9836949	197	9837146	17.48	1.81
ii. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1958066	63925	2021991	3.60	1494090	63175	1557265	2.77	-1.19
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3392086	--	3392086	6.04	3068062	--	3068062	5.45	-0.59
c) Others (specify)									
i. Non-Resident Indian (Repatri)	21373	110	21483	0.04	20182	110	20292	0.04	--

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	
ii. Non-Resident Indian (Non-Repatriate)	14690	--	14690	0.03	13316	--	13316	0.02	-0.01
iii. Clearing Member	68197	--	68197	0.12	171361	--	171361	0.30	0.18
iv. Directors & Relative	150000	--	150000	0.27	200000	--	200000	0.36	0.09
v. Trusts	26	--	26	0.00	23	--	23	0.00	--
vi. Hindu Undivided Family	201068	--	201068	0.36	170136	--	170136	0.30	0.30
<b>Sub-Total (B) (2)</b>	<b>14606896</b>	<b>64232</b>	<b>14671128</b>	<b>26.12</b>	<b>14974119</b>	<b>63482</b>	<b>15037601</b>	<b>26.71</b>	<b>0.59</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>15220224</b>	<b>64232</b>	<b>15284456</b>	<b>27.21</b>	<b>15287573</b>	<b>63482</b>	<b>15351055</b>	<b>27.27</b>	<b>0.06</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>56106924</b>	<b>64232</b>	<b>56171156</b>	<b>100</b>	<b>56227799</b>	<b>63482</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	
PIL Industries Limited	715214	1.27	0.18	715214	1.27	0.00	0.00
Weavette Business Ventures Limited	8563367	15.25	14.24	8563367	15.21	15.19	-0.04
Future Corporate Resources Limited	15176754	27.02	26.70	15176754	26.96	26.82	-0.06
Manz Retail Private Limited	16430824	29.25	29.20	16430824	29.19	16.57	-0.06
*Aaradhak Commercial Ventures Private Limited	0	0.00	0.00	53526	0.09	0.00	0.10
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>40886700</b>	<b>72.79</b>	<b>70.32</b>	<b>40940226</b>	<b>72.73</b>	<b>58.58</b>	<b>-0.06</b>

\* **Note:** Aaradhak Commercial Ventures Private Limited, who hold 53,526 Equity Shares, becoming subsidiary of an entity owned and controlled by the promoters of the Company on March 31, 2017.

**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	40886700	72.79	The change in shareholding of promoters is mainly due to: a) Issue and allotment of shares under FMNL-Employee Stock Option Scheme-2012 on December 14, 2016. <b>And</b> b) Aaradhak Commercial Ventures Private Limited, who hold 53,526 Equity Shares, becoming subsidiary of an entity owned and controlled by the promoters of the Company on March 31, 2017.	
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	40940226	72.73		

**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 Mall Management Private Limited	4615516	8.22	4615516	8.20
2. Genil Commotrade Private Limited	2700000	4.81	2700000	4.80
3. Kapil Narendra Gupta	2090000	3.72	2090000	3.71
4. Payal Commercial Company Limited	459713	0.82	459713	0.82
5. Rivaaz Trade Ventures Private Limited	238912	0.43	391411	0.70
6. Anika Merchants And Traders Private Limited	78537	0.14	292541	0.52
7. ICICI Prudential Life Insurance Company Limited	285895	0.51	285895	0.51
8. Punyah Business Ventures Private Limited	141106	0.25	283720	0.50
9. Life Insurance Corporation of India	156812	0.28	156812	0.28
10. Loyal Apparels Private Limited	113954	0.20	233050	0.41

**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	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-	-	-	-
At the end of the year	50	0.00	-	-
<b>Mr. Rajesh Kalyani</b>				
At the beginning of the year	1,50,000	0.27	1,50,000	0.27
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	50000 (Allotment on December 14, 2016 - ESOS)	0.09	200000	0.36
At the end of the year	2,00,000	0.36	-	-

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	11520	0.02	11520	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):	25000 (allotment on 14/12/2016 - ESOS)	0.04	36520	0.06
	-2000 (sale of shares on 23/12/2016)	0.00	34520	0.06
	-6000 (sale of shares on 03/03/2017)	0.01	28520	0.05
	-4000 (sale of shares on 10/03/2017)	0.01	24520	0.04
	-4520 (sale of shares on 17/03/2017)	0.01	20000	0.03
At the end of the year	20000	0.03		



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 Agarwal, Chief Financial Officer</b>				
At the beginning of the year	26620	0.05	26620	0.05
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-2000 (sale of shares on 05/08/2016)	0.00	24620	0.04
	-1620 (sale of shares on 26/08/2016)	0.00	23000	0.04
	-1000 (sale of shares on 02/09/2016)	0.00	22000	0.04
	-1000 (sale of shares on 09/09/2016)	0.00	21000	0.04
	-879 (sale of shares on 23/09/2016)	0.00	20121	0.03
	-1700 (sale of shares on 30/09/2016)	0.00	18421	0.03
	-500 (sale of shares on 28/10/2016)	0.00	17921	0.03
	12500 (Allotment on 14/12/2016 – ESOS)	0.02	30421	0.05
	-1000 (sale of shares on 16/12/2016)	0.00	29421	0.05
	-921 (sale of shares on 20/01/2017)	0.00	28500	0.05
	1000 (purchase of shares on 03/02/2017)	0.00	29500	0.05
	-4000 (sale of shares on 03/03/2017)	0.01	25500	0.04
	-5000 (sale of shares on 17/03/2017)	0.01	20500	0.04
At the end of the year	20500	0.04		

None of the Key Managerial Personnels 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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ In Crores)
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	266.14	105.53	-	371.67
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>266.14</b>	<b>105.53</b>	<b>-</b>	<b>371.67</b>
<b>Change in Indebtedness during the financial year</b>				
i. Addition	-	138.07	-	138.07
ii. Reduction	(107.00)	(52.46)	-	(159.46)
<b>Net Change</b>	<b>(107.00)</b>	<b>85.61</b>	<b>-</b>	<b>(21.39)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	159.14	191.14	-	350.28
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>159.14</b>	<b>191.14</b>	<b>-</b>	<b>350.28</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No	Particulars of Remuneration	Mr. Sunil Biyani Managing Director	Total Amount (₹ In Lakhs)
	Gross Salary		
1)	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil	Nil
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2)	Stock Options	Nil	Nil
3)	Sweat Equity	Nil	Nil
4)	Commission		
	- as % of profit	Nil	Nil
	- as others specify	Nil	Nil
5)	Others , Please specify	Nil	Nil
	<b>Total A</b>	Nil	Nil

**B. Remuneration to other Directors**

S. No	Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
1.	Independent Directors	<b>K.A. Somayajulu</b>	<b>Vijai Singh Dugar</b>	<b>Udita Jhunjunwala</b>	
	• Fee for attending board / committee meetings	3,60,000	3,60,000	60,000	7,80,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	<b>3,60,000</b>	<b>3,60,000</b>	<b>60,000</b>	<b>7,80,000</b>
2.	Other Non- Executive Directors	<b>Rajesh Kalyani</b>			
	• Fee for attending board / committee meetings	3,30,000			3,30,000
	• Commission	Nil			Nil
	• Others, please specify	Nil			Nil
	Total (2)	<b>3,30,000</b>			<b>3,30,000</b>
	Total (B) = (1+2)	<b>11,10,000</b>			
	<b>Total Managerial Remuneration</b>				<b>11,10,000</b>
	Overall ceiling as per the Act	Sitting Fees is paid within the limit specified under the Companies Act, 2013			

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD** (Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Anil Cherian	Pawan Agarwal
1.	Gross salary		
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	33,88,855	42,80,993
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6,15,790	3,76,960
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option (No. of Equity Shares)	25000	12500
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
5.	Others, Allowances	-	-
	<b>Total</b>	<b>40,04,645</b>	<b>46,57,953</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.



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

### A. CONSERVATION OF ENERGY

- 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.

- 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.

The particulars regarding absorption of technology is given below as per Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1.	Specific areas in which R&D is carried out by the Company:	}	Designing of Shopping malls and mixed use projects as per the best industry standards are the areas in which general research and development work is carried out by the Company.
2.	Benefits derived as a result of the above R & D		
3.	Future Plan of Action		
4.	<b>Expenditure on R &amp; D</b>		
a.	Capital	}	Included in the project cost.
b.	Recurring		
c.	Total		
d.	Total R & D expenditure as a percentage of total turnover		

1.	Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
2.	Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Nil
3.	In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
	a) Technology Imported	} Nil
	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	

## (₹ in lakhs)

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## Annexure 'D' to the Board's Report

### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNENCE

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, 2017, 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 examinations was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. 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.

We 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: July 26, 2017

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Economic review**

The outlook for emerging market economies is expected to broadly improve, through volatility in capital flow will remain a challenge. Growth in emerging markets and developing economies is expected to pick up in 2017 on the back of fiscal stimulus measures in developed economies and narrowing of divergence between commodity exporters and importers.

India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. The Indian Government's decisive policy maneuvers towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead.

### **Government Initiatives**

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the real estate sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies.

Policy initiatives by Government - Real Estate (Regulation and Development) Act 2016 (RERA), Goods and Services Tax (GST) etc will have tremendous positive impacts on the industry and shall change the way real estate sector work. All the changes are perceived to be the game changers for the industry in coming years and make it a more organized sector.

Particularly, the positive impact of GST and RERA shall be more visible and impactful by beginning of 2018-2019

### **Real estate Industry**

The real estate sector in India has witnessed a paradigm shift in the last decade. From being a largely unorganized sector in the past, the sector is steadily transforming over the years to become a more structured one. Apart from other factors, much of this transformation can be attributed to investments by institutional private equity and strategic investors in the sector.

After witnessing a roller coaster ride in the past few years, it is time for the segment to forge ahead and become a leading sector with innumerable opportunities. Commercial sector remained un-impacted from all the changes, the demand being driven by country's economic growth. By 2022, real estate and construction sector is expected to generate 75 million jobs in India making it as the largest employer in the country.

With more and more policy initiatives by various Government agencies, working in co-ordination, to provide excess land parcels for development in PPP (Public Private Partnership) scheme, there is going to be significant increase in new developments helping change the future skyline of India.

### **Warehousing**

Demand for warehousing space continued to remain upbeat across most cities with a growth of approximately 37% in 2016 compared to previous year period. E Commerce companies and logistic companies collectively, leased more than 50% of warehousing space during the review period.

Engineering and manufacturing sector companies, electronic retailers and Fast Moving Consumer Goods (FMCG) players were the other prominent sectors driving demand for warehousing during the first half of 2016.

Strong and sustained demand levels amid limited availability of good quality warehouses for immediate possession led to rental value appreciation across select micro-markets. Considering the huge potentials in this sector, the Company resolved to revive its warehousing projects and now planning to set up a facility aggregating to 1.5 million sq ft at Jhajjar and Nagpur.

### **Retail real estate infrastructure**

The Company is contemplating to develop shopping centre cum entertainment center at various locations on long term lease model with land owners. This will help the Company to create assets on capital light model. The Company also completed construction of a shopping center at Karad, Maharashtra and handed over possession to customers during the year under review.



The Company has aligned this business with Star Shopping Centres Private Limited (SSCPL), in which the Company holds 60% equity capital and is managing more than two million sq ft of retail space today in India.

### **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.

### **Financial Performance**

**Total Income:** The Company achieved total revenue of ₹ 11588.59 Lakhs during the financial year ended March 31, 2017.

**Operating Profit:** During the year financial year ended March 31, 2017, the Company achieved operating profit of ₹ 3116.04 Lakhs.

**Profit/Loss after Tax:** The Company recorded loss of ₹ 2406.09 Lakhs for financial year ended March 31, 2017.

### **Internal Control System and Adequacy:**

The Company has adequate internal control procedure commensurate with its size and nature of the business. 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, 2017 stood at 24.

### **Cautionary Statement:**

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward – looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2017**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

**I. Company's Philosophy on Code of Corporate Governance**

The Company's philosophy on corporate governance is to achieve business excellence and to create long term value for its stakeholders. The Company has set of systems and practices to ensure that the affairs of the Company envisages adherence to the highest levels of transparency, accountability and fairness in all its transactions.

The Company is committed to achieve and maintain the highest standards of Corporate Governance. Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business done.

We believe that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance with integrity and the Board exercises its fiduciary responsibilities in the widest sense of the term.

Actions and decisions of the Board are aligned in the best interest of the Company. The Board critically evaluates, Company's strategic decisions, management policies and its effectiveness. The Board regularly reviews related party transactions, financial statements and evaluates performance of the business operations.

The Company not only adheres to the prescribed corporate governance practices as per Listing Regulations but has also undertaken several initiatives towards maintaining the highest standards of Governance and these include:

**▪ Appropriate Governance Structure with defined roles and responsibilities**

The Company has put in place an integral governance structure with defined roles and responsibilities of every constituent of the system. The Board has established five Committees to discharge its responsibilities in an effective manner. The Company Secretary of the Company acts as the Secretary to all the Committee of the Board.

**▪ Ethics / Governance Policies**

The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. In this direction, the Company has, inter-alia, adopted the following codes and policies which act as enablers to carry out our duties in an ethical manner:

- Code of Conduct for the Board of Directors and the Senior Management Personnel
- Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders
- Vigil Mechanism and Whistle – Blower Policy
- Policy on Related Party Transaction
- Code of practices and procedures code of Practices and Procedures for fair disclosure of for Fair Disclosure of Unpublished Price Sensitive Information
- Policy on Preservation of Documents
- Policy on Determination and Disclosure of Materiality of Events and Information and Web archival Policy.
- Policy for Selection of Directors and determining Directors Independence.

**▪ Audits and internal checks**

The Company's accounts are audited by Messrs Viren Gandhi & Co., Chartered Accountants, Mumbai. With respect to Internal Audit, an external firm acting as independent internal auditor reviews internal controls and operating systems and procedures. With respect to Legal Compliances, the Company conducts its business with high standards of legal, statutory and regulatory compliances.



#### ▪ **Management initiatives for Internal Controls**

The Company has robust internal control systems, including internal financial controls with reference to financial statements, commensurate with its nature of business. These controls have been documented and digitalized in the business process and are regularly tested for design and operating effectiveness.

#### ▪ **Best Corporate Governance practices**

It is the Company's constant endeavor to adopt the best Corporate Governance practices which include the following:

- o All securities related filings with Stock Exchanges and SEBI are reviewed by the Company's Stakeholders Relationship Committee of Directors.
- o The Company's internal audit is conducted by an external firm acting as independent auditors.
- o The Company also undergoes secretarial audit conducted by an independent company secretary in whole-time practice. The secretarial audit reports and report on internal financial control are placed before the Board.

#### ▪ **Shareholders' communications**

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Shareholders seeking information related to their shareholding may contact the Company directly or through any of the Investor Service Centre of the Company's Share Transfer Agent. The Company ensures that complaints and suggestions of its shareholders are responded to in a timely and consistent manner.

#### ▪ **Role of the Company Secretary in overall governance process**

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

#### ▪ **Observance of Secretarial Standards issued by the Institute of Company Secretaries of India**

The Secretarial Standards on the Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, are adhered to by the Company.

## II. **Board Composition**

### **Composition and category of Directors**

There were no changes in the Board composition during the year. The Board continues to comprise of 5 Directors out of which one is Managing Director, three are independent Directors including a Women Director and a Non - Executive Director, which are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. Your Directors have rich and varied experience in fields of business management, banking and finance, project management, risk management, real estate, corporate governance and bring in extensive knowledge and expertise to the Board. Board provides strategic guidance to the company and ensures effective monitoring of the management and corporate governance practices.

The Composition of the Board as on March 31, 2017 and other relevant details are as under:

Sr. no.	Name of the Director	DIN	Category
1.	Mr. Vijai Singh Dugar	06463399	Non- Executive Chairman and Independent Director
2.	Mr. Sunil Biyani	00006583	Managing Director
3.	Ms. Udita Jhunhunwala	00120951	Independent Director
4.	Mr. Somayajulu Ayyanna Kodukula	02535927	Independent Director
5.	Mr. Rajesh R. Kalyani	00220632	Non-Executive Director

No Director is *inter-se*, related to any other Director on the Board nor is related to the other Key Managerial Personnel of the Company.

### **Chairman of the Board**

The Company has appointed Mr. Vijai Singh Dugar, Non-Executive and Independent Director as the Chairman of the Board with effect from May 30, 2015.

### **Responsibilities of the Chairman and Managing Director**

Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long – term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring the Board provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board and of the shareholders of the Company.

The Chairman takes a lead role in managing the Board and facilitating effective communication among directors. The Chairman provides independent leadership to the Board, identifies guidelines for the conduct and performance of directors, and oversees the management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The Chairman will provide independent leadership to the Board, identify guidelines for the conduct and performance of directors, and oversee the management of the Board's administrative activities, such as meetings, schedules, agenda, communication and documentation.

The Chairman actively works with the nomination, remuneration and compensation committee to plan the Board and Board committees' composition, induct directors to the Board, participate in the Board effectiveness evaluation process and meet with individual directors to provide constructive feedback and advice.

Executive management including the Managing Director is responsible for corporate strategy, planning, external contacts and all matters related to the management and operations of the Company.

### **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.

### **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.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under law.

### **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.

### **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, inter alia, 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.

### Meetings of Independent Directors

One meeting of the Independent Directors was held during the year without the presence of the Executive Director or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters, inter-alia, pertaining to the Company's affairs and put forth their views to the Managing Director.

### 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, but are eligible for re-appointment upon completion of their term. 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.

### Performance 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. The Board carried out the annual performance evaluation for the year ended March 31, 2017.

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

## III. Board Meetings

### Scheduling and selection of agenda items

Board meeting dates are finalized in consultation with all the directors. Minimum four pre-scheduled Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with Chief Financial Officer, Chief Executive Officer and Managing Director and distributes these in advance to the directors, thereby enabling the Board to effectively and reasonably perform their duties and take informed decisions. Every Board member can suggest the inclusion of additional items in the agenda. Arrangements are made for participation of Board members in the Board meeting through video conferencing as and when requested. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual General Meetings ("AGM").

The minimum information to be placed before the Board as required under Part A of Schedule II of the Listing Regulations (the extent applicable), is placed before the Board at their meetings.

Five (5) Board Meetings were held during the year ended March 31, 2017. These were held on:

i)	May 27, 2016	ii)	August 12, 2016
iii)	September 14, 2016	iv)	December 14, 2016
v)	February 13, 2017		

### Attendance of director's and other Directorships held.

The names and categories of the Directors on the Board, their attendance at Board meetings and Annual General Meeting held during the year, the number of Directorships and Committee Chairmanships/ Memberships held by them in other public companies as on March 31, 2017 are given herein below.

Name	Category	No. of Board Meetings held during the year	No. of Board Meetings attended	Last AGM Attendance	Number of Directorship of other public companies (excluding the Company and private limited companies, foreign companies and Section 8 companies)	Committee Positions of other public companies		Pecuniary or business relation with the Company
						Chairman	Member	
Mr. Vijai Singh Dugar	Independent Director	5	5	Yes	3	Nil	Nil	None
Ms. Udita Jhujhunwala	Independent Director	5	2	No	1	Nil	1	None
Mr. K. A. Somayajulu	Independent Director	5	5	No	7	3	4	None
Mr. Rajesh R. Kalyani	Non-Executive Director	5	5	Yes	1	1	Nil	None
Mr. Sunil Biyani	Managing Director	5	5	Yes	5	Nil	1	None

As on March 31, 2017, the number of directorship / committee membership / chairmanship of all the Directors are within the respective limits prescribed under Companies Act, 2013 ("Act") and the Listing Regulations.

Notes:

- Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies and of companies incorporated outside India.
- None of the Directors is a Member of the Board of more than 10 Public Companies in terms of Section 165 of the Companies Act, 2013; Member of more than 10 committees and Chairman of more than 5 committees in terms of the Listing Regulations, across all the companies in which he is a director.
- Mandatory committees are the committees prescribed under the Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee of public companies.
- During the year 2016-17, information as mentioned in Schedule II Part A of the Listing Regulations, has been placed before the Board for its consideration.
- The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- 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.

#### Availability of information to Board members

The Board has unrestricted access to all Company - related information, including that of our employees. At Board meetings, representatives who can provide additional insights into the items being discussed are invited. Regular updates provided to the Board include:

- Annual operating plans and budgets including capital budgets and any updates
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Quarterly results and update on operations.
- Financial results for the relevant period along with limited review / audit report thereon.
- Minutes of various committee meetings of the Company and minutes of board meetings of subsidiary companies and abstracts of circular resolutions.
- Statement of investments made by unlisted subsidiaries.
- General notices of interest received from Directors.
- Shareholding pattern as per Regulation 31(1)(b) of the Listing Regulations.

- Statement of shareholder grievance received/disposed during each quarter.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- The information on recruitment and remuneration of senior officers below the board level, including appointment or removal of the Chief Financial Officer and the Company Secretary, if any.
- Approval of related party transactions.
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services.
- Quarterly compliance reports and investor grievance report.
- Details of joint ventures and acquisition of companies.
- Sale of a material nature, or of investments, subsidiaries and assets, which are not part of the normal course of business.
- Declaration of Independent Directors at the time of appointment / annually.
- Appointment of Internal and Secretarial Auditors.
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made.
- Significant changes in accounting policies and internal controls, if any.
- Proposals for major investments, mergers, amalgamations and reconstructions.

#### 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.

#### 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.

#### 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 ("Act") read with rules issued there under, as applicable and SS-1 and SS-2 issued by the Institute of Company Secretaries of India.

#### Independent directors meeting

Schedule IV of the Act and the Rules under it mandates that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

During the year under review, one meeting of independent Directors was held on February 13, 2017 and Independent Directors reviewed all the matters as per Schedule IV of the Act. All the Independent Directors were present at the meeting except Ms. Udita Jhunjhunwala, who had intimated her inability to attend the meeting.

#### Remuneration Paid to directors in fiscal 2017

Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Sunil Biyani	-	-	-
Rajesh R. Kalyani	3,30,000	-	3,30,000
Vijai Singh Dugar	3,60,000	-	3,60,000
Udita Jhunjhunwala	60,000	-	60,000
K. A. Somayajulu	3,60,000	-	3,60,000

## 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, Managing Director holds 50 Equity shares of the Company.

The Company has granted 2,00,000 options under FMNL Employee Stock Option Scheme – 2012 to Mr. Rajesh Kalyani, a Non-Executive Director. 1,50,000 equity shares which was vested were allotted during the year 2014-15. During the year 50000 options were vested and was allotted during the year. Mr. Rajesh Kalyani holds 2,00,000 Equity Shares of the Company.

Service Tax is not included.

## IV. Board Committees

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, 2017, 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. Composition of the committee as on March 31, 2017 and member's attendance at the meeting during the year are as under:

Mr. Vijai Singh Dugar : Chairman

Mr. K. A. Somayajulu : Member

Mr. Rajesh Kalyani : Member

The Audit Committee met five times i.e. on May 27, 2016, August 12, 2016, September 14, 2016, December 14, 2016 and February 13, 2017.

The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The attendance of the members at the meetings of the Committee is given below:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	Chairman	5	5
Mr. Rajesh Kalyani	Non-Executive Director	Member	5	5
Mr. K. A. Somayajulu	Independent Director	Member	5	5

### General

- At present the members of the Audit Committee are paid sitting fees of ₹ 30,000/- for every meeting of the Committee attended by them.
- Chief Financial Officer, Executives of Accounts Department, Corporate Secretarial Department and representatives of statutory and internal auditors attend the Audit Committee Meetings.
- The internal auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 20, 2016.

The Company Secretary acts as the secretary to the Audit Committee.

The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure.

### (i) Powers of the Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employees.
- To obtain outside legal or other professional advice.
- To ensure efficiency and effectiveness of operations, both domestic and overseas;
- To ensure reliability of financial and management information and adequacy of disclosures;
- Safeguarding of assets and adequacy of provisions of all liabilities; and
- To oversee and review compliance with all relevant statutes.

**(ii) Internal Controls and Governance Processes**

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

**(iii) Terms of reference of the Audit Committee**

Role of the Audit Committee, *inter-alia*, includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control system.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in draft audit report, if any.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- To ensure compliance of Internal Control Systems and action taken on Internal Audit reports.
- To appraise the Board on the impact of accounting policies, auditing standards and legislation.
- To hold periodical discussions with statutory auditors on the nature and scope of the audit.
- To review the Company's financial and risk management policies.
- To seek any information and investigate any activity with terms of its reference.
- To review the functioning of the Vigil Mechanism and Whistle Blower Policy.
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
- To carry out any other function as mentioned in the terms of reference of the Audit Committee.
- Reviewing the following information:
  - The Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor.

The Statutory Auditors and Internal Auditors and executives from accounts, finance and corporate secretarial function also attended Audit Committee Meetings.

**B. Nomination, Remuneration and Compensation Committee**

The Nomination, Remuneration and Compensation Committee comprises of two independent directors and one Non-Executive Director. The Committee's constitution and terms of reference are in compliance with the provisions of the Act and Regulation 19 Listing Regulations and Section 178 of the Act.

In the financial year 2016-17, four meetings of the committee were held on May 27, 2016, August 12, 2016, December 14, 2016 and February 13, 2017. The minutes of the meetings of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Board. Composition of committee and members attendance at the meeting during the year are as under:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. K. A. Somayajulu	Independent Director	Chairman	4	4
Mr. Vijai Singh Dugar	Independent Director	Member	4	4
Mr. Rajesh Kalyani	Non-Executive Director	Member	4	3

The Company Secretary acts as the Secretary of the Committee.

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

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

This Committee also discharges the functions of the 'Compensation Committee' as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014. The role of the Committee, inter alia, is to approve/ recommend the remuneration/ packages of the Executive and Non-Executive Directors and of Senior Management Personnel and to lay down the criteria for performance evaluation of Board of Directors as whole, individual directors and the committees of the Board.

During the year, the committee under the guidance of the Board also formulated the criteria and framework for the performance evaluation of every Director on the Board, including the executive and independent directors and identified ongoing training and education programs to ensure that the non-executive directors are provided with adequate information regarding the business, the industry, and their legal responsibilities and duties.

**Brief about Remuneration Policy:**

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

- A. Remuneration structure of Independent Directors, Non-Executive Directors and Executive Directors:
  - i. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members).
  - ii. The Managing Director of the Company has not drawn any remuneration/ compensation/ commission etc. from the Company during the financial year ended March 31, 2017.
- B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management is as detailed hereunder:
  - i. The compensation of KMP and Senior Management personnel shall be approved by the Nomination, Remuneration and Compensation Committee.
  - ii. The Compensation of a 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.
  - iii. The remuneration structure to KMPs and Senior Management personnel may include a variable performance linked component.



**C. Share Transfer Committee**

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

**Terms of Reference:**

- To approve the Transfer/Transmission of Shares, dematerialization and rematerialization of Shares of the Company.
- To approve deletion of name.
- To approve split, consolidation and issuance of duplicate shares.
- To oversees 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, 2017. The composition of the Share Transfer Committee is given below:

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. Udit Jhunjhunwala	Independent Director	4	-

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

**D. Stakeholder's Relationship Committee**

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

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

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

- 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.
- Oversee the performance of the Company's Share Transfer Agent.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- 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.
- 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 attended and 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.

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2017, the company received 8 (eight) Investor Complaints and the same were processed and resolved. No investor grievance remained unattended / pending.

The Company Secretary of the Company has been Acts as the Compliance Officer of the Company.

**Compliance Officer:**

Mr. Anil Cherian, Chief-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 and as per the powers delegated by the Board from time to time. The composition of the Committee of Directors is given below:

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

The committee met 7 (Seven) 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.

## F. 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. Rajesh Kalyani is liable to retire by rotation. The said Director has offered himself for reappointment and resolution for his reappointment, is incorporated in the Notice of the ensuing Annual General Meeting.

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

Rajesh Kalyani is a Chartered Accountant with 26 years of experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.

Further, Section 149 (11) states that no independent director shall be eligible to serve on the board for more than two consecutive terms of five years. Section 149 (13) states that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors. None of the independent directors will retire at the ensuing Annual General Meeting.

### Means of Communication

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results and announces forthwith the results to the Stock Exchanges where the shares of the Company are listed. Same are published within 48 hours published in Free Press Journal (English Daily Newspaper) and Navshakti (Marathi Newspaper). The results are simultaneously posted on the website of the company at [www.fmn.co.in](http://www.fmn.co.in) and also uploaded on the website of National Stock Exchange of India Limited and BSE Limited.

### 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.

### Auditor's certificate on corporate governance

As required by Schedule V of the Listing Regulations, the Auditor's certificate on corporate governance is annexed to the Board's report.

In addition to the certificate by the auditors, the Practicing Company Secretary has also issued a certificate on corporate governance as part of the secretarial audit.

### CEO and CFO certification

As required by the Listing Regulations, the CEO and CFO certification is provided in this Annual Report.

### Code of conduct

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 Listing Regulations and the Act.

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. The code of conduct has been posted on the website of the company [www.fmn.co.in](http://www.fmn.co.in).

### 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).

### General Body Meetings

The Company convenes Annual General Meeting (AGM) within the stipulated time period. The details of the Special Resolutions passed at in the previous three AGM are given below:

#### a. Details of the Special Resolutions passed at in the previous three Annual General Meeting:

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
2013-14	Thursday, September 18, 2014 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	<ul style="list-style-type: none"> <li>No special resolution was passed.</li> </ul>
2014-15	Tuesday, September 29, 2015 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	<ul style="list-style-type: none"> <li>Appointment of Viren Gandhi &amp; Co. as the Statutory Auditors of the Company in place of the retiring auditors M/s. NGS &amp; Co. LLP.</li> <li>Approval for entering into related party transactions which are material in nature.</li> </ul>
2015-16	Tuesday, September 20, 2016 2.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	<ul style="list-style-type: none"> <li>Approval of Future Market Networks Limited Employee Stock Option Scheme – 2016.</li> <li>Approval of Future Market Networks Limited Employee Stock Option Scheme – 2016 for employees / directors of the Subsidiary Companies.</li> </ul>

#### b. 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.

#### c. Details of Postal Ballot during the FY 2016-17:

The Company has passed a special resolution through postal ballot pursuant to section 110 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014, details of which are as under:

#### POSTAL BALLOT: 1

Date of the Postal Ballot Notice: February 16, 2017	Voting Period: February 23, 2017 to March 25, 2017
Date of Declaration of Result: March 27, 2017	Date of Approval: March 27, 2017
Financial Year	2016-17
Scrutinizer	Mr. Alwyn D'souza, Practicing Company Secretary of M/s. Alwyn D'souza & Co.
Details of the postal Ballot	On February 22, 2017 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 17, 2017. 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.

Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
Authority to the Board of Directors / Committee of Directors to sell the investments held by the Company in Naman Mall Management Company Private Limited	Special Resolution	5,22,13,820	5,22,13,437	99.99	383	0.001

**V. 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. Annual General Meeting**

- i. AGM Date, Day : September 15, 2017, Friday
- ii. Time & Venue : 2.00 P.M, Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

**c. Financial Year** : April 1 to March 31

**d. Book Closure Period** : September 09, 2017 to September 15, 2017 (both days inclusive)

**e. Financial Calendar (tentative):**

- First Quarterly Result : on or before 14<sup>th</sup> August, 2017
- Second Quarterly Result : on or before 14<sup>th</sup> November, 2017
- Third Quarterly Result : on or before 14<sup>th</sup> February, 2018
- Financial year ending : on or before 30<sup>th</sup> May, 2018

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

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**Scrip Code:** 533296

**II. National Stock Exchange of India Limited(NSE)**

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

**Trading Symbol** - FMNL

**ISIN:** INE360L01017

**g. Stock Market Data**

High, lows and Volumes of FMNL from April 1, 2016 to March 31, 2017 at BSE and NSE.

Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume (Number of Shares Traded)	High (Rs)	Low (Rs)	Volume (Number of Shares Traded)
April 2016	26.85	22.10	1,40,493	26.80	22.55	2,29,839
May 2016	28.50	23.05	1,04,651	29.40	22.15	3,75,777
June 2016	32.90	17.60	8,03,761	32.85	17.25	28,56,686
July 2016	31.25	24.50	1,69,693	31.30	23.55	5,34,946
August 2016	33.85	25.10	3,14,572	39.90	24.30	11,33,042
September 2016	34.80	26.50	77,795	34.70	25.50	3,67,384
October 2016	38.50	28.00	1,66,222	38.50	27.50	6,28,046
November 2016	38.55	28.75	1,42,205	40.30	28.25	6,61,459
December 2016	40.35	32.00	1,68,497	46.70	30.95	9,07,114
January 2017	56.80	34.05	2,86,617	56.20	35.15	14,71,869
February 2017	59.50	44.70	2,89,840	59.30	43.75	13,19,684
March 2017	93.95	50.05	15,84,863	93.50	51.55	60,38,137

**h. 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, 2017 is as below:

**i. Distribution of shareholding as on March 31, 2017**

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	633644	1.1257	14366	95.0132
501 – 1000	287419	0.5106	353	2.3347
1001 – 2000	243258	0.4321	159	1.0516
2001 – 3000	179061	0.3181	71	0.4696
3001 – 4000	132042	0.2346	37	0.2447
4001 – 5000	115055	0.2044	24	0.1587
5001 – 10000	278499	0.4947	39	0.2579
Greater than 10000	54422283	96.6798	71	0.4696
<b>Total</b>	<b>56291281</b>	<b>100.0000</b>	<b>15120</b>	<b>100.0000</b>

**ii. Shareholding pattern by ownership as on March 31, 2017**

Categories	As on March 31, 2017	
	No. of Shares	Percentage
Promoters, Relatives and Associates	4,09,40,226	72.73
Directors	2,00,000	0.36
Public Financial Institutions / State Financial Corporation / Insurance Companies	31184	0.05
Mutual Funds (Indian) and UTI	4527	0.01
Nationalized and other Banks	260452	0.46
NRI / OCBs	33608	0.06
Public	4625327	8.22
Others (CM/Other Body Corporate/HUF/Trusts/Foreign Portfolio Investor (Corporate))	10195957	18.11
<b>Total</b>	<b>5,62,91,281</b>	<b>100.00</b>

**i. Dematerialization of Shares**

As on March 31, 2017, 56227799 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	63482	0.11
Demat Segment		
NSDL	53110832	94.35
CDSL	3116967	5.54
<b>Total</b>	<b>56291281</b>	<b>100.00</b>

**j. 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: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

**k. Share Transfer system:**

Shares in physical form sent for registering transfer, to the Registrar and Share Transfer Agents, Link Intime India Private Limited are registered and returned within statutory period of 15 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required.

### **I. 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.

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.

### **m. 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 61994487  
Fax: 022 61995269  
Email id for investors: [info.fmnl@futuregroup.in](mailto:info.fmnl@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.

### **VI. Additional Shareholders Disclosure/ information**

- a. During the financial year 2016-17, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
- b. The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or structure have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.
- c. The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the audit committee. Details of vigil mechanism / whistle blower policy are provided in the Director's report.
- d. 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 2017-18 have been paid to BSE and NSE.
- e. The Company has paid custodial fees for the year 2017-18 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.
- f. 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. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Act, read with Companies (Accounts) Rules, 2014 (Previous GAAP). 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.

### **n. Adoption of Non-Mandatory Requirements**

As specified in sub-regulation 1 of Regulation 27 of the Listing Regulations, the non-mandatory requirements are reviewed by the Board as and when necessary.



# **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 accompanying standalone financial statements of FUTURE MARKET NETWORKS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance ((including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 and ensuring their operating effectiveness and 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit / losses (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.





**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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 36 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. (Refer Note 35)

Mumbai  
May 22, 2017

For **Viren Gandhi & Co**  
Chartered Accountants  
ICAI Firm Registration No. 111558W  
Chintan Gandhi  
Partner  
Membership No.137079

**ANNEXURE I TO THE AUDITORS' 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 have been physically verified by management in accordance with a regular programme of verification, 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, 2013 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, Sales Tax, Value Added Tax, Wealth Tax, 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, sales-tax, service tax, wealth tax, cess and other material statutory dues were outstanding as at March 31, 2017, 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, 2017 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	779.80 Lakhs	Prior to 2014	High Court

The above disputed service tax amount is due and payable by the third party (Refer note 36)

- (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, the Company has not paid / provided any managerial remuneration during the year.
- (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

Mumbai  
May 22, 2017

**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, 2017 in conjunction with our audit of the standalone\* financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 issued by Institute of Chartered Accountants of India.

For Viren Gandhi & Co  
Chartered Accountants  
ICAI Firm Registration No. 111558W  
Chintan Gandhi  
Partner  
Membership No.137079

Mumbai  
May 22, 2017

**Balance Sheet as at March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	13,238.76	16,777.05	16,795.15
Capital work-in-progress	3	-	946.72	1,454.60
Investment properties	4	7,604.37	14,868.54	10,402.56
<b>Financial assets</b>				
Investments	5 (a)	11,766.58	11,861.47	15,950.23
Loans	5 (c)	4,924.53	4,271.60	3,549.66
Other financial assets	5 (f)	-	-	35.00
Deferred tax assets (net)	6	7,476.18	7,462.94	679.17
Other non-current assets	7	4,626.22	8,075.12	12,222.30
<b>Total non-current assets</b>		<b>49,636.64</b>	<b>64,263.44</b>	<b>61,088.67</b>
<b>Current assets</b>				
Inventories	8	929.80	1,064.70	-
<b>Financial assets</b>				
Trade receivables	5 (b)	1,361.56	2,723.61	2,891.90
Cash and cash equivalents	5 (d)	647.16	55.80	110.89
Bank Balances other than above	5 (e)	6.68	6.92	7.58
Loans	5 (c)	7,843.09	11,867.38	14,396.99
Other financial assets	5 (f)	14.61	34.45	11.17
Other current assets	7	1,671.76	636.82	413.41
		<b>12,474.66</b>	<b>16,389.68</b>	<b>17,831.94</b>
Assets classified as held for sale	9	7,786.03	871.87	888.12
<b>Total current assets</b>		<b>20,260.69</b>	<b>17,261.55</b>	<b>18,720.06</b>
<b>Total assets</b>		<b>69,897.33</b>	<b>81,524.99</b>	<b>79,808.73</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	10 (a)	5,629.13	5,617.12	5,585.44
Other Equity	10 (b)	13,601.42	14,296.72	10,662.40
<b>Total Equity</b>		<b>19,230.55</b>	<b>19,913.84</b>	<b>16,247.84</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	11 (a)	7,764.93	15,164.55	21,399.24
Other financial liabilities	11 (b)	3,853.41	6,016.81	5,459.33
Employee benefit obligations	12	21.26	20.18	14.82
Other non-current liabilities	13	672.52	1,298.57	2,257.82
<b>Total non-current liabilities</b>		<b>12,312.12</b>	<b>22,500.11</b>	<b>29,131.21</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	11 (a)	14,900.98	12,627.17	8,756.02
Trade payables	11 (c)	1,595.28	2,544.82	2,745.12
Other financial liabilities	11 (b)	10,647.59	11,815.56	14,944.19
Employee benefit obligations	12	0.34	3.68	2.91
Other current liabilities	13	11,210.47	12,119.81	7,981.44
<b>Total current liabilities</b>		<b>38,354.66</b>	<b>39,111.04</b>	<b>34,429.68</b>
<b>Total liabilities</b>		<b>50,666.78</b>	<b>61,611.15</b>	<b>63,560.89</b>
<b>Total Equity and Liabilities</b>		<b>69,897.33</b>	<b>81,524.99</b>	<b>79,808.73</b>
The above 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

Sunil Biyani  
Managing Director  
DIN: 00006583

Vijai Singh Dugar  
Chairman  
DIN: 03163399

Mumbai  
Date: May 22, 2017

Anil Cherian  
Company Secretary

Pawan Agarwal  
Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations	15	8,250.06	8,077.99
Other income	16	3,338.53	2,740.44
<b>Total income</b>		<b>11,588.59</b>	<b>10,818.43</b>
<b>Expenses</b>			
Operating Cost	17	4,749.36	4,450.41
Cost of units sold	18	384.66	261.18
Employee benefits expense	19	467.63	440.10
Finance costs	20	4,200.32	4,606.62
Depreciation and amortization expense	21	2,613.89	2,682.74
Other expenses	22	1,526.02	1,479.40
<b>Total expenses</b>		<b>13,941.88</b>	<b>13,920.45</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(2,353.29)</b>	<b>(3,102.02)</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>(2,353.29)</b>	<b>(3,102.02)</b>
<b>Income tax expenses</b>			
Current tax	6	-	-
Deferred tax	6	52.80	(6,697.26)
<b>Total tax expenses</b>		<b>52.80</b>	<b>(6,697.26)</b>
<b>Profit/(Loss) for the year (A)</b>		<b>(2,406.09)</b>	<b>3,595.24</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	12	6.52	(2.04)
Equity instruments through other comprehensive income	10	(206.26)	(46.98)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	2.16	(0.67)
Equity instruments through other comprehensive income	10	(68.20)	(85.83)
<b>Other comprehensive income for the year, net of taxes (B)</b>		<b>(133.70)</b>	<b>37.48</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>(2,539.79)</b>	<b>3,632.72</b>
<b>Earnings per equity share</b>	26		
Basic (face value of ₹ 10/- each) (₹)		<b>(4.28)</b>	<b>6.43</b>
Diluted (face value of ₹ 10/- each) (₹)		<b>(4.28)</b>	<b>6.43</b>
The above statement of 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

Sunil Biyani  
Managing Director  
DIN: 00006583

Vijai Singh Dugar  
Chairman  
DIN: 03163399

Mumbai  
Date: May 22, 2017

Anil Cherian  
Company Secretary

Pawan Agarwal  
Chief Financial Officer



**Statement of Change in Equity**

(All amounts in INR lakhs, unless otherwise stated)

**A. Equity Share Capital**

As at April 1, 2015	5,585.44
Changes in equity share capital	31.68
<b>As at March 31, 2016</b>	<b>5,617.12</b>
Changes in equity share capital	12.01
<b>As at March 31, 2017</b>	<b>5,629.13</b>

**B. Other Equity**

	Reserve and Surplus					Other Reserve	Total other equity
	Securities premium	Share option outstanding account	Retained earnings	Capital Reserve	Subordinated Debt	FVOCI-Equity investments	
<b>Balance as at 1st April, 2015</b>	<b>25,238.81</b>	<b>46.41</b>	<b>(20,404.90)</b>	<b>7,474.75</b>	<b>3,066.00</b>	<b>(4,758.67)</b>	<b>10,662.40</b>
Profit / (Loss) for the year	-	-	3,595.24	-	-	-	3,595.24
Other comprehensive income for the year	-	-	(1.37)	-	-	38.85	37.48
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,593.87</b>	<b>-</b>	<b>-</b>	<b>38.85</b>	<b>3,632.72</b>
Employee stock option expenses	43.18	16.46	-	-	-	-	59.65
Issue of Equity shares	6.34	(43.18)	-	-	-	-	(36.84)
Utilized during the year	(21.20)	-	-	-	-	-	(21.20)
<b>Balance as at March 31, 2016</b>	<b>25,267.13</b>	<b>19.69</b>	<b>(16,811.03)</b>	<b>7,474.75</b>	<b>3,066.00</b>	<b>(4,719.82)</b>	<b>14,296.72</b>
<b>Balance as at April 1, 2016</b>	<b>25,267.13</b>	<b>19.69</b>	<b>(16,811.03)</b>	<b>7,474.75</b>	<b>3,066.00</b>	<b>(4,719.82)</b>	<b>14,296.72</b>
Profit / (Loss) for the year	-	-	(2,406.09)	-	-	-	(2,406.09)
Other comprehensive income for the year	-	-	4.37	-	-	(138.06)	(133.69)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(2,401.72)</b>	<b>-</b>	<b>-</b>	<b>(138.06)</b>	<b>(2,539.78)</b>
Employee stock option expenses	21.80	2.11	-	-	-	-	23.91
Issue of Equity shares	2.40	(21.80)	-	-	-	-	(19.40)
Addition during the year	-	-	-	-	1,839.97	-	1,839.97
<b>Balance as at March 31, 2017</b>	<b>25,291.33</b>	<b>-</b>	<b>(19,212.75)</b>	<b>7,474.75</b>	<b>4,905.97</b>	<b>(4,857.88)</b>	<b>13,601.42</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

Mumbai  
Date: May 22, 2017

For and on behalf of the Board of Directors

Sunil Biyani  
Managing Director  
DIN: 00006583

Vijai Singh Dugar  
Chairman  
DIN: 03163399

Anil Cherian  
Company Secretary

Pawan Agarwal  
Chief Financial Officer

## Cash Flow Statement for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash Flow from operating activities</b>			
<b>Profit/( Loss )before income tax</b>		<b>(2,353.28)</b>	<b>(3,102.03)</b>
Adjustments for			
<b>Add:</b>			
Provision For Doubtful Debt		-	8.62
Depreciation and amortisation expenses		2,613.87	2,682.75
Finance costs		4,200.32	4,606.62
Loss on assets sold or discarded/ Investment		407.57	859.43
Bad debts and irrecoverable balances written off		203.84	63.72
Share based payment expenses		1.89	15.71
Provision for Gratuity & Leave Encashment		6.10	5.18
<b>Less:</b>			
Interest received		(2,464.86)	(2,670.96)
Sundry balance written back		(533.67)	(35.56)
Profit on sale of assets		(325.08)	(0.42)
<b>Operating Profit before Working Capital change</b>		<b>1,756.70</b>	<b>2,433.06</b>
<b>Change in operating assets and liabilities</b>			
Trade and Other Receivable		2,557.71	108.49
Trade Payable, Other Liabilities & Provisions		(6,457.07)	(1,352.36)
Inventory		134.90	(1,064.70)
<b>Cash generated/(Used) from operations</b>		<b>(2,007.76)</b>	<b>124.49</b>
Income taxes paid		(958.70)	(239.12)
<b>A</b>	<b>Net cash inflow/(Outflow) from operating activities:</b>	<b>(1,049.06)</b>	<b>363.61</b>
<b>Cash flow from investing activities:</b>			
Sale of Fixed Assets		2,282.75	16.67
Purchase of Fixed Assets		(66.11)	(6,622.73)
Sale of Investment		-	3,390.90
Purchase of Investment		(189.12)	(228.99)
Loans Received /(given)		3,446.96	5,491.49
Interest received		2,464.86	2,670.96
Fixed Deposit Matured		0.23	0.67
<b>B</b>	<b>Net cash inflow/(outflow) from investing activities</b>	<b>7,939.57</b>	<b>4,718.97</b>
<b>Cash flow from financing activities:</b>			
Interest paid		(4,200.32)	(4,606.62)
Proceeds of Equity Shares		14.42	38.01
Proceeds from subordinated debt		1,839.97	-
Net Proceeds of Short Term Borrowings		2,140.83	3,875.08
Repayment of Long Term Borrowings		(6,227.02)	(4,440.22)
<b>C</b>	<b>Net cash inflow (outflow) from financing activities</b>	<b>(6,432.12)</b>	<b>(5,133.75)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>458.39</b>	<b>(51.17)</b>
Add: Cash and cash equivalents at the beginning of the financial year		(503.01)	(451.84)
<b>Cash and cash equivalents at the end of the year</b>		<b>(44.62)</b>	<b>(503.01)</b>

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash and cash equivalents at the end of the year</b>			
	Cash and cash equivalents	647.16	55.79
	Bank Overdraft	(691.78)	(558.80)
	<b>Balance as per Cash Flow Statement</b>	<b>(44.62)</b>	<b>(503.01)</b>
The above statement of cash flows 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**

**Mumbai**  
**Date: May 22, 2017**

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

**Sunil Biyani**  
**Managing Director**  
DIN: 00006583

**Vijai Singh Dugar**  
**Chairman**  
DIN: 03163399

**Anil Cherian**  
**Company Secretary**

**Pawan Agarwal**  
**Chief Financial Officer**

## NOTES to financial statements for the year ended March 31, 2017.

### 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 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 financial statements upto year ended March 31, 2016 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant Provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note-37 for an explanation of how the transaction from previous GAAP to Ind AS has affected the Company's financial positions, financial performance and cash flows.

##### 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.

##### Transition to Ind AS

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

##### 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 asset's 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 useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. 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

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

## 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 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:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Recognising revenue from major business activities**

**Sale of Goods**

Sales are recognized when significant risk and rewards of ownership of goods have passed to the buyer which coincides with the delivery and they are recorded net of trade discounts, VAT and sales tax.

**Income from Services**

Revenue from services rendered is recognized as the service is performed based on agreements/ arrangement with concerned parties and revenue from end of the last billing to the balance sheet date is recognized as unbilled revenue.

Lease rentals income is recognized in the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

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' 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

Estimating fair values for share based payment transaction requires the most appropriate valuation model, which depends on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity settled transactions with employees at the grant date, the Company uses Black – Scholes model. The assumptions used for estimating the fair value for share based transactions are disclosed 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.

**n) Foreign Currency transactions:**

**Functional and presentation currency**

Items included in the financial statements of the Company's 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 judgments 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)

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:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are not applicable to the company.

## Notes to financial statements for the year ended March 31, 2017

### 3. Property, Plant and Equipment

(All amounts in INR lakhs, unless otherwise stated)

	Leasehold Im- provements	Air Conditioner	Computers	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Capital work-in- progress
<b>Year ended March 31, 2016</b>									
<b>Gross carrying amount</b>									
Deemed Cost as at April 1, 2015	4,654.48	2,277.85	19.47	4,792.53	152.99	4,897.62	0.21	<b>16,795.15</b>	1,454.60
Additions	2,257.79	25.70	4.86	119.95	1.39	82.70	-	<b>2,492.39</b>	-
Disposal/Transfer	-	-	-	-	-	-	-	-	(507.88)
<b>Closing gross carrying amount</b>	<b>6,912.27</b>	<b>2,303.55</b>	<b>24.33</b>	<b>4,912.48</b>	<b>154.38</b>	<b>4,980.32</b>	<b>0.21</b>	<b>19,287.54</b>	<b>946.72</b>
<b>Accumulated depreciation</b>									
Depreciation charge during the year	617.90	351.05	7.70	730.64	87.49	715.71	-	<b>2,510.49</b>	-
<b>Closing accumulated depreciation</b>	<b>617.90</b>	<b>351.05</b>	<b>7.70</b>	<b>730.64</b>	<b>87.49</b>	<b>715.71</b>	<b>-</b>	<b>2,510.49</b>	<b>-</b>
<b>Net carrying amount March 31, 2016</b>	<b>6,294.37</b>	<b>1,952.50</b>	<b>16.63</b>	<b>4,181.84</b>	<b>66.89</b>	<b>4,264.61</b>	<b>0.21</b>	<b>16,777.05</b>	<b>946.72</b>
<b>Year ended March 31, 2017</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	6,912.27	2,303.55	24.33	4,912.48	154.38	4,980.32	0.21	<b>19,287.54</b>	946.72
Additions	-	13.40	2.47	3.42	1.82	-	-	<b>21.11</b>	-
Disposal/Transfer	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	(279.75)	(1.92)	(513.96)	(9.18)	(567.33)	(0.20)	<b>(1,372.35)</b>	(946.72)
<b>Closing gross carrying amount</b>	<b>6,912.27</b>	<b>2,037.20</b>	<b>24.88</b>	<b>4,401.93</b>	<b>147.02</b>	<b>4,412.99</b>	<b>0.01</b>	<b>17,936.31</b>	<b>-</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	617.90	351.05	7.70	730.64	87.49	715.71	-	<b>2,510.49</b>	-
Depreciation charge during the year	752.29	325.43	4.62	679.19	41.42	656.19	-	<b>2,459.14</b>	-
Depreciation related to Assets classi- fied as held for sale	-	(47.90)	-	(105.58)	(5.82)	(112.79)	-	<b>(272.09)</b>	-
<b>Closing accumulated depreciation</b>	<b>1,370.19</b>	<b>628.58</b>	<b>12.32</b>	<b>1,304.25</b>	<b>123.08</b>	<b>1,259.11</b>	<b>-</b>	<b>4,697.54</b>	<b>-</b>
<b>Net carrying amount</b>	<b>5,542.08</b>	<b>1,408.62</b>	<b>12.56</b>	<b>3,097.68</b>	<b>23.93</b>	<b>3,153.88</b>	<b>0.01</b>	<b>13,238.76</b>	<b>-</b>

- (i) Property, plant and equipment pledged as security  
(Refer to note 28 for information on property, plant and equipment pledged as security by the company)
- (ii) Capital work-in-progress  
(Capital work-in-progress mainly comprises building, furniture & fixtures)

### 4. Investment Properties

	Freehold Land	Building	Total
<b>Year ended March 31, 2016</b>			
<b>Gross carrying amount</b>			
Deemed Cost as at April 1, 2015	69.94	10,332.62	<b>10,402.56</b>
Additions	-	4,638.23	<b>4,638.23</b>
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>14,970.85</b>	<b>15,040.79</b>
<b>Accumulated depreciation</b>			
Depreciation charge during the year	-	172.25	<b>172.25</b>
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>172.25</b>	<b>172.25</b>
<b>Net carrying amount March 31, 2016</b>	<b>69.94</b>	<b>14,798.60</b>	<b>14,868.54</b>
<b>Year ended March 31, 2017</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	14,970.85	<b>15,040.79</b>
Assets classified as held for sale	-	(7,282.10)	<b>(7,282.10)</b>
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>7,688.75</b>	<b>7,758.68</b>

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	172.25	<b>172.25</b>
Depreciation charge during the year	-	154.75	<b>154.75</b>
Depreciation related to Assets classified as held for sale	-	(172.68)	<b>(172.68)</b>
<b>Closing accumulated depreciation</b>	-	<b>154.32</b>	<b>154.32</b>
<b>Net carrying amount</b>	<b>69.94</b>	<b>7,534.43</b>	<b>7,604.37</b>

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

	As at March 31, 2017	As at March 31, 2016
Rental income	683.27	828.16
Direct operating expenses from property that generated rental income	68.46	201.33
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	614.81	626.83
Depreciation	154.75	172.25
Profit from investment properties	460.06	454.58

**(ii) Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating lease with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating lease of investment properties are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within one year	675.64	683.27	168.19
Later than one year but not later than 5 years	2,491.53	2,561.52	1,759.97
Later than 5 years	110.00	715.64	989.99
<b>Total</b>	<b>3,277.17</b>	<b>3,960.43</b>	<b>2,918.15</b>

**(iii) Fair value**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment properties	36,397.54	46,706.30	32,507.30

**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.

**5(a) Investments**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>a. Investment in subsidiaries</b>			
Unquoted			
10,000 Equity Shares of F R Retail Destination Private Limited	-	-	273.34
1,00,000 Equity Shares of Aashirwad Malls Private Limited	570.56	570.44	570.07
10,000 Equity Shares of Niyman Mall Management Company Private Limited	-	-	782.58
10,000 Equity Shares of Ojas Mall Management Private Limited	-	-	1.00
11,36,600 Equity Shares of Sun City Properties Private Limited	1,295.52	1,295.52	1,295.52
8,47,356 Equity Shares of Suhani Mall Management Company Private Limited	2,023.52	2,023.41	2,023.04

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>b. Investment in associates</b>			
Unquoted			
10,000 Equity Shares of Nishta Mall Management Company Private Limited	-	-	230.08
1,30,000 Equity Shares of Unique Malls Private Limited	-	-	233.34
10,000 Equity Shares of Precision Reality Developers Private Limited	-	-	1.00
60,000 Equity Shares of Acute Realty Private Limited	-	-	531.52
<b>c. Investment in joint venture</b>			
Unquoted			
6589 (6129) (5,669) Equity Shares of Riddhi Siddhi Mall Management Company Private Limited	698.14	587.02	379.22
1,50,000 Equity Shares of Future Retail Destination Limited	1,500.00	1,500.00	1,500.00
25,000 Equity Shares of Utility Developers Private Limited	2.50	2.50	2.50
15,000 Equity Shares of Star Shopping Centres Private Limited	1.50	1.50	1.50
6,14,161 Equity Shares of Future Trade Markets Private Limited	3,866.00	3,866.00	3,866.00
<b>Total (a+b+c)</b>	<b>9,957.74</b>	<b>9,846.39</b>	<b>11,690.71</b>
<b>d. 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	931.64
<b>Total (d)</b>	<b>931.64</b>	<b>931.64</b>	<b>931.64</b>
<b>e. Investment in equity instruments</b>			
<b>Fair value through other comprehensive income</b>			
Unquoted			
1,65,000 Equity Shares of Calcutta Metropolitan Group Limited	-	-	991.57
65,000 Equity Shares of Riverbank Developers Private Limited	-	-	2,308.43
11,425 Equity Shares of V.R.Procurement Corporation Pvt Ltd.	23.88	23.88	23.88
10,000 Equity Shares of Navika Developers Private Limited	1.00	1.00	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	1.00	1.00	1.00
10,000 Equity Shares of Ujjain Future Bazaar Private Limited	1.09	1.00	1.00
10,000 Equity Shares of Harmony Malls Mangement Private Limited	1.00	1.00	1.00
10,000 Equity Shares of Precision Reality Developers Private Limited	1.25	1.00	-
60,000 (10,000) Equity Shares of Acute Realty Private Limited	379.60	569.97	-
10,000 Equity Shares of F R Retail Destination Private Limited	0.10	0.10	-
10,000 Equity Shares of Niyman Mall Management Company Private Limited	11.83	11.82	-
10,000 Equity Shares of Ojas Mall Management Private Limited	1.02	1.00	-
10,000 Equity Shares of Nishta Mall Management Company Private Limited	221.88	237.54	-
1,30,000 Equity Shares of Unique Malls Private Limited	233.55	234.13	-
<b>Total (e)</b>	<b>877.20</b>	<b>1,083.44</b>	<b>3,327.88</b>
<b>Non-current investments total (a+b+c+d+e)</b>	<b>11,766.58</b>	<b>11,861.47</b>	<b>15,950.23</b>
Aggregate amount of unquoted investments	<b>11,766.58</b>	<b>11,861.47</b>	<b>15,950.23</b>

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**5(b) Trade receivables**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	1,446.18	3,390.25	3,549.91
Less: Allowance for bad and doubtful debts	(84.62)	(666.64)	(658.01)
<b>Total Trade receivables</b>	<b>1,361.56</b>	<b>2,723.61</b>	<b>2,891.89</b>
<b>Breakup of securities details</b>			
Secured, considered good	-	-	-
Unsecured, considered good	1,375.31	2,723.61	2,891.90
Doubtful	70.87	666.64	658.01
<b>Total</b>	<b>1,446.18</b>	<b>3,390.25</b>	<b>3,549.91</b>
Less: Allowance for doubtful debts	(84.62)	(666.64)	(658.01)
<b>Total Trade receivables</b>	<b>1,361.56</b>	<b>2,723.61</b>	<b>2,891.90</b>

Refer to note 28 for information on trade receivables pledged as security by the company.

**5(c) Loans**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non Current</b>			
Security Deposits	1,756.48	1,795.88	1,747.80
Loans and advances to others	2,518.05	1,825.72	1,151.86
Advance against purchases of shares	650.00	650.00	650.00
<b>Total Non current loans and advances</b>	<b>4,924.53</b>	<b>4,271.60</b>	<b>3,549.66</b>
<b>Current</b>			
Security Deposits	64.51	64.51	130.07
Loans and advances	6,795.33	11,487.66	515.50
Loans and advances to related parties	983.25	315.21	13,751.42
<b>Total current loans and advances</b>	<b>7,843.09</b>	<b>11,867.38</b>	<b>14,396.99</b>

**5(d) Cash and cash equivalents**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Cash on hand</b>	<b>0.89</b>	<b>3.38</b>	<b>0.53</b>
<b>Balances with Banks</b>			
In current accounts	646.27	52.42	110.36
<b>Total Cash and cash equivalents</b>	<b>647.16</b>	<b>55.80</b>	<b>110.89</b>

**5(e) Bank Balances other than above**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed Deposit*	6.50	6.50	7.52
Interest accrued on fixed deposit	0.18	0.42	0.06
<b>Total Bank Balances other than above</b>	<b>6.68</b>	<b>6.92</b>	<b>7.58</b>

\* Lien against Bank Guarantee

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

## 5(f) Other financial assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Other non-current financial assets</b>			
<b>Considered good</b>			
Share application money	-	-	35.00
<b>Total Non-current financial assets</b>	<b>-</b>	<b>-</b>	<b>35.00</b>
<b>Other current financial assets</b>			
<b>Considered good</b>			
Unbilled Revenue	6.81	19.27	-
Advance to Staff	7.80	15.18	9.12
Others	-	-	2.05
<b>Total current financial assets</b>	<b>14.61</b>	<b>34.45</b>	<b>11.17</b>

## 6. Current and deferred tax

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

	March 31, 2017	March 31, 2016
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax (expense)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	52.80	(6,697.26)
(Decrease) increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>52.80</b>	<b>(6,697.26)</b>
<b>Income tax expense</b>	<b>52.80</b>	<b>(6,697.26)</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, 2017	March 31, 2016
<b>Profit from operation before income tax expenses</b>	<b>(2,353.28)</b>	<b>(3,102.03)</b>
<b>Tax rate @33.063%</b>	<b>(778.06)</b>	<b>(1,025.62)</b>
<b>Differences due to:</b>		
Permanent Differences	27.98	308.09
Standard Deduction on Rental Income	(116.25)	(129.11)
Deferred Tax related to earlier year now recognised	-	(5,850.61)
Adjustment related to Unabsorbed Tax Losses	1,070.11	-
Others	(150.98)	-
<b>Income tax expenses</b>	<b>52.80</b>	<b>(6,697.25)</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, 2017	March 31, 2016	April 1, 2015
Unused tax losses for which no deferred tax asset has been recognised	2,584.19	-	15,839.81
Potential tax benefit @ 33.063%	854.41	-	5,237.11



**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

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

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Deferred tax assets</b>			
Unabsorbed Tax losses	5,027.86	5,138.65	-
Defined benefit obligation	-	0.67	-
Provisions	8.62	7.22	-
Fair valuation of financial assets-P&L (Net)	381.95	487.02	-
Fair valuation of financial assets-OCI (Net)	154.03	85.83	-
Property Plant & Equipment	1,218.62	1,058.16	-
MAT credit entitlement	679.17	679.17	679.17
Freehold Land	7.41	6.22	-
<b>Deferred tax liabilities</b>			
Defined benefit obligation	(1.48)	-	-
<b>Total deferred tax assets (net)</b>	<b>7,476.18</b>	<b>7,462.94</b>	<b>679.17</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 April 1, 2015</b>	-	-	-	-	-	679.17	679.17
(Charged)/credited:							
- to profit or loss	7.22	5,138.65	487.02	1,058.16	6.22	-	6,697.26
- to other comprehensive income	0.67	-	85.83	-	-	-	86.51
<b>At March 31, 2016</b>	<b>7.89</b>	<b>5,138.65</b>	<b>572.85</b>	<b>1,058.16</b>	<b>6.22</b>	<b>679.17</b>	<b>7,462.94</b>
(Charged)/credited:							
- to profit or loss	1.40	(110.79)	(105.08)	160.47	1.19	-	(52.80)
- to other comprehensive income	(2.16)	-	68.20	-	-	-	66.04
- Deferred tax on basis adjustment	-	-	-	-	-	-	-
<b>At March 31, 2017</b>	<b>7.13</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>

**7. Other assets**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Other non-current assets</b>			
Business Advance	-	1,911.91	1,941.51
Business Advance - Related Party	240.68	283.36	272.39
Capital Advance	3,650.00	3,765.00	7,365.73
Balances with Govt. Authorities	351.39	1,351.44	1,665.39
Prepaid Expense	384.15	763.41	977.28
<b>Total Other Non-current assets</b>	<b>4,626.22</b>	<b>8,075.12</b>	<b>12,222.30</b>
<b>Other current assets</b>			
Security Deposits	5.86	7.18	9.93
Business Advance	1,505.78	0.75	5.34
Balances with Govt. Authorities	0.30	0.30	0.30
Prepaid Expense	159.82	353.10	397.84
Loans and advances to others	-	275.49	-
<b>Total Other current assets</b>	<b>1,671.76</b>	<b>636.82</b>	<b>413.41</b>

**8. Inventories**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Finished Shops	929.80	1,064.70	-
<b>Total Inventories</b>	<b>929.80</b>	<b>1,064.70</b>	<b>-</b>

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### 9. Assets classified as held for sale

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Buildings	7,708.03	871.87	888.12
Investments	78.00	-	-
<b>Total</b>	<b>7,786.03</b>	<b>871.87</b>	<b>888.12</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 sale is expected to be completed before the end of financial year 2018. The asset is presented separately under assets held for sale

In March 2017, the Board of directors of Future Market Networks Limited decided to sell the investment in Naman Mall Management Private Limited (subsidiary) which was acquired in June 2016. Accordingly, the buyer has been identified and the sale is expected to be completed before the end of financial year 2018. The asset is presented separately under assets held for sale

#### Non-recurring fair value measurements

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

### 10(a) Equity Share capital

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Authorised</b>			
90,260,000 Equity Shares [March 31, 2016: 90,260,000 Equity Shares and April 1, 2015: 90,260,000 Equity Shares] of ₹ 10/- each	9,026.00	9,026.00	9,026.00
5,000 Preference Shares [March 31, 2016: 5,000 Preference Shares and April 1, 2015: 5,000 Preference Shares] of ₹ 10/- each	0.50	0.50	0.50
	<b>9,026.50</b>	<b>9,026.50</b>	<b>9,026.50</b>
<b>Issued Capital*</b>			
56,291,851 Equity Shares [March 31, 2016: 56,171,726 Equity Shares and April 1, 2015: 55,854,976 Equity Shares] of ₹ 10/- each	5,629.19	5,617.17	5,585.50
<b>Total</b>	<b>5,629.19</b>	<b>5,617.17</b>	<b>5,585.50</b>

\* includes 570 shares held in abeyance

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Subscribed and paid up</b>			
56,291,281 Equity Shares [March 31, 2016: 56,171,156 Equity Shares and April 1, 2015: 55,854,406 Equity Shares] of ₹ 10/- each	5,629.13	5,617.12	5,585.44
<b>Total</b>	<b>5,629.13</b>	<b>5,617.12</b>	<b>5,585.44</b>

#### a) Movements in Equity Share Capital

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,61,71,156	5,617.12	5,58,54,406	5,585.44	5,58,54,406	5,585.44
Add: ESOP shares issued during the year	1,20,125	12.01	3,16,750	31.68	-	-
<b>Balance as at the end of the year</b>	<b>5,62,91,281</b>	<b>5,629.13</b>	<b>5,61,71,156</b>	<b>5,617.12</b>	<b>5,58,54,406</b>	<b>5,585.44</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, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2016) including equity shares issued pursuant to contract without payment being received in cash**

- (i) In Financial Year 2011-12 - Allotted 4,46,83,440 equity shares of ₹ 10/- each under the scheme of amalgamation approved by Bombay High Court on January 20, 2012.
- (ii) In Financial Year 2015-16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.
- (iii) 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, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% held	Number of shares	% held	Number of shares	% held
Manz Retail Private Limited	1,64,30,824	29.19%	1,64,30,824	29.25%	1,64,30,824	29.42%
Future Corporate Resources Limited	1,51,76,754	26.96%	1,51,76,754	27.02%	1,51,76,754	27.17%
Weavette Business Ventures Limited	85,63,367	15.21%	85,63,367	15.25%	85,63,367	15.33%
Ishbhoomi Fabtraders Private Limited (Formerly known as Ishbhoomi Mall Management Private Limited).	46,15,516	8.20%	46,15,516	8.22%	41,27,870	7.39%
	<b>4,47,86,461</b>	<b>79.56%</b>	<b>4,47,86,461</b>	<b>79.74%</b>	<b>4,42,98,815</b>	<b>79.31%</b>

**10(b) Other Equity**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Reserve and surplus</b>			
Capital Reserve	7,474.75	7,474.75	7,474.75
Securities Premium	25,291.33	25,267.13	25,238.81
Share Option Outstanding Account	-	19.69	46.41
Retained Earnings	(19,212.75)	(16,811.03)	(20,404.90)
Subordinated Debt*	4,905.97	3,066.00	3,066.00
Other Reserves	(4,857.88)	(4,719.82)	(4,758.67)
<b>Total</b>	<b>13,601.42</b>	<b>14,296.72</b>	<b>10,662.40</b>

\* The subordinated debt represents loan taken from Future Corporate Resources Limited.

	As at March 31, 2017	As at March 31, 2016
<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	25,267.13	25,238.81
Exercise of options	21.80	43.18
Share issued	2.40	6.34
Utilized during the year	-	(21.20)
<b>Closing Balance</b>	<b>25,291.33</b>	<b>25,267.13</b>
<b>(iii) Share Option Outstanding Account</b>		
Opening Balance	19.69	46.41
Add: Employee Stock option expenses	2.11	16.46
Less: Exercise of option	(21.80)	(43.18)
<b>Closing Balance</b>	<b>-</b>	<b>19.69</b>
<b>(iv) Retained Earnings</b>		
Opening Balance	(16,811.03)	(20,404.90)
Add: profit for the year	(2,406.09)	3,595.24
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation	6.52	(2.04)
Deferred tax (Actuarial Gains)	(2.15)	0.67
<b>Closing Balance</b>	<b>(19,212.75)</b>	<b>(16,811.03)</b>

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

## 10(c) Other Equity

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Other Reserves</b>			
Opening Balance	(4,719.82)	(4,758.67)	-
Change in fair value of FVOCI equity instruments	(206.26)	(46.98)	(4,758.67)
Deferred tax (Fair Value)	68.20	85.83	-
<b>Closing Balance</b>	<b>(4,857.88)</b>	<b>(4,719.82)</b>	<b>(4,758.67)</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 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.

**Share options outstanding account**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Future Market Networks Limited Employees Stock Option Scheme 2012.

## 11(a) Borrowings

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non current Borrowing</b>			
<b>Secured</b>			
Term loans from banks	15,187.53	21,414.55	25,854.77
<b>Total Non current Borrowing</b>	<b>15,187.53</b>	<b>21,414.55</b>	<b>25,854.77</b>
Less: Current Maturities of long term borrowing	(7,422.60)	(6,250.00)	(4,455.53)
<b>Non current borrowings</b>	<b>7,764.93</b>	<b>15,164.55</b>	<b>21,399.24</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 ₹ 750.00 lakhs (March 31, 2016 : ₹ 2,125.00 lakhs and April 1, 2015 : ₹ 3,250 lakhs) is secured by First Pari Passu charge on all the current assets at the Malls of the Company (b) Hypothecation of all the movable properties at the Malls of the Company (c) First Pari Passu charge / assignment of all the revenues and receivables, trust and retention account and any other bank account of the Malls of the company (d) Personal Guarantee of the Promoters	Repayable in 20 quarterly installments starting from Dec 2012. Last installment due in Sep. 2017. Rate of interest - 4% above the Base Rate Present Effect Rate - 13.55% p.a.
2	Term Loan from Bank balance outstanding amounting to ₹ 5,972.19 lakhs (March 31, 2016 : ₹ 9,348.45 lakhs and April 1, 2015 : ₹ 12,690.00 lakhs) are secured by (a) Charge on Assets of ₹ 10,500.00 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 ₹ 10,000.00 lakhs (c) Second Pari Passu charge on the immovable property owned by Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 14 quarterly installments starting from March 2015. Last installment due in June 2018. Rate of interest - 4% above the Base Rate Present Effective Rate 13.70% p.a.
3	Term Loan from Bank balance outstanding amounting to ₹ 8,500.00 lakhs (March 31, 2016 : ₹ 10,000.00 lakhs and April 1, 2015 : ₹ 10,000.00 lakhs) are secured by (a) Charge on Assets created out of the proposed Term Loan. (b) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 16 quarterly installments starting from June 2016. Last installment due in March 2019. Rate of interest 2.75% over base rate Present Effective Rate - 12.35%.p.a.

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current Borrowing</b>			
<b>Secured</b>			
Bank Overdraft	691.78	558.80	562.73
Inter corporate deposit	-	4,581.50	5,200.00
<b>Unsecured</b>			
Loans from related party	-	-	111.16
Other Loans	14,209.20	7,486.87	2,882.13
<b>Total Current Borrowings</b>	<b>14,900.98</b>	<b>12,627.17</b>	<b>8,756.02</b>

**Secured borrowings and assets pledged as security**

- i) Bank overdraft secured by first and pari-passu hypothecation charge of all existing and future current assets including receivables of the borrower and personal guarantee of shareholder
- ii) Inter corporate deposit secured by hypothecation of movable assets and receivables of the company, both present and future and personal guarantee of promoter shareholder. Also secured by Pledge of unencumbered equity shares of the Company, Pantaloon Fashion Private Limited & Future Consumer Enterprise Ltd. held by Promoters/Promoter Group.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 28

**11(b) Other financial liabilities**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current other financial liabilities</b>			
Security deposits	3,853.41	6,016.81	5,459.33
<b>Total Non-current other financial liabilities</b>	<b>3,853.41</b>	<b>6,016.81</b>	<b>5,459.33</b>
<b>Current other financial liabilities</b>			
Security deposits	2,995.71	5,555.33	7,146.59
Current Maturities of Long-Term Borrowings	7,422.60	6,250.00	4,455.53
Advance received against sale of Investment	200.00	-	3,300.00
Corpus Funds	19.32	-	-
Other payables (Retention Money)	9.96	10.23	42.07
<b>Total Current other financial liabilities</b>	<b>10,647.59</b>	<b>11,815.56</b>	<b>14,944.19</b>

**11(c) Trade payables**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	1,595.28	2,544.82	2,745.12
<b>Total Trade payables</b>	<b>1,595.28</b>	<b>2,544.82</b>	<b>2,745.12</b>

**12. Employee benefit obligations**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non current Employee benefit obligations</b>			
Gratuity	13.64	13.71	9.11
Leave entitlement	7.62	6.47	5.71
<b>Total Non current Employee benefit obligations</b>	<b>21.26</b>	<b>20.18</b>	<b>14.82</b>
<b>Current Employee benefit obligations</b>			
Gratuity	0.20	1.52	1.01
Leave entitlement	0.14	2.16	1.90
<b>Total current Employee benefit obligations</b>	<b>0.34</b>	<b>3.68</b>	<b>2.91</b>

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

## 13. Other liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current</b>			
Deferred Rent Income	672.52	1,298.57	2,257.82
<b>Total Other Non-current liabilities</b>	<b>672.52</b>	<b>1,298.57</b>	<b>2,257.82</b>
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Statutory dues (including provident fund, tax deducted at source and others)	182.04	170.92	191.26
Advance from customers	10,087.79	10,776.52	7,222.98
Deferred Rent Income	478.82	701.70	478.23
Other payables	461.82	470.67	88.97
<b>Total Other current liabilities</b>	<b>11,210.47</b>	<b>12,119.81</b>	<b>7,981.44</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 ₹ 12.99 Lakhs (previous year ₹ 10.12 Lakhs) has been recognized as an expense in the Statement of Profit and Loss.

## Defined Benefit Plan

## Gratuity

The Company operates a gratuity plan administered by LIC. 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, 2017	As at March 31, 2016
<b>Opening defined benefit obligation</b>	<b>15.24</b>	<b>10.13</b>
Current service cost	5.08	2.71
Interest expense/(income)	1.16	0.81
<b>Total amount recognised in profit and loss</b>	<b>6.24</b>	<b>3.52</b>
<b>Remeasurements</b>		
(Gain)/loss from change in financial assumptions	1.04	-
Experience (gains)/losses	(7.56)	2.04
<b>Total amount recognised in other comprehensive income</b>	<b>(6.52)</b>	<b>2.04</b>
Employer contributions	(1.11)	(0.45)
<b>Closing defined benefit obligation</b>	<b>13.85</b>	<b>15.24</b>

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

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

	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defined benefit obligation	13.85	15.24	10.13
Fair value of plan assets	-	-	-
<b>Surplus /(Deficit)</b>	<b>13.85</b>	<b>15.24</b>	<b>10.13</b>
Effect of assets ceiling	-	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>13.85</b>	<b>15.24</b>	<b>10.13</b>

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
<b>Financial Assumptions</b>		
Discount rate	7.40%	8.00%
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, 2017	As at March 31, 2016
Discount rate		
a. Discount rate -100 basis point	15.81	17.41
b. Discount rate+100 basis point	12.16	13.39
Salary growth rate		
a. Rate -100 basis point	12.50	13.76
b. Rate+100 basis point	15.38	16.93

Expected Future Cash Flows

	As at March 31, 2017
Year 1	0.20
Year 2	0.22
Year 3	0.26
Year 4	0.53
Year 5	0.33
Year 6 to 10	2.15



## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>15. Revenue from Operations</b>		
Sales	469.86	316.49
Less: Vat / Sales Tax	1.07	3.09
	<b>468.79</b>	<b>313.40</b>
Rent and other related revenues	7,774.43	7,737.09
Project Mangement Consultancy	6.84	27.50
<b>Total</b>	<b>8,250.06</b>	<b>8,077.99</b>
<b>16. Other income</b>		
<b>Interest income</b>		
On bank deposits	0.46	0.42
On others	2,464.41	2,670.53
Profit on sale of Fixed Assets	325.08	0.42
Excess Provision Written Back	507.90	-
Sale of Scrap	9.52	31.77
Miscellaneous Income	31.16	37.30
<b>Total</b>	<b>3,338.53</b>	<b>2,740.44</b>
<b>17. Operating Cost</b>		
Mall Maintenance Charges	170.06	188.95
Rent (including Lease Rentals)	4,579.30	4,261.46
<b>Total</b>	<b>4,749.36</b>	<b>4,450.41</b>
<b>18. Cost of Units sold</b>		
Cost of units sold	384.66	261.18
<b>Total</b>	<b>384.66</b>	<b>261.18</b>
<b>19. Employee benefits expense</b>		
Salaries, Wages and Bonus	433.95	401.96
Contribution to Provident and Other Funds	24.18	17.45
Employees stock option scheme	1.89	15.71
Staff Welfare Expenses	7.61	4.98
<b>Total</b>	<b>467.63</b>	<b>440.10</b>
<b>20. Finance costs</b>		
Interest Expenses	4,193.65	4,583.60
Other Borrowing costs	6.67	23.02
<b>Total</b>	<b>4,200.32</b>	<b>4,606.62</b>
<b>21. Depreciation and amortization expense</b>		
Depreciation on Property, Plant and Equipment	2,459.14	2,510.49
Depreciation on Investment property	154.75	172.25
<b>Total</b>	<b>2,613.89</b>	<b>2,682.74</b>

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>22. Other expenses</b>		
Power and Fuel	45.53	106.32
Repairs and Maintenance - Others	71.59	88.21
<b>Auditors' Remuneration</b>		
Statutory Audit Fees	5.00	3.00
Tax Audit Fees	0.50	0.50
Other Services	2.05	2.30
Rates and Taxes	471.37	154.21
Insurance	17.11	17.09
Legal and Professional Fees	190.73	84.66
Listing Fees/Custodian Charges	9.51	6.43
Director Sitting Fees	11.10	8.44
Provision for Doubtful Debts	-	8.62
Travelling and Conveyance Expenses	16.70	19.02
Bad Debts	203.84	63.72
Water Charges	13.43	15.51
Other Expenses	59.99	41.94
Loss on sale of Investment	-	859.43
Loss on discard of fixed assets	407.57	-
<b>Total</b>	<b>1,526.04</b>	<b>1,479.40</b>

**23. Fair value measurements**
**23 (a) Financial instruments by category**

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
-Equity Instruments	877.18	-	1,083.44	-	3,327.88	-
Loans	-	12,767.63	-	16,138.98	-	17,946.66
Trade receivables	-	1,361.56	-	2,723.61	-	2,891.89
Cash and cash equivalents	-	647.16	-	55.79	-	110.89
Bank Balances other than above	-	6.68	-	6.92	-	7.58
Other financial assets	-	14.61	-	34.45	-	46.18
<b>Total financial assets</b>	<b>877.18</b>	<b>14,797.65</b>	<b>1,083.44</b>	<b>18,959.76</b>	<b>3,327.88</b>	<b>21,003.20</b>
<b>Financial liabilities</b>						
Borrowings	-	22,665.91	-	27,791.72	-	30,155.26
Deposits from customer	-	3,853.41	-	6,016.81	-	5,459.33
Other financial liabilities	-	10,647.59	-	11,815.56	-	14,944.19
Trade payables	-	1,595.27	-	2,544.82	-	2,745.12
<b>Total financial liabilities</b>	<b>-</b>	<b>38,762.19</b>	<b>-</b>	<b>48,168.91</b>	<b>-</b>	<b>53,303.91</b>

**23 (b) Fair value hierarchy**

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. During the year there are no financial instruments which are measured at Level 1.

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31st March, 2017 and 31st March, 2016:

	Investment in- Equity instruments
<b>As at April 01, 2015</b>	<b>3,327.88</b>
Additional equity infusion	-
Sale of Investment	(3,300.00)
Conversion of Subsidiaries/Associates in to other equity	1,102.54
Acquisition	-
Gains/(losses) recognised in Other Comprehensive Income	(46.98)
<b>As at March 31, 2016</b>	<b>(1,083.44)</b>
Gains/(losses) recognised in Other Comprehensive Income	(206.26)
<b>As at March 31, 2017</b>	<b>(877.18)</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, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Loans	12,767.63	12,851.89	16,138.98	16,208.44	17,946.66	17,946.66
<b>Total financial assets</b>	<b>12,767.63</b>	<b>12,851.89</b>	<b>16,138.98</b>	<b>16,208.44</b>	<b>17,946.66</b>	<b>17,946.66</b>
<b>Financial liabilities</b>						
Borrowings	22,665.91	22,665.91	27,791.72	27,791.72	30,155.26	30,155.26
Deposits from customer	3,853.41	3,927.15	6,016.81	6,087.27	5,459.33	5,459.33
<b>Total financial liabilities</b>	<b>26,519.32</b>	<b>26,593.06</b>	<b>33,808.53</b>	<b>33,879.00</b>	<b>35,614.59</b>	<b>35,614.59</b>

#### 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.

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**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.

**(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, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	22,700.56	27,850.62	30,240.48
Percentage of variable rate borrowings to total borrowings	100%	100%	100%
<b>Total borrowings</b>	<b>22,700.50</b>	<b>27,850.62</b>	<b>30,240.48</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, 2017	March 31, 2016	April 1, 2015
Interest rates – increase by 50 basis points*	(113.50)	(139.25)	(151.20)
Interest rates – decrease by 50 basis points*	113.50	139.25	151.20

\*Holding all other variables constant

**B. Credit Risks**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

The Company measures the expected credit loss of trade receivables and loan & advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Movement in provisions of doubtful debts**

	As at March 31, 2017	As at March 31, 2016
<b>Opening provision</b>	<b>666.64</b>	<b>658.01</b>
Add: Additional provision made	-	8.62
Less: Provision write off	74.12	-
Less: Provision reversed	507.90	-
<b>Closing provisions</b>	<b>84.62</b>	<b>666.64</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.

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Maturity patterns of liabilities:

	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2017</b>			
Trade payables	1,595.28	-	1,595.28
Borrowings	14,900.98	7,799.58	22,700.56
Other Financial liabilities	10,647.59	5,214.23	15,861.82
Other Non Financial liabilities	10,731.63	-	10,731.63
<b>As at March 31, 2016</b>			
Trade payables	2,544.82	-	2,544.82
Borrowings	12,627.17	15,223.44	27,850.62
Other Financial liabilities	11,815.56	8,280.54	20,096.10
Other Non Financial liabilities	11,418.11	-	11,418.11
<b>As at April 1, 2015</b>			
Trade payables	-	-	-
Borrowings	2,745.12	-	2,745.12
Borrowings	8,756.02	21,484.47	30,240.48
Other Financial liabilities	14,944.19	8,379.43	23,323.62
Other Non Financial liabilities	7,503.21	-	7,503.21

### D. Capital Management

The Company aim to manage 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

Particulars	As at March 31, 2017	As at March 31, 2016
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the company	(2,406.09)	3,595.24
Total basic earnings per share attributable to the equity holders of the company (in ₹)	(4.28)	6.43
<b>(b) Diluted earnings per share</b>		
Profit attributable to the equity holders of the company	(2,404.19)	3,610.94
Total diluted earnings per share attributable to the equity holders of the company (in ₹)	(4.28)	6.43
<b>(c) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	56,206,700	55,951,335
Weighted average number of equity shares used as the denominator in calculating Diluted earnings per share	56,206,700	56,020,936

(i) Options granted to employees under the Future Market Networks Limited Employees Stock Option Scheme 2012 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 29.

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**27. Acquisition of Namam Mall Management Company Private Limited**

On June 29, 2016, the Company has acquired 780,000 equity shares of Naman Mall Management Company Private Limited (Naman), being 100% shareholding of the Naman.

Through a share purchase agreement, the Company acquired 100% equity share capital of Naman, a company which owns a shopping mall cum entertainment centre at Indore with a total leasable area of 18761.78 sq mts. Naman had taken secured credit facilities from Punjab National Bank (PNB) by mortgaging the shopping mall cum entertainment center and the outstanding liability to PNB is ascertained at approx ₹ 7,280 Lakhs. Naman defaulted in repayment of the said credit facilities to PNB and subject to a NOC from PNB, Naman was acquired by the Company along with outstanding credit facilities.

The acquisition of the specified assets referred to as "Business Combination" under Ind AS 103.

Total Purchase Consideration transferred: ₹ 78 Lakhs (entire cash)

The fair value of assets acquired and liabilities assumed as at the date of acquisition were: ₹ 607.94 Lakhs

However, in March 2017, the Board of directors of Future Market Networks Limited decided to sell the investment in Naman Mall Management Company Private Limited (subsidiary) which was acquired in June 2016. Accordingly, the buyer has been identified and a Share Purchase Agreement has been executed among the parties on March 30, 2017 for the sale of shares on such conditions as contained therein.

**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, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current Assets</b>			
<b>Financial Assets</b>			
First Charge			
- Trade Receivables	1,361.56	2,723.61	2,891.90
<b>Total Current Assets pledged as Security</b>	<b>1,361.56</b>	<b>2,723.61</b>	<b>2,891.90</b>
<b>Non-Current Assets</b>			
First Charge			
Property, Plant and Equipment	13,238.77	16,777.05	16,795.15
Capital Work-in-Progress	-	946.72	1,454.60
Investment Properties	7,604.37	14,868.54	10,402.56
Assets Held for Sale	7,708.03	871.87	888.12
<b>Total Non Current Assets pledged as Security</b>	<b>28,551.17</b>	<b>33,464.18</b>	<b>29,540.43</b>
<b>Total Assets pledged as Security</b>	<b>29,912.73</b>	<b>36,187.79</b>	<b>32,432.33</b>

**29. Share based payments**
**(a) Employee option plan/ Tradable Options**

Future Market Networks Limited (FMNL) has granted options to eligible employees on September 24, 2012 under Employee Stock Option Scheme 2012 ("ESOS 2012"). 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.

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

- (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, 2017		As at March 31, 2016	
	Weighted Average Exercise price(₹)	No. of options	Weighted Average Exercise price(₹)	No. of options
Options outstanding at the beginning of the period	12	122,250	12	329,250
Options granted during the period		-	12	109,750
Exercised during the period	12	(120,125)	12	(316,750)
Expired during the period				-
Forfeited during the period	12	(2,125)	12	-
<b>Options outstanding at the end of the period</b>		-		<b>122,250</b>
<b>Options vested and exercisable at the end of the period</b>		-		<b>122,250</b>

- (c) Effect of share-based payment transactions on the entity's profit or loss for the period and on its financial positions:

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, 2017	March 31, 2016
Employee compensation expense	1.89	15.71

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred employee compensation reserve	-	19.69	46.41

All options outstanding has been exercised on or before the year ended March 31, 2017.

- (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	7.45%
2. Expected Life	2.5 Years
3. Expected Volatility	70.70%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	23.95



**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**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, 2017	March 31, 2016
Aashirwad Malls Private Limited	Subsidiary	Subsidiary
Suhani Mall Management Company Private Limited		
Sun City Properties Private Limited		
Ojas Mall Management Private Limited (upto 10/09/2015)		
F R Retail Destination Private Limited (upto 23/08/2015)	-	
Niyman Mall Management Company Private Limited (upto 23/08/2015)	Subsidiary	-
Naman Mall Management Company Private Limited (wholly owned subsidiary w.e.f. 29/06/2016 to 30/03/2017)		
Future Trade Markets Private Limited	Joint Venture	Joint Venture
Star Shopping Centres Private Limited		
Future Retail Destination Limited		
Riddhi Siddhi Mall Management Private Limited		
Utility Developers Private Limited		
Sattva Realtors Limited		
Future Corporate Resources Limited	Investing Parties	Investing Parties
Manz Retail Private Limited		
Weavette Business Ventures Limited		
Acute Reality Private Limited (upto 23.08.2015)	-	Associates
Nishta Mall Management Company Private Limited (upto 23.08.2015)		
Precision Realty Developers Private Limited(upto 23.08.2015)		
Unique Malls Private Limited(upto 23.08.2015)		
Splendor Fitness Private Limited	Director Interested	Director Interested
Galaxy Entertainment Corporation Limited		
Retail Light Techniques India Limited		
Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Sunil Biyani		-
Pawan Agarwal	Relative of KMP	-
Ritu Pawan Agarwal		Relative of KMP
Jollamma Anil Cherian	Director	Director
Rajesh Kalyani		
Udita Jhunjhunwala		
Vijai Singh Dugar		
K.A Somayajulu		

**(b) Key Managerial Personnel Compensation**

Particulars	March 31, 2017	March 31, 2016
Short-term employee benefits	79.13	31.95
Post-employment benefits	7.84	2.16
Employee share-based payment	7.50	0.47
<b>Total</b>	<b>94.47</b>	<b>34.58</b>

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

(c) The Following transactions were carried out with the Related Parties in the ordinary course of business:-

Nature of Transaction	Subsidiary	Joint Ventures	Associates	Investing Parties	Relative of KMP	Directors	Director Interested
Interest Income	<b>35.08</b> (176.70)	<b>23.10</b> (27.16)	- (506.67)	-	-	-	-
Project Management Consultancy	- (27.50)	<b>6.84</b> -	-	-	-	-	-
Lease Rent Expenses	-	-	-	-	<b>5.88</b> (2.46)	-	-
Reimbursement of Expenses	<b>10.84</b> -	- (0.43)	-	-	-	-	-
Sitting Fees	-	-	-	-	-	<b>11.10</b> (8.44)	-
Investment in shares	-	<b>111.12</b> (207.80)	-	-	-	-	-
Share application money Given	-	<b>112.59</b> (207.80)	-	-	-	-	-
Share application money received back	-	<b>1.47</b> -	-	-	-	-	-
Advances /Loans given net off received back	<b>427.66</b> (1,140.97)	<b>163.17</b> (13.60)	- (1,262.19)	-	-	-	-
Advances /Loans taken net off repaid back	-	-	-	(486.00)	-	-	-
Deposits Received repaid back	-	- (50.28)	-	-	-	-	(23.21)
Promotor Contribution	-	-	-	<b>1,839.97</b>	-	-	-
Business Advance Given	-	- (1.94)	-	-	-	-	-
Business Advance Given Recived back Net	-	<b>42.68</b> -	-	-	-	-	-
Shares issued under ESOP Scheme (at issue price)	<b>1.20</b> 3.60	-	-	-	-	<b>6.00</b> 18.00	-
<b>Outstanding Balance as at March 31, 2017</b>							
Receivable	- (12.09)	- (43.88)	-	-	-	-	- (166.30)
Payables	-	- (0.56)	-	(486.00)	-	-	-
Subordinated Debt	-	-	-	<b>4,905.97</b> (3,066.00)	-	-	-
Loans & Advances	<b>642.95</b> (170.73)	<b>577.98</b> (427.60)	-	-	-	-	-

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

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**(d) Significant Related Party transactions:-**

Nature of Transaction	Name of the Company	March 31, 2017	March 31, 2016
Interest Income	F R Retail Destination Private Limited	-	42.41
	Ojas Mall Management Private Limited	-	94.86
	Acute Realty Private Limited	-	192.43
	Nishta Mall Management Company Private Limited	-	134.28
	Unique Malls Private Limited	-	170.96
Project Management Consultancy	Aashirwad Malls Private Limited	-	27.50
	Future Trade Markets Private Limited	7.87	-
Lease Rent Expenses	Jollamma Anil Cherian	2.94	2.46
	Ritu Pawan Agarwal	2.94	-
Reimbursement of Expenses	Sattva Realtors Limited	-	0.43
	Sun City Properties Private Limited	10.84	-
Remuneration to KMP	Pawan Agarwal	46.58	-
	Anil Cherian	40.05	34.58
Sitting Fees / ESOP	Rajesh Kalyani (Sitting Fees)	3.30	2.50
	Rajesh Kalyani (ESOP Shares)	6.00	18.00
	Vijai Singh Dugar (Sitting Fees)	3.60	2.80
	K. A. Somayajulu (Sitting Fees)	3.60	2.80
Share application money given	Riddhi Siddhi Mall Management Private Limited	111.12	207.80
Investment in Shares	Riddhi Siddhi Mall Management Private Limited	111.12	207.80
Loan Given net off received Back	Ojas Mall Management Private Limited	-	(1,986.90)
	Niyman Mall Management Company Private Limited	-	24.16
	F R Retail Destination Private Limited	-	836.03
	Precision Realty Developers Private Limited	-	254.05
	Unique Malls Private Limited	-	1,030.25
	Acute Realty Private Limited	-	597.47
	Nishta Mall Management Company Private Limited	-	(619.58)
	Future Retail Destination Limited	54.68	13.60
	Naman Mall Management Company Private Limited	371.00	-
	Suhani Mall Management Company Private Limited	56.47	-
	Riddhi Siddhi Mall Management Private Limited	95.91	-
Advances repaid back	Weavette Business Ventures Limited	486.00	-
Deposit Repaid	Galaxy Entertainment Corporation Limited	-	23.21
	Riddhi Siddhi Mall Management Private Limited	-	50.28
Promotor's Contribution	Future Corporate Resources Limited	1,839.97	-
Business Advance Given	Star Shopping Centres Private Limited	-	1.94
Business Advance Given Recived back Net	Star Shopping Centres Private Limited	42.68	-

## Notes to the financial statements for the year ended March 31, 2017

(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 -

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
i)	Lease rentals recognized in Statement of Profit and Loss	4,369.55	4,074.45	3,937.21
ii)	Lease rentals payable not later than one year	3,602.22	4,160.94	2,969.17
iii)	Lease rentals payable later than one year and not later than five years	8,848.11	13,819.41	8,897.56
iv)	Lease rentals payable later than five years	4,409.84	7,290.58	1,450.30

## 32. In respect of operating lease given by the company, the future minimum lease rental receivable under operating leases is as follows:

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
i)	Gross block of assets let out on operating lease	25,625.04	34,258.38	27,127.77
ii)	Accumulated depreciation as at March 31	4,851.85	2,682.75	-
iii)	Depreciation charged during the year to the Statement of Profit and Loss	2,613.89	2,682.74	-
iv)	Lease rentals recognised in Statement of Profit and Loss	5,720.79	6,032.45	5,764.82
v)	Lease rentals receivable not later than one year	5,715.93	3,059.52	1,054.90
vi)	Lease rentals receivable later than one year and not later than five years	7,937.07	5,047.06	644.33
vii)	Lease rentals receivable later than five years	110.00	-	-

## 33. Payable to Micro, Small and Medium Enterprise

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 on 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. 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, 2017	As at March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
<b>A</b>	<b>Loans Given</b>					
1	Future Trade Markets Private Limited	Joint Venture	20.50	-	20.50	4.44
2	Suhani Mall Management Company Private Limited	Subsidiary	58.14	-	58.14	98.06
3	Star Shopping Centres Private Limited	Joint Venture	240.68	283.36	283.36	283.36
4	Sun City Properties Private Limited	Subsidiary	205.54	170.73	205.54	170.73
5	Riddhi Siddhi Mall Management Private Limited	Joint Venture	96.14	0.24	106.24	208.04
6	Future Retail Destination Limited	Joint Venture	220.65	144.24	220.65	144.24
7	Utility Developers Private Limited	Joint Venture	-	-	-	3.00
8	F R Retail Destination Private Limited (Subsidiary till 23.08.2015)	Other Body Corporate	-	1,245.54	1,274.54	1,544.03
9	Ojas Mall Management Private Limited (Subsidiary till 10.09.2015)	Other Body Corporate	475.02	445.06	555.06	2,600.56

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

10	Niyman Mall Management Company Private Limited (Subsidiary till 23.08.2015)	Other Body Corporate	292.09	243.62	292.09	243.63
11	Acute Realty Private Limited (Associate till 23.08.2015)	Other Body Corporate	1,286.13	4,101.08	4,529.01	4,101.07
12	Nishta Mall Management Company Private Limited (Associate till 23.08.2015)	Other Body Corporate	1,725.50	1,514.53	1,725.50	2,987.16
13	Precision Realty Developers Private Limited (Associate till 23.08.2015)	Other Body Corporate	-	-	170.00	507.63
14	Unique Malls Private Limited (Associate till 23.08.2015)	Other Body Corporate	5,205.82	7,260.48	7,260.48	7,260.48
15	Bansi Mall Management Company Private Limited	Other Body Corporate	-	275.49	324.39	538.78
16	Navika Developers Private Limited	Other Body Corporate	77.65	31.77	253.13	89.01
17	Ujjain Future Bazaar Private Limited	Other Body Corporate	452.97	33.86	452.97	104.86
18	Harmony Malls Management Private Limited	Other Body Corporate	713.65	-	713.65	-
19	Shrijee Lifestyle Private Limited	Other Body Corporate	-	55.40	64.85	55.40
20	Naman Mall Management Company Private Limited	Other Body Corporate	379.27	-	379.27	-

<b>B</b>	<b>Corporate Guarantee Given</b>		As at March 31, 2017	As at March 31, 2016
i.	IDBI Bank Limited-Acute Realty Private Limited	Associate (Till 23.08.2015)	18700	18700
ii.	Central bank of India- Unique Malls Private Limited	Associate (Till 23.08.2015)	18750	18750
iii.	Indian Overseas Bank - Precision Realty Developers Private Limited	Associate (Till 23.08.2015)	12500	12500
iv.	Central Bank of India - Future Corporate Resources Limited	Investing Party	15000	15000
<b>C</b>	<b>Investments</b>	Investments made are given under Schedule 5		

Note:

- (a). All the above loans have been granted for business purposes, except loan amounting to ₹ 3,750.00 lakhs which has been granted to Unique Malls Private Limited, being promoter contribution, for the purpose of obtaining bank finance.
- (b). All the above loans are interest bearing except loan to Riddhi Siddhi Mall Management Private Limited & Star Shopping Centres Private Limited which is in the nature of business advance, and promoter's contribution to Unique Malls Private Limited as stated above pursuant to the stipulation of the lending bank.

**35. Disclosure in respect of specified Bank Notes held & transacted**

Particulars	Specified Bank Notes(SBN)	Other Denomination Notes & Coins	Total
Closing Cash in Hand on 08.11.2016	30.42	0.69	31.11
(+) Permitted Receipts	-	8.57	8.57
(-)Permitted Payments	-	5.00	5.00
(-) Amount deposited in Banks	30.42	0.59	31.01
Closing cash in hand as on 30.12.2016	-	3.67	3.67

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### 36. Contingent Liabilities not provided for:

- (a) Corporate Guarantee given to bank on behalf of Companies- ₹ 64,950 Lakhs (2016: ₹ 64,950 Lakhs) Refer note 34
- (b) Income tax demand - NIL (2016: ₹ 1,302.52 Lakhs)
- (c) Service Tax disputed demand - ₹ 779.80 Lakhs (2016: NIL)

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 other relevant provisions, the Company has been legally advised that the demand is not maintainable and the Company already filed a writ petition before Hon'ble High Court MP challenging the demand 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.

### 37. First-time adoption of Ind AS

#### Transition to Ind AS

These are the first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions:

###### A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

###### A.1.2 Designation of previously recognized Financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in equity investments.

###### A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In

**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

**A.1.4 Share Based Payments**

A first-time adopter is encouraged, but not required, to apply Ind AS 102 *Share-based payment* to equity instruments that vested before date of transition to Ind AS.

The company has elected not to apply Ind AS 102 sharebased payments to the equity instruments that vested before date of transition to Ind AS.

**A.2 Ind AS mandatory exceptions**
**A.2.1 Classification and measurement of financial assets**

As required by Ind AS 101, an entity to assessed the classification and measurement of financial assets (investment in debt instrument) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**A2.2 Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;
- Impairment of financial assets based on expected credit loss model.

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliations from previous GAAP to Ind AS.

**Standalone Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

	Notes to first time adoption	As at March 31, 2016	As at April 1, 2015
<b>Opening Equity Balance</b>		<b>12,384.27</b>	<b>13,892.70</b>
Adjustment related to ESOP	5	5.73	4.98
Fair valuation of Equity Investment	1	(259.60)	(4,758.67)
Fair valuation of Interest free Deposits and loans	6	(1,537.64)	(1,627.84)
Amortisation of Transaction Cost	2	58.89	85.23
Subordinated Debt	2	3,066.00	3,066.00
Tax effect of adjustments	7	579.07	-
<b>Closing Equity Balance</b>		<b>14,296.72</b>	<b>10,662.40</b>

**Standalone Reconciliation of total comprehensive income for the year ended March 31, 2016**

		As at March 31, 2016
Net profit (loss) as per Previous GAAP (Indian GAAP)		(1,507.30)
<b>Add/Less : Adjustment</b>		
Fair valuation of interest free deposits and loans	6	90.20
Measurement of financial liabilities at amortized cost	2	(26.34)
Reversal of loss on sale of equity instruments	1	4,546.05
Actuarial gain/(loss) on employee defined benefit funds recognised in other Comprehensive Income	4	2.04
Recognition of ESOP cost at fair value	5	(1.98)
Tax effect of adjustments	7	492.57
<b>Net profit/loss as per Ind AS</b>		<b>3,595.23</b>



## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2016
<b>Other comprehensive income</b>		
Actuarial gain/(loss) on employee defined benefit funds recognised in other Comprehensive Income	4	(2.04)
Fair Valuation of Equity Investments other than Investments in subsidiaries, Associates and Joint Ventures	1	(46.98)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		
Remeasurements of net defined benefit plans	7	(0.67)
Equity instruments through other comprehensive income	7	(85.83)
<b>Total comprehensive income for the period</b>		<b>3,632.72</b>

**Impact of Ind AS on the Statements of Cash Flows for the year ended March 31, 2016:**

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

**C. Notes to first time adoption:****Note 1. Fair valuation of investments**

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2016.

Consequent to the above, the total equity as at March 31, 2016 decreased by ₹ 259.60 Lakhs (April 1, 2015 ₹ 4758.67 Lakhs) and Loss for the year ended March 31, 2016 was decreased by ₹ 4,546.05 Lakhs and other comprehensive income for the year ended March 31, 2016 increased by ₹ 46.98 Lakhs respectively.

**Note 2. Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Further, interest free loan given to group company without any repayment terms are treated as Subordinated debts and reclassified from borrowings to Equity.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been reduced by ₹ 3,124.89 Lakhs (April 1, 2015 ₹ 3,151.23 Lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended March 31, 2016 increased by ₹ 26.34 Lakhs as a result of the additional interest expense.

**Note 3. Investment property**

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

**Note 4. Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liabilities are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 decreased by ₹ 2.04 Lakhs and other comprehensive income has been increased by ₹ 2.04 Lakhs. There is no impact on the total equity as at March 31, 2016.

**Note 5. Employee stock option expense**

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by ₹ 6.71 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 9.32 Lakhs). The profit for the year ended March 31, 2016 decreased by ₹ 1.98 Lakhs. There is no impact on total equity.

## Notes to the financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

Under the previous GAAP, the cost of equity settled group share based payments were not recognised in the books of the Company. Under Ind AS, the cost of equity settled group share based payments is recognised, based on the fair value of the shares as at the grant date, as increase in contribution from the parent in equity of an associate. Consequently, the amount recognised in employee benefits reserve on account of group share based payment increased by ₹ 5.73 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 4.98 Lakhs).

**Note 6. Interest free security deposits and loans**

Under the previous GAAP, interest free lease security deposits/loans (that are refundable in cash) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits taken / given and interest free loans given under Ind AS. Difference between the fair value and transaction value of the security deposit taken has been recognised as deferred rent income and for security deposit given and loans given are recognised as deferred expenses except for loan given to an associate company wherein the Company has taken an option to recognise entire difference to opening retained earnings. Consequent to this change, for the security deposits taken, security deposits is decreased by ₹ 2,263.72 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 2,920.10 Lakhs). The deferred rent is increased by ₹ 2,000.25 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 2,736.04 Lakhs). Total equity increased by ₹ 184.04 Lakhs as on April 1, 2015. The loss for the year and total equity as at March 31, 2016 decreased by ₹ 79.43 Lakhs due to amortisation of deferred rent of ₹ 761.29 Lakhs which is partially off-set by the notional interest expenses of ₹ 681.86 Lakhs recognised in security deposits taken. For security deposits given, security deposits is decreased by ₹ 980.66 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 1,078.74 Lakhs). The prepaid rent is increased by ₹ 747.61 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 808.07 lacs). Total equity decreased by ₹ 270.67 Lakhs as on April 1, 2015. The loss for the year and total equity as at March 31, 2016 decreased by ₹ 37.62 Lakhs due to amortisation of prepaid rent of ₹ 187 Lakhs which is partially off-set by the notional interest income of ₹ 224.62 Lakhs recognised in security deposits given. For interest free loans given loan is decreased by ₹ 1,942.28 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 2,098.14 Lakhs). The prepaid interest is increased by ₹ 356.21 Lakhs as at March 31, 2016 (April 1, 2015 ₹ 556.92 Lakhs). Total equity decreased by ₹ 1,541.22 Lakhs as on April 1, 2015. The loss for the year and total equity as at March 31, 2016 increased by ₹ 26.85 Lakhs due to amortisation of prepaid interest of ₹ 200.71 Lakhs and additional loan taken by an Associate wherein the Company has taken an option to charge day one difference between fair value and transaction value to profit or loss of ₹ 272.29 Lakhs which is partially off-set by the notional interest income of ₹ 446.15 Lakhs recognised in loans given.

**Note 7. Deferred tax**

Deferred tax on Ind AS adjustments.

**Note 8. Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

# **Consolidated Financial Statements and Notes**

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF FUTURE MARKET NETWORKS LIMITED

**Report on 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"), its joint venture and associate companies, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Profit and Loss Statement (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance consolidated cash flows and changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements.

The respective Board of Directors of the companies included in the Group and of its associated and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures respectively 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 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 consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act and the rules made that under including the accounting standards and matters which are required to be included in the audit report. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint ventures as at 31st March, 2017, and their consolidated profit / loss (including Other Comprehensive Income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.



**Other Matters**

1. We did not audit the financial statements / consolidated financial statements of four subsidiaries whose financial statements reflect total assets of ₹ 22,317.88 lakhs as at March 31, 2017, total revenues of ₹ 626.83 lakhs, total net loss of ₹113.07 lakhs, total comprehensive loss of ₹217.27 lakhs and total cash inflows of ₹ 9.51 lakhs for the year ended on that date, as considered in the consolidated financial Statement. The consolidated financial statements also include the Group's share of loss of ₹118.93 lakhs for the year ended March 31, 2017 as considered in the consolidated financial results, in respect of five joint ventures, whose financial statements have not been audited by us. These financial statements/ consolidated financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, is based solely on such unaudited financial statements.

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 the financial statements certified by the management.

**Report on Other Legal and Regulatory Requirements**

- (1) As required by Section 143(3) of the Act, we report that to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company its subsidiaries included in the Group, associate companies and joint venture incorporated in India including relevant records relating to the preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group and joint venture incorporated in India are disqualified as on March 31, 2017 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 Holding Company its subsidiary companies, associate companies and joint Ventures incorporated in India and the operating effectiveness of such controls, refer to our 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 consolidated financial statements disclose the impact of pending litigations as at March 31, 2017 on the consolidated financial position of the Group its associates and Joint Ventures.
    - (ii) The Group did not have any long-term contracts including derivative contracts.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
    - (iv) In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 31, 2016, by the Group has been requisitely disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management- Refer Note 36

For **Viren Gandhi & Co**  
Chartered Accountants  
[Firm Registration No: 111558W]

**Chintan Gandhi**  
Partner  
Membership No: 137079

Place: Mumbai  
Date: May 22, 2017

**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, 2017 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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.

**Auditors’ 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 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.

**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, 2017, based on the internal control over financial reporting criteria established by the 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.

For **Viren Gandhi & Co**  
Chartered Accountants  
[Firm Registration No: 111558W]

**Chintan Gandhi**  
Partner  
Membership No: 137079

Place: Mumbai  
Date: May 22, 2017



**Consolidated Balance Sheet as at March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	17,165.62	20,825.09	40,498.74
Capital work-in-progress	3	348.08	1,246.84	1,716.40
Investment properties	4	7,604.37	14,868.54	10,402.56
Goodwill on consolidation		1,826.11	1,826.11	4,507.22
Investments accounted for using the equity method	5 (a)	5,998.18	5,768.14	10,617.63
Financial assets				
Investments	5 (a)	3,581.12	4,101.80	4,259.52
Loans	5 (c)	4,924.54	4,271.60	3,555.40
Other financial assets	5 (f)	15.28	14.26	48.12
Deferred tax assets (net)	6	7,476.18	7,462.94	810.72
Other non-current assets	7	4,626.22	8,075.13	12,923.65
<b>Total non-current assets</b>		<b>53,565.70</b>	<b>68,460.45</b>	<b>89,339.97</b>
<b>Current assets</b>				
Inventories	8	929.80	1,064.70	-
Financial assets				
Trade receivables	5 (b)	1,460.43	2,790.79	8,943.73
Cash and cash equivalents	5 (d)	696.11	95.22	182.32
Bank Balances other than above	5 (e)	6.68	6.92	60.55
Loans	5 (c)	9,979.45	14,473.40	18,255.91
Other financial assets	5 (f)	14.61	34.45	11.18
Other current assets	7	1,728.08	709.03	644.38
		<b>14,815.16</b>	<b>19,174.51</b>	<b>28,098.07</b>
Assets classified as held for sale	9	20,670.17	871.87	888.12
<b>Total current assets</b>		<b>35,485.33</b>	<b>20,046.38</b>	<b>28,986.19</b>
<b>Total assets</b>		<b>89,051.03</b>	<b>88,506.83</b>	<b>118,326.15</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10 (a)	5,629.13	5,617.12	5,585.44
Other Equity	10 (b)	13,734.85	14,375.55	3,541.07
<b>Equity attributable to owners</b>		<b>19,363.98</b>	<b>19,992.67</b>	<b>9,126.51</b>
Non Controlling Interest		410.28	436.15	368.37
<b>Total Equity</b>		<b>19,774.26</b>	<b>20,428.82</b>	<b>9,494.88</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	11 (a)	8,679.88	16,374.52	28,892.54
Other financial liabilities	11 (b)	3,974.45	6,122.77	5,552.43
Employee benefit obligations	12	21.26	20.18	14.82
Deferred tax liabilities (net)	6	11.45	84.51	148.31
Other non-current liabilities	13	702.06	1,341.41	2,350.64
<b>Total non-current liabilities</b>		<b>13,389.10</b>	<b>23,943.39</b>	<b>36,958.74</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	11 (a)	17,874.00	15,481.31	40,004.19
Trade payables	11 (c)	1,631.72	2,589.27	3,548.92
Other financial liabilities	11 (b)	12,748.11	13,900.59	20,237.00
Employee benefit obligations	12	0.34	3.68	2.91
Other current liabilities	13	11,250.62	12,159.77	8,079.51
Liabilities classified as held for sale		12,382.88	-	-
<b>Total current liabilities</b>		<b>55,887.67</b>	<b>44,134.62</b>	<b>71,872.53</b>
<b>Total liabilities</b>		<b>69,276.77</b>	<b>68,078.01</b>	<b>108,831.27</b>
<b>Total Equity and Liabilities</b>		<b>89,051.03</b>	<b>88,506.83</b>	<b>118,326.15</b>
The above consolidated balance sheet should be read in conjunction with the accompanying notes.	1-38			

As per our Report of even date

For Viren Gandhi &amp; Co.

Chartered Accountants

 Chintan Gandhi  
Partner

 Mumbai  
Date: May 22, 2017

For and on behalf of the Board of Directors

 Sunil Biyani  
Managing Director  
DIN: 00006583

 Anil Cherian  
Company Secretary

 Vijai Singh Dugar  
Chairman  
DIN: 03163399

 Pawan Agarwal  
Chief Financial Officer

## Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations	15	8,699.57	8,914.20
Other income	16	3,307.19	2,624.68
<b>Total income</b>		<b>12,006.76</b>	<b>11,538.88</b>
<b>Expenses</b>			
Operating Cost	17	4,749.36	4,450.41
Cost of units sold	18	384.66	261.18
Employee benefits expense	19	467.63	440.10
Finance costs	20	4,360.59	5,562.97
Depreciation and amortization expense	21	2,735.08	3,236.72
Other expenses	22	1,640.96	794.79
<b>Total expenses</b>		<b>14,338.28</b>	<b>14,746.17</b>
<b>Profit before exceptional item, share of net profits of investments accounted for using equity method and tax</b>		<b>(2,331.52)</b>	<b>(3,207.29)</b>
Share of net profit of associates and joint ventures accounted by using equity method		118.94	(14.23)
<b>Profit before exceptional item and tax</b>			
Add : Profit on sale of investment in equity instruments of associates/subsidiaries		-	6,941.17
<b>Profit/(Loss) before tax from continuing operations</b>		<b>(2,212.58)</b>	<b>3,719.65</b>
<b>Income tax expenses</b>			
Current tax	6	1.81	12.28
Deferred tax	6	76.88	(6,649.25)
<b>Total tax expenses</b>		<b>78.69</b>	<b>(6,636.97)</b>
<b>Profit/(Loss) after tax from Continuing Operations</b>		<b>(2,291.27)</b>	<b>10,356.62</b>
<b>Discontinued Operations</b>			
Profit/(Loss) from Discontinued Operations before tax		(398.76)	-
Tax Expense on Discontinued Operations		-	-
<b>Profit/(Loss) from Discontinued Operations</b>		<b>(398.76)</b>	<b>-</b>
<b>Profit/(Loss) for the Year (A)</b>		<b>(2,690.03)</b>	<b>10,356.62</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	12	6.52	(2.04)
Equity instruments through other comprehensive income	10	(520.69)	896.79
Share of other comprehensive income of associates and joint ventures accounted by using equity method		-	(4.83)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	6	2.16	(0.67)
Equity instruments through other comprehensive income	6	(165.35)	142.84
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>(350.98)</b>	<b>747.75</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>(3,040.01)</b>	<b>11,104.37</b>
<b>Profit is attributable to :</b>			
Owners of Future Market Networks Limited		(2,694.01)	10,359.11
Non Controlling Interest		3.99	(2.48)
<b>Other comprehensive income is attributable to :</b>			
Owners of Future Market Networks Limited		(321.11)	677.49
Non Controlling Interest		(29.85)	70.26
<b>Total comprehensive income is attributable to :</b>			
Owners of Future Market Networks Limited		(3,015.12)	11,036.60
Non Controlling Interest		(25.87)	67.78
<b>Total comprehensive income is attributable to Owners of Future Market Networks Limited</b>			
Continuing Operations		(2,616.36)	11,036.60
Discontinuing Operations		(398.76)	-
<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) (₹)		(4.08)	18.51
Diluted (face value of ₹ 10/- each) (₹)		(4.08)	18.49
<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) (₹)		(0.71)	-
Diluted (face value of ₹ 10/- each) (₹)		(0.71)	-
<b>Earnings per equity share from profit attributable to owners of Future Market Networks Limited</b>			
Basic (face value of ₹ 10/- each) (₹)	26	(4.79)	18.51
Diluted (face value of ₹ 10/- each) (₹)		(4.79)	18.49
The above statement of consolidated profit and loss should be read in conjunction with the accompanying notes.	1-38		

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

Chintan Gandhi  
Partner

Mumbai  
Date: May 22, 2017

For and on behalf of the Board of Directors

Sunil Biyani  
Managing Director  
DIN: 00006583

Anil Cherian  
Company Secretary

Vijai Singh Dugar  
Chairman  
DIN: 03163399

Pawan Agarwal  
Chief Financial Officer

## Consolidated Statement of Change in Equity

(All amounts in INR lakhs, unless otherwise stated)

**A. Equity Share Capital**

As at 1 April 2015	5,585.44
Changes in equity share capital	31.68
<b>As at March 31, 2016</b>	<b>5,617.12</b>
Changes in equity share capital	12.01
<b>As at March 31, 2017</b>	<b>5,629.13</b>

**B. Other Equity**

	Reserve and surplus					Other Reserve	Total other equity	Non-controlling interests	Total
	Securities premium	Share option outstanding account	Retained earnings	Capital Reserve	Subordinated Debt	FVOCI-equity investments			
<b>Balance as at April 1, 2015</b>	25,238.81	46.41	(27,526.23)	7,474.75	3,066.00	(4,758.67)	3,541.07	368.37	3,909.44
Profit for the year	-	-	10,359.11	-	-	-	10,359.11	(2.48)	10,356.63
Other comprehensive income for the year	-	-	(1.36)	-	-	678.85	677.49	70.26	747.75
<b>Total Comprehensive income for the year</b>	-	-	10,357.75	-	-	678.85	11,036.60	67.78	11,104.38
Employee stock option expenses	43.18	16.46	-	-	-	-	59.64	-	59.64
Issue of Equity shares	6.34	(43.18)	-	-	-	-	(36.84)	-	(36.84)
Deductions during the year	(21.20)	-	-	-	-	(203.72)	(224.92)	-	(224.92)
<b>Balance as at March 31, 2016</b>	25,267.13	19.69	(17,168.48)	7,474.75	3,066.00	(4,283.54)	14,375.55	436.15	14,811.70
<b>Balance as at April 1, 2016</b>	25,267.13	19.69	(17,168.48)	7,474.75	3,066.00	(4,283.54)	14,375.55	436.15	14,811.70
Profit for the year	-	-	(2,694.01)	-	-	-	(2,694.01)	3.99	(2,690.02)
Other comprehensive income for the year	-	-	4.37	-	-	(325.48)	(321.11)	(29.86)	(350.96)
<b>Total comprehensive income for the year</b>	-	-	(2,689.64)	-	-	(325.48)	(3,015.12)	(25.87)	(3,040.98)
Employee stock option expenses	21.80	2.11	-	-	-	-	23.91	-	23.91
Issue of Equity shares	2.40	(21.80)	-	-	-	-	(19.40)	-	(19.40)
Addition during the year	-	-	-	529.94	1,839.97	-	2,369.91	-	2,369.91
<b>Balance as at March 31, 2017</b>	25,291.33	-	(19,858.12)	8,004.69	4,905.97	(4,609.02)	13,734.85	410.28	14,145.13

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**

**Mumbai**  
**Date: May 22, 2017**

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

**Sunil Biyani**  
**Managing Director**  
DIN: 00006583

**Anil Cherian**  
**Company Secretary**

**Vijai Singh Dugar**  
**Chairman**  
DIN: 03163399

**Pawan Agarwal**  
**Chief Financial Officer**

## Consolidated Cash Flow Statement for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash Flow from operating activities</b>		
<b>Profit / (Loss) before Tax</b>	<b>(2,611.33)</b>	<b>3,719.65</b>
Adjustments for		
<b>Add:</b>		
Provision For Doubtful Debt	-	8.62
Depreciation and amortisation expenses	2,836.22	3,236.73
Finance costs	4,486.53	5,562.96
Loss on assets sold or discarded/ Investment	407.57	-
Bad debts and irrecoverable balances written off	203.84	63.72
Share Based Payment Expenses	2.11	16.46
Provision for Gratuity & Leave Encashment	6.10	5.18
Impairment Loss	265.38	-
Share of loss of Equity Accounted Entities	-	14.23
<b>Less:</b>		
Interest received	(2,436.39)	(2,551.24)
Sundry balance written back	(533.67)	(35.56)
Share of Equity Accounted Entities	(118.94)	-
Profit on Sale of Investment	-	(6,467.49)
Profit on sale of assets	(325.08)	(0.42)
<b>Operating Profit before Working Capital change</b>	<b>2,182.34</b>	<b>3,572.84</b>
<b>Change in operating assets and liabilities</b>		
Trade and Other Receivable	2,579.05	225.89
Trade Payable, Other Liabilities & Provisions	(6,452.70)	(3,442.54)
Inventory	134.90	(1,064.70)
<b>Cash generated from operations</b>	<b>(1,556.41)</b>	<b>(708.51)</b>
Income taxes paid	929.39	232.72
<b>A Net cash outflow from operating activities</b>	<b>(627.02)</b>	<b>(475.79)</b>
<b>Cash flow from investing activities:</b>		
Sale of Fixed Assets	2,282.75	16.67
Purchase of Fixed Assets	(114.07)	(6,661.05)
Sale of Investment	-	3,345.83
Purchase of Investment	(146.50)	(228.99)
Loans received / (given)	3,537.60	5,695.66
Interest received	2,436.39	2,551.24
Fixed Deposit Matured	0.23	0.67
<b>B Net cash inflow from investing activities</b>	<b>7,996.40</b>	<b>4,720.03</b>
<b>Cash flow from financing activities</b>		
Interest paid	(4,486.53)	(5,562.96)
Proceeds of Equity Shares	14.42	38.01
Proceeds from Subordinated Debt	1,839.97	-
Net Proceeds of Short Term Borrowings	2,324.43	6,031.74
Net Repayment of Long Term Borrowings	(6,593.76)	(4,824.27)
<b>C Net cash outflow from financing activities</b>	<b>(6,901.47)</b>	<b>(4,317.48)</b>
<b>Net increase/(decrease) in cash and cash equivalents from Continuing Operations</b>	<b>467.91</b>	<b>(73.24)</b>
Add: Cash and cash equivalents at the beginning of the financial year	(463.58)	(390.34)
<b>Cash and cash equivalents at the end of the year</b>	<b>4.33</b>	<b>(463.58)</b>
<b>Cash and cash equivalents at the end of the year</b>		
Cash and cash equivalents	696.11	95.22
Bank Overdraft	(691.78)	(558.80)
<b>Balance as per Cash Flow Statement</b>	<b>4.33</b>	<b>(463.58)</b>
The above statement of Consolidated Cash Flow 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

Mumbai  
Date: May 22, 2017

For and on behalf of the Board of Directors

Sunil Biyani  
Managing Director  
DIN: 00006583

Anil Cherian  
Company Secretary

Vijai Singh Dugar  
Chairman  
DIN: 03163399

Pawan Agarwal  
Chief Financial Officer

## Notes to the consolidated financial statements for the year ended March 31, 2017

### 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 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 financial statements upto year ended March 31, 2016 were prepared in accordance with the accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant Provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer note 38 for an explanation of how the transaction from previous GAAP to Ind AS has affected the Group's financial positions, financial performance and cash flows.

##### (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 recognised at cost and adjusted thereafter to recognise the Group's share of the post -acquisition profits or losses of the investee in profit and loss, an 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 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**(b) Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as 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.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**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 useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. 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

### Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

### (d) Investments and other financial assets:

#### i) Classification

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

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

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

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

#### (ii) Measurement of financial assets

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

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

#### **Debt instruments:**

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

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

#### **Equity instruments**

The Group subsequently measures all equity investments 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**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Recognising revenue from major business activities**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

**Sale of Goods**

Sales are recognized when significant risk and rewards of ownership of goods have passed to the buyer which coincides with the delivery and they are recorded net of trade discounts, VAT and sales tax.

**Income from Services**

Revenue from services rendered is recognized as the service is performed based on agreements/ arrangement with concerned parties and revenue from end of the last billing to the balance sheet date is recognized as unbilled revenue.

Lease rentals income is recognized in the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

**(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 recognised 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 upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Other long-term employee benefit obligations

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

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

#### Post-employment obligations

The Group operates the following post-employment schemes:

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

#### Gratuity obligations

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

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

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

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

#### Defined contribution plans

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

#### 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

Estimating fair values for share based payment transaction requires the most appropriate valuation model, which depends on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity settled transactions with employees at the grant date, the Group uses Black – Scholes model. The assumptions used for estimating the fair value for share based transactions are disclosed in Note 29.

### (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 substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

## **(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.

## **(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 Group'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

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:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are not applicable to the company.

## Notes to the consolidated financial statements for the year ended March 31, 2017

(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, 2016</b>									
<b>Gross carrying amount</b>									
Deemed Cost as at April 1, 2015	25,461.49	2,698.06	232.23	6,297.45	155.62	5,653.68	0.21	<b>40,498.74</b>	1,716.40
Additions	2,257.79	25.70	4.86	119.95	1.39	82.70	-	<b>2,492.39</b>	38.32
Disposal/Transfer	(17,044.26)	(118.16)	(212.52)	(1,504.92)	(2.56)	(651.92)	-	<b>(19,534.34)</b>	(507.88)
<b>Closing gross carrying amount</b>	<b>10,675.02</b>	<b>2,605.60</b>	<b>24.57</b>	<b>4,912.48</b>	<b>154.45</b>	<b>5,084.46</b>	<b>0.21</b>	<b>23,456.79</b>	<b>1,246.84</b>
<b>Accumulated depreciation</b>									
Depreciation charge during the year	908.39	419.75	29.91	836.77	87.49	782.17	-	<b>3,064.48</b>	-
Deductions and adjustments	(232.28)	(21.85)	(22.21)	(106.13)	-	(50.31)	-	<b>(432.78)</b>	-
<b>Closing accumulated depreciation</b>	<b>676.11</b>	<b>397.90</b>	<b>7.70</b>	<b>730.64</b>	<b>87.49</b>	<b>731.86</b>	<b>-</b>	<b>2,631.70</b>	<b>-</b>
<b>Net carrying amount March 31, 2016</b>	<b>9,998.91</b>	<b>2,207.70</b>	<b>16.87</b>	<b>4,181.84</b>	<b>66.96</b>	<b>4,352.60</b>	<b>0.21</b>	<b>20,825.09</b>	<b>1,246.84</b>
<b>Year ended March 31, 2017</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	10,675.03	2,605.60	24.57	4,912.49	154.44	5,084.46	0.21	<b>23,456.80</b>	1,246.84
Additions	-	13.40	2.47	3.42	1.82	-	-	<b>21.11</b>	47.96
Disposal/Transfer	-	-	-	-	-	-	-	<b>-</b>	-
Assets classified as held for sale	-	(279.75)	(1.92)	(513.96)	(9.18)	(567.33)	(0.20)	<b>(1,372.35)</b>	(946.72)
<b>Closing gross carrying amount</b>	<b>10,675.03</b>	<b>2,339.25</b>	<b>25.12</b>	<b>4,401.95</b>	<b>147.08</b>	<b>4,517.13</b>	<b>0.01</b>	<b>22,105.56</b>	<b>348.08</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	676.11	397.90	7.70	730.64	87.49	731.86	-	<b>2,631.70</b>	-
Depreciation charge during the year	810.49	372.27	4.62	679.19	41.42	672.34	-	<b>2,580.33</b>	-
Depreciation related to Assets classified as held for sale	-	(47.90)	-	(105.58)	(5.82)	(112.79)	-	<b>(272.09)</b>	-
<b>Closing accumulated depreciation</b>	<b>1,486.60</b>	<b>722.27</b>	<b>12.32</b>	<b>1,304.25</b>	<b>123.09</b>	<b>1,291.41</b>	<b>-</b>	<b>4,939.94</b>	<b>-</b>
<b>Net carrying amount</b>	<b>9,188.43</b>	<b>1,616.98</b>	<b>12.80</b>	<b>3,097.70</b>	<b>23.99</b>	<b>3,225.72</b>	<b>0.01</b>	<b>17,165.62</b>	<b>348.08</b>

(i) Property, plant and equipment pledged as security

(Refer to note 28 for information on property, plant and equipment pledged as security by the Group).

ii) Capital work-in-progress

(Capital work-in-progress mainly comprises lease hold improvements, furniture &amp; fixtures).

## 4. Investment Properties

	Freehold Land	Building	Total
<b>Year ended March 31, 2016</b>			
<b>Gross carrying amount</b>			
Deemed Cost as at April 1, 2015	69.94	10,332.62	<b>10,402.56</b>
Additions	-	4,638.23	<b>4,638.23</b>
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>14,970.85</b>	<b>15,040.79</b>
<b>Accumulated depreciation</b>			
Depreciation charge during the year	-	172.25	<b>172.25</b>
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>172.25</b>	<b>172.25</b>
<b>Net carrying amount March 31, 2016</b>	<b>69.94</b>	<b>14,798.60</b>	<b>14,868.54</b>
<b>Year ended March 31, 2017</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	14,970.85	<b>15,040.79</b>
Additions	3,593.67	8,551.26	<b>12,144.93</b>
Assets classified as held for sale	(3,593.67)	(15,833.36)	<b>(19,427.03)</b>
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>7,688.75</b>	<b>7,758.69</b>

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
<b>Accumulated depreciation and impairment</b>			
Opening accumulated depreciation	-	172.25	<b>172.25</b>
Depreciation charge during the year		255.89	<b>255.89</b>
Deductions and adjustments		(273.82)	<b>(273.82)</b>
<b>Closing accumulated depreciation</b>	-	<b>154.32</b>	<b>154.32</b>
<b>Net carrying amount</b>	<b>69.94</b>	<b>7,534.43</b>	<b>7,604.37</b>

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

	As at March 31, 2017	As at March 31, 2016
Rental income	683.27	828.16
Direct operating expenses from property that generated rental income	68.46	201.33
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	614.82	626.82
Depreciation	154.75	172.25
Profit from investment properties	460.07	454.57

**(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, 2017	As at March 31, 2016	As at April 1, 2015
Within one year	675.64	683.27	168.19
Later than one year but not later than 5 years	2,491.53	2,561.52	1,759.97
Later than 5 years	110.00	715.64	989.99
<b>Total</b>	<b>3,277.16</b>	<b>3,960.43</b>	<b>2,918.15</b>

**(iii) Fair value**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment properties	36,397.54	46,706.30	32,507.30

**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, 2017	As at March 31, 2016	As at April 1, 2015
<b>a. Investment in associates</b>			
Unquoted			
1,10,746 Equity Shares of Nishta Mall Management Company Private Limited	-	-	1,561.93
4,00,816 Equity Shares of Unique Malls Private Limited	-	-	536.89
60,10,000 Equity Shares of Precision Reality Developers Private Limited	-	-	601.84
3,54,282 Equity Shares of Acute Realty Private Limited	-	-	2,337.57
<b>b. Investment in joint venture</b>			
Unquoted			
6589 (6129) (5,669) Equity Shares of Riddhi Siddhi Mall Management Company Private Limited	535.33	339.74	116.12
1,50,000 Equity Shares of Future Retail Destination Limited	1,466.93	1,479.02	1,490.14
25,000 Equity Shares of Utility Developers Private Limited	113.69	114.75	82.44
15,000 Equity Share of Star Shopping Centres Private Limited	8.55	-	-
6,14,161 Equity Shares of Future Trade Markets Private Limited	3,873.68	3,834.63	3,890.70
<b>Total (a+b)</b>	<b>5,998.18</b>	<b>5,768.14</b>	<b>10,617.63</b>



## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<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	931.64
	<b>931.64</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			
1,65,000 Equity Shares of Calcutta Metropolitan Group Limited	-	-	991.57
65,000 Equity Shares of Riverbank Developers Private Limited	-	-	2,308.43
11,425 Equity Shares of V.R.Procurement Corporation Pvt Ltd.	23.88	23.88	23.88
10,000 Equity Shares of Navika Developers Private Limited	1.00	1.00	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	1.00	1.00	1.00
10,000 Equity Shares of Ujjain Future Bazaar Private Limited	1.09	1.00	1.00
10,000 Equity Shares of Harmony Malls Management Private Limited	1.00	1.00	1.00
20,10,000 Equity Shares of Precision Reality Developers Private Limited	251.05	201.00	-
1,58,094 Equity Shares of Acute Realty Private Limited	1,000.20	1,501.81	-
10,000 Equity Shares of F R Retail Destination Private Limited	0.10	0.10	-
10,000 Equity Shares of Niyman Mall Management Company Private Limited	11.83	11.82	-
10,000 Equity Shares of Ojas Mall Management Private Limited	1.02	1.00	-
43,582 Equity Shares of Nishita Mall Management Company Private Limited	966.98	1,035.24	-
2,17,272 Equity Shares of Unique Malls Private Limited	390.33	391.31	-
<b>Total (c)</b>	<b>2,649.48</b>	<b>3,170.16</b>	<b>3,327.88</b>
<b>Non-current investments total (a+b+c+d)</b>	<b>9,579.30</b>	<b>9,869.94</b>	<b>14,877.15</b>

## 5(b). Trade receivables

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	1,545.05	3,457.43	9,601.74
Less: Allowance for bad and doubtful debts	(84.62)	(666.64)	(658.01)
<b>Total Trade receivables</b>	<b>1,460.43</b>	<b>2,790.79</b>	<b>8,943.73</b>
<b>Breakup of securities details</b>			
Secured, considered good	-	-	-
Unsecured, considered good	1,474.18	2,790.79	8,943.73
Doubtful	70.87	666.64	658.01
<b>Total</b>	<b>1,545.05</b>	<b>3,457.43</b>	<b>9,601.74</b>
Less: Allowance for doubtful debts	(84.62)	(666.64)	(658.01)
<b>Total trade receivables</b>	<b>1,460.43</b>	<b>2,790.79</b>	<b>8,943.73</b>

(Refer to note 28 for information on trade receivables pledged as security by the company).



**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**5(c). Loans**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non Current</b>			
Security Deposits	1,756.49	1,795.88	1,753.54
Loans and advances to others	2,518.05	1,825.72	1,151.86
Advance against purchases of shares	650.00	650.00	650.00
<b>Total Non current loans and advances</b>	<b>4,924.54</b>	<b>4,271.60</b>	<b>3,555.40</b>
<b>Current</b>			
Security Deposits	2,089.53	2,089.53	6,709.26
Loans and advances	7,549.62	12,239.39	1,263.75
Loans and advances to related parties	340.30	144.48	10,282.90
<b>Total current loans and advances</b>	<b>9,979.45</b>	<b>14,473.40</b>	<b>18,255.91</b>

**5(d). Cash and cash equivalents**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Cash on hand</b>	1.23	18.01	11.33
<b>Balances with Banks</b>			
In current accounts	694.88	77.21	170.99
<b>Total Cash and cash equivalents</b>	<b>696.11</b>	<b>95.22</b>	<b>182.32</b>

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed Deposit*	6.50	6.50	60.49
Interest accrued on fixed deposit	0.18	0.42	0.06
<b>Total Bank Balances other than above</b>	<b>6.68</b>	<b>6.92</b>	<b>60.55</b>

\* Lien against Bank Guarantee

**5(f). Other financial assets**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Other non-current financial assets</b>			
<b>Considered good</b>			
Share application money	-	-	35.00
Bank deposits with more than 12 months maturity	15.28	14.26	13.12
<b>Total Non-current financial assets</b>	<b>15.28</b>	<b>14.26</b>	<b>48.12</b>
<b>Other current financial assets</b>			
<b>Considered good</b>			
Unbilled Revenue	6.81	19.27	2.06
Advance to Staff	7.80	15.18	-
Others	-	-	9.12
<b>Total current financial assets</b>	<b>14.61</b>	<b>34.45</b>	<b>11.18</b>

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

## 6. Current and deferred tax

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

	March 31, 2017	March 31, 2016
<b>Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	1.81	12.28
Adjustments for current tax of prior periods	-	-
<b>Total current tax (expense)</b>	<b>1.81</b>	<b>12.28</b>
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	76.88	(6,649.25)
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	76.88	(6,649.25)
<b>Income tax expense</b>	<b>78.69</b>	<b>(6,636.97)</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, 2017	March 31, 2016
<b>Profit from operation before income tax expenses</b>	(2,611.33)	3,719.65
<b>Income tax rate @ 33.063%</b>	(863.38)	1,229.83
<i>Differences due to:</i>		
Permanent Differences	28.59	(1,899.52)
Profit of share in associate and Joint Venture not taxable	(39.32)	4.71
Standard Deduction on Rental Income	(116.25)	(129.11)
Difference in tax rate of other Group entity	7.63	1.05
Adjustment related to Unabsorbed Losses	1,078.35	-
Deferred Tax related to earlier years now recognized	-	(5,850.61)
Others	(16.92)	6.69
<b>Income tax expenses</b>	<b>78.70</b>	<b>(6,636.96)</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 Group

	March 31, 2017	March 31, 2016	April 1, 2015
Unused tax losses for which no deferred tax asset has been recognised	2,584.19	-	15,839.81
Potential tax benefit @ 34.61%	854.41	-	5,237.11

**Notes to the consolidated financial statements for the year ended March 31, 2017**
**6(d) Deferred tax assets (net)**

(All amounts in INR lakhs, unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Net Deferred Tax Asset</b>			
Tax losses	5,027.86	5,138.65	456.64
Provisions	8.62	7.22	-
Provisions (Net)	7.14	7.89	-
Fair valuation of financial assets-P&L (Net)	381.95	487.02	(5.37)
Fair valuation of financial assets-OCI (Net)	154.03	85.83	-
Property Plant & Equipment	1,218.62	1,058.16	(319.72)
MAT credit entitlement	679.17	679.17	679.17
Freehold Land	7.41	6.22	-
<b>Net Deferred Tax Asset*</b>	<b>7,476.18</b>	<b>7,462.94</b>	<b>810.72</b>
* Represent aggregate for entities having net deferred tax assets			
<b>Net Deferred Tax Liabilities</b>			
Tax losses	534.47	529.80	-
Property, plant and equipment	(409.40)	(380.12)	(148.31)
Fair valuation of financial assets-P&L (Net)	(5.00)	(5.52)	-
Fair valuation of financial assets-OCI (Net)	(131.52)	(228.67)	-
<b>Net Deferred Tax Liabilities*</b>	<b>(11.45)</b>	<b>(84.51)</b>	<b>(148.31)</b>
* Represent aggregate for entities having net deferred tax liability			
<b>Deferred tax assets (net)</b>	<b>7,464.73</b>	<b>7,378.43</b>	<b>662.41</b>

**6(e) Movement in deferred tax (liabilities)/assets**

	Provisions	Unabsorbed Losses	Fair valuation of financial assets	Property, Plant and Equipment	Freehold Land	MAT credit entitlement	Total
<b>At April 1, 2015</b>	-	456.64	(5.37)	(468.03)	-	679.17	662.41
(Charged)/credited:							
- to profit or loss	7.22	5,211.81	635.18	788.82	6.22	-	6,649.25
- to other comprehensive income	0.67	-	(142.84)	-	-	-	(142.17)
- Reductions on account of Desubsidiarization	-	-	-	208.93	-	-	208.93
<b>At March 31, 2016</b>	<b>7.89</b>	<b>5,668.45</b>	<b>486.97</b>	<b>529.72</b>	<b>6.22</b>	<b>679.17</b>	<b>7,378.42</b>
(Charged)/credited:							
- to profit or loss	1.40	(106.11)	(313.48)	340.11	1.19	-	(76.88)
- to other comprehensive income	(2.15)	-	165.35	-	-	-	163.20
- Deferred tax on basis adjustment	-	-	-	-	-	-	-
<b>At March 31, 2017</b>	<b>7.14</b>	<b>5,562.34</b>	<b>338.84</b>	<b>869.83</b>	<b>7.41</b>	<b>679.17</b>	<b>7,464.74</b>

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

## 7. Other assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Other non-current assets</b>			
Business Advance	-	1,911.91	1,941.50
Business Advance - Related Party	240.68	283.36	272.39
Capital Advance	3,650.00	3,765.00	7,365.74
Balances with Govt. Authorities	351.39	1,351.44	2,366.74
Prepaid Expense	384.15	763.42	977.28
<b>Total Other Non-current assets</b>	<b>4,626.22</b>	<b>8,075.13</b>	<b>12,923.65</b>
<b>Other current assets</b>			
Security Deposits	5.86	7.18	9.93
Business Advance	1,506.63	1.60	31.61
Balances with Govt. Authorities	38.53	55.15	187.06
Prepaid Expense	177.06	369.61	415.78
Loans and advances to others	-	275.49	-
<b>Total Other current assets</b>	<b>1,728.08</b>	<b>709.03</b>	<b>644.38</b>

## 8. Inventories

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Finished Shops	929.80	1,064.70	-
<b>Total Inventories</b>	<b>929.80</b>	<b>1,064.70</b>	<b>-</b>

## 9. Assets classified as held for sale

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Buildings	7,708.03	871.87	888.12
Assets of Naman Mall Management Company Private Limited	12,962.14	-	-
<b>Total</b>	<b>20,670.17</b>	<b>871.87</b>	<b>888.12</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 sale is expected to be completed before the end of financial year 2018. The asset is presented separately under assets held for sale.

However, in March 2017, the Board of directors of Future Market Networks Limited decided to sell the investment in Naman Mall Management Company Private Limited (subsidiary) which was acquired in June 2016. Accordingly, the buyer has been identified and a Share Purchase Agreement has been executed among the parties on March 30, 2017 for the sale of shares on such conditions as contained therein. The asset is presented separately under assets held for sale (Refer Note 27 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, 2017	As at March 31, 2016	As at April 1, 2015
<b>Authorised</b>			
90,260,000 Equity Shares [March 31, 2016: 90,260,000 Equity Shares and April 1, 2015: 90,260,000 Equity Shares] of ₹ 10/- each	9,026.00	9,026.00	9,026.00
5,000 Preference Shares [March 31, 2016: 5,000 Preference Shares and April 1, 2015: 5,000 Preference Shares] of ₹ 10/- each	0.50	0.50	0.50
	<b>9,026.50</b>	<b>9,026.50</b>	<b>9,026.50</b>

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

<b>Issued Capital*</b>			
56,291,851 Equity Shares [March 31, 2016: 56,171,726 Equity Shares and April 1, 2015: 55,854,976 Equity Shares] of ₹ 10/- each	5,629.19	5,617.17	5,585.50
<b>Total</b>	<b>5,629.19</b>	<b>5,617.17</b>	<b>5,585.50</b>

\* includes 570 shares held in abeyance

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Subscribed and paid up</b>			
56,291,281 Equity Shares [March 31, 2016: 56,171,156 Equity Shares and April 1, 2015: 55,854,406 Equity Shares] of ₹ 10/- each	5,629.13	5,617.12	5,585.44
<b>Total</b>	<b>5,629.13</b>	<b>5,617.12</b>	<b>5,585.44</b>

**a) Movements in Equity Share Capital**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,61,71,156	5,617.12	5,58,54,406	5,585.44	5,58,54,406	5,585.44
Add: ESOP shares issued during the year	1,20,125	12.01	3,16,750	31.68	-	-
<b>Balance as at the end of the year</b>	<b>5,62,91,281</b>	<b>5,629.13</b>	<b>5,61,71,156</b>	<b>5,617.12</b>	<b>5,58,54,406</b>	<b>5,585.44</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, 2016) including equity shares issued pursuant to contract without payment being received in cash**

- In Financial Year 2011-12 - Allotted 4,46,83,440 equity shares of ₹ 10/- each under the scheme of amalgamation approved by Bombay High Court on January 20, 2012.
- In Financial Year 2015 -16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.
- 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, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% held	Number of shares	% held	Number of shares	% held
Manz Retail Private Limited	16,430,824	29.19%	16,430,824	29.25%	16,430,824	29.42%
Future Corporate Resources Limited	15,176,754	26.96%	15,176,754	27.02%	15,176,754	27.17%
Weavette Business Ventures Limited	8,563,367	15.21%	8,563,367	15.25%	8,563,367	15.33%
Ishbhoomi Fabtraders Private Limited	4,615,516	8.20%	4,615,516	8.22%	4,127,870	7.39%
	<b>44,786,461</b>	<b>79.56%</b>	<b>44,786,461</b>	<b>79.74%</b>	<b>44,298,815</b>	<b>79.31%</b>

**10(b). Other Equity**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Reserve and surplus</b>			
Capital Reserve	8,004.69	7,474.75	7,474.75
Securities Premium	25,291.33	25,267.13	25,238.81
Share Option Outstanding Account	-	19.69	46.41
Retained Earnings	(19,858.12)	(17,168.48)	(27,526.23)
Subordinated Debt*	4,905.97	3,066.00	3,066.00
Other Reserves	(4,609.02)	(4,283.54)	(4,758.67)
<b>Total</b>	<b>13,734.85</b>	<b>14,375.55</b>	<b>3,541.07</b>

\* The Subordinated Debt represents loan taken from Future Corporate resources Limited.

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
<b>(i) Capital Reserve</b>		
Opening Balance	7,474.75	7,474.75
Movement during the year	529.94	-
<b>Closing Balance</b>	<b>8,004.69</b>	<b>7,474.75</b>
<b>(ii) Securities Premium</b>		
Opening Balance	25,267.13	25,238.81
Exercise of options	21.80	43.18
Share issued	2.40	6.34
Utilized during the year	-	(21.20)
<b>Closing Balance</b>	<b>25,291.33</b>	<b>25,267.13</b>
<b>(iii) Share Option Outstanding Account</b>		
Opening Balance	19.69	46.41
Add: Employee Stock option expenses	2.11	16.46
Less: Exercise of option	(21.80)	(43.18)
<b>Closing Balance</b>	<b>-</b>	<b>19.69</b>
<b>(iv) Retained Earnings</b>		
Opening Balance	(17,168.48)	(27,526.23)
Add: profit for the year	(2,694.01)	10,359.11
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation & Deferred Tax (Actuarial Gains)	4.37	(1.36)
Deferred tax (Actuarial Gains)	-	-
<b>Closing Balance</b>	<b>(19,858.12)</b>	<b>(17,168.48)</b>

## 10(b). Other Equity

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>Other Reserves</b>			
Opening Balance	(4,283.54)	(4,758.67)	-
Change in fair value of FVOCI equity instruments & Deferred Tax there-on (Fair Value)	(325.48)	678.85	(4,758.67)
Deductions during the year	-	(203.72)	-
<b>Closing Balance</b>	<b>(4,609.02)</b>	<b>(4,283.54)</b>	<b>(4,758.67)</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.

**Share options outstanding account**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Future Market Networks Limited Employee stock option plan.

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**11(a). Borrowings**

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>Non Current</b>			
<b>Secured</b>			
Term loans from banks	16,191.93	22,730.61	34,227.41
Less: Current maturities of long term borrowing	(7,780.24)	(6,600.15)	(5,529.24)
Less: Interest accrued	-	-	-
<b>Unsecured</b>			
Other Loans	268.19	244.06	194.37
<b>Total Non Current Borrowing</b>	<b>8,679.88</b>	<b>16,374.51</b>	<b>28,892.54</b>

Nature of security	Terms of Repayment
Term Loan from Bank, balance outstanding amounting to ₹ 750.00 lakhs (March 31, 2016 : ₹ 2,125.00 lakhs and April 1, 2015 : ₹ 3,250 lakhs) is secured by First Pari Passu charge on all the current assets at the Malls of the Company (b) Hypothecation of all the movable properties at the Malls of the Company (c) First Pari Passu charge / assignment of all the revenues and receivables, trust and retention account and any other bank account of the Malls of the company (d) Personal Guarantee of the Promoters	Repayable in 20 quarterly installments starting from Dec 2012. Last installment due in Sep. 2017. Rate of interest - 4% above the Base Rate Present Effect Rate - 13.55% p.a.
Term Loan from Bank, balance outstanding amounting to ₹ 5972.19 lakhs (March 31, 2016 : ₹ 9,348.45 lakhs and April 1, 2015 : ₹ 12,690.00 lakhs) are secured by (a) Charge on Assets of ₹ 10,500.00 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 ₹100.00 cr (c) Second Pari Passu charge on the immovable property owned by Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 14 quarterly installments starting from March 2015. Last installment due in June 2018. Rate of interest - 4% above the Base Rate Present Effective Rate 13.70% p.a.
Term Loan from Bank, balance outstanding amounting to ₹ 8,500.00 lakhs (March 31, 2016 : ₹ 10,000.00 lakhs and April 1, 2015 : 10,000.00 lakhs) are secured by (a) Charge on Assets created out of the proposed Term Loan. (b) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 16 quarterly installments starting from June 2016. Last installment due in March 2019. Rate of interest 2.75% over base rate Present Effective Rate - 12.35%.p.a.
Term Loan from Bank, balance outstanding amounting to ₹ 1,004.40 lakhs (March 31, 2016 : ₹ 1,316.06 lakhs and April 1, 2015 : ₹ 1,565.86 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 installments starting from Feb 2011. Last installment due in Jan, 2020. Rate of interest - 4% above the Base Rate Present Effect Rate - 13.35% p.a.

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>Current</b>			
<b>Secured</b>			
Bank Overdraft	691.78	558.80	572.66
Inter corporate deposit	-	4,581.50	13,000.00
<b>Unsecured</b>			
Loans from related party	-	-	111.16
Other Loans	17,191.03	10,343.53	26,320.37
Less: Interest accrued	(8.81)	(2.52)	-
<b>Total Current Borrowing</b>	<b>17,874.00</b>	<b>15,481.31</b>	<b>40,004.19</b>



## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

**Secured borrowings and assets pledged as security**

- i) Bank overdraft secured by first and pari-passu hypothecation charge of all existing and future current assets including receivables of the borrower and personal guarantee of shareholder
- ii) Inter corporate deposit secured by hypothecation of movable assets and receivables of the company, both present and future and personal guarantee of promoter shareholder. Also secured by pledge of unencumbered Demat equity shares of the Company, Pantaloon Fashion Private Limited & Future Consumer Enterprise Limited by Promoters/Promoter Group.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note - 28.

**11(b). Other financial liabilities**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non Current</b>			
Security deposits	3,974.45	6,122.77	5,552.43
<b>Total Non-current financial liabilities</b>	<b>3,974.45</b>	<b>6,122.77</b>	<b>5,552.43</b>
<b>Current</b>			
Security deposits	2,998.21	5,556.13	7,378.83
Current Maturities of Long-Term Borrowings	7,780.24	6,600.15	5,529.24
Advance received against sale of Investment	200.00	-	3,300.00
Corpus Funds	19.32	-	-
Other payables (Retention Money)	1,750.34	1,744.31	4,028.93
<b>Total Current financial liabilities</b>	<b>12,748.11</b>	<b>13,900.59</b>	<b>20,237.00</b>

**11(c). Trade payables**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	1,631.72	2,589.27	3,548.92
<b>Total Trade payables</b>	<b>1,631.72</b>	<b>2,589.27</b>	<b>3,548.92</b>

**12. Employee benefit obligations**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non Current</b>			
Gratuity	13.64	13.71	9.11
Leave entitlement	7.62	6.47	5.71
<b>Total Non current Employee benefit obligations</b>	<b>21.26</b>	<b>20.18</b>	<b>14.82</b>
<b>Current</b>			
Gratuity	0.20	1.52	1.01
Leave entitlement	0.14	2.16	1.90
<b>Total current Employee benefit obligations</b>	<b>0.34</b>	<b>3.68</b>	<b>2.91</b>

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**13. Other liabilities**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non Current</b>			
Deferred Rent Income	702.06	1,341.41	2,350.64
<b>Total Other Non-current liabilities</b>	<b>702.06</b>	<b>1,341.41</b>	<b>2,350.64</b>
<b>Current</b>			
Statutory dues (including provident fund, tax deducted at source and others)	191.53	176.52	221.84
Advance from customers	10,103.57	10,795.25	7,244.39
Deferred Rent Income	492.13	715.01	521.34
Other payables	463.39	472.99	91.94
<b>Total Other current liabilities</b>	<b>11,250.62</b>	<b>12,159.77</b>	<b>8,079.51</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 ₹ 12.99 Lakhs (previous year ₹ 10.12 Lakhs) has been recognized as an expense in the Statement of Profit and Loss.

**Defined Benefit Plan**
**Gratuity**

The Company operates a gratuity plan administered by LIC. 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, 2017	As at March 31, 2016
<b>Opening defined benefit obligation</b>	<b>15.25</b>	<b>10.13</b>
Current service cost	5.08	2.71
Interest expense/(income)	1.16	0.81
<b>Total amount recognised in profit and loss</b>	<b>6.24</b>	<b>3.52</b>
<b>Remeasurements</b>		
(Gain )/loss from change in financial assumptions	1.04	-
Experience (gains)/losses	(7.56)	2.04
<b>Total amount recognised in other comprehensive income</b>	<b>(6.52)</b>	<b>2.04</b>
Employer contributions	(1.11)	(0.44)
<b>Closing defined benefit obligation</b>	<b>13.86</b>	<b>15.25</b>

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

	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defined benefit obligation	13.86	15.25	10.13
Fair value of plan assets	-	-	-
<b>Surplus /(Deficit)</b>	<b>13.86</b>	<b>15.25</b>	<b>10.13</b>
Effect of assets ceiling	-	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>13.86</b>	<b>15.25</b>	<b>10.13</b>

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
<b>Financial Assumptions</b>		
Discount rate	7.40%	8.00%
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, 2017	As at March 31, 2016
<b>Discount rate</b>		
a. Discount rate -100 basis point	15.81	17.41
b. Discount rate -100 basis point	12.16	13.39
<b>Salary growth rate</b>		
a. Rate -100 basis point	12.50	13.76
b. Rate -100 basis point	15.38	16.93

## Expected Future Cash Flows

	As at March 31, 2017
Year 1	0.20
Year 2	0.22
Year 3	0.26
Year 4	0.53
Year 5	0.33
Year 6 to 10	2.15

## 15. Revenue from Operations

	Year ended March 31, 2017	Year ended March 31, 2016
Sales	469.86	316.49
Less: Vat / Sales Tax	1.07	3.09
	<b>468.79</b>	<b>313.40</b>
Rent and other related revenues	8,201.66	8,577.27
Project Mangement Consultancy	29.12	23.53
<b>Total</b>	<b>8,699.57</b>	<b>8,914.20</b>

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**16. Other income**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Interest income</b>		
On bank deposits	0.46	0.42
On others	2,433.07	2,550.81
Profit on sale of Fixed Assets	325.08	0.42
Profit on sale of Investment	-	0.05
Excess Provision Written Back	507.90	-
Sale of Scrap	9.52	31.84
Miscellaneous Income	31.16	41.14
<b>Total</b>	<b>3,307.19</b>	<b>2,624.68</b>

**17. Operating Cost**

	Year ended March 31, 2017	Year ended March 31, 2016
Mall Maintenance Charges	170.06	188.95
Rent including lease rentals	4,579.30	4,261.46
<b>Total</b>	<b>4,749.36</b>	<b>4,450.41</b>

**18. Cost of Units sold**

	Year ended March 31, 2017	Year ended March 31, 2016
Cost of units sold	384.66	261.18
<b>Total</b>	<b>384.66</b>	<b>261.18</b>

**19. Employee benefits expense**

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages and Bonus	433.96	401.96
Contribution to Provident and Other Funds	24.18	17.45
Employees stock option scheme	1.89	15.71
Staff Welfare Expenses	7.60	4.98
<b>Total</b>	<b>467.63</b>	<b>440.10</b>

**20. Finance costs**

	Year ended March 31, 2017	Year ended March 31, 2016
Interest Expenses	4,345.00	5,527.94
Other Borrowing costs	15.59	35.03
<b>Total</b>	<b>4,360.59</b>	<b>5,562.97</b>

**21. Depreciation and amortization expense**

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on Property, Plant and Equipment	2,580.33	3,064.47
Depreciation on Investment property	154.75	172.25
<b>Total</b>	<b>2,735.08</b>	<b>3,236.72</b>

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

## 22. Other expenses

	Year ended March 31, 2017	Year ended March 31, 2016
Power and Fuel	45.53	106.32
Repairs and Maintenance - Others	76.32	131.86
Rent including lease rentals	47.82	42.17
<b>Auditors' Remuneration</b>		
Statutory Audit Fees	5.00	3.00
Tax Audit Fees	0.50	0.50
Other Services	2.73	3.62
Rates and Taxes	494.31	216.22
Insurance	18.55	20.01
Legal and Professional Fees	192.48	86.16
Listing Fees/Custodian Charges	9.51	6.43
Management Consultancy Charges	25.00	0.06
Director Sitting Fees	14.67	9.04
Provision for Doubtful Debts	-	8.62
Travelling and Conveyance Expenses	18.84	22.13
Sundry Balance Written Off	205.95	66.53
Water Charges	13.43	15.51
Other Expenses	62.75	56.61
Loss on discard of fixed assets	407.57	-
<b>Total</b>	<b>1,640.96</b>	<b>794.79</b>

## 23. Fair value measurements

## 23(a) Financial instruments by category

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
-Equity Instruments	2,649.47	-	3,170.16	-	3,327.88	-
-Preference shares	-	-	-	-	-	-
Loans	-	14,903.98	-	18,745.00	-	21,811.31
Trade receivables	-	1,460.42	-	2,790.79	-	8,943.73
Cash and cash equivalents	-	696.11	-	95.22	-	182.32
Bank Balances other than above	-	6.68	-	6.92	-	60.55
Other financial assets	-	29.89	-	48.71	-	59.30
<b>Total financial assets</b>	<b>2,649.47</b>	<b>17,097.08</b>	<b>3,170.16</b>	<b>21,686.65</b>	<b>3,327.88</b>	<b>31,057.21</b>
<b>Financial liabilities</b>						
Borrowings	-	26,553.88	-	31,855.82	-	68,896.73
Deposits from customer	-	3,974.45	-	6,122.77	-	5,552.43
Other financial liabilities	-	12,748.11	-	13,900.60	-	20,236.98
Trade payables	-	1,631.72	-	2,589.27	-	3,548.92
<b>Total financial liabilities</b>	<b>-</b>	<b>44,908.16</b>	<b>-</b>	<b>54,468.46</b>	<b>-</b>	<b>98,235.06</b>

## 23(b) Fair value hierarchy

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. During the year there are no financial instruments which are measured at Level 1.

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**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, 2017 and March 31, 2016:

	Investment in - Equity instruments
<b>As at April 01, 2015</b>	<b>3,327.88</b>
Additional equity infusion	-
Sale of Investment	(3,300.00)
Conversion of Subsidiaries/Associates in to other equity	2,245.50
Acquisition	-
Gains/(losses) recognised in Other Comprehensive Income	896.79
<b>As at March 31, 2016</b>	<b>3,170.16</b>
Conversion of loan into equity shares	-
Gains/(losses) recognised in Other Comprehensive Income	(520.69)
<b>As at March 31, 2017</b>	<b>2,649.47</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, 2017		March 31, 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Loans	14,903.98	14,988.24	18,745.00	18,814.46	21,811.31	21,811.31
Trade receivables	1,460.42	1,460.42	2,790.79	2,790.79	8,943.73	8,943.73
Cash and cash equivalents	696.11	696.11	95.22	95.22	182.32	182.32
Bank Balances other than above	6.68	6.68	6.92	6.92	60.55	60.55
Other financial assets	29.89	29.89	48.71	48.71	59.30	59.30
<b>Total financial assets</b>	<b>17,097.08</b>	<b>17,181.34</b>	<b>21,686.65</b>	<b>21,756.10</b>	<b>31,057.21</b>	<b>31,057.21</b>
<b>Financial liabilities</b>	-	-	-	-	-	-
Borrowings	26,553.88	26,553.88	31,855.82	31,855.82	68,896.73	68,896.73
Deposits from customer	3,974.45	4,051.01	6,122.77	6,195.13	5,552.43	5,552.43
Other financial liabilities	12,748.11	12,748.11	13,900.60	13,900.60	20,236.98	20,236.98
Trade payables	1,631.72	1,631.72	2,589.27	2,589.27	3,548.92	3,548.92
<b>Total financial liabilities</b>	<b>44,908.16</b>	<b>44,984.72</b>	<b>54,468.46</b>	<b>54,540.81</b>	<b>98,235.06</b>	<b>98,235.06</b>

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.

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

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 niether 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.

##### (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, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	26,588.54	31,914.72	68,981.95
Percentage of variable rate borrowings to total borrowings	100%	100%	100%
<b>Total borrowings</b>	<b>26,588.54</b>	<b>31,914.72</b>	<b>68,981.95</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, 2017	March 31, 2016	April 1, 2015
Interest rates – increase by 100 basis points*	265.89	319.15	689.82
Interest rates – decrease by 20 basis points*	53.18	63.83	137.96

\*Holding all other variables constant

#### B. Credit Risks

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

##### Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

The Group measures the expected credit loss of trade receivables and loan & advances customer wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.



**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**Movement in provisions of doubtful debts**

	As at March 31, 2017	As at March 31, 2016
<b>Opening provision</b>	<b>666.64</b>	<b>658.01</b>
Add:- Additional provision made	-	8.62
Less:- Provision write off	74.11	-
Less:- Provision reversed	507.90	-
<b>Closing provisions</b>	<b>84.62</b>	<b>666.64</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, 2017</b>				
Trade payables	1,631.72	1,631.72	-	<b>1,631.72</b>
Borrowings	26,588.54	17,874.00	8,714.54	<b>26,588.54</b>
Other Financial liabilities	18,142.34	12,748.11	5,394.23	<b>18,142.34</b>
Other Non Financial liabilities	10,758.48	10,758.48	-	<b>10,758.48</b>
<b>As at March 31, 2016</b>				
Trade payables	2,589.27	2,589.27	-	<b>2,589.27</b>
Borrowings	31,914.72	15,481.31	16,433.41	<b>31,914.72</b>
Other Financial liabilities	22,361.14	13,900.60	8,460.54	<b>22,361.14</b>
Other Non Financial liabilities	11,444.76	11,444.76	-	<b>11,444.76</b>
<b>As at March 31, 2015</b>				
Trade payables	3,548.92	3,548.92	-	<b>3,548.92</b>
Borrowings	68,981.95	40,004.19	28,977.76	<b>68,981.95</b>
Other Financial liabilities	28,796.41	20,236.98	8,559.43	<b>28,796.41</b>
Other Non Financial liabilities	7,558.16	7,558.16	-	<b>7,558.16</b>

**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

**(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.

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

Segment	As at March 31, 2017		As at March 31, 2016	
	Revenue from external customers	Total segment revenue	Revenue from external customers	Total segment revenue
Mall Management	8,699.56	8,699.56	8,914.20	8,914.20
<b>Total segment revenue</b>	<b>8,699.56</b>	<b>8,699.56</b>	<b>8,914.20</b>	<b>8,914.20</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, 2017	As at March 31, 2016
India	8,699.56	8,914.20
Outside India	-	-
<b>Total</b>	<b>8,699.56</b>	<b>8,914.20</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, 2017	As at March 31, 2016
India	37,568.59	52,609.85
Outside India	-	-
<b>Total</b>	<b>37,568.59</b>	<b>52,609.85</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, 2017	As at March 31, 2016
Customer 1	1,351.63	1,442.56

## 26. Earnings per share

	As at March 31, 2017	As at March 31, 2016
<b>(a) Basic and diluted earnings per share</b>		
<b>Profit attributable to the equity holders of the Group from Continuing Operations</b>	(2,295.25)	10,359.11
Total basic earnings per share attributable to the equity holders of the Group ( ₹ )	(4.08)	18.51
Total diluted earnings per share attributable to the equity holders of the Group ( ₹ )	(4.08)	18.49
<b>Profit attributable to the equity holders of the Group from Discontinuing Operations</b>	(398.76)	-
Total basic earnings per share attributable to the equity holders of the Group ( ₹ )	(0.71)	-
Total diluted earnings per share attributable to the equity holders of the Group ( ₹ )	(0.71)	-
<b>Profit attributable to the equity holders of the Group from Continuing &amp; Discontinuing Operations</b>	(2,694.01)	10,359.11
Total basic earnings per share attributable to the equity holders of the Group ( ₹ )	(4.79)	18.51
Total diluted earnings per share attributable to the equity holders of the Group ( ₹ )	(4.79)	18.49
<b>(b) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	56,206,700	55,951,335
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	56,206,700	56,020,936

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

- (i) Options granted to employees under the Future Market Networks Limited Employee Option Plan are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 29.

**27. Discontinued Operation**
**Naman Mall Management Company Private Limited**
**a) Description**

In March 2017, the company has announced to its intention to exit its subsidiary, Naman Mall Management Company Private Limited. Business acquired on June 29, 2016 as on and initiated an active program to locate the buyer for its subsidiary, Naman Mall Management Company Private Limited. The associated assets and liabilities were consequently presented as held for sale in financial statements for the year ended March 31, 2017.

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

<b>Financial performance</b>	<b>June -March 2017</b>
Revenue from Operations	164.45
Other Income	9.14
<b>Total</b>	<b>173.59</b>
<b>Expenses</b>	
Cost of units sold	22.30
Employee benefits expense	9.69
Finance costs	116.76
Depreciation and amortization expense	101.14
Other expenses (including impairment loss)	322.45
<b>Total</b>	<b>572.35</b>
<b>Profit before tax</b>	<b>(398.76)</b>
Tax Expenses	-
<b>Profit from discontinued operation</b>	<b>(398.76)</b>
<b>Cash Flow</b>	
Net cash inflow/ (outflow) from operating activities	(2,395.90)
Net cash inflow/ (outflow) from investing activities	45.48
Net cash inflow / (outflow) from financing activities	2,537.28
<b>Net increase in cash generated from discontinued operation</b>	<b>186.86</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 ...

<b>Assets classified as held for sale:</b>	<b>March 31, 2017</b>
Investment properties	12,043.78
Inventories	332.78
Cash and cash equivalents	186.86
Trade Receivables	82.41
Other assets	581.70
Less: Impairment Loss	(265.38)
<b>Total assets of disposal Group classified as held for sale</b>	<b>12,962.14</b>
<b>Liabilities directly associated with assets classified as held for sale:</b>	
Borrowings	9,564.44
Trade Payables	87.46
Other Liabilities	2,730.98
<b>Total liabilities of disposal Group classified as held for sale</b>	<b>12,382.87</b>
<b>Net Assets</b>	<b>579.27</b>

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### 28. Assets pledged as security

The carrying amounts of assets pledged as security for current and non - current borrowings are :

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current Assets</b>			
<b>Financial Assets</b>			
First Charge			
- Trade Receivables	1,421.28	2,764.32	2,922.13
<b>Total Current Assets pledged as Security</b>	<b>1,421.28</b>	<b>2,764.32</b>	<b>2,922.13</b>
<b>Non-Current Assets</b>			
First Charge			
Property, Plant and Equipment	16,637.30	20,233.77	20,310.09
Capital Work-in-Progress	-	946.72	1,454.61
Investment Properties	7,604.36	14,868.53	10,402.56
Assets Held for Sale	7,708.03	-	-
<b>Total Non Current Assets pledged as Security</b>	<b>31,949.69</b>	<b>36,049.03</b>	<b>32,167.25</b>
<b>Total Assets pledged as Security</b>	<b>33,370.97</b>	<b>38,813.35</b>	<b>35,089.39</b>

### 29. Share based payments

#### (a) Employee option plan/ Tradable Options

Future Market Networks Limited (FMNL) has granted options to eligible employees on September 24, 2012 under Employee Stock Option Scheme 2012 ("ESOS 2012"). 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.

In respect of the above stock options granted pursuant to the Scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.

#### (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, 2017		As at March 31, 2016	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	12	122,250	12	329,250
Options granted during the period		-	12	109,750
Exercised during the period	12	(120,125)	12	(316,750)
Expired during the period		-		-
Forfeited during the period	12	(2,125)	12	-
<b>Options outstanding at the end of the period</b>		<b>-</b>		<b>122,250</b>
<b>Options vested and exercisable at the end of the period</b>		<b>-</b>		<b>122,250</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, 2017	March 31, 2016
Employee compensation expense	1.89	15.71

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred employee compensation reserve	-	19.68	46.41

All options outstanding has been exercised on or before the year ended March 31, 2017.

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(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	7.45%
2. Expected Life	2.5 Years
3. Expected Volatility	70.70%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant	23.95

**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, 2017	March 31, 2016
Future Trade Market Private Limited	Joint Venture	Joint Venture
Star Shopping Centres Private Limited		
Future Retail Destination Limited		
Riddhi Siddhi Mall Management Private Limited		
Utility Developers Private Limited		
Sattva Realtors Limited	Investing Parties	Investing Parties
Future Corporate Resources Limited		
Manz Retail Private Limited		
Weavette Business Ventures Limited		
Acute Reality Private Limited ( 23.08.2015)		
Nishta Mall Management Company Private Limited ( 23.08.2015)	-	Associates
Precision Realty Developers Private Limited ( 23.08.2015)		
Unique Malls Private Limited (23.08.2015)		
Splendor Fitness Private Limited	Director Interested	Director Interested
Galaxy Entertainment Corporation Limited		
Retail Light Techniques India Limited	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Anil Cherian		
Sunil Biyani		
Pawan Agarwal	Relative of KMP	-
Ritu Pawan Agarwal		
Jollamma Anil Cherian		
Sunil Biyani	Managing Director	Managing Director
Rajesh Kalyani	Director	Director
Udita Jhunjhunwala		
Vijai Singh Dugar		
K.A Somayajulu		

**(b) Key managerial personnel compensation**

Particulars	March 31, 2017	March 31, 2016
Short-term employee benefits	79.13	31.95
Post-employment benefits	7.84	2.16
Employee share-based payment	7.50	0.47
<b>Total</b>	<b>94.47</b>	<b>34.58</b>

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

## (c) The Following transactions were carried out with the Related Parties in the ordinary course of business:-

Nature of Transaction	Joint Ventures	Associates	Investing Parties	Relative of KMP	Directors	Director Interested
Interest Income	<b>23.10</b> (27.16)	- (506.67)	- -	- -	- -	- -
Project Management Consultancy	<b>6.84</b> -	- -	- -	- -	- -	- -
Lease Rent Expenses	- -	- -	- -	<b>5.88</b> (2.46)	- -	- -
Reimbursement of Expenses	- (0.43)	- -	- -	- -	- -	- -
Sitting Fees	- -	- -	- -	- -	<b>11.10</b> (8.44)	- -
Investment in shares	<b>111.12</b> (207.80)	- -	- -	- -	- -	- -
Share application money Given	<b>112.59</b> (207.80)	- -	- -	- -	- -	- -
Share application money received back	<b>1.47</b> -	- -	- -	- -	- -	- -
Advances /Loans given net off received back	<b>163.17</b> (13.60)	- (1,262.19)	- -	- -	- -	- -
Advances /Loans taken net off repaid back	- -	- -	<b>(486.00)</b> -	- -	- -	- -
Deposits received	- -	- -	- -	- -	- -	- -
Deposits Received repaid back	- (50.28)	- -	- -	- -	- -	- (23.21)
Promotor Contribution	- -	- -	<b>1,839.97</b> -	- -	- -	- -
Business Advance Given	- (1.94)	- -	- -	- -	- -	- -
Business Advance Given Recived back Net	<b>42.68</b> -	- -	- -	- -	- -	- -
Shares issued under ESOP Scheme (at issue price)	- -	- -	- -	- -	<b>6.00</b> 18.00	- -
<b>Outstanding Balance as at March 31, 2017</b>						
Receivable	<b>(43.88)</b> -	- -	- -	- -	- -	- (166.30)
Payables	- (0.56)	- -	- (486.00)	- -	- -	- -
Subordinated Debt	- -	- -	<b>4,905.97</b> (3,066.00)	- -	- -	- -
Loans & Advances	<b>577.98</b> (427.60)	- -	- -	- -	- -	- -

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

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**(d) Significant Related Party Transactions**

Nature of Transaction	Name of the Company	March 31, 2017	March 31, 2016
Interest Income	Acute Realty Private Limited	-	192.43
	Nishita Mall Management Company Private Limited	-	134.28
	Unique Malls Private Limited	-	170.96
Project Management Consultancy	Future Trade Market Private Limited	7.87	-
Lease Rent Expenses	Jollamma Anil Cherian	2.94	2.46
	Ritu Pawan Agarwal	2.94	-
Reimbursement of Expenses	Sattva Realtors Limited	-	0.43
	Sun City Properties Private Limited	10.84	-
Remuneration to KMP	Pawan Agarwal	46.58	-
	Anil Cherian	40.05	34.58
Sitting Fees / ESOP	Rajesh Kalyani (Sitting Fees)	3.30	2.50
	Rajesh Kalyani (ESOP Shares)	6.00	18.00
	Vijai Singh Dugar (Sitting Fees)	3.60	2.80
	K.A Somayajulu (Sitting Fees)	3.60	2.80
Share application money given	Riddhi Siddhi Mall Management Private Limited (Joint Venture)	111.12	207.80
Investment in Shares	Riddhi Siddhi Mall Management Private Limited (Joint Venture)	111.12	207.80
Loan Given net off received Back	Precision Realty Developers Private Limited	-	254.05
	Unique Malls Private Limited	-	1,030.25
	Acute Realty Private Limited	-	597.47
	Nishita Mall Management Company Private Limited	-	(619.58)
	Future Retail Destination Limited (Joint Venture)	54.68	13.60
	Riddhi Siddhi Mall Management Private Limited	95.91	-
Advances repaid back	Weavette Business Ventures Limited	486.00	-
Deposit Repaid	Galaxy Entertainment Corporation Limited (Director Interest)	-	23.21
	Riddhi Siddhi Mall Management Private Limited (Joint Venture)	-	50.28
Promotor's Contribution	Future Corporate Resources Limited	1,839.97	-
Business Advance Given	Star Shopping Centers Private Limited	-	1.94
Business Advance Given Recived back Net	Star Shopping Centers Private Limited	42.68	-

**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, 2017	Year ended March 31, 2016	Year ended April 1, 2015
i)	Lease rentals recognized in Statement of Profit and Loss	4,369.55	4,104.75	3,937.21
ii)	Lease rentals payable not later than one year	3,602.22	4,191.77	2,969.17
iii)	Lease rentals payable later than one year and not later than five years	8,848.11	13,908.58	8,897.56
iv)	Lease rentals payable later than five years	4,409.84	7,290.58	1,450.30



## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

32. In respect of operating lease given by the company, the future minimum lease rental receivable under operating leases is as follows:

S. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
i)	Gross block of assets let out on operating lease	29,794.30	38,427.64	50,831.37
ii)	Accumulated depreciation as at March 31	5,094.25	2,803.95	-
iii)	Depreciation charged during the year to the Statement of Profit and Loss	2,735.07	3,236.73	-
iv)	Lease rentals recognised in Statement of Profit and Loss	6,132.09	6,342.23	5,764.82
v)	Lease rentals receivable not later than one year	6,062.89	3,393.88	1,054.90
vi)	Lease rentals receivable later than one year and not later than five years	8,370.78	5,668.68	644.33
vii)	Lease rentals receivable later than five years	110.00	-	-

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, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015	
Aashirwad Malls Private Limited	20-Jan-12	India	100.00%	100.00%	100.00%	NIL	NIL	NIL	Mall Management
Suhani Mall Management Company Private Limited	20-Jan-12	India	86.26%	86.26%	86.26%	13.74%	13.74%	13.74%	Mall Management
Sun City Properties Private Limited	20-Jan-12	India	55.17%	55.17%	55.17%	44.83%	44.83%	44.83%	Mall Management
Naman Mall Management Company Private Limited	20-Jun-16	India	100.00%	NIL	NIL	NIL	NIL	NIL	Mall Management
Niyman Mall Management Company Private Limited	20-Jan-12 Cease to be subsidiary w.e.f. 23-Aug-2015	India	10.00%	10.00%	100.00%	NIL	NIL	NIL	Mall Management
Ojas Mall Management Private Limited	20-Jan-12 Cease to be subsidiary w.e.f. 10-sep-2015	India	10.00%	10.00%	100.00%	NIL	NIL	NIL	Mall Management
F R Retail Destination Private Limited	20-Jan-12 Cease to be subsidiary w.e.f. 23-Aug-2015	India	10.00%	10.00%	100.00%	NIL	NIL	NIL	Mall Management

- (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.

Summarised balance sheet	Suhani Mall Management Private Limited			Suncity Properties Private Limited		
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015
Current assets	2,172.75	2,142.25	2,428.18	57.30	69.55	58.97
Current liabilities	4,463.42	4,285.58	4,233.48	37.37	36.91	50.23
<b>Net current assets</b>	<b>(2,290.67)</b>	<b>(2,143.32)</b>	<b>(1,805.30)</b>	<b>19.93</b>	<b>32.63</b>	<b>8.74</b>
Non-current assets	5,466.63	5,901.24	5,416.12	640.31	568.15	509.60
Non-current liabilities	808.79	1,199.24	1,535.55	473.73	414.78	332.67
<b>Net non-current assets</b>	<b>4,657.84</b>	<b>4,702.00</b>	<b>3,880.57</b>	<b>166.58</b>	<b>153.37</b>	<b>176.93</b>
<b>Net assets</b>	<b>2,367.18</b>	<b>2,558.68</b>	<b>2,075.27</b>	<b>186.51</b>	<b>186.00</b>	<b>185.67</b>
<b>Accumulated NCI</b>	<b>326.68</b>	<b>352.77</b>	<b>285.14</b>	<b>83.60</b>	<b>83.37</b>	<b>83.23</b>

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

	Suhani Mall Management Company Private Limited		Sun City Properties Private Limited	
Summarised statement of profit and loss	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue	415.04	397.31	3.18	3.18
Profit for the year	25.77	(27.97)	0.51	0.33
Other comprehensive income	(217.27)	511.37	-	-
<b>Total comprehensive income</b>	<b>(191.50)</b>	<b>483.41</b>	<b>0.51</b>	<b>0.33</b>
<b>Profit allocated to NCI</b>	<b>(26.31)</b>	<b>66.42</b>	<b>0.23</b>	<b>0.15</b>
<b>Dividends paid to NCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Suhani Mall Management Company Private Limited		Sun City Properties Private Limited	
Summarised cash flow	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Cash flows from operating activities	332.04	(1,703.46)	(2.21)	(16.17)
Cash flows from investing activities	3.74	209.67	(71.30)	(59.21)
Cash flows from financing activities	(311.09)	1,498.38	58.94	82.11
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>24.69</b>	<b>4.58</b>	<b>(14.56)</b>	<b>6.73</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, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016
Future Trade Markets Private Limited	India	Join Venture	70.00%	Equity method	3,873.68	3,834.63	3,890.70	(39.05)	56.07
Star Shopping Centres Private Limited	India	Join Venture	60.00%	Equity method	8.55	-	-	(8.55)	-
Utility Developers Private Limited	India	Join Venture	50.00%	Equity method	113.69	114.75	82.44	1.06	(37.14)
Riddhi Siddhi Mall Management Private Limited	India	Join Venture	50.00%	Equity method	1,466.97	1,271.38	1,047.76	(84.47)	(15.82)
Future Retail Destination Limited	India	Join Venture	50.00%	Equity method	1,466.93	1,479.02	1,490.14	12.08	11.13
Acute Realty Private Limited	India	Associate	31.27%	Equity method	-	-	2,337.57	-	-
Unique Malls Private Limited	India	Associate	37.65%	Equity method	-	-	536.89	-	-
Nishta Mall Management Company Private Limited	India	Associate	27.70%	Equity method	-	-	1,561.93	-	-
Precision Realty Developers Private Limited	India	Associate	22.94%	Equity method	-	-	601.84	-	-
<b>Total equity accounted investments</b>					<b>6,929.83</b>	<b>6,699.78</b>	<b>11,549.27</b>	<b>(118.94)</b>	<b>14.23</b>

## Notes to the consolidated financial statements for the year ended March 31, 2017

(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
Future Trade Markets Private Limited	March 31, 2017	143.79	52.53	91.25	5,442.15	-	5,442.15	5,533.40	3,873.38
	March 31, 2016	36.33	32.75	3.58	5,474.03	-	5,474.03	5,477.61	3,834.33
	March 31, 2015	612.11	23.29	588.81	4,968.90	-	4,968.90	5,557.71	3,890.40
Star Shopping Centres Private Limited	March 31, 2017	561.72	656.89	(95.17)	152.09	42.66	109.43	14.26	8.55
	March 31, 2016	714.83	688.88	25.95	166.53	211.68	(45.16)	(19.21)	-
	March 31, 2015	464.04	613.48	(149.45)	224.02	210.69	13.33	(136.11)	-
Utility Developers Private Limited	March 31, 2017	102.93	26.04	76.88	344.78	-	344.78	421.67	210.83
	March 31, 2016	101.20	22.19	79.01	344.78	-	344.78	423.79	211.90
	March 31, 2015	174.33	51.64	122.69	236.47	-	236.47	359.16	179.58
Riddhi Siddhi Mall Management Private Limited	March 31, 2017	244.71	708.60	(463.89)	6,510.21	91.60	6,418.61	5,954.72	2,977.36
	March 31, 2016	334.02	735.35	(401.34)	6,592.65	627.78	5,964.87	5,563.54	2,781.77
	March 31, 2015	2,144.12	2,404.00	(259.88)	6,700.89	1,324.72	5,376.17	5,116.29	2,558.14
Future Retail Destination Limited	March 31, 2017	1,252.89	249.26	1,003.63	1,930.01	-	1,930.01	2,933.64	1,466.82
	March 31, 2016	1,251.92	215.32	1,036.60	1,921.20	-	1,921.20	2,957.80	1,478.90
	March 31, 2015	1,251.76	180.43	1,071.33	1,908.74	-	1,908.74	2,980.06	1,490.03
Acute Realty Private Limited	March 31, 2015	1,015.39	6,165.68	(5,150.29)	28,661.84	16,806.00	11,855.84	6,705.55	2,096.83
Unique Malls Private Limited	March 31, 2015	1,013.51	3,766.27	(2,752.76)	27,910.82	23,995.20	3,915.61	1,162.85	437.81
Nishta Mall Management Company Private Limited	March 31, 2015	8,421.36	394.34	8,027.01	21,130.81	24,154.94	(3,024.14)	5,002.88	1,385.80
Precision Realty Developers Private Limited	March 31, 2015	730.74	5,070.13	(4,339.39)	21,612.61	14,775.45	6,837.16	2,497.77	572.99

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, 2017	220.90	55.79	-	55.79
	March 31, 2016	123.30	(80.10)	-	(80.10)
Star Shopping Centres Private Limited	March 31, 2017	2,431.68	33.11	0.35	33.46
	March 31, 2016	2,445.35	116.36	0.54	116.91
Utility Developers Private Limited	March 31, 2017	-	(2.12)	-	(2.12)
	March 31, 2016	92.23	74.29	(9.66)	64.63
Riddhi Siddhi Mall Management Private Limited	March 31, 2017	514.80	168.95	-	168.95
	March 31, 2016	476.30	31.65	-	31.65
Future Retail Destination Limited	March 31, 2017	-	(24.16)	-	(24.16)
	March 31, 2016	-	(22.26)	-	(22.26)

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**35. Additional Information as required under Schedule III to the Companies Act 2013 of Enterprises consolidated as subsidiary / Associates / Joint Ventures:-**

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	
	As a % of Consolidated Assets	Amount	As a % of Consolidated Assets	Amount	As a % of Consolidated Assets	Amount	As a % of Consolidated Assets	Amount
<b>Parent</b>								
Future Market Networks Limited	59.33%	7,620.24	-86.91%	(2,441.15)	-38.09%	(133.70)	-81.48%	(2,574.85)
<b>Subsidiaries:</b>								
Aashirwad Malls Private Limited	4.58%	587.79	0.11%	3.09	0.00%	-	0.10%	3.09
Suhani Mall Management Company Private Limited	19.66%	2,525.38	0.97%	27.34	-61.91%	(217.27)	-6.01%	(189.93)
Sun City Properties Private Limited	11.93%	1,531.77	0.02%	0.51	0.00%	-	0.02%	0.51
Naman Mall Management Company Private Limited (Discontinued Operations)	4.51%	579.27	-14.20%	(398.76)	0.00%	-	-12.62%	(398.76)
<b>Total</b>	<b>100%</b>	<b>12,844.44</b>	<b>-100.00%</b>	<b>(2,808.96)</b>	<b>-100%</b>	<b>(350.97)</b>	<b>-100.00%</b>	<b>(3,159.93)</b>
<b>Minority Interest in all subsidiaries</b>		(410.28)		3.99		(29.85)		(25.87)
<b>Joint Ventures:</b>		6,929.83		118.94		-		118.94
<b>Total</b>		<b>19,363.99</b>		<b>(2,694.01)</b>		<b>(321.11)</b>		<b>(3,015.12)</b>

**36. Disclosure In Respect of Specified Bank Notes Held & Transacted**

Particulars	Specified Bank Notes(SBN)	Other Denomination Notes & Coins	Total
Closing Cash in Hand on 08.11.2016	44.80	0.95	45.75
(+) Permitted Receipts	-	8.67	8.67
(-) Permitted Payments	-	5.02	5.02
(-) Amount deposited in Banks	44.80	0.59	45.38
Closing cash in hand as on 30.12.2016	-	4.01	4.01

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

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

- Corporate Guarantee given to bank on behalf of Companies - ₹64,950 Lakhs (2016: ₹64,950 Lakhs)  
(Refer Note 34 of Consolidated Financial Statements)
- Income tax demand - ₹ NIL (2016: ₹1,302.52 Lakhs)
- Service Tax disputed demand - ₹ 779.80 lakhs (2016: ₹ NIL)

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 other relevant provisions, the Company has been legally advised that the demand is not maintainable and the Company already filed a writ petition before Hon'ble High Court MP challenging the demand and accordingly no provision has been made.

- In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of Rs. 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.

## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

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.

### 38. First-time adoption of Ind AS

#### Transition to Ind AS

These are the first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions:

###### A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Group has applied same exemption for investment in associates and joint ventures.

###### A.1.2 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

###### A.1.3 Designation of previously recognized Financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity investments.

###### A.1.4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

###### A.1.5 Joint ventures

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

The Group has elected to apply this exemption for its joint venture.

**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**A.1.6 Share Based Payments**

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind AS.

The Group has elected not to apply Ind AS 102 share based payments to the equity instruments that vested before date of transition to Ind AS.

**A.2 Ind AS mandatory exceptions**
**A.2.1 Classification and measurement of financial assets**

As required by Ind AS 101 an entity to assessed the classification and measurement of financial assets (investment in debt instrument) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**A.2.2 Non-controlling interests**

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively.

**A.2.3 Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;
- Impairment of financial assets based on expected credit loss model.

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliations from previous GAAP to Ind AS.

**Consolidated Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

	Notes to first time adoption	As at March 31, 2016	As at April 1, 2015
<b>Opening Equity Balance</b>		<b>17,762.06</b>	<b>17,749.26</b>
Adjustments related to ESOPs	5	5.73	4.98
Fair valuation of Equity Investment	1	1,402.21	(4,780.67)
Fair valuation of Interest free Deposits and loans	6	(1,494.05)	(1,598.40)
Amortisation of Transaction Cost	2	58.89	85.23
Subordinated Debt	2	3,066.00	3,066.00
Investment accounted in Equity method	8	(2,679.31)	(603.38)
Impairment of Goodwill and loss of control	9	1,249.42	(5,105.62)
Deferred Tax	7	1,057.87	677.49
<b>Closing Equity Balance</b>		<b>20,428.82</b>	<b>9,494.89</b>

**Consolidated Reconciliation of total comprehensive income for the year ended March 31, 2016**

	Notes to first time adoption	As at March 31, 2016
Net profit (loss) as per Previous GAAP (Indian GAAP)		(48.18)
<b>Add/Less : Adjustment</b>		
Fair valuation of interest free deposits and loans	6	89.81
Measurement of financial liabilities at amortized cost	2	(26.33)
Reversal of loss on sale of equity instruments	1	5,286.09
Adjustment related to impairment of Goodwill and loss of control	9	6,603.75
Adjustments related to investment accounted in Equity method	8	(2,075.94)
Actuarial gain/ (loss) on employee defined benefit funds recognised in other comprehensive income	4	2.04
Adjustments related to ESOPs	5	(1.98)
Tax effect of adjustments	7	380.38
Actuarial gain/ (loss) on employee defined benefit funds recognised (OCI)	4	(2.04)
Fair Valuation of Equity Investments other than Investments in subsidiaries, Associates and Joint Ventures (OCI)	1	896.79
<b>Total comprehensive income for the period</b>		<b>11,104.38</b>



## Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### Impact of Ind AS on the Consolidated Statements of Cash Flows for the year ended March 31, 2016:

The Ind AS adjustments are either non cash adjustments or are reGrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP except as mentioned below for Investment accounted in Equity method. (Refer note C-8 below)

#### C. Notes to first time adoption:

##### Note 1. Fair valuation of investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI-Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2016.

Consequent to the above, the total equity as at March 31, 2016 increased by ₹ **480.45 lakhs** (April 1, 2015 - ₹ **(4,780.67 lakhs)**) and loss for the year ended March 31, 2016 and other comprehensive income was decreased by ₹ **6,182.88 lakhs**.

##### Note 2. Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Further, interest free loan given to Group company without any repayment terms are treated as Subordinated debts and reclassified from borrowings to Equity.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been increased by ₹ **3,124.89 lakhs** (April 1, 2015 ₹ **3,151.22 lakhs**) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended March 31, 2016 increased by ₹ **26.33 lakhs** as a result of the additional interest expense.

##### Note 3. Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

##### Note 4. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 and other comprehensive income is decreased and increased by ₹ **2.04 lakhs**. There is no impact on the total equity as at March 31, 2016.

##### Note 5. Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by ₹ **6.71 lakhs** as at March 31, 2016 (April 1, 2015- ₹ **9.32 lakhs**). The loss for the year ended March 31, 2016 increased by ₹ **1.98 lakhs**. There is no impact on total equity.

Under the previous GAAP, the cost of equity settled Group share based payments were not recognised in the books of the Company. Under Ind AS, the cost of equity settled Group share based payments is recognised, based on the fair value of the shares as at the grant date, as increase in contribution from the parent in equity of an associate. Consequently, the amount recognised in employee benefits reserve on account of Group share based payment increased by ₹ **5.73 lakhs** as at March 31, 2016 (April 1, 2015 ₹ **4.98 lakhs**).

##### Note 6. Interest free security deposits and loans

Under the previous GAAP, interest free lease security deposits/loans (that are refundable in cash) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits taken / given and interest free loans given under Ind AS. Difference between the fair value and transaction value of the security deposit taken has been recognised as deferred rent income and for security deposit given and loans given are recognised as deferred expenses except for loan given to an associate company wherein the Company has taken an option to recognise entire difference to opening retained earnings. Consequent to this change, for the security deposits taken, security deposits is decreased by ₹ **2,363.48 lakhs** as at March 31, 2016 (April 1, 2015 ₹ **3,085.46 lakhs**). The deferred rent is increased by ₹ **2,056.41 lakhs** as at March 31, 2016 (April 1,



**Notes to the consolidated financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

2015 ₹ 2871.98 lakhs). Total equity increased by ₹ 213.48 lakhs as on April 1, 2015. The loss for the year and total equity as at March 31, 2016 decreased by ₹ 79.04 lakhs due to amortisation of deferred rent of ₹ 841.06 lakhs which is partially off-set by the notional interest expenses of ₹ 747.47 lakhs recognised in security deposits taken and loss on sale of subsidiary amounting to ₹ 14.56 lakhs. For security deposits given, security deposits is decreased by ₹ 980.66 lakhs as at March 31, 2016 (April 1, 2015 ₹ 1,078.74 lakhs). The prepaid rent is increased by ₹ 747.61 lakhs as at March 31, 2016 (April 1, 2015 ₹ 808.07 lakhs). Total equity decreased by ₹ 270.67 lakhs as on April 1, 2015. The loss for the year and total equity as at March 31, 2016 decreased by ₹ 37.62 lakhs due to amortisation of prepaid rent of ₹ 187 lakhs which is partially off-set by the notional interest income of ₹ 224.62 lakhs recognised in security deposits given. For interest free loans given loan is decreased by ₹ 1,942.28 lakhs as at March 31, 2016 (April 1, 2015 ₹ 2,098.14 lakhs). The prepaid interest is increased by ₹ 356.21 lakhs as at March 31, 2016 (April 1, 2015 ₹ 556.92 lakhs). Total equity decreased by ₹ 1,541.22 lakhs as on April 1, 2015. The loss for the year and total equity as at March 31, 2016 increased by ₹ 26.85 lakhs due to amortisation of prepaid interest of ₹ 200.71 lakhs and additional loan taken by an Associate wherein the Company has taken an option to charge day one difference between fair value and transaction value to profit or loss of ₹ 272.29 lakhs which is partially off-set by the notional interest income of ₹ 446.15 lakhs recognised in loans given.

**Note 7. Deferred tax**

Deferred tax on Ind AS adjustments.

**Note 8. Investment accounted in Equity method**

- a) As required under IND AS 28 Investments in Associates and Joint Ventures, the Group has accounted for Interest in Joint venture as at transition date by equity method. Accordingly all assets and liabilities pertaining to Joint ventures which were consolidated line by line in previous accounting standards were excluded and balance difference between assets and liabilities pertains to Investment in Joint ventures accounted under previous GAAP. Further, adjustment to the effect of Ind AS in Joint ventures accounts have been given in Consolidated accounts as at transition date.
- b) Under previous GAAP, one entity controls another entity when it has the ownership of more than one-half of the voting power of the other entity or control of the composition of the board of directors so as to obtain economic benefits from its activities. Under IGAAP as on April 1, 2015, FMNL holds 70% in Future Trade Markets Private Limited and 60% in Star Shopping Centres Private as been considered as subsidiaries. Under Ind AS based on the control assessment carried out by the Group under Ind AS 110 Future Trade Markets Private Limited and Star Shopping Centers private Limited will be considered as a joint venture of the Group. Accordingly, under IGAAP the assets, liabilities, incomes and expenses of Future Trade Markets Private Limited and Star Shopping Centers private Limited have been consolidated with the Group on a line by line basis. The Group has also recognised non-controlling interests Future Trade Markets Private Limited and Star Shopping Centers private Limited. Further, adjustment to the effect of Ind AS in Joint ventures accounts have been given in Consolidated accounts as at transition date.
- (i) The following assets and liabilities of position as at March 31, 2016 and April 1, 2015 under previous GAAP:

Particulars	Erstwhile Subsidiary - Now Accounted as Joint Venture (Equity Accounting)		Erstwhile Joint Venture (proportionate consolidation now Accounted as Joint Venture (Equity Accounting))	
	1) Future Trade Markets Private Limited		1) Utility Developers Private Limited	
	2) Star Shopping Centres Private Limited		2) Riddhi Siddhi Mall Management Private Limited	
	3) Future Retail Destination Private Limited			
	March 31, 2016 Proportionate share of assets and liabilities	April 1, 2015 Proportionate share of assets and liabilities	March 31, 2016 Proportionate share of assets and liabilities	April 1, 2015 Proportionate share of assets and liabilities
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	18.53	15.63	4,030.81	4,081.66
Capital work-in-progress	-	-	170.32	165.04
Other intangible assets	1,631.64	1,631.64	(1,607.42)	(1,607.42)
<b>Financial assets</b>				
Investments	-	-	86.90	0.65
Loans	248.46	722.95	658.73	719.51
Deferred tax assets (net)	-	1.84	113.84	144.33
<b>Total non-current assets</b>	<b>1,898.63</b>	<b>2,372.06</b>	<b>3,453.19</b>	<b>3,503.77</b>

Particulars	Erstwhile Subsidiary - Now Accounted as Joint Venture (Equity Accounting)		Erstwhile Joint Venture (proportionate consolidation now Accounted as Joint Venture (Equity Accounting))	
	1) Future Trade Markets Private Limited		1) Utility Developers Private Limited	
	2) Star Shopping Centres Private Limited		2) Riddhi Siddhi Mall Management Private Limited	
			3) Future Retail Destination Private Limited	
	March 31, 2016 Proportionate share of assets and liabilities	April 1, 2015 Proportionate share of assets and liabilities	March 31, 2016 Proportionate share of assets and liabilities	April 1, 2015 Proportionate share of assets and liabilities
<b>Current assets</b>				
Inventories	5,088.49	4,635.95	-	-
<b>Financial assets</b>				
Trade receivables	420.28	257.15	133.50	78.24
Cash and cash equivalents	518.10	82.27	29.82	23.09
Loans	179.57	195.03	49.82	501.14
Other current assets	12.96	11.99	0.33	0.47
<b>Total current assets</b>	<b>6,219.40</b>	<b>5,182.39</b>	<b>213.47</b>	<b>602.94</b>
<b>Total assets</b>	<b>8,118.03</b>	<b>7,554.45</b>	<b>3,666.66</b>	<b>4,106.72</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	2,357.92	1,503.16	274.53	623.74
Other financial liabilities	267.07	238.88	-	-
<b>Total non-current liabilities</b>	<b>2,625.00</b>	<b>1,742.04</b>	<b>274.53</b>	<b>623.74</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	182.09	88.88	-	-
Trade payables	186.12	151.88	12.98	35.21
Short term provisions	44.47	-	8.90	15.73
Other current liabilities	1,270.81	1,593.22	409.72	1,242.24
<b>Total current liabilities</b>	<b>1,683.49</b>	<b>1,833.98</b>	<b>431.60</b>	<b>1,293.18</b>
<b>Total liabilities</b>	<b>4,308.49</b>	<b>3,576.01</b>	<b>706.13</b>	<b>1,916.92</b>

- (ii) The following items of income and expenditure were previously proportionately consolidated under previous GAAP:

	Erstwhile Subsidiary - Now Accounted as Joint Venture (Equity Accounting)	Erstwhile Joint Venture (proportionate consolidation now Accounted as Joint Venture (Equity Accounting))
Revenue	2,673.80	282.27
Expenses	(306.37)	6.18
Employee benefit expense	518.36	-
Depreciation and amortisation expense	4.16	26.00
Finance costs	-	110.19
Other expenses	275.06	49.71
Current tax expense	29.40	8.80
Profit after tax	2,153.20	81.39

**Impact on account of equity accounting of the joint venture under Ind AS:**

Share of profits of joint venture recognised as per equity method	(14.23)
Share of other comprehensive income (remeasurements) of joint venture recognised as per equity method	(4.83)

- (iii) Summarised statement of cash flows for the year ended 31 March 2016 not considered under Ind AS in the consolidated statement of cash flows:

Opening cash and cash equivalents 1 April 2015	105.35
Cash flow from operating activities	2,748.72
Cash flow from investing activities	(5,111.15)
Cash flow from financing activities	2,805.00
Closing cash and cash equivalents 31 March 2016	547.92

## Note 9: Impairment of Goodwill and loss of control

Under the previous GAAP, Goodwill was amortised over the period of 5 years. However under Ind AS, an entity is required to test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount. Accordingly, impairment assessment of Ojas Mall Management Private Limited was carried out as on 1st April 2015 and entire goodwill was impaired and amount amortised in 2016 was reversed. Further, there was a loss of control during the year ended 31 March 2016. Consequently, the profit or loss on de-subsidarisation was adjusted to the effect of impairment and other Ind AS adjustment given in Consolidated accounts.

## Note 10. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

### As per our Report of even date

For Viren Gandhi & Co.

Chartered Accountants

Chintan Gandhi  
Partner

Mumbai  
Date: May 22, 2017

### For and on behalf of the Board of Directors

Sunil Biyani  
Managing Director  
DIN: 00006583

Anil Cherian  
Company Secretary

Vijai Singh Dugar  
Chairman  
DIN: 03163399

Pawan Agarwal  
Chief Financial Officer

[illegible]



Notes

Lined area for notes, consisting of 30 horizontal lines.

**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 9<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 15<sup>th</sup> day of September 2017 at 2.00 p.m. 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, 2017 together with the reports of the Board of Directors and Auditors thereon; and b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2017 together with the report of Auditors thereon.		
2. Appointment of Director in place of Mr. Rajesh Kalyani (DIN: 00220632) who retires by rotation and being eligible offers himself for re-appointment.		
3. Ratification of the appointment of Statutory Auditors.		
<b>Special Business</b>		
4. Re-appointment of Mr. Vijai Singh Dugar (DIN: 03163399) as an Independent Director of the Company.		
5. Appointment of Mr. Pramod Arora (DIN: 02559344) as a Director of the Company.		
6. Appointment and remuneration of Mr. Pramod Arora as a Whole-time Director of the Company.		

Signed this ..... day of ..... 2017.

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

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

**Note(s)**

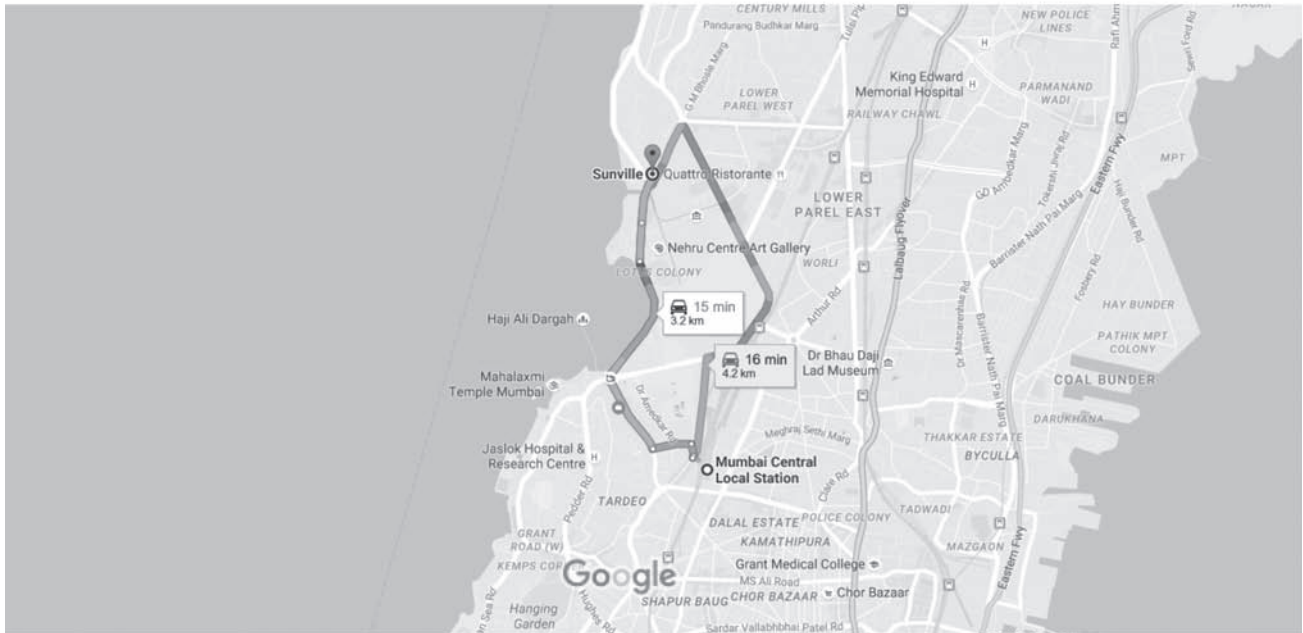
The Proxy Form in order to be effective should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of aforesaid Annual General Meeting.

For Resolutions, Explanatory Statements and Notes, please refer Notice of 9<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.

**AFFIX  
Re.1/-  
REVENUE  
STAMP**

## 9<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)