



# **Future Market Networks Limited**

**Annual Report 2014-15**

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Sunil Biyani	:	Managing Director
Vijai Singh Dugar	:	Independent Director
Udita Jhunjhunwala	:	Independent Director
K.A. Somayajulu	:	Independent Director
Rajesh Kalyani	:	Non-Executive Director

### CHIEF: LEGAL AND COMPANY SECRETARY

Anil Cherian

### STATUTORY AUDITORS

NGS & Co. LLP; Chartered Accountants

### 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

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd  
C-13 Pannalal Silk Mills Compound  
L B S Marg Bhandup (W)  
Mumbai 400 078  
Tel. No.: 022-25963838  
Fax No.: 022-25946969

### WEBSITE

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

**CIN:** L45400MH2008PLC179914

### NOTICE

Notice is hereby given that the seventh Annual General Meeting of the members of Future Market Networks Limited will be held on Tuesday, 29<sup>th</sup> day of September 2015 at 3.00 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 to transact the following business:

#### Ordinary Business

1. To receive, consider and adopt:
  - a) the audited financial statements of the Company for the financial year ended March 31, 2015, 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, 2015.
2. To appoint a director in place of Mr. Rajesh Kalyani (holding DIN: 00220632), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the consecutive Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Statutory Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, M/s. Viren Gandhi & Co., Chartered Accountants, Mumbai, bearing ICAI Firm Registration No. 111558W, allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors Messers NGS & Co. LLP, Chartered Accountants, bearing ICAI Firm Registration 119850W allotted by ICAI, who shall hold office from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

#### Special Business:

4. To appoint Mr. Somayajulu Ayyanna Kodukula (holding DIN: 02535927) as an Independent Director and in this regard, consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV 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(s) thereof, for the time in force) and Clause 49 of the Listing Agreement, Mr. Somayajulu Ayyanna Kodukula (DIN: 02535927) who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 3 (three) consecutive years for a term upto September 28, 2018"
5. To appoint Ms. Udit Jhunjhunwala (holding DIN: 00120951) as an Independent Director and in this regard, consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV 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(s) thereof, for the time in force) and Clause 49 of the Listing Agreement, Ms. Udit Jhunjhunwala (holding DIN: 00120951) who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 3 (three) consecutive years for a term upto September 28, 2018"

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board & its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and Sub-clause VII of the Clause 49 of the Listing Agreement amended vide SEBI Circular No CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 or subsequent modification/ amendments thereof, if any; the consent of the members be and is hereby accorded for entering into contracts / arrangements / to continue with existing arrangement(s) or contract(s) with related parties viz. Promoter Group Company (ies), Subsidiaries (whether wholly owned or otherwise), up to the maximum amounts as appended below:

Nature of Arrangement	Name of Related Party	Approximate Amount in ₹
Unsecured Loan availed	Future Corporate Resources Limited	50 Crores

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

**Registered Office:**

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

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

Place : Mumbai  
Date : August 26, 2015

By Order of the Board  
For Future Market Networks Limited

Anil Cherian  
Chief – Legal & Company Secretary

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 3, 4, 5 and 6 to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Proxies, if any, in order to be effective must be received at the company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for the commencement of the meeting. Proxies submitted on behalf of the companies, etc, must be supported by appropriate resolution/authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing given to the Company.
4. 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. 22. 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.

5. Any members proposes to seek any clarification on the accounts requested to send the queries to the Company at its registered office at least seven 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.
6. The Company has notified closure of the Register of Members and Share Transfer Books of the Company from Friday, September 25, 2015 to September 29, 2015 (both days inclusive).
7. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection of Members at the Annual General Meeting.
8. As per the provisions of the Companies Act, 2013, facility for making nomination is now available to shareholders in respect of shares held by them. Nomination forms can be obtained from the Company.
9. 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.
10. Appointment of Directors: The details of Directors seeking appointment/re-appointment, in terms of Clause 49 of the Listing Agreement, are annexed hereto and form part of this Notice.
11. Corporate Members intending to send their authorized representatives, pursuant to Section 113 of the Companies Act, 2013 are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting so as to reach the Company on or before September 27, 2015.
12. 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.
13. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
14. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during the business hours up to the date of the Meeting.
15. 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.
16. Electronic copy of the Annual Report for 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(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 Annual Report is being sent in the permitted mode.
17. Electronic copy of the Notice of the 7<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(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 7<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the 7<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 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 in Mumbai, Maharashtra, 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 [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in)
18. The Equity Shares of the Company are compulsorily traded in demat form and the share holders 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.

19. 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/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai 400 078 Maharashtra State
20. 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.
21. Members who have not registered their e-mail address so far are requested to register their e-mail address so that they can receive the Annual Report and other communications from the Company electronically.
22. Voting through electronic means
  - I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').

**The instructions for e-voting are as under:**

**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.
- xii. 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] :**

	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
	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 Friday, September 25, 2015 (9:00 am) and ends on Monday, September 28, 2015 (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 21, 2015, 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 September 21, 2015.

Any person who acquires shares of the Company and become member of the Company after the dispatch of the Notice and holding shares as of the cut-off date, i.e September 21, 2015 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.

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.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of 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 in writing, who shall countersign the same and declare the result of the voting forthwith.

The results declared along with the report of the scrutinizer shall be placed on the website of the Company, if any and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing.

23. 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.



24. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Managing Director. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.fmn.co.in](http://www.fmn.co.in). The results shall simultaneously be communicated to the Stock Exchanges.
25. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

**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 26, 2015

By Order of the Board  
For Future Market Networks Limited

Anil Cherian  
Chief : 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 to 6 of the accompanying Notice:

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

The Statutory Auditors, M/s. NGS & Co. LLP have expressed their unwillingness to be re-appointed as the auditors of the Company due to their pre-occupation. The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommend, passing of Special Resolution appointing M/s. Viren Gandhi & Co., Chartered Accountants, as statutory auditors in place of the retiring Auditor M/s. NGS & Co. LLP. Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

This shall be treated as a special notice to members under Section 115 read with provisions of Section 140(4) of the Companies Act, 2013 and other applicable provisions, if any.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

#### **Item No. 4 and 5**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of Members.

The Company has received notices in writing from members along with the deposit of requisite amounts under Section 160 of the Act proposing the candidatures of Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala for the office of Director of the Company.

Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and has given their consent to act as a Director.

The Company has received declaration forms from Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala that they meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala fulfils the conditions for their appointment as an Independent Directors as specified in the Act and the Listing Agreement. Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala are independent of the management and possesses appropriate skills, experience and knowledge.

Additional information in terms of Clause 49 of the Listing Agreement in respect of directors being proposed for appointment / re-appointment is annexed herewith.

Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala do not holds any share in the Company in their name.

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala are appointed as Independent Directors of the Company.

Copy of the draft letter of appointment of Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala as Independent Directors setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Save and except Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjunwala and their 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 and 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 and 5 of the Notice for the approval of the members.

**Item No. 6**

The Company proposes to seek the approval of the Shareholders in terms of Clause 49 of the Listing Agreement for the related party transactions which are material in nature read with the requirements of the Companies Act, 2013.

The Company has availed a financial facility of ₹ 100 Crores from Bank of Baroda. In terms of the Sanction Letter, Ref. No. CFS/FRT/11/322 dated March 24, 2014, one of the pre-conditions for disbursement was that ₹ 50.00 crores should be brought in as unsecured loan. In order to comply with the same, Future Corporate Resources Limited, one of the promoters of the Company, has infused the said amount in terms of the said sanction letter.

The said transaction is material in nature in terms of Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges and will continue till the aforesaid financial facility availed by the Company is repaid along with interest to Bank of Baroda.

Clause 49 stipulates that any Material Related Party Transaction(s) shall require approval of members and also Material Related Party Transaction(s) as on March 31, 2015 which are continuing beyond that date shall be placed before the members for their approval at this Annual General Meeting.

Accordingly, the Board recommends the Special Resolution as set out in item No. 6 of the Notice for the approval of the Members.

None of the directors, key managerial personnel of the Company or their relatives are interested or concerned in the Resolution, in their individual capacity except to the extent of their shareholding, if any.

**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 26, 2015

By Order of the Board  
For Future Market Networks Limited

Anil Cherian  
Chief: Legal & Company Secretary

**ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT**

1.	<b>Name of the Director</b>	Mr. Somayajulu Ayyanna Kodukula
	<b>Date of Birth</b>	28/04/1953
	<b>Qualifications / Profession</b>	B.Com., CAIIBI
	<b>Date of Appointment</b>	November 13, 2014
	<b>Expertise in specific functional areas</b>	<p>Mr. K.A. Somayajulu retired as Chief General Manager of Central Bank of India on April 30, 2013, with over 4 decades of experience in Commercial Banking, Corporate Credit, International Business, Treasury Operations, Merchant Banking, HRD and Credit Card Business. He has steered successfully the Bank's Chennai and Hyderabad zones in the capacity of Zonal Head and achieved new milestones in the business of the Bank.</p> <p>Mr. Somayajulu has varied experience in both administrative as well as operational areas in the capacity of Branch Manager, Regional Manager, Zonal Manager and General Manager in the field, and as Chief General Manager at Corporate Office.</p> <p>Mr. Somayajulu was appointed as a Member of various Internal Committees of the Bank where he played a key role in strategic policy &amp; functional areas and corporate decision making.</p>
	<b>Other Directorships Held</b>	NSL Krishnaveni Sugars Limited Legitimate Assets Operators Private Limited Kakinada SEZ Private Limited GMR Aero Technic Limited GMR Aerospace Engineering Limited Hyderabad Menzies Air Cargo Private Limited Hyderabad Duty Free Retail Limited GMR SEZ & Port Holdings Private Limited GMR Pochanpalli Expressways Limited. GMR Aviation Private Limited
	<b>Membership in Committees</b>	Audit Committees of: NSL Krishnaveni Sugars Limited Kakinada SEZ Private Limited GMR Aero Technic Limited GMR Aerospace Engineering Limited Hyderabad Menzies Air Cargo Private Limited Hyderabad Duty Free Retail Limited GMR SEZ & Port Holdings Private Limited GMR Pochanpalli Expressways Limited. GMR Aviation Private Limited
	<b>Number of shares held in the Company</b>	Nil
	<b>Relationship with other Directors</b>	None

<b>2.</b>	<b>Name of the Director</b>	Ms. Udit Jhunjhunwala
	<b>Date of Birth</b>	09/01/1968
	<b>Qualifications</b>	Masters in Journalism, University of London
	<b>Date of Appointment</b>	November 13, 2014
	<b>Expertise in specific functional areas</b>	Ms. Udit Jhunjhunwala is a well established entertainment writer and film critic. She has done her Masters from university of London. She worked with MTV India and thereafter moved into journalism in 1998. After serving as Mid Day newspaper's entertainment editor, where she established herself as a prominent writer and critic, covering Bollywood, Hollywood, regional and world cinema, television, fashion, theatre, music, art and lifestyle, she moved to Hindustan Times a national daily's Mumbai based edition as entertainment editor and film critic.
	<b>Other Directorships Held</b>	Galaxy Entertainment Corporation Limited Rain Fruits And More Private Limited
	<b>Membership in Committees</b>	Audit Committee of: Galaxy Entertainment Corporation Limited
	<b>Number of shares held in the Company</b>	Nil
	<b>Relationship with other Directors</b>	None
<b>3.</b>	<b>Name of Director</b>	Mr. Rajesh Kalyani
	<b>Date of Birth</b>	8 <sup>th</sup> October 1969
	<b>Date of Appointment</b>	23 <sup>rd</sup> September 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 24 years of experience. He is in employment at a senior position with one of the leading organised retailer and has wide experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.
	<b>Other Directorship(s)</b>	Retail Light Techniques India Limited
	<b>Membership in Committees</b>	Audit Committee of : Retail Light Techniques India Limited
	<b>Number of shares held in the Company</b>	Nil
	<b>Relationship with other Directors</b>	None

The details provided herein above are as on March 31, 2015

# Directors' Report

## DIRECTORS' REPORT

To,

The Members of

Future Market Networks Limited

The Directors take pleasure in presenting the Seventh Annual Report together with the audited financial statements for the year ended March 31, 2015.

### Financial Performance:

#### a) Standalone

(₹ in lacs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Revenue from Operations	7205.83	7709.29
Other Income	1290.38	499.50
Total Income	8496.21	8208.79
Personnel Cost	372.63	280.73
Purchase of Stock in trade	707.68	0
Operating and other expenses	5121.24	7590.23
Total Expenditure	6201.55	7870.96
Profit before Interest, Depreciation and Tax	2294.66	337.83
Less: Interest	4920.44	5170.29
Less: Depreciation	2703.78	1750.52
Profit / (Loss) before Taxation	(5329.56)	(6582.98)
Less: Provision for taxation	-	-
Less: Deferred Tax	-	-
<b>Profit (Loss) after Taxation</b>	<b>(5329.56)</b>	<b>(6582.98)</b>

#### b) Consolidated

(₹ in Lacs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Revenue from Operations	15686.01	16067.72
Other Income	947.49	651.18
<b>Total Revenue</b>	<b>16633.50</b>	<b>16718.90</b>
Purchase	2068.17	2300.12
Personnel Cost	885.64	734.70
Operating and other expenses	9669.74	10087.34
<b>Total Expenditure</b>	<b>12623.55</b>	<b>13122.16</b>
Profit before Interest, Depreciation and Tax	4009.95	3597.00
Less: Interest	7482.52	7998.19
Less: Depreciation	4170.46	2858.38
Profit / Loss before Taxation	(7643.03)	(7259.82)
Less: Provision for taxation	59.21	74.46
Less: Deferred Tax	54.53	78.49
<b>Profit (Loss) after Taxation</b>	<b>(7756.77 )</b>	<b>(7255.60)</b>

### Dividend

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2015.

### Share Capital

The Authorized Share Capital of the Company is ₹ 90,31,00,000/- (Rupees Ninety Crores Thirty One Lacs) 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, 2015 is ₹ 55,85,44,060/- divided into 5,58,54,406 equity shares of ₹ 10/- each.

### Consolidated Financial Statements & Cash Flow Statement

In accordance with the Companies Act, 2013 and Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures and in compliance with provisions of Listing Agreement with Stock Exchanges, the audited consolidated financial statements are provided in the Annual Report.

In Conformity with the provisions of clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement for the year ended March 31, 2015 has been provided in the Annual Report and which forms part of this report.

### Management's Discussion and Analysis Report

Management's Discussion and Analysis report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

### Director's Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of directors, to the best of their knowledge and ability, confirm the following:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- they have taken proper and sufficient care for 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Corporate Governance

Report on Corporate Governance of the Company and Management Discussion and Analysis Report for the year under review, as per the requirements of Clause 49 of the Listing Agreement(s), have been given under a separate section and forms part of this Annual Report.

### Listing

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fee for the year 2015-16 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.

### 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.

**Disclosure relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme**

During the year under review, 109750 options are vested to the employees of the Company and are available for exercise of options. 50000 options were lapsed during the year.

As on March 31, 2015, 439000 stock options are outstanding, in aggregate, for exercise and are exercisable at a price of ₹ 12/- per stock option. No options were exercised as on March 31, 2015.

The particulars with regard to the Employee Stock Options as on March 31, 2015 as required to be disclosed pursuant to the provisions of Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014, as amended, are set out in Annexure 'A' to this Report.

**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.

**Deposits from Public**

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**Particulars of Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Subsidiaries:**

Your Company has the following Subsidiaries as on March 31, 2015:

Sr. No.	Name of the Subsidiary
1	Aashirwad Malls Private Limited
2	F R Retail Destination Pvt. Ltd
3	Niyman Mall Management Co. Pvt. Ltd
4	Suhani Mall Management Co. Pvt. Ltd
5	Future Trade Markets Private Limited
6	Star Shopping Centres Private Limited
7	Sun City Properties Private Limited
8	Ojas Mall Management Pvt. Ltd

The subsidiaries are engaged in the business of development and leasing of retail spaces across the Country. Future Trade Markets Private Limited (FTMPL) has entered into a strategic alliance with SKC 3 Limited (investment vehicle of Fung Properties) to develop an 11 acres land project a Bangalore.

During the year under review, Companies listed in Annexure 'B' to this report ceased to be the Company's Subsidiaries, Joint Ventures and Associate Companies. A report on the performance and financial position of each of the subsidiaries, joint ventures and associate companies as per the Companies Act, 2013 is annexed herewith.

**Particulars of Contracts or Arrangement with Related Parties**

Vide Sanction Letter Ref. No. CFS/FRT/11/322 dated March 24, 2014, the Company availed a term loan of ₹ 100 crores from Bank of Baroda, one of the pre-conditions for disbursement was that ₹ 50.00 crores should be brought in as unsecured loan. In order to comply with the same, Future Corporate Resources Limited, one of the promoters of the Company, has infused the said amount in terms of the said sanction letter. In terms of Clause 49 of the Listing Agreement, the said Related Party Transaction is required to be approved by members at the ensuing Annual General Meeting and the details are provided under AOC-2 as Annexure 'C'

### Restructuring of Company

The shareholders of the Company passed special resolutions to disinvest the shareholdings held by the Company in Suhani Mall Management Company Private Limited (Suhani), Aashirwad Malls Private Limited (AMPL), F R Retail Destination Private Limited (FR) and Niyman Mall Management Company Private Limited (Niyman). The Board at its meeting held on August 26, 2015 resolved to disinvest the capital held by the Company in AMPL, FR and Niyman and authorised the Committee of Directors to negotiate and finalise the disinvestment. This will help the Company to restructure the business on a standalone basis with better financials.

### Directors

The Board of Directors of the Company consists of Mr. Vijai Singh Dugar, Mr. Somayajulu Ayyanna Kodukula, Ms. Udita Jhunjhunwala, Independent Directors, Mr. Rajesh Kalyani, Non Executive Director and Mr. Sunil Biyani, Managing Director.

The Board of Directors had appointed Mr. Somayajulu Ayyanna Kodukula, Ms. Udita Jhunjhunwala as Additional Directors of the Company in the category of Independent Directors with effect from November 13, 2014.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Rajesh Kalyani retires by rotation and is eligible for re-appointment.

In accordance with the provisions of Section 149 of the Companies Act, 2013, read with clause 49 of the Listing Agreement your Board of Directors recommend the appointment of Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjhunwala, as Independent Directors for a term of 3 (three) consecutive years commencing from September 29, 2015 to September 28, 2018.

During the year under review Mr. Rahul Saraf and Mr. Krishan Kant Rathie resigned from the Board with effect from November 13, 2014. The Board has placed on record its appreciation for the outstanding contributions made by Mr. Rahul Saraf and Mr. Krishan Kant Rathie during their respective tenures of office.

The Company has received Notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose Mr. Somayajulu Ayyanna Kodukula and Ms. Udita Jhunjhunwala, as the candidates for the office of Independent Directors of the Company at the ensuing Annual General Meeting. 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

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

The brief resume and other information as required under Clause 49 (VIII) (E) of the Listing Agreement relating to Mr. Somayajulu Ayyanna Kodukula, Ms. Udita Jhunjhunwala and Mr. Rajesh Kalyani, forms part of the Notice of ensuing Annual General Meeting.

### Auditors and Auditors' Report

M/s. NGS & CO LLP, Chartered Accountants, Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting. However, they have intimated that they are un-willing to seek an appointment on account of their pre-occupation.

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

M/s. Viren Gandhi & Co, Chartered Accountants, bearing ICAI Registration No. 111558W had consented to act as the Statutory Auditors of the Company for the financial year 2015-2016. They had confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for appointment.

As required under the provisions of section 139 of the Companies Act, 2013, the Company obtained a written certificate from the Auditors to the effect that their appointment, if made, would be in conformity with the limits specified in the said section.

They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for appointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

## Secretarial Audit

The Board has appointed Mr. Alwyn D'Souza of Alwyn D'Souza & Company, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2014-2015. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as an Annexure 'D' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Disclosures related to Board, Committees and Policies number of Board meetings

### Meetings

During the year Five (5) Board Meetings and Four (4) Audit Committee Meetings and one (1) Independent Directors Meeting were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### Audit Committee

The Audit Committee comprises of Mr. Vijai Singh Dugar, Mr. Somayajulu Ayyanna Kodukula, Independent Directors and Mr. Rajesh Kalyani, Non-Executive Director. The detailed terms of reference and their particulars are forming part of corporate governance report.

### Vigil Mechanism

In compliance with the provisions of Section 177(9) the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for Directors and employees of the Company. Protected disclosures can be made by a whistle blower through and e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

### Risk Management

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk reward trade off.

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.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors have carried out a process to evaluate of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees and finalised the criteria for the same.

### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### Policy on Directors' Appointment and Remuneration

The Board has, in compliance with Section 178 of the Companies Act, 2013 and on the recommendation of the Nomination, Remuneration & Compensation Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the said policy are stated in the Corporate Governance Report.

### Internal Control Systems and their 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.

### Extract of Annual Return

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2015 made under the provisions of Section 92 (3) of the Act is attached as Annexure 'E' which forms part of this Report.

### Particulars of Employees and other additional information

For the financial year under review, none of the employees of the Company fall under the revised ceiling limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided under Annexure 'F'.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule, 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 'G'.

### Acknowledgement:

Your Directors takes the opportunity to express their deep sense of gratitude to the bankers, government authorities, employees, customers, vendors and suppliers.

Your Director would also like to thank the Members for reposing their confidence and faith in the Company and its Management.

### For and on behalf of Board of Directors

**Vijai Singh Dugar**  
Chairman

**Sunil Biyani**  
Managing Director

Place : Mumbai  
Date : August 26, 2015



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

Disclosures as required under SEBI (Employees Stock Option Scheme & Employees Stock Option Purchase Scheme) Guidelines, 1999.

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, 2015.

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	109750 (PY: 122250)
4)	Options exercised	Nil
5)	The total number of shares arising as a result of exercise of option.	Nil
6)	Options Lapsed	50000 (PY: 17000)
7)	Variations of terms of Options	None
8)	Money realized by exercise of options.	Nil
9)	Total number of Options in force	4,39,000 (PY: 4,89,000)
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
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. 37 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. 37 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. 37 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. 37 of Standalone.
i)	Risk free interest rate;	7.88%
ii)	Expected life;	2.50%
iii)	Expected volatility;	60.71%
iv)	Expected dividend; and	0.00%
v.	The price of the underlying share in market at the time of option grant	23.95

Note 1: Details of options granted to Directors and Key Management Personnel of the Company and its Subsidiaries are as under:

Sr. No	Name of the Directors and Key Managerial Personnel	Number of Options Granted
A.	Directors	
	Mr. Rajesh Kalyani	200000
B.	Directors of Subsidiary Companies	
	Mr. P.D. Sharma	20000
	Mr. Mukesh Agarwal	20000
C.	Senior Management Personnel	
	Mr. Pawan Agarwal	50000
	Mr. Anil Cherian	50000
	Mr. Rampal Laddha	50000



## Annexure 'B' TO THE BOARD'S REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

#### Part "A": Subsidiaries

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

Sl. No.	Particulars	Subsidiary 1	Subsidiary 2	Subsidiary 3	Subsidiary 4	Subsidiary 5	Subsidiary 6	Subsidiary 7	Subsidiary 8
1	Name of the subsidiary	Aashirwad Malls Pvt. Ltd.	F R Retail Destination Pvt. Ltd	Niyman Mall Management Co. Pvt. Ltd	Suhani Mall Management Co. Pvt. Ltd	Future Trade Markets Pvt. Ltd.	Star Shopping Centres Pvt. Ltd.	Sun City Properties Pvt. Ltd.	Ojas Mall Management Pvt. Ltd
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15
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	NA	NA	NA
4	Share capital	1,000,000	100,000	100,000	9,823,010	8,773,730	250,000	20,600,000	100,000
5	Reserves & surplus	3,066,653	(63,930,353)	9,172,373	196,783,283	550,409,988	(31,799,344)	101,002	(270,209,774)
6	Total assets	76,424,388	1,799,309,104	197,814,668	784,967,479	561,347,989	49,819,730	59,057,738	1,873,337,580
7	Total Liabilities	72,357,735	1,863,139,457	188,542,295	578,361,187	2,164,271	81,369,074	38,356,736	2,143,447,354
8	Investments	-	135,000,070	135,000,070	135,000,070	491,225,000	-	2,200,000	-
9	Turnover	5,261,953	148,000,376	22,427,020	44,646,881	10,283,013	220,312,978	320,180	27,463,080
10	Profit before taxation	468,496	(79,313,229)	(7,543,660)	(3,045,076)	4,451,039	(8,845,382)	182,072	(133,157,257)
11	Provision for taxation	146,080	(1,550,586)	1,818,467	(1,001,617)	1,375,371	(81,559)	34,693	-
12	Profit after taxation	322,416	(77,762,643)	(9,362,127)	(2,043,459)	3,075,668	(8,763,823)	147,379	(133,157,257)
13	Proposed Dividend	-	-	-	-	-	-	-	-
14	% of shareholding	100%	100%	100%	86.26%	70%	60%	55%	100%

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - NIL.
2. Names of subsidiaries which have been ceased to be subsidiaries during the year are as follows:
  - i Acute Realty Pvt. Ltd.
  - ii Unique Malls Pvt. Ltd.
  - iii Harmony Malls Management Pvt. Ltd.
  - iv Navika Developers Pvt. Ltd.
  - v Nishita Mall Management Co. Pvt. Ltd.
  - vi Precision Realty Developers Pvt. Ltd.
  - vii Shreya Mall Management Pvt. Ltd.
  - viii Ujjain Future Bazaar 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**

	<b>Name of associates/Joint Ventures</b>	<b>Future Retail Destination Ltd.</b>	<b>Utility Developers Pvt. Ltd.</b>	<b>Riddhi Siddhi Mall Management Pvt. Ltd.</b>
1	Latest audited Balance Sheet Date	31-Mar-15	31-Mar-15	31-Mar-15
2	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	150,000	25,000	5,669
	Amount of Investment in Associates/Joint Venture	150,000,000	250,000	37,921,971
	Extend of Holding%	50%	50%	50%
3	Description of how there is significant influence	Due to Joint Venture Agreement	Due to Joint Venture share holding	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	298,006,194	33,064,316	512,698,693
6	Profit/Loss for the year			
i.	Considered in Consolidation	(870,033)	6,588,639	(6,448,169)
ii	Not Considered in Consolidation	-	-	-

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

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

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

**Vijai Singh Dugar**  
Chairman

**Sunil Biyani**  
Managing Director

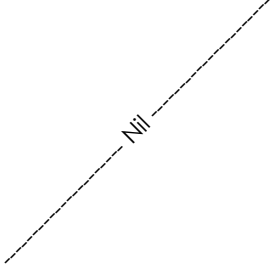


**ANNEXURE 'C' TO THE BOARD'S REPORT****FORM AOC – 2**

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

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

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

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

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

a.	Name(s) of the related party and nature of relationship.	Future Corporate Resources Limited - Promoter company
b.	Nature of contracts / arrangements / transactions.	Amount advanced to the Company pursuant to stipulation of Bank of Baroda vide its sanction letter ref no CFS/FRT/11/322 dated 24 <sup>th</sup> March 2014 while availing a credit facility.
c.	Duration of the contracts / arrangements / transactions.	Till the repayment of the Term Loan along with principle and interest.
d.	Salient terms of the contracts / arrangements / transactions including the value, if any.	Amount up to ₹ 50.00 Crore till the closure of credit facility in terms of the aforesaid sanction letter.
e.	Date(s) of approval by the Board.	March 25, 2014. Considering the requirement under Clause 49 of the Listing Agreement, approval of members sought in respect of this transaction in the ensuing AGM.
f.	Amount paid as advances, if any.	Nil.

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

**Vijai Singh Dugar**  
Chairman

**Sunil Biyani**  
Managing Director

Place: Mumbai

Date: August 26, 2015

**ANNEXURE 'D' TO THE BOARD'S REPORT  
SECRETARIAL AUDIT REPORT  
FORM NO. MR-3**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

[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

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 (hereinafter called **"the Company"**).

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 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 books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 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, Overseas Direct Investment and External Commercial Borrowings; and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the BSE Limited.

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

*The place of the chief financial officer as a key managerial personnel (KMP) was vacated on February 28, 2015, the Board required to fill-up the vacancy within six months thereof under section 203 (4) of the Companies Act, 2013.*



**We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the requirements of law, 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. In the absence of a specific note of dissent made in the minutes of the Board meetings, we do not have reason to conclude that the decisions were not carried by consent of all members present at the meeting.

**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.

**We further report that** during the audit period the company has

- (a) Disposed of investment in Future Retail Destination Pvt Ltd., for which required approval from shareholders was obtained under section 180 of the Companies Act, 2013 through postal ballot on January 7, 2015;
- (b) Disposed of shareholding and beneficial interest of 23% in a project viz., 'Calcutta Riverside' with the approval by the shareholders;
- (c) Obtained approval of shareholders to borrow up to a sum of ₹ 1,000 crores including aggregate paid-up capital and free reserves, and also to create charge by mortgage or security of its assets; and
- (d) Obtained approval of shareholders to provide loans and guarantees to other companies to the tune of ₹ 1,500 crores over and above the limits prescribed under section 186 (2) of the Companies Act, 2013.

Place : Mumbai

Date : August 26, 2015.

Office Address :

Annex-103, Dimple Arcade,  
Asha Nagar, Kandivli (E),  
Mumbai 400101.

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

**[Alwyn P D'Souza, FCS.5559]**  
[Proprietor]  
Certificate of Practice No.5137

**ANNEXURE 'E' TO THE BOARD'S REPORT  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended March 31, 2015**

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

**FORM NO. MGT – 9**

**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: 022-66201456
f.	Whether Listed Company	Yes
g.	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400078

**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	681	67.84

**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>Niyman Mall Management Company Private Limited</b> Pantaloan Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U70100MH2004PTC148031	Subsidiary	100	2 (87)
<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>Ojas Mall Management Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U70102MH2006PTC161887	Subsidiary	100	2 (87)
<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)

Name and address of the Company	Corporate Identify Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
<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)
<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>F R Retail Destination Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U74990MH2008PTC181061	Subsidiary	100	2 (87)
<b>Sattva Realtors Private Limited</b> Salarpuria Windsor, 4 <sup>th</sup> Floor, No.3, Ulsoor Main Road, Ulsoor Bangalore Karnataka 560001	U70102KA2007PTC044240	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	38386159	--	38386159	68.73	40886159	--	40886159	73.20	4.47
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(1)</b>	<b>38386700</b>	--	<b>38386700</b>	<b>68.73</b>	<b>40886700</b>	--	<b>40886700</b>	<b>73.20</b>	<b>4.47</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>38386700</b>	--	<b>38386700</b>	<b>68.73</b>	<b>40886700</b>	--	<b>40886700</b>	<b>73.20</b>	<b>4.47</b>
<b>B. Public Shareholding</b>									
1) <b>Institutions</b>									
a) Mutual Funds / UTI	12743	--	12743	0.02	12743	--	12743	0.02	--
b) Banks / FI	261202	--	261202	0.47	260452	--	260452	0.47	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	319999	--	319999	0.57	319979	--	319979	0.57	--
g) FI's	28370	--	28370	0.05	12326	--	12326	0.02	-0.03
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)									
Foreign Portfolio Investors	--	--	--	--	16044	--	16044	0.03	0.03
<b>Sub-Total (B) (1)</b>	<b>622314</b>	--	<b>622314</b>	<b>1.11</b>	<b>621544</b>	--	<b>621544</b>	<b>1.11</b>	<b>0</b>

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>2) Non - Institutions</b>									
a) Bodies Corporate	13735374	197	13735374	24.59	8879688	197	8879491	15.90	-8.69
i. Indian									
ii. Overseas									
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1532283	65597	1466686	2.74	1690834	64990	1625844	3.03	0.29
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1107073	--	1107073	1.98	3312587	--	3312587	5.93	3.95
c) Others (specify)									
i. Non-Resident Indian (Repatriation)	15653	110	15763	0.03	13142	110	13252	0.02	-0.01
ii. Non-Resident Indian (Non-Repatriation)	6566	--	6566	0.01	8219	--	8219	0.01	--
iii. Clearing Member	21467	--	21467	0.04	15520	--	15520	0.03	0.01
iv. Directors & Relative	804	--	804	0.00	--	--	--	--	--
v. Trusts	426062	--	426062	0.76	426062	--	426062	0.76	--
<b>Sub-Total (B) (2)</b>	<b>16779488</b>	<b>65904</b>	<b>16845392</b>	<b>30.15</b>	<b>14280865</b>	<b>65297</b>	<b>14346162</b>	<b>25.68</b>	<b>-4.47</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>17401802</b>	<b>65904</b>	<b>17467706</b>	<b>31.26</b>	<b>14902409</b>	<b>65297</b>	<b>14967706</b>	<b>26.79</b>	<b>-4.47</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>55788502</b>	<b>65904</b>	<b>55854406</b>	<b>100</b>	<b>14902409</b>	<b>65297</b>	<b>14967706</b>	<b>100</b>	<b>-4.47</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	1.28	0.18	715214	1.28	0.18	0.00
Future Ideas Realtors India Limited	8563367	15.33	0.00	8563367	15.33	14.32	0.00
Future Corporate Resources Limited	12676754	22.70	0.00	15176754	27.17	26.86	4.47
Manz Retail Private Limited	16430824	29.42	16.11	16430824	29.42	29.36	0.00
Vijay Biyani	50	0.00	0.00	50	0.00	0.00	0.00
Anil Biyani	50	0.00	0.00	50	0.00	0.00	0.00
Sunil Biyani	50	0.00	0.00	50	0.00	0.00	0.00
Vivek Biyani	50	0.00	0.00	50	0.00	0.00	0.00
Laxminarayan Biyani	50	0.00	0.00	50	0.00	0.00	0.00
Gopikishan Biyani	50	0.00	0.00	50	0.00	0.00	0.00
Ashni Kishore Biyani	141	0.00	0.00	141	0.00	0.00	0.00
Kishore Biyani	50	0.00	0.00	50	0.00	0.00	0.00
Rakesh Biyani	50	0.00	0.00	50	0.00	0.00	0.00
<b>Total</b>	<b>38386700</b>	<b>68.73</b>	<b>16.29</b>	<b>40886700</b>	<b>73.20</b>	<b>70.72</b>	<b>4.47</b>

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

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
At the beginning of the year	38386700	68.73		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	1500000	2.68	39886700	71.41
	1000000	1.79	40886700	73.20
<b>At the end of the year</b>	<b>40886700</b>	<b>73.20</b>		

## 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. Rhamni Projects Private Limited	8042291	14.40	--	--
2. Ishbhoomi Mall Management Private Limited	3127870	5.60	4127870	7.39
3. Adikaran Fincom Private Limited	999353	1.79	195607	0.35
4. IDBI Trusteeship Services Limited (India Advantage Fund -V)	426039	0.76	426039	0.76
5. ICICI Prudential Life Insurance Company Limited	285895	0.51	285895	0.51
6. Sanghai Commercial & Credits Private Limited	271211	0.49	17434	0.03
7. Bennett, Coleman And Company Limited	220160	0.39	220160	0.39
8. Dharmayug Investments Limited	205000	0.37	205000	0.37
9. Religare Finvest Limited	198225	0.35	--	--
10. Mukkarram Jan	172000	0.31	172000	0.31
11. Genil Commotrade Private Limited	--	--	2700000	4.83
12. Kapil Narendra Gupta	--	--	2090000	3.74
13. Gladiator Vyapaar Private Limited	--	--	500000	0.90
14. Payal Commercial Company Limited	9713	0.02	450000	0.81

## v. Shareholding of Directors and Key Managerial Personnel

Each of the Directors and 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
At the beginning of the year	50	0.00	50	0.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
At the end of the year	50	0.00	50	0.00

Non of Key Managerial Personnels or any other Directors other than Mr. Sunil Biyani, holds shares in the Company at the beginning of the year and at the end of the year.

## 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	367.68	0	0	367.68
ii. Interest due but not paid	0	0.23	0	0.23
iii. Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	<b>367.68</b>	<b>0.23</b>	<b>0</b>	<b>367.91</b>
<b>Change in Indebtedness during the financial year</b>				
i. Addition	62.01	1.11	0	63.12
ii. Reduction	112.66	0.23	0	112.66
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i. Principal Amount	317.03	1.11	0	318.14
ii. Interest due but not paid	0	0.23	0	0.23
iii. Interest accrued but not due	0		0	0
<b>Total (i + ii + iii)</b>	<b>317.03</b>	<b>1.35</b>	<b>0</b>	<b>318.37</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		
2)	Stock Options	Nil	Nil
3)	Sweat Equity	Nil	Nil
4)	Commission	Nil	Nil
5)	- as % of profit	Nil	Nil
	- as others specify	Nil	Nil
6)	Others , Please specify	Nil	Nil
	<b>Total A</b>	Nil	Nil

**B. Remuneration to other Directors**

S. No	Particulars of Remuneration	Fee for attending board / committee Meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors	5,20,000	Nil	Nil	5,20,000
	Total (1)	<b>5,20,000</b>	<b>Nil</b>	<b>Nil</b>	<b>5,20,000</b>
2.	Other Non- Executive Directors	2,20,000	Nil	Nil	2,20,000
	Total (2)	2,20,000	Nil	Nil	2,20,000
	Total (B) = (1+2)	<b>7,40,000</b>	<b>Nil</b>	<b>Nil</b>	<b>7,40,000</b>
	<b>Total Managerial Remuneration</b>				
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)	N.A.	N.A.	N.A.	N.A.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Anil Cherian	Pawan Agarwal	Shailesh Doshi
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	24.56	18.54	14.19
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.32	0.13	-
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option (No. of Equity Shares)	50,000	50,000	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others, Allowances	-	-	-

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.



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

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

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

Name of KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ in lakh)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of KMP to MRE for Financial Year 2014-15
Mr Anil Cherian, Company Secretary	24.56	12%	72.59
Mr. Pawan Agarwal, Chief Financial Officer (upto 31.10.2014)	18.54	12%	-
Mr. Shailesh Doshi, Chief Financial Officer (for the period 1.11.2014 to 28.02.2015)	14.19	-	-

- II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 33,830/- , previous period it was ₹ 29,370/-
- III. The increase in MRE in the financial year 2015, as compared to the financial period 2014 is around 12-15%;
- IV. There are 53 permanent employees on the rolls of Company as on March 31, 2015;
- V. Relationship between average increase in remuneration and company performance: -

The total turnover of the Company has been increased by 3.51% and the Company reported losses for the financial year ended March 31, 2015. The median remuneration was increased by 12-15%. The average increase in median remuneration was in line with general industry standards.

- VI. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
- (₹ in lakh)

Aggregate remuneration of Key Managerial Personnel (KMP)	57.20
Revenue	8496.21
Remuneration of KMPs (as % of revenue)	0.67
Profit before tax (PBT)	-
Remuneration of KMP (as% of PBT)	-

- VII. a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹ 64.18 Crore (₹ 49.99 Crore as on March 31, 2014)
- b) Price Earnings ratio of Equity Shares of the Company was (9.54) as on March 31, 2015 and was (11.79) as on March 31, 2014.
- VIII. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial period i.e. 2013-14 was around 12%.

- IX. The key parameters for the variable component of remuneration availed by the directors: Not Applicable.
- X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director: Not Applicable.
- XI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

Mumbai  
August 26, 2015

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

Sd/-  
**Vijai Singh Dugar**  
Chairman

Sd/-  
**Sunil Biyani**  
Managing Director



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

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

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

#### A. CONSERVATION OF ENERGY

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

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

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

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

#### B. TECHNOLOGY ABSORPTION

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.

##### Research and Development (R & D):

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.
Benefits derived as a result of the above R & D	
Future Plan of Action	
<b>Expenditure on R &amp; D</b>	Included in the project cost.
a. Capital	
b. Recurring	
c. Total	
d. Total R & D expenditure as a percentage of total turnover	

##### Technology absorption, adaptation and innovation:

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

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in lacs)

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

### MANAGEMENT DISCUSSION & ANALYSIS

#### Economic review

The macro environment in India continue to be challenging since the credit crisis of 2008, with slowing growth and stretched macro stability indicators.

With a stable political environment, this is probably the most conducive period for a steady pace of implementation of policy reforms. This will encourage private sector investment, creating the platform to utilize the country's advantageous demographic potential and lay the foundations for real GDP growth to move to higher levels. There should be definite and concrete measures to manage growth in rural wages in line with productivity, reduce the fiscal deficit through rationalization of expenditure and tax reforms and improve the business environment. Improving the allocation of natural resources through transparent mechanisms, focusing on urbanization and improvement in infrastructure and implementing policy reforms to iron out the regulatory issues in the area of taxes and approval related functions should be given priority.

#### Real Estate Market

The real estate sector in India is being recognized as infrastructure service that is driving the economic growth engine of the country.

The Indian real estate market size is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's gross domestic product (GDP). Also, in the period FY08-20, the market size of this sector is expected to increase at a compound annual growth rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Real estate has emerged as the second most active sector, raising US\$ 1.2 billion from private equity (PE) investors in the last 10 months.

Foreign investors have bought tenanted office space worth over US\$ 2 billion in India in 2014, a four-fold rise compared to the previous year, in order to increase their rent-yielding commercial assets in Asia's third largest economy.

The construction industry ranks third among 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. The industry's growth is linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theaters) sectors, economic services (hospitals, schools) and information technology (IT) enabled services (like call centers). The housing sub-sector contributes five – six per cent to the country's gross domestic product (GDP). Mean while, retail, hospitality and commercial real estate are also growing significantly, catering to India's growing needs of infrastructure.

#### Outlook and opportunities

The Company has taken some initial leads in each of its business verticals in the previous year and has aligned with "best in class" partners in each of the verticals.

The positive sentiments prevailing in the economy to perform better and push the limits but it may take a few months before the growth in the real estate industry is actually visible. As long as the government's action plans focus on a progressive economy, we believe that the industry operations will revive in the coming few quarters. We hope that the government will focus on policies that will reduce the burden on real estate developers by accelerating the approval process, reducing the interest costs and taxes levied and controlling the trending inflationary pressures.

#### Infra Logistics

The Company established an alliance with IL&FS on equal partnership to set up logistics infrastructure parks across the country however the Company is evaluating options to exit from this sector and taken an approval from members in this regard through postal ballot.

#### Mixed use project

Your company has aligned with Fung Properties, part of the Hong Kong-based Li & Fung Group, for the purpose of developing a mixed use project in a 11 acre campus at Bangalore. Initially the idea was developing a portion of the campus in to a world market in line with other international world markets but considering the less appetite of investors and trading community, the idea has been dropped and now the venture is contemplating to develop the entire land parcel with major focus on residential and plans have been submitted for approval.

### Retail Infrastructure

During the year under review, your company executed transaction documents to take retail space aggregating to 250,000 sq ft Ujjain, Madhya Pradesh .

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. SSCPL has crafted a unique model, quite akin to the model of commercial engagement followed by international hotel management brands, by leveraging its deep understanding of the category retail infrastructure and its management.

### 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 ₹ 8496.21 Lacs during the financial year ended March 31, 2015.

**Profit/Loss after Tax:** The Company recorded loss of ₹ 5329.56 Lacs for financial year ended March 31, 2015.

### Risk, 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, 2015 stood at 53.

### 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, 2015

The Equity shares of the Company have been listed on the BSE Limited and National Stock Exchange of India Limited.

In accordance with Clause 49 of the Listing Agreement on Corporate Governance (Clause 49) with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report containing the details of corporate governance systems and processes at Future Market Networks Limited are as under:

### Corporate Governance Philosophy

Your Company firmly believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees, customers, vendors and society at large.

The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosure, credibility among others serve as the means of implementing the philosophy of Corporate Governance in both letter and spirit.

The philosophy of Corporate Governance is a principle based approach as codified in Clause 49(I) of the Listing Agreement, encompassing the fundamentals of rights and roles of various stakeholders of the Company, disclosure, transparency and board responsibility.

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.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to achieve highest standards of Corporate Governance in the overall interest of all the stakeholders.

Your Company is in compliance with the requirements of Clause 49 on Corporate Governance as they stood during the relevant period of FY2014-15. All clauses/ references in this section on corporate governance refer to the Clause 49 of Listing Agreement as it stands as on March 31, 2015.

A report on the matters mentioned in the said clause and the practices / procedures followed by your Company for the year ended March 31, 2015 is detailed below:

### I. Board of Directors

#### A. Composition and category of Board

The Board of Directors of the Company consists of distinguished personalities with considerable professional expertise and experience in the fields of business & industry, finance, law and management. Your Company has the combination of Executive and Non - Executive Directors in conformity with the requirements of Clause 49 of the Listing Agreement

As on the date of this report, the strength of the Board of Directors is Five (5) out of which three are independent Directors including a woman director. The Chairman of your Company is Non Executive, Independent Director.

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

The Independent Directors of the company are in compliance with the provisions of Clause 49(II) (B) (2). Further, disclosures have been made by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Clause 49(II) (D) (2) of the Listing Agreement.

The composition of Board of Directors as on March 31, 2015 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 Jhunjhunwala*	00120951	Independent Director
4.	Mr. Somayajulu Ayyanna Kodukula*	02535927	Independent Director
5.	Mr. Rajesh R. Kalyani	00220632	Non Executive Director
6.	Mr. Krishan Kant Rathi**	00040094	Non Executive Director
7.	Mr. Rahul Saraf**	00005314	Independent Director
8.	Mr. Ameet Naik***	00342339	Independent Director

**Notes:**

- \* Ms. Udit Jhunjhunwala and Mr. Somayajulu Ayyanna Kodukula has been appointed as additional directors and independent directors w.e.f. November 13, 2014
- \*\* Mr. Rahul Saraf and Mr. K K Rathi resigned as Directors w.e.f. November 13, 2014.
- \*\*\* Mr. Ameet Naik resigned as a Director w.e.f. March 26, 2015.
- Mr. Vijai Singh Dugar has been appointed as the Chairman of the Company with effect from May 30, 2015.

**B. Board Meetings**

The Board of Directors met five (5) times during the year ended March 31, 2015. The dates on which the Board Meetings were held during the year are as follows:

i)	April 24, 2014	ii)	May 28, 2014
iii)	August 6, 2015	iv)	November 13, 2014
v)	February 7, 2015		

Additionally a separate meeting of Independent Directors was held on March 30, 2015 in line with the requirements of Clause 49 of the listing agreement to evaluate the Board Mechanism.

The provisions relating to the time period between two Board meetings not exceeding 4 months have been complied. The necessary quorum was present for all the meetings. None of the non-executive directors have any pecuniary relationship or transaction with the company.

During the year 2014-15, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration and review.

**C. Directors' attendance record 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, 2015 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	-	Nil	Nil	None
Ms. Udit Jhunjhunwala	Independent Director	2	2	No	2	Nil	1	None
Mr. Somayajulu Kodukula	Independent Director	2	2	No	9	3	9	None
Mr. Rajesh R. Kalyani	Non Executive Director	5	5	Yes	1	Nil	Nil	None
Mr. Sunil Biyani	Managing Director	5	5	Yes	3	Nil	1	None
*Ameet Naik	Independent Director	5	5	Yes	1	Nil	Nil	None
*K K Rathi	Non Executive Director	4	3	Yes	7	1	5	None
*Rahul Saarf	Independent Director	4	Nil	No	2	Nil	Nil	None

**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 Agreement, across all the companies in which he is a director.
- Mandatory committees are the committees prescribed under the Listing Agreement i.e. Audit Committee and Stakeholders Relationship Committee of public companies.
- The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- Mr. Ameet Naik resigned as a Director w.e.f. March 26, 2015.
- Mr. Rahul Saraf and Mr. K K Rathi resigned as a Directors w.e.f. November 13, 2014.
- 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.
- Attendance for the Directors appointed during the period is considered since their date appointment on the Board.

**D. Procedure of Board/ Committee Meeting**

The agenda papers with relevant explanatory notes and material documents relating to matters for perusal of the Board/ Committee are circulated in advance, so as to facilitate discussion and informed decision-making in the meeting. The routine business brought to the relevant meetings includes, inter alia, the following:

- Annual business plans and budgets.
- 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.
- Statement of investments made by unlisted subsidiaries.
- Shareholding pattern as per Clause 35 of the Listing Agreement.
- Statement of shareholder grievance received/disposed during each quarter.
- Update on the ongoing Litigations
- The information on recruitment and remuneration of senior officers just below the board level.
- Approval of related party transactions.

**E. Details of Directors seeking appointment at the forthcoming Annual General Meeting**

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. Somayajulu Ayyanna Kodukulu and Ms. Udit Jhunjhunwala have been appointed as Additional Directors and in terms of Section 161(1) of the Companies Act, 2013 he shall hold office till the date of ensuing Annual General Meeting. In terms of Section 160(1) of the Companies Act, 2013, the Company has received a notice from members intending to propose Mr. Somayajulu Ayyanna Kodukulu and Ms. Udit Jhunjhunwala as candidates for the office of Director of the Company along with a deposit of ₹ 1 Lakh each.

The brief profile and other information as required under Clause 49(VIII) (E) of the Listing Agreement relating to Mr. Somayajulu Ayyanna Kodukulu and Ms. Udit Jhunjhunwala forms part of the Notice of ensuing Annual General Meeting.

In terms of provisions of Companies Act, 2013, the resolutions for appointment of Mr. Somayajulu Ayyanna Kodukulu and Ms. Udit Jhunjhunwala as Independents Director for a period of three years shall be placed before ensuing Annual General Meeting.





**Ms. Uditā Jhunjhunwala: Independent Director**

Ms. Uditā Jhunjhunwala is a well established entertainment writer and film critic. She has done her Masters from university of London. She worked with MTV India and thereafter moved into journalism in 1998. After serving as Mid Day newspaper's entertainment editor, where she established herself as a prominent writer and critic, covering Bollywood, Hollywood, regional and world cinema, television, fashion, theatre, music, art and lifestyle, she moved to Hindustan Times a national daily's Mumbai based edition as entertainment editor and film critic.

**Mr. K. A. Somayajulu: Independent Director**

Mr. K. A. Somayajulu is a retired Chief General Manager of Central Bank of India since April, 2013 and he has over 41 years of experience in Commercial Banking, Corporate Credit, International Business, Treasury Operations, Merchant Banking, HRD and Credit Card Business. He has steered successfully the Central Bank's Chennai and Hyderabad zones in the capacity of Zonal Head and was appointed as a Member of various Internal Committees of the Bank where he played a key role in strategic policy & functional areas and corporate decision making. He has effectively participated and deliberated on the investment and financial decisions of corporate entities such as IL&FS, ICICI Venture Supervisory Board, etc. in which he was appointed as Nominee Director on the Board. He was also a member of the International Chamber of Commerce and Chairman of the Editorial Committee of Indian Banks' Association. Mr. K. A. Somayajulu has built up his own image and acceptability in the market with his vast experience in Corporate Banking.

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

Rajesh Kalyani is a Chartered Accountant with 25 years of experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.

None of the Directors above holds any shares in the Company.

**As mandated under Clause 49, the Independent Directors on FMNL's Board:**

- don't have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director.
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been executive of the Company in the immediately preceding three financial years.
- are not partners or executives or were not partners or executives during the preceding three years of the:
  - (i) Statutory audit firm or the internal audit firm that is associated with the Company.
  - (ii) Legal firm (s) and consulting firm(s) that have a material association with the Company
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director
- are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares
- are not less than 21 years of age

**F. Code of Conduct**

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Company's Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement. The Code of Conduct is posted on the Company's website [www.fmn.co.in](http://www.fmn.co.in). The code has been circulated to all the members of the Board and senior management and the compliance of the same have been affirmed by them. There are no commercial or material financial transactions, with the senior management personnel, where there is a personnel interest that may have in a potential conflict with the interest of the Company at large.

**G. Remuneration Paid or Payable to Director**

Details of the remuneration paid / payable to the Directors for the financial year 2014-15 is as below:

Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Sunil Biyani	-	-	-
Rahul Saraf	-	-	-
K K Rath	40,000	-	40,000
Rajesh R. Kalyani	1,80,000	-	1,80,000
Ameet Naik	1,80,000	-	1,80,000
Vijai Singh Dugar	2,00,000	-	2,00,000
Udita Jhunjhunwala	60,000	-	60,000
K. A. Somayajulu	80,000	-	80,000

**Notes:**

- Sitting fees include payment to the Directors for attending meetings of Board, Audit Committee and Meeting of Independent Directors.
- Mr. Sunil Biyani, Managing Director holds 50 Equity shares of the Company.
- Service Tax is not included

**II. Board Committees**

FMNL has Five (5) Board level 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:

- Audit Committee**

The composition, role and power of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement as well as Section 177 of the Companies Act, 2013.

The Audit Committee met four times i.e on May 28, 2014, August 06, 2014, November 13, 2014 and February 07, 2015 and the time interval between any two Audit Committee meetings was not more than four months.

During the year under review, the scope of the Audit Committee was enhanced to include functions as required to be discharged by the Committee under the Companies Act, 2013 and the amendments in listing agreement effective October 1, 2014. The terms of reference and power of the Audit Committee is as mentioned in Clause 49 (III) of the Listing Agreement entered with the Stock Exchanges and includes overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements/ results and, reviewing with the management the adequacy of the internal audit function, recommending the appointment/ reappointment of statutory auditor and internal auditor and fixation of audit fees, reviewing the significant internal audit findings, related party transactions, reviewing the Management Discussions and Analysis of financial condition and results of operations, scrutiny of inter-corporate loans and investments.

The Committee discusses with the auditors their audit methodology, audit planning and significant observations /suggestions made by them and management responses and action taken by them.

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

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	Chairman	4	4
Mr. Rahul Saraf	Independent Director	Member	3	0
Mr. Ameet Naik	Independent Director	Member	4	4
Mr. Rajesh Kalyani	Non Executive Director	Member	4	4
Mr. K A Somayajulu	Independent Director	Member	2	1

**Notes:**

Mr. Rahul Saraf and Mr. Ameet Naik ceased to be the members of the Audit Committee consequent to their resignation from the Board of Directors of the Company w.e.f November 13, 2014 and March 26, 2015 respectively.

Mr. K A Somayajulu was inducted as a Member of the Audit Committee with effect from November 13, 2014.

The members of the Audit Committee are paid sitting fees of ₹ 20,000/- for every meeting of the Committee attended by them. The Chairman of the Committee is Mr. Vijai Singh Dugar, an Independent Director of the Company. The terms of reference of the Audit Committee is in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as Section 177 of the Companies Act, 2013.

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 18, 2014 and was attended by Mr. Vijai Singh Dugar, Chairman of the Audit Committee.

**(i) Powers of the Audit Committee**

The Audit Committee of the Company is supported by professional Internal Auditors, *inter alia*, provides reassurance to the Board on the effective internal control and compliance environment that ensures:

- Efficiency and effectiveness of operations, both domestic and overseas;
- Reliability of financial and management information and adequacy of disclosures;
- Safeguarding of assets and adequacy of provisions of all liabilities; and
- 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 with the Management 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 (implemented in the Company as a Fraud Risk Management Policy) 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**

The functions of the Audit Committee of the Company include 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.
- 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 carry out any other function as mentioned in the terms of reference of the Audit Committee.

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

Section 178(1) of the Companies Act, 2013 requires every listed company to constitute a 'Nomination and Remuneration Committee'. Accordingly, during the year under review, the name of 'Remuneration and Compensation Committee' was changed to 'Nomination, Remuneration and Compensation Committee'.

The Board of Directors at their meeting held on May 30, 2015 has reconstituted Nomination, Remuneration and Compensation Committee consequent to the resignation of Mr. Ameet Naik from the Board.

The composition of the Nomination, Remuneration and Compensation Committee consequent to the aforesaid re-constitution is as follows:

Name of Member	Category
Mr. Vijai Singh Dugar	Independent Director
Mr. Rajesh Kalyani	Non-Executive Director
Mr. K A Somayajulu	Independent Director

During the year under review, the Nomination, Remuneration and Compensation Committee met once on November 13, 2014. The attendance of members is as under:

Name of the Member	Number of Meetings	
	Held	Attended
Mr. Vijai Singh Dugar	1	1
Mr. Ameet Naik	1	0
Mr. Rajesh Kalyani	1	1

During the year under review, the scope, terms of reference and the role of the Committee was expanded to comply with the requirements of the provisions of Section 178 the Companies Act, 2013 and revised Clause 49(IV) of the Listing Agreement.

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.

#### **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 Executive and Independent Directors:
  - i. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and specific Board Committees (where they are members).
  - ii. The remuneration/ compensation/ commission etc. to be paid to Managing Director/Whole-time Director/Executive Director etc. shall be as per their employment contract/ terms of appointment, subject to the limits and conditions under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approval of the shareholders.
- B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management is as detailed hereunder:
  - i. The compensation of KMP and Senior Management personnel 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.

The committee is authorized to approve the Transfer/Transmission of Shares, dematerialization and rematerialization of Shares, deletion of name, split, consolidation and issuance of duplicate shares and review from time to time. The committee oversees the performance of the Registrars and Share Transfer Agents i.e. Link Intime India Private Limited. The Committee met 6 (Six) times during the year ended March 31, 2015.

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	6	6
Mr. Rajesh Kalyani	Non Executive Director	6	6
Ms. Udit Jhunjhunwala	Independent Director	3	1
Mr. K K Rath	Independent Director	3	2

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

Notes:

- Ms. Udit Jhunjhunwala was inducted as Member of the Share Transfer Committee w.e.f November 13, 2014.
- Mr. Vijai Singh Dugar was inducted as a Member of the Share Transfer Committee w.e.f April 24, 2014.
- Mr. K K Rath ceased to be the Member of the Share Transfer Committee consequent to his resignation from the Board w.e.f November 13, 2014.
- Mr. Sumit Dabhiwala ceased to be the Member of the Share Transfer Committee consequent to his resignation from the Board w.e.f April 1, 2014.

#### D. Stakeholders Relationship Committee

Section 178(5) of the Companies Act, 2013 requires every listed company to constitute a 'Stakeholders Relationship Committee'. Accordingly, during the year under review, the name of the Shareholders' Grievance Committee was changed to 'Stakeholders Relationship Committee'.

The Shareholders'/Investors' Grievance Committee functions with the specific to look into the matter of the redressal of stakeholders', security holders' and investors' complaints and grievances, including but not limited to transfer/transmission of shares, non-receipt of dividends, fractional entitlement consequent to demerger, refund orders, non-receipt of Annual Report and any other grievance that a shareholder or investor may have against the Company. The Committee was reconstituted at the Board Meeting held on May 30, 2015. The Committee now consists of the following Members:

Name of Member	Category
Mr. Vijai Singh Dugar	Independent Director
Mr. Rajesh Kalyani	Non Executive Director
Mr. K A Somayajulu	Independent Director

Note:

- Mr. Vijai Singh Dugar was inducted as a Member of the Shareholders'/Investors' Grievance Committee with effect from April 24, 2014.
- Mr. Sumit Dabhiwala ceased to be the member of Shareholders' / Investors' Grievance Committee consequent to his resignation from the Board w.e.f. April 1, 2014.
- Mr. K A Somayajulu was inducted as a Member of the Shareholders'/Investors' Grievance Committee with effect from May 30, 2015.
- Mr. Ameet Naik ceased to be the member of Shareholders' / Investors' Grievance Committee consequent to his resignation from the Board w.e.f. March 26, 2015.

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

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2015, there were 7 (seven) Investor Complaints received and the same were processed. No complaints were outstanding as on March 31, 2015.

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

## E. Committee of Directors

The Committee of Directors comprises of Mr. Sunil Biyani, Mr. Rajesh Kalyani and Mr. Vijai Singh Dugar. The committee of Directors is authorized to take decisions which are required for the day to day operations of the Company. The Committee of Directors was re-constituted at the Board meeting held on November 13, 2014.

The composition of the Committee of Directors is given below:

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

The committee met 14 (Fourteen) 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.

### Note:

- Mr. Sunil Biyani was inducted as a member of the Committee of Directors, w.e.f November 13, 2014.
- Mr. K K Rathi ceased to be a member of Committee of Directors consequent to his resignation from the Board w.e.f. November 13, 2014.

## F. Familiarization Programme for Independent Directors

The Independent Directors are familiarized, inter alia, with the Company, their duties, roles and responsibilities, the nature of the industry, the business model of the Company.

## G. Risk Management Committee -

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The Risk Management Committee was constituted at the Board meeting held on May 28, 2014. Further consequent to the resignation of Mr. Ameet Naik from the Board, the committee was reconstituted on May 30, 2015

The composition of the Committee of Directors is given below:

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

## III. Subsidiary Monitoring Frame Work

The minutes of board meetings of the subsidiary companies are placed before the meeting of Board of Directors of the Company. As on March 31, 2015, it has Eight (8) subsidiary companies.

As required under Clause 49 (V)(D) of the Listing Agreement, the Company has formulated a policy for determining 'Material Subsidiaries' and accordingly the following companies are identified as material subsidiary company as on the date of this report:

- Future Trade Markets Private Limited
- Star Shopping Centres Private Limited
- Sun City Properties Private Limited



Mr. Vijai Singh Dugar, Independent Director, has been nominated to the Board of the said material subsidiaries. The Board resolved to disinvest the investment held by Company in other four subsidiaries and accordingly, the said four subsidiaries are not identified as material subsidiaries as on the date of this Report.

#### Disclosures

- 1) As per the Listing Agreement a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. A resolution seeking shareholder's approval for the said Material Related Party Transaction is contained in the notice of the ensuing Annual General Meeting. The disclosure of all related party transactions is set out in notes forming part of the financial statements.
- 2) No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- 3) Your Company has a Whistleblower Policy in place. No personnel have either approached the Audit Committee or been denied access to the Audit Committee.
- 4) Your Company has complied with the entire mandatory requirements of the Clause 49 of the Listing Agreement of the Stock Exchange relating to Corporate Governance. Further, your Company has adopted two non-mandatory requirements of Clause 49 of the Listing Agreement relating to (i) endeavor to have unqualified financial statements, and (ii) direct reporting of the Internal Auditor to the Audit Committee.

#### IV. Code for Prevention of Insider Trading Practices

Pursuant to the Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations 1992, read with relevant provisions of the Companies Act, a comprehensive code for prevention of Insider Trading is in place. The objective of the Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is mandated. All the designated employees are also required to disclose related information periodically as defined in the Code. The Company Secretary of the Company has been nominated as the Compliance Officer of the Company.

#### V. General Body Meeting

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
2011-2012	Tuesday August 14, 2012 2.00 p.m	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018	<ul style="list-style-type: none"> <li>Approval of Employees Stock Option Scheme 2013 (ESOS-2013) for Employees of the Company</li> <li>Approval of Employees Stock Option Scheme 2013 (ESOS-2013) for Employees of the Subsidiaries of the Company.</li> </ul>
2012-13	Friday September 27, 2013 2.30 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, worli, Mumbai – 400 018	<ul style="list-style-type: none"> <li>Statutory registers to be kept and maintained at the office of the Registrar &amp; Transfer Agent as appointed from time to time.</li> </ul>
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>

**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. The Company has passed special resolutions 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**

Financial Year	2014-15
Date of Postal Ballot	Postal Ballot Results were declared by Managing Director on Monday, September 1, 2014
Scrutinizer	Mr. Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co.
Details of the postal Ballot	on July 28, 2014, 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 July 18, 2014. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.
Resolutions	<ol style="list-style-type: none"> <li>1. To ratify the resolution passed by the Shareholders of the Company with regard to the Borrowing Powers of the Company up to ₹ 1000 crores, in terms of the Companies Act, 2013.</li> <li>2. To ratify the resolution passed by the Shareholders of the Company with regard to the Creation of Charge on the assets of the Company in favour of lenders.</li> <li>3. To ratify the resolution passed by the Shareholders of the Company with regard to the Creation of Charge on the assets of the Company in favour of lenders. Giving of Loans / Guarantees, providing of securities and making of investments in securities for an amount of up to ₹ 1500 crores over and above the aggregate outstanding amount of loans / guarantees / securities given / provided to wholly owned subsidiary companies and / or joint venture companies and investments made in wholly owned subsidiary companies.</li> </ol>

**Resolution No. - 1**

Details of the voting pattern: Details of the votes casted for Special Resolution under section 180(1)(c) of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2014	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	81	41146465	411464650		
(b)	Less : Invalid Postal Ballot Forms	1	1	10		
(c)	Net Valid Postal Ballot Forms	80	41146464	411464640		
(d)	Postal Ballot Forms with assent for the Resolution	69	41135415	411354150	73.65	99.97
(e)	Postal Ballot Forms with dissent for the Resolution	11	11049	110490	0.02	0.03

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



**Resolution No. - 2**

Details of the voting pattern:

Details of the votes casted for Special Resolution under section 180(1)(a) of the Companies Act, 2013 are as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2014	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	81	41146465	411464650		
(b)	Less : Invalid Postal Ballot Forms	1	1	10		
(c)	Net Valid Postal Ballot Forms	80	41146464	411464640		
(d)	Postal Ballot Forms with assent for the Resolution	66	41134890	411348900	73.65	99.97
(e)	Postal Ballot Forms with dissent for the Resolution	14	11574	115740	0.02	0.03

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

**Resolution No. - 3**

Details of the voting pattern: Details of the votes casted for Special Resolution under section 186 of the Companies Act, 2013 are as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2014	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	80	41146345	411463450		
(b)	Less : Invalid Postal Ballot Forms	1	1	10		
(c)	Net Valid Postal Ballot Forms	79	41146344	411463440		
(d)	Postal Ballot Forms with assent for the Resolution	59	41118072	411180720	73.62	99.93
(e)	Postal Ballot Forms with dissent for the Resolution	20	28272	282720	0.05	0.07
(e)	Postal Ballot Forms with dissent for the Resolution	14	11574	115740	0.02	0.03

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

**POSTAL BALLOT - 2**

Financial Year	2014-15
Date of Postal Ballot	Postal Ballot Results were declared by Managing Director on Wednesday, January 7, 2015
Scrutinizer	Mr. Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co.
Details of the postal Ballot	on December 5, 2014, 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 November 28, 2014. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.

Resolutions	1. To sell investments in Future Retail Destination Limited pursuant to section 180 (1) (a) of the Companies Act, 2013. 2. to sell investments in "Calcutta Riverside Project" held through River Bank Developers Private Limited and Calcutta Metropolitan Group Limited pursuant to section 180 (1) (a) of the Companies Act, 2013.
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**Resolution No. - 1**

Details of the voting pattern: Details of the votes casted for Special Resolution to sell investments in Future Retail Destination Limited pursuant to section 180 (1) (a) of the Companies Act, 2013 are as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2014	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/E-voting received(*)	303	4,68,23,491	46,82,34,910		
(b)	Less : Invalid Postal Ballot Forms	33	1483	14,830		
(c)	Net Valid Postal Ballot Forms	270	4,68,22,008	46,82,20,080		
(d)	Postal Ballot Forms with assent for the Resolution	236	4,68,00,767	46,80,07,670	83.79	99.95
(e)	Postal Ballot Forms with dissent for the Resolution	34	21,241	2,12,410	0.04	0.05

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

**Resolution No. - 2**

Details of the voting pattern: Details of the votes casted for Special Resolution to sell investments in "Calcutta Riverside Project" held through River Bank Developers Private Limited and Calcutta Metropolitan Group Limited pursuant to section 180 (1) (a) of the Companies Act, 2013 are as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2014	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/E-voting received(*)	306	4,68,23,506	46,82,35,060		
(b)	Less : Invalid Postal Ballot Forms	40	1,559	15,590		
(c)	Net Valid Postal Ballot Forms	266	4,68,21,947	46,82,19,470		
(d)	Postal Ballot Forms with assent for the Resolution	233	4,68,00,733	46,80,07,330	83.79	99.95
(e)	Postal Ballot Forms with dissent for the Resolution	33	21,214	2,12,140	0.04	0.05

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

**VI. Additional Shareholders Disclosure/ information**

- During the financial year 2014-15, 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.
- 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. 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 2014-15 have been paid to BSE and NSE.
- d. The Company has paid custodial fees for the year 2014-15 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.
- e. There is no outstanding GDR/ADR/Warrants or any convertible instruments on the date of this report.

## VII. Means of Communication:

- a) Quarterly Results were published in newspapers, viz., Free Press Journal and Navshakti.  
The Company has its own web site and all vital information relating to the Company and its products etc have been uploaded on the web site for the benefit of the public at large. Company's web site address is [www.fmn.co.in](http://www.fmn.co.in)
- b) Management Discussion and Analysis forms part of the Annual Report.

## VIII. General Shareholders information:

### a. Annual General Meeting

- i. AGM Date : September 29, 2015
- ii. Time & Venue : 3.00 P.M, Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

### b. Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

### c. Book Closure : September 26, 2015 to September 29, 2015

### d. Financial Calendar (tentative):

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

### e. Listing 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

**CIN:** L45400MH2008PLC179914

### f. Stock Market Data

High, lows and Volumes of FMNL from April 1, 2014 to March 31, 2015 at BSE and NSE.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2014	12.27	8.65	21121	12.50	8.55	62428
May 2014	17.76	11.67	2615275	17.20	11.75	78032
June 2014	15.25	13.45	122996	15.20	13.00	75691
July 2014	16.75	12.73	955769	16.70	12.40	969988

August 2014	15.90	10.85	541042	16.00	10.55	602047
September 2014	13.25	11.25	46847	13.10	10.75	99896
October 2014	13.65	10.18	18255	13.40	10.00	300788
November 2014	14.00	9.75	56958	13.50	9.25	730580
December 2014	12.00	9.03	227621	11.95	9.15	683931
January 2015	12.95	10.50	11.85	13.00	10.15	931479
February 2015	14.70	10.00	294032	14.70	11.10	80857
March 2015	13.60	10.25	3438070	13.85	9.70	556159

**g. 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, 2015 is as below:

**i. Distribution of shareholding as on March 31, 2015**

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	485160	0.87	14597	95.09
501 – 1000	244394	0.44	299	1.95
1001 – 2000	264715	0.47	174	1.13
2001 – 3000	183537	0.33	73	0.48
3001 – 4000	129686	0.23	37	0.24
4001 – 5000	173282	0.31	37	0.24
5001 – 10000	424960	0.76	56	0.36
Greater than 10000	53948672	96.59	78	0.51
<b>Total</b>	<b>55854406</b>	<b>100</b>	<b>15351</b>	<b>100</b>

**ii. Shareholding pattern by ownership as on March 31, 2015**

Categories	As on March 31, 2015	
	No. of Shares	Percentage
Promoters, Directors, Relatives and Associates	40886700	73.20
Foreign Institutional Investor/ Mutual Funds	12326	0.02
Public Financial Institutions / State Financial Corporation / Insurance Companies	319979	0.57
Mutual Funds (Indian) and UTI	12743	0.02
Nationalized and other Banks	260452	0.47
NRI / OCBs	21471	0.04
Public	5003421	9.72
Others (CBP/CM)	9321270	15.93
<b>Total</b>	<b>55854406</b>	<b>100</b>

**h. Dematerialization of Shares**

As on March 31, 2015, 55789109 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 as on March 31, 2015, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	65,297	0.12
Demat Segment		
NSDL	54563103	97.69
CSDL	1226006	2.19
<b>Total</b>	<b>55854406</b>	<b>100.00</b>

Physical Shares are transferred at the office of M/s Link Intime India Pvt Ltd., C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai-400078, the Registrar & Transfer Agent of the Company. Any query or complaint may be referred to the said address.

**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 Retail Limited, FRL) is kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in FRL which are currently held in abeyance.

Fractional shares on the allotment of shares subsequent to the demerger of the Company from Future Retail Limited 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. The sale proceeds of these shares will be proportionately distributed to shareholders who were entitled to such fractional shares.

**j. Share Transfer system:**

Transfer of shares held in physical mode is processed by M/s Link Intime India Pvt Ltd, C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078, Share Transfer Agent and approved by the Share Transfer Committee. Valid Share Transfer in physical form and complete in all respects were approved, registered and dispatched within stipulated period.

**k. 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 66201456  
Fax: 022 66201462  
Email id for investors: [info.fmnI@futuregroup.in](mailto:info.fmnI@futuregroup.in)

**ii. Shareholders correspondence should be addressed to:**

M/s Link Intime India Pvt Ltd.  
C/13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai-400078  
Phone: 022-2596 3838  
Fax: 022-2594 6969

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

**IX. Compliance on Clause 49 of the Listing Agreement**

In so far as compliance with the requirements of Clause 49 of the listing Agreement with the stock exchanges for the year ended March 31, 2015, the Company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance report. The Company has not adopted any non mandatory requirements suggested under the Corporate Governance. The Statutory Auditors have certified that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 and the certificate is annexed to this report.

### CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Future Market Networks Limited

We have examined the compliance of conditions of Corporate Governance by Future Market Networks Limited ("the Company") for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

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

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

**For NGS & Co. LLP**  
**Chartered Accountant**  
**Firm Registration no.: 119850W**

**Ashok A Trivedi**  
Partner  
042472

Place: Mumbai  
Date: May 30, 2015



# 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, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in Annexure, a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;





- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For NGS & Co LLP**  
Chartered Accountants  
Firm Registration Number 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 30, 2015

**Annexure to the Independent Auditors' Report**

**(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the companies Act 2013. Therefore, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act for the products of the company.
- vii. (a) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, cess and other material statutory dues, as applicable. As explained to us, the company did not have any dues on account of custom duty, excise duty and Investor Education and protection fund.
- (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, 2015, for a period of more than six months from the date they became payable.
- (c) Details of dues of income tax, which have not been deposited as at March 31, 2015 on account of dispute are given below.

<b>Name of the Statute</b>	<b>Nature of the dues</b>	<b>Amount (₹ In lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act 1961	Income Tax	1,302.52	A.Y. 2012-13	Commissioner of Income Tax

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.
- viii. The Company has accumulated losses at the end of the financial year and it has incurred cash losses in the current year, and in preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions. There were no dues payable to debenture holders during the year.

- x. In our opinion and according to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- xi. In our opinion and according to the explanations given to us, term loans obtained have been applied for the purpose for which they were obtained.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For NGS & Co LLP**

Chartered Accountants  
Firm Registration Number 119850W

**Ashok A. Trivedi**

Partner  
Membership No. 042472

Mumbai  
May 30, 2015

**BALANCE SHEET AS AT MARCH 31, 2015**

(₹ in Lacs)

Particulars	Note	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	5,585.44	5,585.44
Reserves and Surplus	3	13,892.70	19,221.44
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	21,098.75	22,940.00
Other Long Term Liabilities	5	15,526.01	9,988.63
Long-Term Provisions	6	14.83	10.78
<b>Current Liabilities</b>			
Short-Term Borrowings	7	11,822.02	16,770.11
Trade Payables	8	2,787.19	3,116.81
Other Current Liabilities	9	15,644.46	12,445.58
Short-Term Provisions	10	2.92	2.16
<b>TOTAL</b>		<b>86,374.32</b>	<b>90,080.95</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	28,085.83	30,679.74
Capital work-in-progress		1,454.61	946.72
Non-Current Investments	12	20,703.91	20,388.56
Long-Term Loans and Advances	13	14,927.58	20,116.31
<b>Current Assets</b>			
Trade Receivables	14	2,891.89	4,219.18
Cash and Bank Balances	15	118.41	825.04
Short-Term Loans and Advances	16	18,192.09	12,905.40
<b>TOTAL</b>		<b>86,374.32</b>	<b>90,080.95</b>
The notes form an integral part of these financial statements	1-42		

**As per our Report of even date attached**
**For NGS & Co. LLP**

Chartered Accountants

**For and on behalf of the Board of Directors**
**Ashok A. Trivedi**

Partner

**Membership No. 042472**
**Vijai Singh Dugar**

Chairman

**Sunil Biyani**

Managing Director

Mumbai

May 30, 2015

**Anil Cherian**

Company Secretary

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

(₹ in Lacs)

Particulars	Note	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>INCOME:</b>			
Revenue from Operations	17	7,205.83	7,709.29
Other Income	18	1,290.38	499.50
<b>Total Revenue</b>		<b>8,496.21</b>	<b>8,208.79</b>
<b>EXPENSES:</b>			
Purchase of Stock in trade		707.68	-
Operating Cost	19	4,114.39	6,367.84
Employee Benefit Expenses	20	372.63	280.73
Finance Costs	21	4,920.45	5,170.29
Depreciation	11	2,703.78	1,750.52
Other Expenses	22	1,006.84	1,222.39
<b>Total Expenses</b>		<b>13,825.78</b>	<b>14,791.76</b>
<b>Profit/(Loss) before Tax</b>		<b>(5,329.56)</b>	<b>(6,582.98)</b>
Tax Expense:			
(1) Current tax			
(2) Deferred Tax			
<b>Profit/(Loss) after Tax</b>		<b>(5,329.56)</b>	<b>(6,582.98)</b>
<b>Earnings Per Equity Share</b>			
Equity Shares of Face Value ₹ 10 each			
Basic and Diluted		<b>(9.54)</b>	<b>(11.79)</b>
The notes form an integral part of these financial statements	1-42		

As per our Report of even date attached

For NGS &amp; Co. LLP

Chartered Accountants

For and on behalf of the Board of Directors

Ashok A. Trivedi

Partner

Membership No. 042472

Vijai Singh Dugar

Chairman

Sunil Biyani

Managing Director

Mumbai

May 30, 2015

Anil Cherian

Company Secretary

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

(₹ in Lacs)

Particulars		March 31, 2015	March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit/(Loss) Before Tax		(5,329.56)	(6,582.98)
<b>Adjustments for :</b>			
Depreciation		2,703.78	1,750.52
Interest Income		(1,200.61)	(488.47)
Interest Expenses		4,897.69	5,041.95
Provision for doubtful debts		306.99	59.77
Profit on sale of Investment		-	(0.05)
Loss/(Profit) on sale of Fixed Assets		0.40	2.00
Excess Provision Written back		(80.17)	(5.96)
On account of employees stock option scheme		15.20	21.89
		<b>6,643.28</b>	<b>6,381.64</b>
<b>Operating Profit before Working Capital change</b>		<b>1,313.72</b>	<b>(201.33)</b>
<b>Adjustment for:</b>			
Trade and Other Receivable		1,020.29	497.65
Loans and Advances		(89.33)	(3,399.55)
Trade Payable, Other Liabilities & Provisions		8,480.34	386.50
		<b>9,411.30</b>	<b>(2,515.40)</b>
<b>Cash generated from operations</b>		<b>10,725.02</b>	<b>(2,716.74)</b>
Taxes Paid			
<b>Net Cash from operating activities</b>	<b>A</b>	<b>10,725.02</b>	<b>(2,716.74)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Sale of Fixed Assets		185.28	354.31
Purchase of Fixed Assets		(815.15)	(69.00)
Sale of Investment		-	2,101.35
Purchase of Investment		(315.35)	(749.50)
Interest received		1,200.61	488.47
<b>Net Cash From Investing Activities</b>	<b>B</b>	<b>255.39</b>	<b>2,125.63</b>
<b>CASH FROM FINANCING ACTIVITIES:</b>			
Interest paid		(4,897.69)	(5,041.95)
Net Proceeds of Short Term Borrowings		(4,948.10)	3,701.36
Net Proceeds of Long Term Borrowings		(1,841.25)	2,689.28
<b>Net Cash from/(used) in Financing Activities</b>	<b>C</b>	<b>(11,687.04)</b>	<b>1,348.69</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C)</b>	<b>(706.62)</b>	<b>757.58</b>
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		<b>825.04</b>	<b>67.45</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>118.41</b>	<b>825.04</b>

As per our Report of even date attached

For NGS &amp; Co. LLP

Chartered Accountants

For and on behalf of the Board of Directors

**Ashok A. Trivedi**

Partner

**Membership No. 042472**
**Vijai Singh Dugar**

Chairman

**Sunil Biyani**

Managing Director

Mumbai

May 30, 2015

**Anil Cherian**

Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.****1 Significant Accounting Policies:****1.1 Basis of preparation:**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting standards notified under relevant provisions of the Companies Act, 2013, the financial statements are prepared on accrual basis under the historical cost convention.

**1.2 Use of estimates:**

Preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of incomes and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions uncertainty about these assumptions and estimates could result in differences between the actual results and estimates, which are recognized in future periods.

**1.3 Fixed Assets and Depreciation:**

- i. Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets upto the date when such assets are ready for their intended use.
- ii. Depreciation on fixed assets is provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except for the leasehold improvements which are depreciated over the remaining expected lease term.

**1.4 Impairment of Assets:**

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

**1.5 Investments:**

Current investments are stated at lower of cost and fair value computed on individual investment basis.

Long term investments are stated at cost, less provision for other than temporary diminution in value.

**1.6 Revenue Recognition:**

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

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.

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 recognised 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.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rates applicable. Dividends are recorded when the right to receive payment is established.

### **1.7 Retirement and Other Employee Benefits:**

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

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

### **1.8 Taxation:**

Tax expense includes provision for Current tax and Deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

### **1.9 Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized, but disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

### **1.10 Leases:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Rentals are expensed with reference to lease terms and other considerations.

### **1.11 Foreign Currency Transactions:**

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate at the date of the transaction. At each Balance sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences are recognized as income or expense in the period in which they arise.

### **1.12 Inventories:**

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





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 2. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Authorised Capital</b>		
9,02,60,000 Equity Shares of ₹ 10/- each	9,026.00	9,026.00
5,000 Preference Shares of ₹ 100/- each	5.00	5.00
	<b>9,031.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
55,854,976 Equity Share of Rs 10/- each	5,585.50	5,585.50
	<b>5,585.50</b>	<b>5,585.50</b>
<b>Subscribed and Paid up</b>		
55,854,406 Equity Share of Rs 10/- each fully paid up	5,585.44	5,585.44
	<b>5,585.44</b>	<b>5,585.44</b>

\* Includes 570 shares in abeyance

## a) Reconciliation of the shares outstanding is set out below:

(₹ in Lacs)

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
Opening balance of Equity shares	55,854,976	5,585.50	55,854,976	5,585.50
Shares Issued during the year	-	-	-	-
<b>Closing balance of Equity Shares</b>	<b>55,854,976</b>	<b>5,585.50</b>	<b>55,854,976</b>	<b>5,585.50</b>

## b) Rights and restrictions attached to 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.

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

Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% held	No. of Shares	% held
Manz Retail Private Limited	16,430,824	29.42%	16,430,824	29.42%
Future Corporate Resources Limited	15,176,754	27.17%	12,676,754	22.70%
Future Ideas Realtors India Limited	8,563,367	15.33%	8,563,367	15.33%
Rhamni Projects Private Limited	-	-	8,042,291	14.40%
Ishbhoomi Mall Management Private Limited	4,127,870	7.39%	3,127,870	5.60%
<b>Total</b>	<b>44,298,815</b>	<b>79.31%</b>	<b>48,841,106</b>	<b>87.44%</b>

## d) Shares reserved for issue under options

Shares reserved for issue under options and contracts including the terms and amounts: For Detail of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the company. Refer note 37

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**3. RESERVES AND SURPLUS**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital Reserve</b>		
As per last Balance Sheet	7,474.75	7,474.75
	<u>7,474.75</u>	<u>7,474.75</u>
<b>Securities Premium</b>		
As per last Balance Sheet	25,241.47	25,241.47
Less: Utilised during the year	2.66	-
	<u>25,238.81</u>	<u>25,241.47</u>
<b>Share Option Outstanding Account</b>		
Opening Balance	21.89	-
Add: charge for the year	15.20	21.89
	<u>37.09</u>	<u>21.89</u>
<b>Statement of Profit and Loss</b>		
Opening Balance	(13,516.67)	(6,933.70)
Add: Deficit for the year	(5,329.56)	(6,582.98)
Less: Adjustment on account of Schedule II of Companies Act 2013	(11.71)	-
	<u>(18,857.95)</u>	<u>(13,516.67)</u>
	<u>13,892.70</u>	<u>19,221.44</u>

**4. LONG-TERM BORROWINGS**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
Rupee Term Loan from Banks	21,098.75	22,940.00
	<u>21,098.75</u>	<u>22,940.00</u>

- a) ₹ Nil (2014: ₹ 9,580.83 lacs) secured by specified immovable property, specified immovable property owned by Ishkrupa Mall Management Company Private limited and personal guarantee of some shareholders.
- b) ₹ 3,250.00 lacs (2014: ₹ 4,125.00 lacs) secured by hypothecation charge on all the movable assets.
- c) Term Loan of ₹ 12,690.00 lacs (2014: ₹ 13,500.00 lacs) are secured by (a) Charge on Assets of ₹ 10,500.00 Lacs created out of the proposed Term Loan. First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to ₹ 100 cr (b) Second Pari Passu charge on the immovable property owned by Banshi Mall Management Company Private Limited.
- d) Term Loan of ₹ 10,000.00 lacs (2014: ₹ 7,000.00 lacs) are secured by (a) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (b) Corporate Guarantee of Banshi Mall Management Company Private Limited.

Term Loan are repayable as follows: ₹ 6,375.00 lacs is repayable in 2016-17, ₹ 7,691.25 lacs is repayable in 2017-18, ₹ 4,407.50 lacs is repayable in 2018-19 and ₹ 2,625.00 lacs is repayable in 2019-20.

(Rate of interest between 13% to 14.25% p.a.)

**5. OTHER LONG-TERM LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Rental Deposits	15,526.01	9,988.63
	<u>15,526.01</u>	<u>9,988.63</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>6. LONG-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits*</b>	<b>14.83</b>	10.78
*Include provision for gratuity and other retirement benefits		
	<b>14.83</b>	<b>10.78</b>
<b>7. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Cash Credit from bank	<b>562.73</b>	562.02
<b>Loan from Financial Institution</b>		
Inter Corporate Deposit	<b>5,200.00</b>	2,000.00
<b>Unsecured, repayable on demand</b>		
Loans and advances from related parties	<b>3,066.00</b>	11,354.83
Loans and advances from others	<b>2,993.29</b>	2,853.26
	<b>11,822.02</b>	<b>16,770.11</b>
<b>Secured</b>		
<b>a) Cash Credit from bank:</b>		
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		
<b>b) Inter Corporate Deposit:</b>		
Secured by hypothecation of movable assets and receivables of the company, both present and future and personal guarantee of promoter shareholder (Rate of interest between 13.85% to 15.00% p.a.)		
<b>Unsecured</b>		
<b>a) Loans and advances from related parties:</b>		
Includes amount advanced pursuant to the stipulation of lending banks ₹ 3,066.00 lacs (2014: ₹ 5,817.85 lacs)		
<b>b) Loans and advances from others:</b>		
Includes amount advanced pursuant to the stipulation of lending banks ₹ 2,882.13 lacs (2014: ₹ 2,815.39 lacs) (Rate of interest is 14.00%)		
<b>8. TRADE PAYABLES</b>		
Trade Payables (Refer Note No. 36)	<b>2,787.19</b>	3,116.81
	<b>2,787.19</b>	<b>3,116.81</b>
<b>9. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Borrowings	<b>4,841.25</b>	11,265.83
Advance received from customers	<b>10,522.98</b>	108.00
Others*	<b>280.23</b>	1,071.74
	<b>15,644.46</b>	<b>12,445.58</b>
* includes payable for expenses and statutory dues		
<b>10. SHORT-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits*</b>	<b>2.92</b>	2.16
*Includes provision for gratuity and other retirement benefits		
	<b>2.92</b>	<b>2.16</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

11. FIXED ASSETS

(₹ in Laacs)

Particulars	Gross Block			Depreciation			Net Block			
	As at April 1, 2014	Additions	Sale/ Disposal during the year	As at March 31, 2015	Upto April 1, 2014	For the Year	Adjustment for the Year	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>A. Tangible Fixed Assets</b>										
Freehold Land	69.94	-	-	69.94	-	-	-	-	69.94	69.94
Leasehold Improvement	145.33	-	145.33	-	24.52	0.24	(24.75)	-	-	120.81
Air Conditioner	15.87	-	-	15.87	5.64	1.45	-	7.09	8.78	10.23
Computers and Software	44.88	-	-	44.88	36.23	11.59	(11.25)	36.57	8.31	8.65
Furniture and Fittings	131.16	-	-	131.16	46.40	12.03	-	58.43	72.74	84.77
Office and Other Equipment	6.92	-	-	6.92	1.14	2.65	-	3.79	3.13	5.78
Plant and Machinery	86.04	-	-	86.04	28.41	8.18	-	36.58	49.45	57.63
<b>Total A</b>	<b>500.14</b>	<b>-</b>	<b>145.33</b>	<b>354.81</b>	<b>142.34</b>	<b>36.12</b>	<b>(36.00)</b>	<b>142.46</b>	<b>212.34</b>	<b>357.79</b>
<b>B. Under Operating Lease</b>										
Building	12,009.18	-	-	12,009.18	1,504.50	172.05	-	1,676.55	10,332.62	10,504.67
Leasehold Improvement	6,625.43	66.28	-	6,691.71	1,422.10	614.40	0.72	2,037.22	4,654.49	5,203.32
Air Conditioner	3,119.19	41.81	-	3,160.99	544.64	347.28	-	891.92	2,269.07	2,574.55
Computers and Software	126.15	5.66	-	131.81	96.64	1.56	22.45	120.66	11.16	29.51
Furniture and Fittings	6,465.27	99.22	-	6,564.49	1,130.72	713.97	-	1,844.69	4,719.79	5,334.55
Office and Other Equipment	304.87	1.99	-	306.86	41.01	116.00	-	157.01	149.86	263.86
Plant and Machinery	6,267.36	92.31	-	6,359.67	809.11	702.39	-	1,511.50	4,848.17	5,458.25
Vehicles	4.19	-	-	4.19	4.19	-	(0.21)	3.98	0.21	-
<b>TOTAL B</b>	<b>34,921.63</b>	<b>307.27</b>	<b>-</b>	<b>35,228.90</b>	<b>5,552.92</b>	<b>2,667.66</b>	<b>22.96</b>	<b>8,243.54</b>	<b>26,985.36</b>	<b>29,368.71</b>
<b>Grand Total (A+B)</b>	<b>35,421.76</b>	<b>307.27</b>	<b>145.33</b>	<b>35,583.71</b>	<b>5,695.26</b>	<b>2,703.78</b>	<b>(13.04)</b>	<b>8,386.00</b>	<b>27,197.71</b>	<b>29,726.50</b>
<b>Previous Year</b>	<b>35,353.02</b>	<b>69.00</b>	<b>0.26</b>	<b>35,421.76</b>	<b>3,944.84</b>	<b>1,750.52</b>	<b>0.10</b>	<b>5,695.26</b>	<b>29,726.50</b>	
<b>Assets held for sale</b>									<b>888.12</b>	<b>953.24</b>
									<b>28,085.83</b>	<b>30,679.74</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>12. NON-CURRENT INVESTMENTS</b>		
<b>Trade Investment (Valued at cost unless stated otherwise)</b>		
<b>Unquoted</b>		
<b>Investments in Equity Shares of</b>		
<b>Subsidiary Companies</b>		
<b>Equity Shares of ₹10/- each fully paid up</b>		
10,000 Equity Shares of F R Retail Destination Private Limited	273.34	273.34
11,36,600 Equity Shares of Sun City Properties Private Limited	1,295.52	1,295.52
1,00,000 Equity Shares of Aashirwad Malls Private Limited	567.58	567.58
10,000 Equity Shares of Niyman Mall Management Company Private Limited	782.58	782.58
10,000 Equity Shares of Ojas Mall Management Private Limited	1.00	1.00
15,000 Equity Shares of Star Shopping Centres Private Limited	1.50	1.50
6,14,161 Equity Shares of Future Trade Markets Private Limited	3,866.00	3,866.00
8,47,356 Equity Shares of Suhani Mall Management Company Private Limited	2,020.54	2,020.54
<b>Joint Ventures</b>		
<b>Equity Shares of ₹10/- each fully paid up</b>		
5,669 (5,000) Equity Shares of Riddhi Siddhi Mall Management Private Limited	379.22	63.87
1,50,00,000 Equity Shares of Future Retail Destination Limited	1,500.00	1,500.00
25,000 Equity Shares of Utility Developers Private Limited	2.50	2.50
<b>Associates</b>		
<b>Equity Shares of ₹10/- each fully paid up</b>		
10,000 Equity Shares of Precision Realty Developers Private Limited	1.00	1.00
60,000 (10,000) Equity Shares of Acute Realty Private Limited	531.52	531.52
10,000 Equity Shares of Nishta Mall Management Company Private Limited	230.08	230.08
1,30,000 (10,000) Equity Shares of Unique Malls Private Limited	233.34	233.34
<b>Others</b>		
<b>Equity Shares of ₹10/- each fully paid up</b>		
1,65,000 Equity Shares of Calcutta Metropolitan Group Limited	2,224.99	2,224.99
65,000 Equity Shares of Riverbank Developers Private Limited	5,621.05	5,621.05
11,425 Equity Shares of V.R.Procurement Corporation Pvt Ltd.	228.50	228.50
10,000 Equity Shares of Navika Developers Private Limited	1.00	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	1.00	1.00
10,000 Equity Shares of Ujjain Future Bazaar Private Limited	9.00	9.00
10,000 Equity Shares of Harmony Malls Management Private Limited	1.00	1.00
<b>Investments in Preference Shares of</b>		
<b>Joint Ventures</b>		
257 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	931.64	931.64
<b>Aggregate cost of unquoted investments</b>	<b>20,703.90</b>	<b>20,388.56</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Capital Advances	7,365.74	23.94
<b>Security Deposits to</b>		
Others	2,850.38	9,497.55
<b>Other Loans and Advances</b>		
Other Loans and Advances to Related parties*	272.39	4,866.58
Others	2,166.51	3,616.26
Deduction of Income Taxes (net of provision)	1,557.35	1,396.76
Other Loans and Advances	715.21	715.22
	<b>14,927.58</b>	<b>20,116.31</b>
*Includes share application money ₹ Nil (2014: ₹ 3600.00 Lacs)		
<b>14. TRADE RECEIVABLES</b>		
<b>(Unsecured)</b>		
Outstanding for a period exceeding six months		
Considered Doubtful	658.01	351.02
Considered Good	1,790.51	3,106.22
Less: Provision for Doubtful Debts	658.01	351.02
	1,790.51	3,106.22
Other debts	1,101.39	1,112.96
	<b>2,891.90</b>	<b>4,219.18</b>
<b>15. CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Cash on Hand	0.53	3.32
Balance with Banks		
in current accounts	110.36	815.22
in Deposit account*	7.52	-
Other bank balances		
in Deposit account	-	6.50
	<b>118.41</b>	<b>825.04</b>
*Includes under lien ₹ 3.89 lacs		
<b>16. SHORT-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good )</b>		
<b>Loans and Advances to</b>		
Related Parties	17,001.42	10,748.83
(Repayable on demand includes amount advanced pursuant to the stipulation of lending banks ₹ 4,500.00 lacs (2014: ₹ 4,835.32 lacs) balance carrying interest rate 14%-15%.		
Others	940.00	1,378.48
(Rate of interest is 14.75%)		
Deposits	141.37	75.44
Other Loans and Advances*	109.30	702.65
	<b>18,192.09</b>	<b>12,905.40</b>
* includes Share Application Money ₹ 35.00 Lacs (2014 : ₹425.00 Lacs)		



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lacs)

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
<b>17. REVENUE FROM OPERATIONS</b>		
Sales	792.19	-
Less: Vat / Sales Tax	88.02	-
	704.17	-
Rent and other related revenues	6,358.63	6,702.12
Project Management Consultancy	143.03	206.38
Other Operating Revenues	-	800.80
	7,205.83	7,709.29
<b>18. OTHER INCOME</b>		
<b>Interest Income</b>		
On Fixed Deposit	0.65	0.91
Others	1,199.96	487.56
Net Gain on sale of Current Investments	-	0.05
Profit on sale of Fixed Assets	4.13	-
Sundry Balances/Excess Provision Written Back	80.17	5.96
Miscellaneous Income	5.47	5.01
	1,290.38	499.50
<b>19. OPERATING COST</b>		
Mall Maintenance Charges	177.18	136.49
Rent including lease rentals	3,937.21	6,231.35
	4,114.39	6,367.84
<b>20. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	341.45	247.62
Contribution to Provident and Other Funds	11.23	7.03
Employees stock option scheme	15.20	21.89
Staff Welfare Expenses	4.75	4.19
	372.63	280.73
<b>21. FINANCE COSTS</b>		
Interest Expenses	4,897.69	5,041.95
Other Borrowing costs	22.76	128.34
	4,920.45	5,170.29
<b>22. OPERATING AND OTHER EXPENSES</b>		
Electricity Charges	138.33	454.14
Repairs and Maintenance - Others	115.06	125.80
<b>Auditors' Remuneration</b>		
Statutory Audit Fees	5.00	5.55
Tax Audit Fees	0.50	0.50
Other Services	2.15	1.15
Rates and Taxes	188.76	184.48
Insurance	11.00	13.89
Legal and Professional Fees	88.02	69.71
Exchange Fluctuation Loss	-	167.95
Provision for Doubtful Debts	306.99	59.77
Sundry Balance Written Off	4.90	2.48
Loss on sale/discard of Fixed Assets	4.54	2.00
Other Expenses	141.59	134.95
	1,006.84	1,222.39

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

23. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 94.29 Lacs (2014: ₹ 37.20 Lacs).

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

(a) Corporate Guarantee given to bank on behalf of Companies - ₹ 49,950.00 Lacs (2014: ₹ 49,950.00 Lacs)

(b) Income tax demand ₹ 1,357.23 Lacs (2014: ₹ 40.02 Lacs)

Based on the decisions of Appellate authorities and the interpretation of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(c) Claims and counter claims by/against the Company have been filed with an arbitrator appointed by the Hon'ble High Court of Calcutta. Since the arbitration proceedings are in process, it is not possible to ascertain the amount of contingent liability, if any.

25. Disclosures required by Accounting Standard 15 "Employee benefits"

**A. Change in Present Value of Obligation**

(₹ in Lacs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Present Value of the Obligation as on April 1, 2014	7.16	4.20	5.77	3.28
Interest Cost	0.57	0.34	0.46	0.26
Current Service Cost	2.39	1.99	1.64	1.30
Benefits Paid	NIL	1.54	0.33	1.60
Actuarial Loss on Obligation	NIL	2.18	0.08	2.54
Present Value of the Obligation as on March 31, 2015	10.13	7.16	7.62	5.77

**B. Amount recognized in the Balance Sheet**

(₹ in Lacs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Present Value of the Obligation as on March 31, 2014	10.13	7.16	7.62	5.77
Fair value of plan assets	NIL	NIL	NIL	NIL
Un-funded Liability	10.13	7.16	7.62	5.77
Unrecognized actuarial gains/ losses	NIL	NIL	NIL	NIL
Un-funded liability recognized in Balance Sheet	10.13	7.16	7.62	5.77

**C. Expense recognized in the Statement of Profit and Loss**

(₹ in Lacs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Interest Cost	0.57	0.34	0.46	0.26
Current Service Cost	2.39	1.99	1.64	1.30
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss on obligations	NIL	2.18	0.08	2.54
Total expense recognized in the Statement of Profit and Loss	2.96	(4.50)	2.18	4.10



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## D. Reconciliation of Balance Sheet

(₹ in Lacs)

Particulars	Gratuity (Unfunded)		Leave Encashment ( Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Liability of transferred employees under scheme of amalgamation	NIL	(NIL)	NIL	(NIL)
Total expense recognized in the Statement of Profit and Loss Account	2.96	(4.50)	2.18	4.10
Benefits paid during the year	NIL	1.54	0.33	1.60
Present Value of the Obligation as on March 31	10.13	7.16	7.62	5.77

## E. The assumptions used to determine the benefit obligations are as follows

Particulars	Gratuity	Leave Encashment
Discount Rate	8%	8%
Expected Rate of increase in compensation levels	5%	5%

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

26. In respect of operating lease taken by the company, the future minimum lease rental obligation under non – cancellable operating leases in respect of these assets is ₹13,317.03 Lacs (2014: ₹ 18,774.25 Lacs ).

(₹ in Lacs)

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
i)	Lease rentals recognized in Statement of Profit and Loss	3937.21	6,231.35
ii)	Lease rentals payable not later than one year	2969.17	3,444.82
iii)	Lease rentals payable later than one year and not later than five years	8897.56	12,718.89
iv)	Lease rentals payable later than five years	1450.30	2,610.54

27. In respect of operating lease given by the company, the future minimum lease rental receivable under non – cancellable operating leases is as follows:

(₹ in Lacs)

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
i)	Gross block of assets let out on operating lease	35228.90	34,917.44
ii)	Accumulated depreciation as at March 31	8243.54	5,548.73
iii)	Depreciation charged during the year to the Statement of Profit and Loss	2667.66	1,727.48
iv)	Lease rentals recognised in Statement of Profit and Loss	5764.82	6,245.13
v)	Lease rentals receivable not later than one year	1054.90	1,585.44
vi)	Lease rentals receivable later than one year and not later than five years	644.33	2,517.40
vii)	Lease rentals receivable later than five years	-	334.68

28. The Company is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment in terms of Accounting Standard (AS) 17 "Segment Reporting". The operations of the Company are within the geographical territory of India which is considered as a single geographical segment.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

29. Related Party as per Accounting standard 18, the disclosure of transaction with related parties are given below:

**A) List of Related parties where control exists and related parties with whom transactions have been taken place and relationships:-**

<b>Name of Related Parties</b>	<b>Relationship</b>
Aashirwad Malls Private Limited	Subsidiaries
Niyman Mall Management Company Private Limited	
Ojas Mall Management Private Limited	
F R Retail Destination Private Limited	
Future Trade Markets Private Limited	
Star Shopping Centres Private Limited	
Suhani Mall Management Company Private Limited	
Sun City Properties Private Limited	
Precision Realty Developers Private Limited (Subsidiary upto 30.09.2014)	
Acute Realty Private Limited (Subsidiary upto 30.09.2014)	
Unique Malls Private Limited (Subsidiary upto 30.09.2014)	
Nishta Mall Management Company Private Limited (Subsidiary upto 30.09.2014)	
Shreya Mall Management Private Limited (Subsidiary upto 28.03.2015)	
Ujjain Future Bazaar Private Limited (Subsidiary upto 20.03.2015)	
Harmony Malls Management Private Limited (Subsidiary upto 20.03.2015)	
Navika Developers Private Limited (Subsidiary upto 28.03.2015)	
Utility Developers Private Limited	Joint Ventures
Riddhi Siddhi Mall Management Private Limited	
Future Retail Destination Limited	
Precision Realty Developers Private Limited ( w.e.f 01.10.2014 )	Associates
Acute Realty Private Limited (w.e.f 01.10.2014 )	
Unique Malls Private Limited (w.e.f 01.10.2014 )	
Nishta Mall Management Company Private Limited (w.e.f 01.10.2014 )	
Future Corporate Resources Limited	Investing Party
Manz Retail Private Limited	

**B) Transactions during the year with related parties :-**

(₹ in Lacs)

<b>Nature of Transactions</b>	<b>Subsidiaries</b>	<b>Joint Ventures</b>	<b>Associates</b>	<b>Investing Parties</b>
Interest Income	890.48	14.34	295.14	-
	(413.72)	(10.12)	(-)	(-)
Project Management Consultancy	51.44	-	-	-
	(56.21)	(43.77)	(-)	(-)
Interest Expense	104.33	23.02	29.24	-
	(464.70)	(96.25)	(-)	(-)
Reimbursement of Expenses	1.55	-	-	0.79
	(-)	(-)	(-)	(-)
Investment in shares	-	315.35	-	-
	(439.49)	(232.69)	(-)	(-)
Share application money Given	-	-	-	-
	(3,600.00)	(-)	(-)	(-)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lacs)

Share application money received back	3,600.00	-	-	-
	(-)	(-)	(-)	(-)
Loans given net off received back	9409.46	7.12	4940.91	-
	(5,995.17)	(9.99)	(-)	(-)
Loans taken net off repaid back	1,135.42	(214.61)	-	1,934.00
	(4,017.82)	(887.50)	-	(1,250.00)
Deposits received	-	-	-	4.00
	(-)	(1,256.25)	(-)	(2.00)
Deposits Received repaid back	700.00	1,205.97	-	6.00
	(-)	(-)	(-)	(-)

**Outstanding Balance as at March 31,**

Receivable	3,760.88	159.31	13,420.37	-
	(11,944.37)	(139.86)	(2.07)	(-)
Payable	-	50.28	-	3,066.79
	(5,440.23)	(1,470.86)	(-)	(5,015.19)

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

**C) Significant Related party transactions:**

- Interest income includes F R Retail Destination Private Limited ₹118.52 Lacs (2014: ₹ NIL), Niyman Mall Management Company Private Limited ₹ 153.10 Lacs (2014: ₹ 16.49 Lacs), Ojas Mall Management Private Limited ₹ 280.81 Lacs (2014: ₹ 194.71 Lacs), Harmony Malls Management Private Limited ₹ 20.46 Lacs (2014: ₹ 88.19 Lacs), Future Retail Destination Limited ₹ 14.34 Lacs (2014: ₹ 10.12 Lacs), Nishta Mall Management Company Private Limited ₹ 188.30 Lacs (2014: ₹ 91.10 Lacs), Acute Realty Private Limited ₹ 82.77 Lacs (2014 : ₹ 2.34 Lacs) and Unique Malls Private Limited ₹ 236.44 Lacs (2014: ₹ 8.02 Lacs).
- Project Management Revenue includes Aashirwad Malls Private Limited ₹ 40.00 Lacs (2014: ₹ 49.00 Lacs), Future Trade Markets Private Limited ₹ 11.44 Lacs (2014: ₹ 5.79 Lacs) and Future Retail Destination Limited ₹ NIL (2014: ₹ 40.17 Lacs).
- Interest expense includes Precision Realty developers Private Limited ₹ 58.47 Lacs (2014: ₹ 30.21 Lacs), Suhani mall Management Private limited ₹ 51.69 Lacs (2014: ₹ 38.28 Lacs), and Vishnu Mall Management Private Limited. ₹ NIL (2014: ₹ 393.89 Lacs), Ujjain Future Bazaar Private Limited ₹ 23.41 Lacs (2014: ₹ Nil) and Riddhi Siddhi Mall Management Private Limited ₹ 23.02 Lacs (2014: ₹ 96.25).
- Share application money given includes Acute Realty Private Limited ₹ NIL (2014: ₹ 3,600.00 Lacs).
- Share application money given received back includes Acute Realty Private Limited ₹ 3,600.00 Lacs (2014: ₹ NIL).
- Investment in shares includes Riddhi Siddhi Mall Management Private Limited ₹ 315.34 Lacs (2014: ₹ 232.69 Lacs).
- Loans given net off received back include Ojas Mall Management Private Limited ₹ 2209.52 Lacs (2014: ₹ NIL), Niyman Mall Management Company Private Limited ₹ 18.61 Lacs (2014: ₹ 1034.65 Lacs), Precision Realty Developers Private Limited ₹ 1,686.59 Lacs (2014: ₹ 4,242.67 Lacs), Unique Malls Private Limited ₹ 2,784.96 Lacs (2014: ₹ 2,997.73 Lacs), Acute Realty Private Limited ₹ 2,026.66 Lacs (2014: ₹ 19.44 Lacs), and Nishta Mall Management Company Private Limited ₹ 2103.54 Lacs (2014: ₹ 802.25 Lacs) and Future Retail Destination Limited ₹ 7.12 Lacs (2014 : ₹ 9.99 Lacs).
- Loan Taken net off repaid back include Suhani Mall Management Company Private Limited ₹ NIL (2014: ₹ 759.15 Lacs), Ojas Mall Management Private Limited ₹ NIL (2014: ₹ 2,520.22 Lacs), Vishnu Mall Management Private Limited ₹ NIL (2014: ₹ 529.15 Lacs), Ujjain Future Bazaar Private Limited ₹ 886.53 Lacs (2014: ₹ 111.16 Lacs), Shreya Mall Management Private Limited ₹ 117.86 Lacs (2014: ₹ 1.49 Lacs), Navika Developers Private Limited ₹ 131.04 Lacs (2014 : ₹ NIL), Riddhi Siddhi Mall Management Private Limited ₹ 214.61 Lacs (2014: ₹ 887.50 Lacs), Future Corporate Resources Limited ₹ 1,934.00 Lacs (2014: ₹ 1,250.00 Lacs).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

9. Loan repaid back Riddhi Siddhi Mall Management Private Limited ₹ 2,14.61 Lacs (2014: ₹ 887.50 Lacs).
10. Deposit Received includes Riddhi Siddhi Mall Management Private Limited ₹ NIL (2014: ₹ 1,256.25 Lacs) and Manz Retail Private Limited ₹ 4.00 Lacs (2014: ₹ 2.00 Lacs).
11. Deposit Repaid includes Suhani Mall Management Company Private Limited ₹ 700.00 Lacs (2014: ₹ Nil), Riddhi Siddhi Mall Management Private Limited ₹ 1,205.97 Lacs (2014: ₹ Nil) and Manz Retail Private Limited ₹ 6.00 Lacs (2014: ₹ Nil).
12. Reimbursement of Expenses includes Star Shopping Centers Private Limited ₹ 0.75 Lacs (2014: ₹ NIL), Ujjian Future Bazaar Private Limited ₹ 0.80 Lacs (2014: ₹ NIL) and Future Corporate Resources Limited ₹ 0.79 Lacs (2014: ₹ NIL).

**30. Joint Venture Information:**

Joint Ventures as required by (AS-27) "Financial Reporting of interest in Joint Ventures" is given below:

S. No.	Name of the Company	Description of interest	Country of Incorporation	Percentage of Interest as on March 31, 2015	Percentage of Interest as on March 31, 2014
1	Future Retail Destination Limited	Equity	India	50.00%	50.00%
2	Riddhi Siddhi Mall Management Private Limited	Equity	India	50.00%	50.00%
3	Utility Developers Private Limited	Equity	India	50.00%	50.00%

Company's Interest in the Joint Ventures

(₹ in Lacs)

Sr. No.	Name of the Company	As on March 31, 2015	Assets	Liabilities	Income	Expenditure
1	Future Retail Destination Limited	50.00%	1580.25	90.22	0	8.70
2	Riddhi Siddhi Mall Management Private Limited	50.00%	4429.13	1865.64	203.05	208.39
3	Utility Developers Private Limited	50.00%	182.78	17.46	81.68	0.06

**31. Earnings Per Share:**

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit/(Loss) after tax	(5329.56)	(6,582.98)
Nominal Value of Ordinary Shares (₹)	10	10
Weighted average number of Equity Shares for calculating Basic and Diluted EPS	55,854,976	55,854,976
Earnings Per Share (Basic and Diluted) (₹)	(9.54)	(11.79)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 32. Deferred Tax Asset

Disclosure as required under Accounting Standard 22 on 'Accounting for Taxes on Income'

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	3,054.20	3,235.54
<b>Total</b>	<b>3,054.20</b>	<b>3,235.54</b>
<b>Deferred Tax Asset</b>		
Disallowance under Income Tax Act / Unabsorbed Depreciation / Unabsorbed losses*	3054.20	3,235.54
<b>Total</b>	<b>3,054.20</b>	<b>3,235.54</b>
<b>Net Deferred Tax (Liability)</b>	<b>Nil</b>	<b>Nil</b>

\*In the absence of virtual certainty to generate future taxable income against which deferred tax assets can be realized, deferred tax assets on unabsorbed depreciation and losses are recognized only to the extent of deferred tax liabilities.

## 33. Expenditure in Foreign Currency: ₹ NIL (2014: ₹ NIL)

## 34. Earnings in Foreign Currency: ₹ NIL (2014: ₹ NIL)

## 35. Disclosures as per Clause 32 of the Listing Agreement:

(₹ in Lacs)

Sr. No.	Name of Companies	Outstanding Balance		Maximum Balance outstanding during the year	
		As at March 31, 2015	As at March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
1	F R Retail Destination Private Limited (formerly known as Kshitij Retail Destination Pvt.Ltd.)	643.90	173.44	1914.22	2,396.93
2	Riddhi Siddhi Mall Management Private Limited.	0	8.24	315.34	357.18
3	Precision Realty Developers Private Limited	41.88	2,040.10	3079.59	4,243.90
4	Acute Realty Private Limited	3109.93	-	3109.93	19.44
5	Suhani Mall Management Company Private Limited.	24.26	-	362.45	142.47
6	Harmony Malls Management Private Limited	-	686.23	686.23	686.23
7	Nishta Mall Management Company Private Limited.	1622.49	1,197.09	1622.49	1,198.71
8	Suncity Properties Private Limited	138.31	113.08	138.31	113.08
9	Unique Malls Private Limited	6031.39	2,088.80	6768.83	3,093.05
10	Ojas Mall Management Private Limited (Vishnu Mall Management Private Limited has merged with effect 01.04.2014 )	2490.33	3,244.45	3638.69	5,569.96
11	Future Retail Destination Limited	112.52	91.07	112.52	91.07
12	Future Trade Markets Private Limited	-	10.28	22.62	10.28
13	Navika Developers Private Limited	-	20.80	142.12	28.50
14	Niyman Mall Management Co Pvt Ltd	171.71	502.71	1906.45	502.71
15	Ujjain Future Bazar Private Limited	-	572.55	618.64	572.55

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

36. Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

**37. Employee Stock Option Scheme**

Future Market Networks Limited (FMNL) has granted options to eligible employees in 2012 under FMNL-Employee Stock Option Scheme 2012 ("ESOS 2012").

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

**A. Summary of Status of ESOPs Granted**

The position of the existing scheme is summarized as under -

Particulars	2014-15		2013-14	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	4,89,000	12.00	NIL	-
Granted during the year	NIL	-	NIL	-
Lapsed during the year	50,000	12.00	17,000	12.00
Exercised during the year	NIL	-	NIL	-
Outstanding at the end of the year	4,39,000	12.00	4,89,000	12.00
Exercisable at the end of the year	4,39,000	-	4,89,000	12.00
Weighted Average Remaining contractual life of outstanding options (in years)	1		2	
Weighted average exercise price of options granted (₹)	12.00		12.00	

The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2012-13 is ₹ 85.50 Lacs. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognized in the financial statements for the year 2012-13 would be ₹ 121.18 Lacs. The effect of adopting the fair value method on the net income and earnings per share is presented below:

**Pro-forma Adjusted Net Income and Earnings Per Share**

Particulars	Units	2014-15	2013-14
Net Income as Reported	₹ In Lacs	(5,329.56)	(6,582.98)
Add: Intrinsic Value Compensation Cost	₹ In Lacs	15.19	20.65
Less: Fair Value Compensation Cost	₹ In Lacs	15.42	21.89
Adjusted Pro Forma Net Income	₹ In Lacs	(5,329.79)	(6,584.22)
Earning Per Equity Share: Basic			
As Reported	₹	(9.54)	(11.79)
Adjusted Pro-Forma	₹	(9.54)	(11.79)
Earning Per Equity Share: Diluted			
As Reported	₹	(9.54)	(11.79)
Adjusted Pro-Forma	₹	(9.54)	(11.79)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## B. Method and Assumptions Used to Estimate the Fair Value of Options Granted During the Year:

1. Risk Free Interest Rate	7.88%
2. Expected Life	2.50
3. Expected Volatility	60.71%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	23.95

## 38. The borrowing cost capitalized during the year ended March 31, 2015 was ₹ 247.60 lacs (2014: ₹ NIL)

## 39. Details of Purchase of Stock in trade:-

(₹ in Lacs)

Particulars	2014-15	2013-14
Office & Other Equipments	707.68	-
<b>Total</b>	<b>707.68</b>	<b>-</b>

## 40. Details of Sales value of Goods :-

Particulars	2014-15	2013-14
Office & Other Equipments	704.17	-
<b>Total</b>	<b>704.17</b>	<b>-</b>

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

(₹ in Lacs)

Sr. No.	Name	Relation	Amount as at March 31, 2015 (including interest accrued)	Maximum Outstanding during the year	Amount as at March 31, 2014 (including interest accrued)	Maximum Outstanding Previous during the year
<b>A</b>	<b>Loans</b>					
1	Acute Realty Private Limited	Associate	3,109.93	3,109.93	19.44	-
2	F R Retail Destination Private Limited	Subsidiary	1,914.22	643.90	2,396.93	173.44
3	Nishta Mall Management Company Private Limited	Associate	2,987.17	2,987.17	1,198.71	1,197.09
4	Niyman Mall Management Company Private Limited	Subsidiary	1,998.37	171.71	502.71	502.71
5	Ojas Mall Management Private Limited	Subsidiary	3,681.90	2,490.34	5,569.96	3,244.45
6	Precision Realty Developers Private Limited	Associate	3,079.59	41.88	4,243.90	2,040.10
7	Suhani Mall Management Company Private Limited	Subsidiary	362.45	24.27	1207.88	-
8	Suncity Properties Private Limited	Subsidiary	138.31	138.31	113.08	113.08
9	Unique Malls Private Limited	Associate	6768.83	6031.39	3,093.05	3,088.80
10	Future Retail Destination Limited	Joint Venture	112.53	112.53	91.07	91.07



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

<b>B</b>	<b>Corporate Guarantee Given</b>					(₹ in Lacs)
i.	IDBI Bank Limited-Acute Realty Private Limited	Associate	18,700.00	Not Applicable	18,700.00	Not Applicable
ii.	Central bank of India-Unique Malls Private Limited	Associate	18,750.00	Not Applicable	18,750.00	Not Applicable
iii.	Indian Overseas Bank - Precision Realty Developers Private Limited	Associate	12,500.00	Not Applicable	12,500.00	Not Applicable
<b>C</b>	<b>Investments</b>					
	Refer Note 12 to notes forming part of the financial statement					

**42. Previous Year Comparatives:**

Previous Year figures have been regrouped, recast and reclassified where ever necessary to confirm to current year's presentation.

**As per our Report of even date attached**
**For NGS & Co. LLP**

Chartered Accountants

**Ashok A. Trivedi**

Partner

**Membership No. 042472**

Mumbai

May 30, 2015

**For and on behalf of the Board of Directors**
**Vijai Singh Dugar**

Chairman

**Sunil Biyani**

Managing Director

**Anil Cherian**

Company Secretary



# **Consolidated Financial Statements and Notes**

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF FUTURE MARKET NETWORKS LIMITED****Report on the Consolidated Financial Statements**

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

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

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

**Auditor's Responsibility**

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint ventures and associate companies as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of 6 subsidiaries and 3 joint ventures, whose financial statements reflect total assets of ₹ 11,170.63 lacs as at March 31, 2015, total revenues of ₹ 4,345.44 lacs and net cash inflows amounting to ₹ 53.30 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 7.72 lacs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 4 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements,



in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly ventures and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on the reports of the other auditors. We did not audit the financial statements of 2 subsidiaries and a joint venture company, whose financial statements reflect total assets of ₹ (909.65) lacs as at March 31, 2015, total revenues of ₹ 1,106.73 lacs and net cash flows amounting to ₹ 23.70 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, 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 reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding company, subsidiary companies, joint venture companies and an associate company incorporated in India, excluding a subsidiary company to which the Order does not apply, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint ventures and associate companies, written representations received from the directors of the subsidiary companies and joint ventures, none of the directors of the Group Companies, its joint ventures and associate companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associate companies – Refer Note 29 to the consolidated financial statements.
    - ii. The Group, its joint ventures and associate companies did not have any material foreseeable losses on 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, its joint ventures and associate companies.

**For NGS & Co LLP**

Chartered Accountants  
Firm Registration Number 119850W

**Ashok A. Trivedi**

Partner  
Membership No. 042472

Mumbai  
May 30, 2015

**Annexure To The Independent Auditors' Report**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on consolidated financial statements of Future Market Networks Limited, subsidiaries, joint ventures and associate companies and for the year ended March 31, 2015)**

Our reporting includes 5 Subsidiary Companies, 3 Joint Venture Companies and 4 Associate Companies incorporated in India, to which the order is applicable, which have been audited by the other auditors and our report in respect of this entities is based solely on their reporting.

In respect of a Subsidiary Company incorporated in India included in consolidated financial statements and audited by other auditor, to which order is not applicable, and in case of 2 subsidiary companies and a joint venture company incorporated in India, included in consolidated financial statements based on their management certified financial statements, the possible effects of the same on our reporting under the Order has not been considered.

- (i) In respect of the fixed assets of the Holding Company, aforesaid subsidiary companies, joint venture companies and associate companies incorporated in India:-
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified by the management of the respective entities in accordance with a regular programme of the verification, which in our opinion, and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and to the other auditor's, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and aforesaid associate companies incorporated in India:-
  - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of respective entities at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and the opinion of the other auditors and according to the information and explanation given to us and to the other auditors, respective entities have maintained proper records of the inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, aforesaid subsidiary companies, joint venture companies and associate companies incorporated in India have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act except for 3 subsidiary companies and an associate company which have granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013
  - (a) Based on auditor report of 2 subsidiary companies and an associate company, it has granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. The receipt of principal and interest have been regular.
  - (b) Based on auditor report of a subsidiary company, it has granted loans to company covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular. There is no overdue amount of loans granted.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is adequate internal control system in the Holding Company, aforesaid subsidiary companies, joint venture companies and associate companies incorporated in India, commensurate with size of respective entities and nature of their business for purchase of inventory and fixed assets and for sale of goods and services and during the course of our and other auditor's audit, no continuing failure to correct major weakness in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding company, aforesaid subsidiary companies, joint venture companies and associate companies have not accepted any deposit from public during the year.
- (vi) According to the information and explanations given to us and based on the auditor's report of the aforesaid subsidiary companies, joint venture companies and associate companies incorporated in India, the provisions of Clause 3(vi) of the Order are not applicable to the Holding company, aforesaid subsidiary companies, joint venture companies and an associate company incorporated in India as the respective entities are not covered by the Companies (Cost record and Audit) Rule, 2014.



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

- (a) The respective entities have generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues applicable to them with the appropriate authorities.
- (b) According to the information and explanations given to us and other auditors, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues were outstanding as at March 31, 2015, for a period of more than six months from the date they became payable, except in case of a subsidiary company, tax collected at source amounting to ₹ 0.34 lacs and in case a joint venture company, service tax amounting to ₹ 20.74 lacs are outstanding for more than six months as at March 31, 2015.
- (c) Details of dues of Income Tax which have not been deposited as at March 31, 2015 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	1,305.46	AY : 2007-08; 2010-11; 2012-13	Commissioner of Income Tax; Commissioner of Income Tax (Appeal).

- (d) There were no amounts that were due to be transferred by the Holding company, aforesaid subsidiary companies, joint venture companies and associate companies to the Investor Education and Protection Fund in accordance with the relevant provision of Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Group, joint venture companies and an associate company incorporated in India have consolidated accumulated losses at the end of the financial year and the Group, joint venture companies and associate companies incorporated in India have incurred cash loss, on consolidated basis, during the financial year covered by the audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of other auditors and according to the information and explanations given to us and other auditors, the Holding Company, aforesaid subsidiary companies, joint venture companies and associate companies have not defaulted in the repayment of dues to banks and financial institutions. There were no dues payable to debenture holders during the year.
  - (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company, one of its subsidiary company and two associate companies for loans taken by others outside of the group from banks are not prima facie prejudicial to the interests of the Group. Other subsidiary companies, joint venture companies and associate companies incorporated in India have not given any guarantee for loans taken by others outside of the Group, from banks and financial institutions.
  - (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Holding Company, 2 subsidiary companies, a joint venture company and an associate company, during the year have been applied for the purposes for which they were obtained. Other subsidiary companies, joint venture companies and associate companies incorporated in India have not raised any term loans during the year.
  - (xii) To the best of our knowledge and to the knowledge of other auditor and belief and according to the information and explanations given to us and other auditor, no fraud by the Holding Company, aforesaid subsidiary companies, joint venture companies and associate companies incorporated in India, no material frauds on or by the Holding company, aforesaid subsidiary companies, joint venture companies and associate companies incorporated in India have been noticed or reported during the year.

**For NGS & Co LLP**

Chartered Accountants  
Firm Registration Number 119850W

**Ashok A. Trivedi**

Partner  
Membership No. 042472

Mumbai  
May 30, 2015

**Consolidated Balance Sheet as at March 31, 2015**

(₹ in Lacs)

	Note	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	5,585.44	5,585.44
Reserves and Surplus	3	10,174.02	17,537.43
Share Application Money Pending allotment		-	36.78
Minority Interest		1,989.80	1,982.72
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	47,390.80	84,302.67
Other Long Term Liabilities	6	19,915.48	13,539.54
Long-Term Provisions	7	14.83	10.78
<b>Current Liabilities</b>			
Short-Term Borrowings	8	19,685.76	26,457.52
Trade Payables	9	3,849.96	5,852.90
Other Current Liabilities	10	26,262.97	14,681.63
Short-Term Provisions	11	21.52	61.01
<b>Total</b>		<b>1,34,890.58</b>	<b>1,70,048.41</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	12	55,935.64	49,274.65
Intangible Assets		5,159.39	-
Capital work-in-progress		1,865.13	10,506.01
Non-Current Investments	13	13,147.43	7,706.05
Long-Term Loans and Advances	14	20,516.68	40,430.50
Deferred Tax Assets (Net)	5	131.09	90.26
Goodwill on consolidation (Refer Note No. 38)		4,560.76	16,332.10
<b>Current Assets</b>			
Inventories	15	4,635.95	4,065.74
Trade Receivables	16	9,350.74	9,515.57
Cash and Bank Balances	17	295.20	1,153.35
Short-Term Loans and Advances	18	19,280.04	30,972.02
Other Current Assets	19	12.53	2.17
<b>Total</b>		<b>1,34,890.58</b>	<b>1,70,048.41</b>
The notes form an integral part of these financial statements	1 - 43		

**As per our Report of even date attached**
**For NGS & Co. LLP**

Chartered Accountants

**For and on behalf of the Board of Directors**
**Ashok A. Trivedi**

Partner

**Membership No. 042472**
**Vijai Singh Dugar**

Chairman

**Sunil Biyani**

Managing Director

Mumbai

May 30, 2015

**Anil Cherian**

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(₹ in Lacs)

	Note	Year ended March 31, 2015	Year ended March 31, 2014
<b>INCOME:</b>			
Revenue from Operations	20	15,686.01	16,067.72
Other Income	21	947.49	651.18
<b>Total Revenue</b>		<b>16,633.50</b>	<b>16,718.90</b>
<b>EXPENSES:</b>			
Purchase		2,068.17	2,300.12
Project Cost	22	653.84	614.99
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	(570.22)	(588.32)
Cost of Services	24	7,625.39	8,261.45
Employee Benefit Expenses	25	885.64	734.70
Finance Costs	26	7,482.52	7,998.19
Depreciation	12	4,170.46	2,858.38
Other Expenses	27	1,960.73	1,799.23
		<b>24,276.53</b>	<b>23,978.72</b>
<b>Profit/(Loss) before Tax</b>		<b>(7,643.03)</b>	<b>(7,259.82)</b>
<b>Tax Expense</b>			
Current Tax		59.21	74.46
Less: MAT Credit Entitlement			
Deferred Tax		54.52	(78.49)
<b>Profit After Taxation before Prior Period Items</b>		<b>(7,756.76)</b>	<b>(7,255.79)</b>
<b>Less: Prior Period Items</b>		<b>35.86</b>	<b>-</b>
<b>Profit (Loss) before Minority interest and Share in Profit/(Loss) of Associates</b>		<b>(7,792.62)</b>	<b>(7,255.79)</b>
Share in Loss of Associates		(7.72)	(391.15)
Minority Interests		(7.08)	9.85
<b>Profit/(Loss) for the year</b>		<b>(7,807.42)</b>	<b>(7,637.09)</b>
<b>Earnings Per Equity Share of Face value ₹ 10/- each</b>			
Basic and Diluted		<b>(13.98)</b>	<b>(13.67)</b>
The notes form an integral part of these financial statements	1 - 43		

As per our Report of even date attached

For NGS &amp; Co. LLP

Chartered Accountants

For and on behalf of the Board of Directors

Ashok A. Trivedi

Partner

Membership No. 042472

Vijai Singh Dugar

Chairman

Sunil Biyani

Managing Director

Mumbai

May 30, 2015

Anil Cherian

Company Secretary



**Consolidated Cash Flow Statement For The Year Ended March 31, 2015**

		(₹ in Lacs)
		March 31, 2015
		March 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Loss Before Tax		(7,643.03)
<b>Adjustments to reconcile profit before tax to net cash flows</b>		(7,259.82)
Depreciation		4,170.46
Interest Income		(691.84)
Interest Expenses		7,296.16
Provision for doubtful debts		306.99
Profit on sale of Investment		-
Bad Debts		67.72
Sundry balances Written back (net)		(75.17)
Loss/(Profit) on sale of Fixed Assets		0.40
On account of Employees Stock Option Scheme		15.20
		11,089.93
<b>Operating Profit before Working Capital changes</b>		3,446.90
<b>Movement in working capital</b>		3,548.05
(Increase)/Decrease in Trade and other Receivables		(679.82)
(Increase)/Decrease in Inventories		(570.22)
(Increase)/Decrease in Loans and Advances		4,262.48
(Increase)/Decrease in Other Current Assets		(10.35)
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions		15,734.82
		18,736.90
<b>Cash generated from/(used) in operations</b>		22,183.81
Direct taxes Paid		(59.21)
<b>Net Cash flow from/(used) in Operating Activities</b>	(A)	22,124.60
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets		190.03
Purchase of Fixed Assets		(5,047.70)
Sale of Investments		-
Purchase of Investments		(4,050.00)
Interest Income Received		691.84
<b>Net Cash flow from/(used) in Investing activities</b>	(B)	(8,215.84)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Expenses		(7,296.16)
Share application money received/(refunded)		(36.78)
Net Proceeds from Long Term Borrowings		(662.21)
Net Proceeds from Short Term Borrowings		(6,771.76)
<b>Net Cash flow from/(used) in Financing activities</b>	(C)	(14,766.91)
Net increase (+) / decrease (-) in cash and cash equivalents	(A+B+C)	(858.15)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		1,153.35
Cash and Cash Equivalents at the end of the year		295.20
		1,153.35

**As per our Report of even date attached**
**For NGS & Co. LLP**

Chartered Accountants

**Ashok A. Trivedi**

Partner

**Membership No. 042472**

Mumbai

May 30, 2015

**For and on behalf of the Board of Directors**
**Vijai Singh Dugar**

Chairman

**Sunil Biyani**

Managing Director

**Anil Cherian**

Company Secretary



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.****Significant Accounting policies on consolidated accounts****A. Basis of preparation:-**

The Financial Statement have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with the Rule 7, of the Companies (Accounts) Rule, 2014 and relevant provisions of the Companies Act, 2013. The financial statement have been prepared under the historical cost convention on accrual basis.

**B. Principles of Consolidation:**

The consolidated financial statements relate to Future Market Networks Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter- company balances, transactions and unrealized profits or losses have been fully eliminated in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- b) Investment in Associate Company has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- c) Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 – "Financial Reporting of Interest in Joint Ventures".
- d) The difference between the costs of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- f) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- g) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance, based on available information.
- h) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- i) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- j) The difference between the proceeds from disposal of Investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

**C. Investments other than in Subsidiaries and Associates have been accounted as per Accounting Standard (AS-13) on Accounting for Investment.****D. Other significant accounting policies:**

These are set out under "Significant Accounting Policies" as given in the Company's separate financials statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**
**2. Share Capital**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Authorized Capital</b>		
9,02,60,000 (8,02,10,000) Equity Shares of ₹ 10/- each	9,026.00	9,026.00
5,000 Preference Shares of ₹ 100/- each	5.00	5.00
	<b>9,031.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
55,854,976 Equity Share of ₹ 10/- each	5,585.50	5,585.50
	<b>5,585.50</b>	<b>5,585.50</b>
<b>Subscribed and Paid up</b>		
55,854,406 Equity Share of ₹ 10/- each fully paid up	5,585.44	5,585.44
	<b>5,585.44</b>	<b>5,585.44</b>

\* Includes 570 shares in abeyance

**a) Reconciliation of the shares outstanding is set out below:**

(₹ in Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares of ₹ 10/- each fully paid:</b>				
Opening balance of Equity shares	558,54,406	5,585.44	558,54,406	5,585.44
Shares Issued during the year				
<b>Closing balance of Equity Shares</b>	<b>558,54,406</b>	<b>5,585.44</b>	<b>558,54,406</b>	<b>5,585.44</b>

**b) Terms/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 after distribution of all preferential amounts in proportion of their shareholding in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company.

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

Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% held	No. of Shares	% held
Manz Retail Private Limited	16,430,824	29.42%	16,430,824	29.42%
Future Corporate Resources Limited	15,176,754	27.17%	12,676,754	22.70%
Future Ideas Realtors India Limited	8,563,367	15.33%	8,563,367	15.33%
Rhamni Projects Private Limited	-	-	8,042,291	14.40%
Ishbhoomi Mall Management Private Limited	4,127,870	7.39%	3,127,870	5.60%
<b>Total</b>	<b>44,298,815</b>	<b>79.31%</b>	<b>48,841,106</b>	<b>87.44%</b>

**d) Shares reserved for issue under options and contracts including the terms and amounts, refer note - 41**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 3. Reserves and Surplus

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital Reserve	5,956.08	5,956.08
Securities Premium	25,238.81	25,241.47
Share Option Outstanding Account	37.09	21.89
Statement of Profit and Loss (a)	(21,057.96)	(13,682.01)
	10,174.02	17,537.43
<b>(a) Statement of Profit and Loss</b>		
Opening Balance	(13,682.01)	(6,045.12)
Add: Surplus/(Deficit) for the year	(7,807.42)	(7,636.90)
Less: Adjustment on account of revised Schedule II of Companies Act 2013	(30.26)	-
Add: Adjustment on Account of Subsidiary	461.73	-
	(21,057.96)	(13,682.01)

## 4. Long-Term Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
Rupee Term Loan from Banks	28,401.94	73,250.20
Share in jointly controlled entities	2,126.90	3,046.03
<b>Unsecured</b>		
Loan from Others	16,861.96	8,006.44
	47,390.80	84,302.67

## 4.1 Secured Term Loan from Banks:

- ₹ NIL (2014 : ₹ 9,580.83 lacs) secured by specified immovable property, specified immovable property owned by Ishkrupa Mall Management Company Private limited and personal guarantee of some shareholders.
- Term Loan of ₹12,690.00 lacs (2014: ₹ 13,500.00 Lacs) are secured by (a) Charge on Assets of ₹10,500 lacs created out of the proposed Term Loan. First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to ₹ 10,000.00 lacs (b) Second Pari Passu charge on the immovable property owned by Banshi Mall Management Company Private Limited.
- Term Loan of ₹ 10,000.00 lacs (2014: ₹ 7,000.00 Lacs) are secured by (a) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (b) Corporate Guarantee of Banshi Mall Management Company Private Limited.
- Term Loan of ₹ NIL (2014: ₹ 10,600.00 lacs ) are secured/charge by (a) immovable property to be created out of proposed capex of the company (upto ₹ 20,000 lacs out of ₹ 25,000 lacs) (b) charge on escrow account , debt service reserve account and other reserve and any other bank account (c) charge of all the current assest of the company (d) charge of Blocks "F" and "G" of "Ahmedabad city mall" located at Raipur- kankaria Road,Taluka City Ahmedabad owned by company
- Term Loan of ₹ NIL (2014: ₹13,350.00 lacs )are secured/charge by (a)movable property to be created out of proposed capex of the company (upto ₹ 20,000 lacs out of proposed capex ₹ 25,000 lacs) and(b) charge of Ground -plus-First Floor of RCC constuction situated at Plot No. 21,22, 27, TPS No. 18, moje Raipur-hirpur, Taluka City, Ahmedabad owned by the company.
- Term Loan of ₹ 6095.23 lacs (2014: ₹ 6,766.99 lacs) secured by registered Mortgage of specified property and exclusive hypothecation of all the assets acquired out of the proceeds of the term loan and assignment of specified rent receivables.
- ₹ 3,250.00 lacs (2014: ₹ 4,125.00 lacs) secured by hypothecation charge on all the movable assets.
- ₹ NIL (2014: ₹ 9,999.87 lacs) are secured/ charged by(a) Primary on tangible movable Fixed Assets in nature of Furniture and Fixtures created out loan taken And current assets in form of long term loans & advances.(b)Immovable property of owned by company and one property owned by the company
- ₹ NIL (2014: ₹ 7,800.00 lacs) secured by hypothecation first charge of entire movable assets, both present and future, including plant and machinery, machinery spares, tools and accessories, electrical installation, furniture and fixtures and vehicles to be leased out to specified tenant.
- ₹ 1565.86 Lacs (2014: ₹ 1,749.35 lacs ) secured by exclusive first charge by way of hypothecation of lease rent receivable from specified tenants and equitable mortgage of specified assets.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

- k) ₹ 916.89 Lacs (2014: ₹ 916.84 lacs) secured by first charge of the specified property and assignment of the specified future rent receivables.
- l) ₹ 1503.16 Lacs (2014: ₹ 2,129.19 lacs) secured against entire specified present and future assets, corporate guarantee by Sattva Developers Private Limited and personal guarantee of Directors.
- m) ₹ 715.80 Lacs (2014: ₹ 710.42 lacs) secured by registered mortgage of the specified premises and personal guarantee of Directors.
- n) Installments falling due in respect of all the above loans up to March 31, 2016 aggregating to ₹ 5924.88 lacs have been grouped under current maturities of long term borrowings. ₹ 293.15 Lacs have been grouped under Share in jointly controlled entities
- o) Rate of interest between 11.90% to 14.75% p.a.
- p) Term Loan are repayable as follows: ₹ 7,724.81 lacs is repayable in 2016-17, ₹ 9,609.14 lacs is repayable in 2017-18, ₹ 6,474.14 lacs is repayable in 2018-19 and ₹ 4,593.85 lacs is repayable in 2019-20.

**4.2 Unsecured loan from others includes ₹ 16,229.69 Lacs (2014: ₹ 7,068.25 lacs interest free and ₹ 632.27 Lacs (2014: ₹ 938.18 lacs) carries interest rate 14.00% to 14.75%.**

**5. Deferred Tax Assets/Liabilities (net)** (₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	<b>3,385.70</b>	3,467.52
<b>Deferred Tax Asset</b>		
Carry Forward of Losses and Unabsorbed Depreciation	<b>3,516.79</b>	3,557.77
<b>Deferred Tax (Assets)/ Liability</b>	<b>(131.09)</b>	(90.26)

**6. Other Long-Term Liabilities** (₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Rental Deposits	<b>16,644.89</b>	13,466.98
Capital Creditors	<b>3,250.00</b>	-
Others*	<b>20.59</b>	72.56
* include Retention Money		
	<b>19,915.48</b>	13,539.54

**7. Long-Term Liabilities** (₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits*	<b>14.83</b>	10.78
*Include provision for gratuity and other retirement benefits		
	<b>14.83</b>	10.78

**8. Short- term Borrowings** (₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
Cash Credit from banks	<b>562.73</b>	562.02
Loans from Financial Institutions	<b>13,000.00</b>	4,537.09
<b>Unsecured, repayable on demand</b>		
Loans and advances from others	<b>6,034.15</b>	21,279.81
Share in Jointly Controlled entities	<b>88.88</b>	78.60
	<b>19,685.76</b>	26,457.52

**8.1 Secured Loans and Advances from Banks:**

- a) ₹ 562.73 lacs (2014: ₹ 562.02 lacs) secured by first and pari-passu hypothecation charge of all specified existing and future current assets including specified receivables and personal guarantee of a shareholder.
- b) Rate of interest between 11.90% to 14.75% p.a.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**8.2 Secured Loans and Advances from Others:**

- a) ₹ 7800.00 Lacs (2014: ₹ NIL) secured by hypothecation first charge of entire movable assets, both present and future, including plant and machinery, machinery spares, tools and accessories, electrical installation, furniture and fixtures and vehicles to be leased out to specified tenant.
- b) ₹ 5200.00 lacs (2014: ₹ 2,000.00 lacs) secured by hypothecation of specified movable assets, both present and future and personal guarantee of one of the promoters.
- c) ₹ Nil (2014: ₹ 2,400.00 lacs) secured by way of hypothecation and escrow of receivables of a shareholder equivalent to 1.5 times of the loan amount and personal guarantee of one of the promoters.
- d) ₹ Nil (2014: ₹ 137.08 lacs) secured by registered mortgage of the specified premises and personal guarantee of the Directors.
- e) Rate of interest between 11.90% to 14.75%.

**8.3 Unsecured Loans and Advances from Others:**

₹ 6,011.87 lacs are Interest free and ₹ 111.16 Lacs, carries interest rate of 14%.

**9. Trade Payable**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables (Refer Note No.- 40)	3,795.53	5,798.96
Share in Jointly Controlled entities	54.43	53.95
	<b>3,849.96</b>	<b>5,852.90</b>

**10. Other Current Liabilities**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current Maturities of Long-Term Borrowings	5,914.95	11,932.27
Advance from customers	16,398.29	120.85
Rental Deposits	803.40	1.50
Other liabilities*	488.34	1,550.67
Share in Jointly Controlled entities	2,657.99	1,076.34
	<b>26,262.97</b>	<b>14,681.63</b>

\* primarily includes Statutory dues, Share Application Money refundable and Capital creditors.

**11. Short term provisions**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits*	2.92	2.16
Provision for Taxation (Net of payments/deduction of tax)	18.60	58.85
	<b>21.52</b>	<b>61.01</b>

\* Include provision for gratuity and other retirement benefits

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## Note 12: Tangible Assets

Note 12: Tangible Assets												(₹ in Laacs)
Description	Gross Block					Depreciation			Net Block			
	"As at April 1, 2014"	Addition as per scheme of Amalgamation*	Additions during the year**	Sale/ Disposal during the year	"As at March 31, 2015"	"Upto April 1, 2014"	Addition as per scheme of Amalgamation	Adjustment for the year	"Depreciation for the year"	"Up to March 31, 2015"	"As at March 31, 2015"	"As at March 31, 2014"
A. Tangible Fixed Assets												
Freehold Land	317.75	-	-	-	317.75	-	-	-	-	-	317.75	317.75
Leasehold Improvements	13,591.75	-	10,599.25	1,327.16	22,863.83	1,966.58	-	(89.83)	422.82	2,299.56	20,564.27	11,625.17
Building	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	584.19	-	81.50	-	665.69	93.63	-	-	35.65	129.28	536.40	490.56
Office Equipments	220.78	-	0.08	-	220.86	40.72	-	10.94	56.86	108.51	112.35	180.06
Computers and Softwares	2,981.68	-	-	-	2,981.68	2,344.28	-	11.86	424.51	2,780.65	201.03	637.40
Furniture and Fittings	2,442.13	-	2.83	-	2,444.96	584.73	-	-	391.09	975.82	1,469.14	1,857.40
Electrical Installations	540.81	-	0.53	-	541.35	143.06	-	-	87.14	230.21	311.14	397.75
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Air Conditioner	700.03	-	-	16.55	683.48	157.93	-	(6.68)	64.37	215.62	467.86	542.09
Share in Jointly controlled entities	2,679.77	-	1,489.72	4.74	4,164.74	55.71	-	6.45	20.37	82.53	4,082.21	2,624.06
Total A	24,058.88	-	12,173.91	1,348.46	34,884.33	5,386.65	-	(67.27)	1,502.81	6,822.18	28,062.15	18,672.23
B. Under Operating Lease												
Leasehold improvement	19,122.18	-	66.28	487.58	18,700.88	2,988.04	-	(60.72)	786.45	3,713.78	14,987.11	16,134.14
Air Conditioner	3,119.19	-	41.81	-	3,160.99	544.64	-	-	347.28	891.92	2,269.07	2,574.55
Computers and Software	126.15	-	5.66	-	131.81	96.64	-	22.45	1.56	120.66	11.16	29.51
Furniture and Fittings	6,465.27	-	99.22	-	6,564.49	1,130.72	-	-	713.97	1,844.69	4,719.79	5,334.55
Electrical Installations	4,930.79	-	92.31	-	5,023.10	611.11	-	-	552.15	1,163.26	3,859.84	4,319.68
Office and Other Equipment	304.87	-	1.99	-	306.86	41.01	-	-	116.00	157.01	149.86	263.86
Plant and Machinery	1,336.57	-	-	-	1,336.57	198.00	-	-	150.24	348.24	988.33	1,138.57
Vehicles	4.19	-	-	-	4.19	4.19	-	(0.21)	-	3.98	0.21	-
Total B	35,409.21	-	307.27	487.58	35,228.90	5,614.36	-	(38.48)	2,667.66	8,243.54	26,985.36	29,794.85
Assets held for sale	-	-	-	-	-	-	-	-	-	-	888.12	953.24
Grand Total (A + B)	59,468.09	-	12,481.18	1,836.04	70,113.24	11,001.01	-	(105.75)	4,170.46	15,065.72	55,935.64	49,420.32
Previous Year	57,078.11	-	2,244.57	0.26	59,322.42	8,142.42	-	0.41	2,858.38	11,001.01	49,274.65	-
Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-	1,700.09	8,898.50
Share in jointly controlled entities	-	-	-	-	-	-	-	-	-	-	165.04	1,607.52
											1,865.13	10,506.01

\* includes effect of accounting as per Court approved scheme of merger

\*\* includes addition on account of amalgamation of subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 13. Non-Current Investments

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Non - Trade Investment (Valued at cost unless stated otherwise)</b>		
<b>Unquoted</b>		
Investments in Equity Shares of Associates	5,038.23	5,229.90
Investments in Equity Shares of Others	8,109.20	2,476.14
Aggregate cost of unquoted investments	13,147.43	7,706.05

## 14. Long-Term Loans and Advances

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(Unsecured, Considered Good)</b>		
Capital Advances	7,379.47	376.69
Security Deposits#	5,573.94	167.90
Loans and advances	2,780.35	36,538.12
Other *	4,050.25	3,253.12
Share in Jointly Controlled entities	732.67	94.67
	20,516.68	40,430.50

Loans and Advances to Others referred above amounting to ₹ 2,280.35 Lacs (2014: ₹ 35,116.05 lacs) are based on stipulation of lending banks and ₹ 500 Lacs (2014: ₹ 1,422.07 lacs), carries interest rate of 18%.

# ₹ 13.12 Lacs under lien.

\* primarily Includes MAT Receivables, Business advances and Deduction of Income Tax

## 15. Inventories

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Project work-in-progress	-	75.92
Share in Jointly Controlled entities	4,635.95	3,989.82
	4,635.95	4,065.74

## 16. Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(Unsecured)</b>		
- Outstanding for a period exceeding six months		
Considered Doubtful	658.01	351.02
Considered Good	7,364.05	6,749.70
Less : Provision for Doubtful Debts	658.01	351.02
	7,364.05	6,749.70
- Other Debts	1,908.44	2,731.47
Share in Jointly Controlled entities	78.25	34.39
	9,350.74	9,515.57



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**17. Cash and Bank Balances**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and Cash equivalents</b>		
Cash on Hand	12.21	10.69
Balance with Banks	-	-
in current accounts	251.71	968.04
in deposit account*	7.52	-
<b>Other Bank balances</b>		
Short term bank deposits	-	135.37
Share in Jointly Controlled entities	23.76	39.25
	<b>295.20</b>	<b>1,153.35</b>

\* under lien ₹ 3.89 Lacs

**18. Short-Term Loans and Advances**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(Unsecured, Considered Good)</b>		
Loans and advances to others	15,166.50	20,801.10
Deposits*	195.28	9,326.77
Share Application Money	35.00	425.00
Other advances**	3,252.24	354.60
Share in Jointly Controlled entities	631.02	64.54
	<b>19,280.04</b>	<b>30,972.02</b>

\* ₹ 52.96 Lacs under lien

\*\*Other advances primarily includes Indirect taxes receivable, prepaid expenses and advance given to suppliers.

**19. Other Current Assets**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest receivable	9.41	1.15
Share in Jointly Controlled entities	3.12	1.02
	<b>12.53</b>	<b>2.17</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 20. Revenue From Operations

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Sales	1,497.01	1,688.59
Rental and other related revenues	13,094.56	12,602.86
Project Management Consultancy	260.36	205.61
Other Operating Revenues	-	800.80
Share in Jointly Controlled entities	834.08	769.86
	<u>15,686.00</u>	<u>16,067.72</u>

## 21. Other Income

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest Income on		
Fixed Deposits	5.74	9.50
Income Tax Refund	3.10	5.32
Others	683.24	571.67
Profit on sale of Fixed Assets	4.13	-
Net Gain on sale of Current Investments	-	0.05
Sundry balances Written back (net)	86.47	7.72
Miscellaneous Income	73.12	55.07
Share in Jointly Controlled entities	91.69	1.86
	<u>947.49</u>	<u>651.18</u>

## 22. Project Cost

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Share in Jointly Controlled entities	653.84	614.99
	<u>653.84</u>	<u>614.99</u>

## 23. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>Closing Inventory</b>		
Project in Progress	-	75.92
Share in Jointly Controlled entities	4,635.95	3,989.82
<b>Opening Inventory</b>		
Project in Progress	75.92	100.56
Share in Jointly Controlled entities	3,989.82	3,376.85
	<u>(570.21)</u>	<u>(588.32)</u>

## 24. Cost of Services

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Rent including lease rentals	5,733.65	6,231.35
Mall Maintenance Charges	1,891.74	2,030.09
	<u>7,625.39</u>	<u>8,261.45</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**
**25. Employee Benefit Expenses**

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, Wages and Bonus	844.57	694.16
Contribution to Provident and Other Funds	11.23	7.03
Employees stock option scheme	15.20	21.89
Staff Welfare Expenses	14.64	11.61
	<b>885.65</b>	<b>734.70</b>

**26. Finance Costs**

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest Expenses	7,296.16	7,625.71
Other Borrowing Costs	35.56	145.20
Share in Jointly Controlled entities	150.79	227.28
	<b>7,482.51</b>	<b>7,998.19</b>

**27. Other Expenses**

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Electricity charges	275.51	510.35
Repairs and Maintenance - Others	184.86	135.32
Rent including lease rentals	84.98	88.27
Rates and Taxes	412.51	319.87
Insurance	19.34	16.50
Legal and Professional Charges	129.48	71.02
Auditor's Remuneration		
Statutory Audit Fees	13.45	10.70
Tax Audit Fees	-	0.64
Other Services	0.50	1.15
Advertisement and Sales Promotion	48.31	92.17
Directors Sitting Fees	7.40	5.40
Interest on Tax Deducted at Source	7.63	0.16
Loss on Sale/Retirement of Fixed Assets	4.54	2.00
Bad Debts	67.72	31.87
Exchange Fluctuation Loss	-	167.95
Provision for Doubtful Debts	306.99	59.77
Other Expenses	315.33	259.76
Share in Jointly Controlled Entities	82.18	26.33
	<b>1,960.73</b>	<b>1,799.23</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 28. Information on subsidiaries, joint ventures and associates:

(a) Subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership Interest as on March 31, 2015	Proportion of ownership Interest as on March 31, 2014
1.	Future Trade Markets Private Limited	India	70.00%	70.00%
2.	Star Shopping Centres Private Limited	India	60.00%	60.00%
3.	Niyman Mall Management Company Private Limited	India	100.00%	100.00%
4.	Ojas Mall Management Private Limited	India	100.00%	100.00%
5.	F R Retail Destination Private Limited	India	100.00%	100.00%
6.	Aashirwad Malls Private Limited	India	100.00%	100.00%
7.	Sun City Properties Private Limited	India	55.17%	55.17%
8.	Suhani Mall Management Company Private Limited	India	86.26%	86.26%
9.	Precision Realty Developers Private Limited	India	-	100.00%
10.	Acute Realty Private Limited	India	-	100.00%
11.	Nishtha Mall Management Company Private Limited	India	-	100.00%
12.	Unique Malls Private Limited	India	-	100.00%
13.	Shreya Mall Management Private Limited	India	-	100.00%
14.	Navika Developers Pvt. Ltd.	India	-	100.00%
15.	Harmony Malls Management Private limited	India	-	100.00%
16.	Ujjain Future Bazaar Private Limited	India	-	100.00%
17.	*Vishnu Mall Management Private Limited	India	-	-
18.	*Anchor Residency Private Limited	India	-	-

\*Subsidiary of Ojas Mall Management Private Limited

(b) Interests in Joint Ventures: (As required by AS-27 "Financial Reporting of Interest in Joint Venture")

Sr. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of ownership Interest as on March 31, 2015	Proportion of ownership Interest as on March 31, 2014
1.	Riddhi Siddhi Mall Management Private Limited	Equity	India	50.00%	50.00%
2.	Future Retail Destination Limited	Equity	India	50.00%	50.00%
3.	Utility Developers Private Limited	Equity	India	50.00%	50.00%

(c) Investment in Associates: (As required by AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements").

Sr. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of ownership Interest as on March 31, 2015	Proportion of ownership Interest as on March 31, 2014
1.	Acute Realty Private Limited	Equity	India	31.27%	-
2.	Nishtha Mall Management Company Private Limited	Equity	India	27.70%	-
3.	Unique Malls Private Limited	Equity	India	37.65%	-
4.	Precision Realty Developers Private Limited	Equity	India	22.94%	-
5.	Riverbank Developers Private Limited	Equity	India	-	25.00%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**
**29. Contingent Liabilities not provided for:**

- Corporate Guarantees given by group to bank ₹ 84,950.00 Lacs (2014: ₹. 80,479.58 Lacs)
- Disputed Income Tax demand ₹ 1387.13 Lacs (2014: ₹ 395.38 Lacs)
- Based on the decisions of Appellate authorities and the interpretation of other relevant provisions, the Group has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
- Service Tax demand ₹ 275.73 Lacs (2014: ₹ 392.81 Lacs)
- Claims and counter claims by/against the Company have been filed with an arbitrator appointed by the Hon'ble High Court of Calcutta. Since the arbitration proceedings are in process, it is not possible to ascertain the amount of contingent liability, if any.

**30. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 94.29 Lacs (2014: ₹ 24,258.04 Lacs).**
**31. In respect of operating lease taken by the group, the future minimum lease rental obligation under non – cancellable operating leases in respect of these assets is ₹ 13,317.03 Lacs (2014: ₹18,774.25 Lacs):**

(₹ in Lacs)

		<b>2014-15</b>	<b>2013-14</b>
i)	Lease rentals recognised in Profit and Loss Account	<b>3937.21</b>	6,231.35
ii)	Lease rentals payable not later than one year	<b>2969.17</b>	3,444.82
iii)	Lease rentals payable later than one year and not later than five years	<b>8897.56</b>	12718.89
iv)	Lease rentals payable later than five years	<b>1450.30</b>	2610.54

**32. In respect of operating lease given by the group, the future minimum lease rental receivable under non – cancellable operating leases is as follows**

(₹ in Lacs)

		<b>2014-15</b>	<b>2013-14</b>
i)	Gross block of assets let out on operating lease	<b>35228.90</b>	35,409.21
ii)	Accumulated depreciation as at March 31, 2015	<b>8243.54</b>	3,878.78
iii)	Depreciation charged during the year to the Profit and Loss Account	<b>2667.66</b>	1,735.58
iv)	Lease rentals recognised in Profit and Loss Account	<b>5764.82</b>	6,398.03
v)	Lease rentals receivable not later than one year	<b>1054.90</b>	1,731.85
vi)	Lease rentals receivable later than one year and not later than five years	<b>644.33</b>	2,927.35
vii)	Lease rentals receivable later than five years	-	334.68

**33. Related Party as per Accounting standard 18, the disclosure of transaction with related parties are given below:**
**A) List of Related parties:**

<b>Name of Related Parties</b>	<b>Relationship</b>
Acute Realty Private Limited (w.e.f 01.10.2014)	Associates
Nishta Mall Management Company Private Limited (w.e.f 01.10.2014)	
Precision Realty Developers Private Limited (w.e.f 01.10.2014)	
Unique Malls Private Limited (w.e.f 01.10.2014)	
Future Corporate Resources Limited	Investing Party
Manz Retail Private Limited	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## B. Transactions During the year with related parties :-

(₹ in Lacs)

Nature of Transactions	Associate	Investing Party
Interest Expense	29.24	-
	(-)	(-)
Interest Income	295.14	-
	(-)	(-)
Reimbursement of Expenses	-	0.79
	(-)	(-)
Loans given and received back (net)	4,940.91	-
	(-)	(-)
Loans taken and repaid back (net)	-	1,934.00
	(-)	(1,250.00)
Reversal of Management Consultancy Income	-	-
	(2.34)	(-)
Deposit Received	-	4.00
	(-)	(2.00)
Deposit Received Repaid Back	-	6.00
	(-)	(-)
<b>Outstanding Balance as at March 31, 2015</b>		
Balance – Receivable	13,420.37	-
	(2.07)	(-)
Balance - Payable	-	3,066.79
	(-)	(5,015.19)

## C) Significant Related party transactions:

- Interest income includes Nishta Mall Management Company Private Limited ₹ 94.15 Lacs ,Acute Realty Private Limited ₹ 82.77 Lacs and Unique Malls Private Limited ₹ 118.22 Lacs .
- Interest expense includes Precision Realty developers Private Limited ₹ 29.24 Lacs .
- Loans given net off received back include Unique Malls Private Limited ₹ 688.67 Lacs, Acute Realty Private Limited ₹ 2,026.66 Lacs and Nishta Mall Management Company Private Limited ₹ 2,103.54 Lacs.
- Loan Taken net off repaid back includes Future Corporate Resources Limited ₹1,934.00 Lacs (2014: ₹ 1,250.00 Lacs ).
- Deposit Received includes Manz Retail Private Limited ₹ 4.00 Lacs.
- Deposit Repaid includes Manz Retail Private Limited ₹ 6.00 Lacs.
- Reimbursement of Expenses includes Future Corporate Resources Limited ₹ 0.79 Lacs (2014: ₹ NIL).

## D. Company's Share of Assets, Liabilities, Income And Expenditure With respect to Jointly controlled entities are as follow:-

(₹ in Lacs)

Particulars	As on March 31,2015	As on March 31,2014
Assets	10,634.89	8,772.15
Liabilities	4,693.03	4,054.83
Income	925.78	771.72
Expenditure	907.18	882.24

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**
**34. A) Following subsidiary companies converted to Associates during the year:**

- i) Acute Realty Private Limited
- ii) Nishta Mall Management Company Private Limited
- iii) Precision Realty Developers Private Limited.
- iv) Unique Malls Private Limited

**B) Following companies ceased to be subsidiary companies during the year:**

- i) Ujjain Future bazaar Private Limited
- ii) Harmony Malls Management Private Limited
- iii) Shreya Mall Management Private Limited
- iv) Navika Developers Private Limited

**35. Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises consolidated as subsidiary / Associates / Joint Ventures:-**

Name of the Enterprises	Net Assets, i.e. Total Assets Minus Total Liabilities		Share In Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in Lacs)	As % of Consolidated Profit And Loss	Amount (₹ in Lacs)
<b>Parent</b>				
Future Market Networks Limited	1.24	19,478.14	0.76	(5,955.89)
Aashirwad Malls Private Limited	-	40.67	(0.01)	43.22
Niyman Mall Management Company Private Limited	0.01	92.72	(0.01)	47.29
Ojas Mall Management Private Limited	(0.17)	(2,701.10)	0.13	(1,050.86)
F R Retail Destination Private Limited	(0.04)	(638.30)	0.08	(659.11)
Future Trade Markets Private Limited	0.35	5,591.84	(0.01)	42.20
Star Shopping Centres Private Limited	(0.02)	(315.49)	0.01	(87.64)
Suhani Mall Management Company Private Limited	0.13	2,066.06	0.01	(72.12)
Sun City Properties Private Limited	0.01	207.01	-	1.47
<b>Minority Interest in all subsidiaries</b>	0.13	1,989.80	-	(7.08)
<b>Associates (Investment as per the equity method)</b>				
Precision Realty Developers Private Limited ( w.e.f 01.10.2014 )	0.04	601.84	-	0.84
Acute Realty Private Limited (w.e.f 01.10.2014 )	0.15	2,337.57	-	6.02
Unique Malls Management Private Limited ( w.e.f 01.10.2014 )	0.03	536.89	-	3.57
Nishta Mall Management Private Limited ( w.e.f 01.10.2014 )	0.10	1,561.93	-	(18.15)
<b>Joint Ventures (as per proportionate Consolidation/ Investment as per equity method)</b>				
Utility Developers Private Limited	0.01	165.32	(0.01)	65.89
Riddhi Siddhi Mall Management Private Limited	0.16	2,563.49	0.01	(77.27)
Future Retail Destination Limited	0.09	1,490.03	-	(1.53)
Sattva Realtors Private Limited	0.11	1,698.72	0.01	(43.35)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**36. Segment Report:**

The group is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment in terms of Accounting Standard 17 "Segment Reporting". The operations of the group are within the geographical territory of India which is considered as a single geographical segment.

**37. Earnings Per Share**

(₹ in Lacs)

Particulars	2014-15	2013-14
Profit after tax	(7807.42)	(7636.90)
The Weighted average number of Ordinary Shares for Basic and Diluted EPS	5,58,54,976	5,58,54,976
The Nominal Value per Share ₹	10.00	10.00
Earnings per Ordinary share (Basic and Diluted) ₹	(13.98)	(13.67)

**38.** Goodwill on Consolidation is net of, Capital Reserve on consolidation, of ₹. 1,696.37 Lacs (2014: ₹ 1,03,76.02 Lacs).

**39.** For certain items, the Company and its Subsidiary Companies, Joint Venture Companies and Associate Companies have followed different accounting policies. However, impact of the same is not material.

**40.** Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

**41. Employee Stock Option Scheme**

The company has reserved issuance of 4,39,000 (2014: 4,89,000) Equity Shares of ₹ 10 each for offering to eligible employees of the company under Employee Stock Option Scheme (ESOS) at a price of ₹ 12 per option plus all applicable taxes, as may be levied in this regard on the Company. During the year the Company has granted NIL (2014: NIL) options. Out of the options granted till date 50,000 (2014: 17,000) options lapsed due to cessation of employment.

The options would vest over a maximum period of 4 years from the date of grant of option or such other period as may be decided by the Nomination, Remuneration and Compensation Committee from the date of grant based on specified criteria.

**42.** Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the group financial statements.

**43.** Figures for the previous financial period have been reworked, regrouped, rearranged and reclassified wherever necessary.

**As per our Report of even date attached****For NGS & Co. LLP**

Chartered Accountants

**Ashok A. Trivedi**

Partner

**Membership No. 042472**

Mumbai

May 30, 2015

**For and on behalf of the Board of Directors****Vijai Singh Dugar**

Chairman

**Sunil Biyani**

Managing Director

**Anil Cherian**

Company Secretary

## Notes



**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 7<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 29<sup>th</sup> day of September 2015 at 3.00 p.m at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of resolutions, as indicated below:

**Resolution Nos.:**

1. Consider and adopt:
  - a) Audited Financial Statement, Reports of the Board of Directors and Auditors
  - b) Audited Consolidated Financial Statement.
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. Appointment of Statutory Auditors and authorizing the Board to fix their remuneration.
4. Appointment of Mr. Somayajulu Ayyanna Kodukula (DIN: 02535927) as an Independent Director of the Company.
5. Appointment of Ms. Udit Jhunjhunwala (holding DIN:00120951) as an Independent Director of the Company.
6. Approval of Material Related Party Transaction in terms of Clause 49 of the listing agreement.

Signed this ..... day of ..... 2015.

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

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

**AFFIX  
Re.1/-  
REVENUE  
STAMP**

Note: Proxy form to be submitted at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of aforesaid Annual General Meeting.

# 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)