

## Future Market Networks Limited

CIN: L45400MH2008PLC179914

**Registered Office:** Knowledge House, Opp Shyam Nagar, Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060, Maharashtra, India

**Tel. No.:** 022 – 6199 5237 • **Fax No.:** 022 – 6199 5054

**Email Id:** info.fmdl@futuregroup.in • **Website:** www.fmn.co.in

### NOTICE OF THE MEETING OF THE EQUITY SHAREHOLDERS OF FUTURE MARKET NETWORKS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

<b>Day</b>	:	Wednesday
<b>Date</b>	:	September 19, 2018
<b>Time</b>	:	1.00 P.M IST
<b>Venue</b>	:	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018

### POSTAL BALLOT AND E-VOTING

<b>Commencing on</b>	9.00 A.M. IST on August 18, 2018
<b>Ending on</b>	5.00 P.M. IST on September 18, 2018

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH  
COMPANY SCHEME APPLICATION No. 237 of 2018**

In the matter of Companies Act, 2013;

And

In the matter of the Scheme of Merger by Absorption of Star Shopping Centres Private Limited (referred to as the '**Transferor Company**') by Future Market Networks Limited (referred to as the '**Applicant Company**' / '**Transferee Company**') and their respective shareholders.

And

In the matter of Sections 230 to Section 232 read with Section 52 and Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

**Future Market Networks Limited**, a listed company incorporated )  
under the provisions of the Companies Act, 1956 having CIN )  
L45400MH2008PLC179914 and its registered office at Knowledge )  
House, Opp Shyam Nagar, Jogeshwari – Vikhroli Link Road, ) ... **Applicant Company / Transferee Company**  
Jogeshwari East, Mumbai – 400060, Maharashtra. )

**FORM NO. CAA. 2**

**[Pursuant to section 230 (3) and rules 6 and 7]]**

**Company Scheme Application No. 237 of 2018**

**Future Market Networks Limited .... Applicant Company / Transferee Company**

**NOTICE OF THE MEETING OF THE EQUITY SHAREHOLDERS OF FUTURE MARKET NETWORKS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

**NOTICE PURSUANT TO SECTION 110 AND SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND REGULATION 44 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT(S) THEREOF FROM TIME TO TIME**

To,  
The Equity Shareholders of Future Market Networks Limited

**NOTICE** is hereby given that by an order dated August 3, 2018, ("**the Order**") in the above mentioned Company Scheme Application No. 237(MAH) of 2018, the Mumbai Bench of National Company Law Tribunal ("**NCLT**" / "**TRIBUNAL**") has directed that a meeting to be held of the equity shareholders of Future Market Networks Limited ("**Applicant Company**"), for the purpose of considering and if thought fit, approving with or without modification, the arrangement proposed in the matter of Scheme of Merger by Absorption of Star Shopping Centres Private Limited by Future Market Networks Limited and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("**Act**") and any other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**Scheme**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of the Applicant Company will be held at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 on September 19, 2018 at 01.00 P.M. IST at which place, date and time, the said equity shareholders of the Applicant Company are requested to attend, to consider and, if thought fit, approve with or without modification(s), the following resolution under Sections 230 to 232 and other applicable provisions of the Act with requisite majority.

The NCLT has appointed Mr. Vijai Singh Dugar, Chairman of the Board of Directors of the Applicant Company as Chairman for the Tribunal Convened Meeting, failing him, Mr. Rajesh Kalyani, Director of the Applicant Company as the alternate Chairman of the said Tribunal Convened Meeting. The above mentioned Scheme, if approved at the Tribunal Convened Meeting, will be subject to the subsequent approval of the NCLT.

**TAKE NOTICE** that the following resolutions are proposed under Section 230(3) of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Applicant Company, for the purpose of considering, and if thought fit, approving with or without modification, the Scheme:

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) or Companies Act, 1956, as applicable, the rules, circulars and notifications made thereunder as may be applicable, Explanation 5 to section 2(19AA) of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India read with the observation letters issued by BSE Limited dated May 9, 2018 and by National Stock Exchange of India Limited dated May 10, 2018 and relevant provisions of other applicable laws, enabling provisions in the Memorandum and Articles of Association of Future Market Networks Limited ("**the Company**" or "**FMNL**" or "**Applicant Company**" or "**Transferee Company**") and

subject to the requisite approval of the Mumbai Bench of the National Company Law Tribunal ("Tribunal"), and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of Future Market Networks Limited (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution), the proposed amalgamation embodied in the Scheme of Merger by Absorption of Star Shopping Centres Private Limited by Future Market Networks Limited and their respective shareholders ("Scheme") placed before this meeting and initialed by the Company Secretary for the purpose of identification, be and is hereby approved with or without modification(s) and with conditions, if any, which may be required and/or imposed and/or permitted by the Mumbai Bench of the National Company Law Tribunal while sanctioning the Scheme and/or by any governmental authority.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to do all acts, deeds and things as may be necessary, desirable or expedient for bringing the Scheme into effect or to carry out such modification(s)/direction(s) as may be required and/or imposed and/or permitted by the Mumbai Bench of the National Company Law Tribunal while sanctioning the Scheme, or by any governmental authorities, or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, Securities and Exchange Board of India, the National Company Law Tribunal, and/or any other authority, are in its view not acceptable to FMNL and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto."

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Knowledge House, Opp Shyam Nagar, Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai – 400060, Maharashtra., not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting.

A copy of the Explanatory Statement under Section 230(3) and Section 102 of the Act, read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Merger Rules") along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and Postal Ballot Form are enclosed herewith.

Further, please note that in compliance with the Order and provisions of Section 230(4) read with Section 110 of the Act, read with Rule 22 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 9 of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended by Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018, both issued by the Securities and Exchange Board of India ("SEBI Scheme Circular"), the Applicant Company has provided the facility of voting by postal ballot as well as remote e-voting so as to enable the equity shareholders to consider and if thought fit, approve the Scheme. Detailed instructions for remote e-voting are set out in the accompanying notes.

Accordingly, the Applicant Company shall be providing its shareholders the option to vote on the Scheme by way of: (i) postal ballot; (ii) remote e-voting; or (iii) voting at the venue of the Meeting to be held on September 19, 2018.

You are requested to read carefully the instructions printed overleaf of the Postal Ballot Form and return the Postal Ballot Form duly completed in the enclosed self-addressed, postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on of September 18, 2018. The Postal Ballot Forms received after this date will be considered invalid. The Scrutinizer will submit his report to the Chairman of the Company or such other person authorized by him on the completion of the scrutiny.

The results of the Postal Ballot / e- voting shall be announced by the Chairman or any Director of the Company on or before September 20, 2018 at the Registered Office of the Company at Knowledge House, Opp Shyam Nagar, Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai – 400060, Maharashtra, India and result of the voting will be displayed on company's website [www.fmn.co.in](http://www.fmn.co.in).

In terms of Section 230 to 232 of the Act, the Scheme shall be considered as approved by the equity shareholders if the resolution mentioned in the Notice have been approved by majority in number representing three-fourth of the value of the equity shareholding, voting in person, by proxy, through postal ballot or through electronic means.

**Dated August 3, 2018**  
**Mumbai**

**Registered Office:**

Future Market Networks Limited  
CIN L45400MH2008PLC179914  
Knowledge House, Opp Shyam Nagar,  
Off: Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060,  
Maharashtra

Sd/-  
Vijai Singh Dugar  
DIN: 06463399  
Chairman appointed for the Meeting

**Notes:**

1. ONLY REGISTERED EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY MAY ATTEND AND VOTE (EITHER IN PERSON OR BY PROXY) AT THE TRIBUNAL CONVENED MEETING. AN EQUITY SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE TRIBUNAL CONVENED MEETING IS ENTITLED TO APPOINT PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXIES NEED NOT BE EQUITY SHAREHOLDER OF THE APPLICANT COMPANY.
2. Proxy (ies), to be effective shall be in the prescribed form, duly filled, stamped, signed and deposited not less than 48 hours before the commencement of the Tribunal Convened Meeting at the Registered Office of the Applicant Company. The form of proxy can be obtained free of charge from the registered office of the Applicant Company or can be downloaded from the website of the Applicant Company.
3. Pursuant to the provisions of the Act and the rules thereunder, a person can act as proxy on behalf of equity shareholders not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Applicant Company carrying voting rights. An equity shareholder holding more than ten per cent, of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
4. All alterations made in the form of proxy should be initialed.
5. A minor cannot be appointed as a proxy.
6. The proxy of an equity shareholder who is blind or incapable of writing will be accepted if such equity shareholder has attached his/her signature or mark thereto in presence of a witness who has signed the proxy form and added his/her description and address, provided that all insertions have been made by the witness at the request and in the presence of the equity shareholder before the witness attached his/her signature or mark.
7. The proxy of an equity shareholder who does not know English may be accepted if it is executed in the manner prescribed in note 6, and the witness certifies that it was explained to the equity shareholder in the language known to him/her, and gives the equity shareholder's name in English below the signature.
8. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with the Applicant Company for admission to the meeting hall.
9. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
10. In case of joint holders attending the Tribunal Convened Meeting, only such joint holder whose name appears at the top in the hierarchy of names, in the register of members of the Applicant Company in respect of such joint holding, shall be entitled to vote.
11. The authorized representative of a body corporate which is an equity shareholder of the Applicant Company may attend and vote at the said Tribunal Convened Meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said Meeting is deposited at the registered office of the Applicant Company at least 48 (forty eight) hours before the time fixed for the Meeting. Further, the authorized representative and any persons voting by proxy are requested to carry a copy of valid proof of identity at the Meeting.
12. The quorum of the Tribunal Convened Meeting of the equity shareholders of the Applicant Company shall be 30 (thirty) equity shareholders of the Applicant Company, present in person.
13. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders, by permitted mode, whose names appear in the register of members as on August 3, 2018 (cut-off date).
14. All documents referred to in the Notice and Explanatory Statement will be available for inspection at the Applicant Company's Registered Office between 10:00 A.M. IST to 1:00 P.M. IST on working days (except Saturdays, Sundays and Public Holidays) till the date of the Tribunal Convened Meeting.
15. In compliance with Section 108 of the Companies Act, 2013, read with the relevant rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Applicant Company has provided the facility to its equity shareholders to exercise their vote electronically through the electronic voting service facility provided by the National Securities Depository Limited (NSDL).  
  
Equity shareholders desiring to exercise their vote by using the e-voting facility are requested to carefully follow the instructions in the Notes under the Section 'Voting through electronic means' in this Notice.
16. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Shareholders voting in postal ballot are requested to carefully read the instructions printed in the attached postal ballot form. Shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website ([www.fmn.co.in](http://www.fmn.co.in)) or seek duplicate postal ballot form from the Applicant Company or NSDL. Shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer before 5:00 P.M. IST on or before September 18, 2018. Any postal ballot form received after the said date and time period shall be treated as if the reply from the shareholder has not been received.
17. Incomplete, unsigned, improperly or incorrectly tick marked, defaced, torn, mutilated, over-written, wrongly-signed postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint holders.

18. The postal ballot form should be completed and signed by the shareholder (as per specimen signature registered with the Applicant Company). In case, shares are jointly held, this form should be completed and signed by the first named holder and, in his/her absence, by the next named holder. Holder(s) of Power of Attorney ("PoA") on behalf of a shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/authorisation giving the requisite authority to the person voting on the postal ballot form.
19. The remote e-voting and postal ballot period commences on August 18, 2018 (at 9:00 a.m. IST) and ends on September 18, 2018, (at 5.00 P.M. IST). During this period, shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. August 3, 2018, may cast their vote by remote e-voting or postal ballot. The remote e-voting module shall be disabled by NSDL for voting on September 18, 2018 at 5.00 P.M. IST. Once the vote on the resolution is cast by a shareholder, he/she will not be allowed to change it subsequently.
20. Equity shareholders can opt for only one mode of voting i.e. either through remote e-voting or postal ballot form or voting at the Tribunal Convened Meeting. If a shareholder has opted for remote e-voting, then he/she should not vote by postal ballot form and vice versa. However, in case any shareholder casts his/her vote both via remote e-voting and postal ballot, then voting through remote e-voting shall prevail and voting done by postal ballot form shall be treated as invalid, notwithstanding whichever is cast first. The vote on postal ballot cannot be exercised through proxy.
21. The equity shareholders attending the Tribunal Convened Meeting who have not already cast their vote by remote e-voting or postal ballot shall be able to exercise their vote at the Tribunal Convened Meeting. Shareholders who have cast their vote through remote e-voting or postal ballot prior to the Tribunal Convened Meeting may attend the Tribunal Convened Meeting but shall not cast their votes again. However, in case shareholders cast their vote both via remote e-voting or postal ballot and voting at the Tribunal Convened Meeting, then voting through remote e-voting or postal ballot shall prevail and voting done at the Tribunal Convened Meeting shall be treated as invalid.
22. The Notice convening the aforesaid Tribunal Convened Meeting will be published through advertisement in the Free Press Journal and Marathi translation thereof in Navshakti indicating the day, date, place and time of the Tribunal Convened Meeting and stating that the copies of the Scheme, the Explanatory Statement required to be furnished pursuant to Sections 230 to 232 of the Act and the form of proxy shall be provided free of charge at the Registered Office of the Applicant Company.
23. The Tribunal vide its order dated August 3, 2018 has appointed Mr. Alwyn D'Souza, Practising Company Secretary (Membership No.: 5559; CP: 5137), in his absence Mr. Vijay Sonone, Practising Company Secretary (Membership No.: 7301; CP: 7991) and in his absence, Mr. Jay D'Souza, Company Secretary in Practice (Membership No.: 3058; CP: 6915) as the Scrutinizer for the Tribunal Convened Meeting to scrutinize votes cast either electronically or through postal ballot or at the Tribunal Convened Meeting in a fair and transparent manner.
24. The scrutinizer will submit a consolidated report to the Chairman of the Tribunal Convened Meeting after scrutinizing the voting made by shareholders, including Public Shareholders, of the Applicant Company through postal ballot, remote e-voting and voting at the Meeting. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly.
25. The results, together with scrutinizer's report, will be announced on or before September 20, 2018 and will be placed on the website of the Applicant Company at [www.fmn.co.in](http://www.fmn.co.in) and on NSDL's website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) besides being communicated to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") ("BSE" and "NSE" together is referred as "Stock Exchanges") where the shares of the Applicant Company are listed.
26. In accordance with the provisions of Sections 230 - 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy agree to the Scheme.
27. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Anil Cherian, Company Secretary of the Applicant Company at 022-61995237 or through email at [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in). Any query/grievance related to the e-voting may be addressed to National Securities Depository Limited, 4<sup>th</sup> Floor, A wing, Trade world, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. E-mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) Phone 1800-222-990.
28. **Voting through Electronic Means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the Equity shareholders to cast their votes electronically on the resolution mentioned in the Notice convening the meeting of the equity shareholders of the company (NCLT convened Meeting). The facility of casting the votes by the members using an electronic voting system from a place other than venue of the NCLT convened Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the NCLT convened Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the NCLT Convened Meeting may also attend the NCLT Convened Meeting but shall not be entitled to cast their vote again.

IV. The instructions for e-voting are as under:

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

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

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

Details on Step 1 are mentioned below:

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

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

- i. Open the e-mail and also open PDF file namely “FMNL e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password. NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”.
- ii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- iii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iv. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

v. Your User ID details are given below:

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

vii. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - i. If your email ID is registered in your demat account or with the Applicant Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
- viii. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- ix. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- x. Now, you will have to click on “Login” button.

- xi. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  - ii. After click on Active Voting Cycles, you will be able to see the "EVEN" of the company in which you are holding shares and whose voting cycle is in active status.
  - iii. Select "EVEN" of "Future Market Networks Limited".
  - iv. Now you are ready for e-Voting as the Voting page opens.
  - v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  - vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - viii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- V. 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.
- VI. 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).
- VII. 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 "Forgot User Details / Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no: 1800-222-990.
- VIII. The Chairman shall at the NCLT convened Meeting, 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 NCLT convened Meeting but have not cast their votes by availing the remote e-voting facility and Postal Ballot.
- IX. The resolution shall be deemed to be passed on the date of the NCLT convened Meeting, subject to receipt of sufficient votes through a compilation of voting results (i.e remote e-Voting and voting held at the NCLT convened Meeting)
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 3, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. August 3, 2018, only shall be entitled to avail the facility of remote e-voting as well as voting at the NCLT convened meeting through ballot paper.
- XII. The Chairman shall, at the NCLT convened Meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the NCLT convened Meeting but have not cast their votes by availing the remote e-voting or postal ballot facility.
- XIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.fmn.co.in](http://www.fmn.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).

**29. General Guidelines for shareholders:**

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

**Dated August 3, 2018**

**Mumbai**

**Registered Office:**

Future Market Networks Limited  
CIN L45400MH2008PLC179914  
Knowledge House, Opp Shyam Nagar,  
Off: Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060,  
Maharashtra

Sd/-  
Vijai Singh Dugar  
DIN: 06463399  
Chairman appointed for the Meeting

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the order dated August 3, 2018, passed by Mumbai Bench of the National Company Law Tribunal (“NCLT” or “Tribunal”), in Company Application No. 237 (MAH) of 2018 (“Order”), a meeting of the equity shareholders of Future Market Networks Limited (hereinafter referred to as the “Applicant Company” or the “Transferee Company” or “FMNL” or “Company”) is being convened and held at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 on Wednesday, the of September 19, 2018 at 1.00 P.M. IST (13.00 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Merger by Absorption of Star Shopping Centres Private Limited (hereinafter referred to as the “Transferor Company” or “SSCPL”) and by Future Market Networks Limited and their respective shareholders under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the “Scheme”). In terms of the said Order, the quorum for the said meeting shall be as prescribed under Section 103 of the Companies Act, 2013 present in person. Further, in terms of the said Order, the Tribunal has appointed Mr. Vijai Singh Dugar, Independent Director and Chairman of the Board and failing him, Mr. Rajesh Kalyani, Non-Executive Director as Chairman of the said meeting of the Applicant Company including for any adjournment or adjournments thereof. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. The proposed Scheme was placed before the Audit Committee of the Applicant Company at its meeting held on January 30, 2018. On the basis of its evaluation and independent judgement and consideration of the valuation report dated January 30, 2018 submitted by M/s. Deloitte Haskins & Sells, Chartered Accountants (“Valuation Report”) and the fairness opinion certificate dated January 30, 2018 issued by Swastika Investmart Limited, a SEBI Registered Merchant Banker, the Audit Committee approved and recommended the Scheme to the Board of Directors of the Applicant Company.
3. The Board of Directors of the Applicant Company, at their meeting held on January 30, 2018, took into account the Valuation Report and the independent recommendations of the Audit Committee and on the basis of their independent judgment, approved the Scheme.
4. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be considered and approved by the equity shareholders only if the Scheme is approved by majority of persons representing three-fourth in value of the members or class of members, as the case may be, of the Applicant Company, voting in person or by proxy or by remote e-voting or by way of postal ballot. Further, in accordance with the SEBI Scheme Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it. For this purpose, the term “Public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly. In terms of SEBI Scheme Circular, the Applicant Company has provided the facility of voting by e-voting to its Public Shareholders.
5. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the “Act”) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the “Rules”).
6. As stated earlier, the Tribunal by its said Order has, inter alia, directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 on Wednesday, the September 19, 2018 at 1.00 P.M. IST (13.00 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
7. The Applicant Company shall be filing the Scheme with the Registrar of Companies, Mumbai in Form No. GNL-1.
8. In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through e-voting. Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The notice sent to the equity shareholders (which includes Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term “Public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly.

The Tribunal, by its Order, has, inter alia, held that the Applicant Company is directed to convene a meeting of its equity shareholders and the voting in respect of the equity shareholders, which includes Public Shareholders, is through e-voting. Accordingly, voting by public Shareholders through such e-voting is in sufficient compliance of SEBI Circular.

The scrutinizer appointed for conducting the e-voting process will however submit his separate report to the Chairman of the Applicant Company after completion of the scrutiny of e-voting cast by the Public Shareholders so as to announce the results of the e-voting exercised by the Public Shareholders of the Applicant Company.
9. In terms of the Order dated August 03, 2018, passed by the NCLT, in Company Scheme Application No. 237 (MAH) of 2018, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the equity shares are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting and his decision in that behalf would be final.
10. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

**BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:****11. Details as per Rule 6(3) of the Merger Rules:**

- i. Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:

Please refer to paragraph no. 1 of this Explanatory Statement for date of the Order and the date, time and venue of the Tribunal Convened Meeting.

- ii. Details of Applicant Company:

Sr. No	Particulars	Details
1.	Corporate Identification Number	L45400MH2008PLC179914
2.	Permanent Account Number	AABCF2006M
3.	Date of Incorporation	March 10, 2008
4.	Type of Company	Listed Public Limited Company.
5.	Registered Office Address and e-mail address	Knowledge House, Off. Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060, Maharashtra, India. Email ID : info.fmnl@futuregroup.com
6.	Name of the stock exchange(s) where securities are listed.	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)

- iii. Other Particulars of the Applicant Company as per Rule 6(3) of the Merger Rules

- a) Future Market Networks Limited ("FMNL" or "Transferee Company" or "Applicant Company") is a company, incorporated under the provisions of the Companies Act, 1956, on March 10, 2008 under the name "Future Mall Management Limited". The name of Future Mall Management Limited was changed to Agre Developers Limited and a fresh certificate of incorporation was issued on October 4, 2010. Subsequently, the name of Agre Developers Limited was changed to Future Market Networks Limited and a fresh certificate of incorporation was issued on February 6, 2012.

- b) **Summary of the main objects as per the Memorandum of Association and main business carried on by the Applicant Company**

The Applicant Company is presently engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India.

The main objects of the Applicant Company, as stated in the Memorandum of Association, are, inter alia, set out hereunder:

"1.To carry on the business in India or elsewhere of maintaining, operating, managing malls, shopping centres, immoveable properties of all nature and description including shopping malls, commercial complexes, shopping plazas, cinema halls, theatres, departmental stores, hypermarkets, shops, business, houses, offices, residential estates, hotels, motels, resorts, homes, organisations, exhibition centres, conference centres, boarding and lodging houses, clubs, dressing rooms, and places of amusement and recreation, sports and entertainment.

2. To carry on the business in India or elsewhere of buying, selling, importing, exporting, distributing, transporting, warehousing, promoting, supplying, trading and dealing of all kinds of goods including fast moving consumable goods, merchandise either raw material, finished or semi-finished items of grocery, garments, fruits and vegetables, apparels, furniture, fixture and furnishing, cosmetic, child care products, electric and electronic products, home décor, jewellery, foot wear, entertainment, stationary, books and journals and to act as brokers, clearing and forwarding agent, shipper, commission agent, representative, franchiser, consultant, collaborator and marketing agents for aforesaid items on its own and to appoint sub-franchisers etc., for any of the above purposes.

2A To carry on the business in India or elsewhere of builders, contractors, erectors, constructors of buildings of all nature being residential, industrial, institutional or commercial, townships, holiday resorts, hotels, motels, shopping malls and preparing plans for building sites, constructing, reconstructing, erecting, altering, improving, enlarging developing, decorating, furnishing and maintaining of structures, flats, houses, factories, commercial buildings, garages, warehouses, buildings for all purposes and conveniences and to purchase for development, free-hold and lease-hold lands, houses, buildings, structures and other properties of any tenure and any interest therein."

- c) **Details of change of name, registered office and objects of the Applicant Company during the last five years**

**Change of Name:** NIL.

**Change of Registered Office:** NIL

**Change of objects:** The Object Clause was amended by way of special resolution passed by the Members on February 17, 2016. Certificate of Registration of the Special Resolution confirming Alteration of Object Clause(s) in terms of Section 13(1) of the Companies Act, 2013 was issued by Government of India, Ministry Of Corporate Affairs, Registrar of Companies, Mumbai on February 23, 2016.

d) **Details of the capital structure of the Applicant Company including authorised, issued, subscribed and paid up share capital**

i. The share capital structure of the Applicant Company as on March 31, 2018 is as under:

<b>A. Authorised Share Capital</b>	<b>Amount in ₹</b>
902,60,000 Equity Shares of ₹ 10 each	9,026,00,000
5000 Preference Shares of Rs 100 each	500,000
<b>Total</b>	<b>9,031,00,000</b>
<b>B. Issued Capital</b>	
56,291,851* Equity Shares of Rs 10 each	562,918,510
<b>C. Subscribed and Paid Up Capital</b>	
56,291,281 Equity Shares of Rs 10 each	562,912,810

\*570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in Future Enterprises Limited (the demerged entity) in the Scheme approved by the Hon'ble High Court of Bombay vide its order dated August 24, 2010 which are currently held in abeyance.

ii. **Post Scheme Capital Structure:**

<b>A. Authorised Share Capital</b>	<b>Amount in ₹</b>
903,00,000 Equity Shares of ₹ 10 each	9,030,00,000
5000 Preference Shares of Rs 100 each	500,000
<b>Total</b>	<b>9,035,00,000</b>
<b>B. Issued Capital</b>	
57,544,951* Equity Shares of Rs 10 each	575,449,510
<b>C. Subscribed and Paid Up Capital</b>	
57,544,381 Equity Shares of Rs 10 each	575,443,810

\*570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in Future Enterprises Limited (the demerged entity) in the Scheme approved by the Hon'ble High Court of Bombay vide its order dated August 24, 2010 which are currently held in abeyance.

e) Subsequent to Merger by absorption, the Applicant Company will allot its shares to shareholders of Transferor Company who holds 40% of the paid up share capital of Transferor Company and 60% of the equity capital held by the Applicant Company in Transferor Company shall be cancelled. The shares of the Applicant Company are currently listed on the BSE Limited and the National Stock Exchange of India Limited.

f) **Details of the Promoters and Directors along with their addresses:**

The details of the promoters of the Applicant Company as on March 31, 2018 are as set forth below:

Sr. No	Name of Promoters	Address
1.	Suhani Trading And Investment Consultants Private Limited	Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East) Mumbai - 400060
2.	Surplus Finvest Private Limited	5th Floor, SOBO Central, 28,P.T. Madan Mohan Malviya Road, Tardeo, Mumbai - 400034

The Applicant Company has 6 (six) directors and the details of such directors are set forth below:

Sr.No	Name of Director	Designation	Address
1.	Mr. Vijai Singh Dugar	Chairman / Independent Director	605-B, Oberoi Park View, Thakur Village, Kandivali East Mumbai - 400101
2.	Mr. K.A Somayajulu	Independent Director	302, Aditya Splendour Veterinary Colony, Shaikpet, Hyderabad-500008
3.	Ms. Udit Jhunjhunwala	Independent Director	6a, Bhagwat Nivas Peddar Road Mumbai - 400013
4.	Mr. Rajesh Kalyani	Non-Executive Director	Flat No. 1506, Oberoi Park View Tower - A, Thakur Village, W.E. Highway, Kandivali Mumbai - 400101
5.	Mr. Sunil Biyani	Non-Executive Director	2302/23rd Floor, Vivarea Tower B-2, Sane Guruji Marg, Hindustan Spinning Mills & Wire Mills Compd, Mumbai - 400011
6.	Mr. Pramod Arora	Whole-Time Director	11 Paschim Marg DLF City Phase I, Gurgaon – 122002

- g) **The date of the board meeting of the Applicant Company at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:**

Details of the Directors who voted on the resolution passed on January 30, 2018 are as follows:

Sr. No	Name of Director	Voted in favour / against / abstain
1.	Mr. Vijai Singh Dugar	favour
2.	Mr. K.A Somayajulu	favour
3.	Ms. Udita Jhunjhunwala	favour
4.	Mr. Rajesh Kalyani	favour
5.	Mr. Sunil Biyani	favour
6.	Mr. Pramod Arora	favour

- h) As on April 30, 2018, the Applicant Company has 86 unsecured creditors and amount due to such unsecured creditors is ₹ 13,50,11,696/-, (Rupees thirteen crores fifty lakhs eleven thousand six hundred and ninety six only).
- i) None of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of Applicant Company and their respective Relatives (as defined under the Act and rules framed thereunder), have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Applicant Company.
- j) The details of the shareholding of directors, Key Managerial Personnel and their respective relatives as on March 31, 2018 is as follows:

Sr. No	Name	Designation	No. of shares held in the Applicant Company
1.	Mr. Vijai Singh Dugar	Chairman / Independent Director	Nil
2.	Mr. K.A Somayajulu	Independent Director	Nil
3.	Ms. Udita Jhunjhunwala	Independent Director	Nil
4.	Mr. Rajesh Kalyani	Non-Executive Director	41,025
5.	Mr. Sunil Biyani	Non-Executive Director	50
6.	Mr. Pramod Arora	Whole-Time Director	Nil
7.	Mr. Pawan Agarwal	Chief Financial Officer	11,069
8.	Mr. Anil Cherian	Head- Legal & Company Secretary	12,500

- k) **Disclosure about the effect of the Scheme on the following persons:**

Sr. No	Category of Stakeholders	Effect of the Scheme on Stakeholders
1.	Shareholders	<p>The Applicant Company only has equity shareholders and does not have any preference shareholders. Upon the Scheme becoming effective, the consideration towards Merger by Absorption of the Transferor Company (as defined in the Scheme) by the Applicant Company shall be made without any further application, act, instrument or deed, issue and allot Equity Shares of the Applicant Company in the following manner:</p> <p><i>“12,531 (twelve thousand five hundred thirty one) equity shares in the Applicant Company of face value ₹ 10 (Rupees Ten only) each credited as fully paid up for every 100 (One Hundred) equity shares of face value ₹ 10 (Rupees Ten only) each fully paid up held by such eligible member in the Transferor Company (the “Share Entitlement Ratio”) as on the Record Date”.</i></p> <p>The equity shares issued and allotted by the Applicant Company in terms of this Scheme shall rank <i>pari passu</i> in all respects with the then existing equity shares of the Applicant Company.</p> <p>Further, the authorized share capital of the Applicant Company will be increased to ₹ 90,39,00,000/- (Rupees Ninety Crores and Thirty Nine Lakhs), divided into equity share capital of ₹ 90,34,00,000/- (Rupees Ninety Crores Thirty Four Lakhs Only), comprising of 9,03,40,000 (Nine Crores Three Lakhs Forty Thousand) equity shares of ₹10/- (Rupees Ten only) each and preference share capital of ₹ 5,00,000/- (Rupees Five Lakhs Only), comprising of 5,000 (Five Thousand) preference shares of ₹100/- (Rupees Hundred only) each, in accordance with the provisions of the Act, pursuant to the Scheme.</p> <p>Thus, the Scheme will not have any adverse effect on the equity shareholders.</p>
2.	Promoters	Upon the Scheme becoming effective and as an integral part of the Scheme, such number of shares as are issued and allotted to the eligible shareholders of the Transferor Company, the Promoter Shareholding will be reduced to 71.57% from existing 73.16%.
3.	Non-Promoter Shareholders	Please refer to point (1) above for details regarding effect on the shareholders.

Sr. No	Category of Stakeholders	Effect of the Scheme on Stakeholders
4.	Key Managerial Personnel ("KMPs") / Directors	The key managerial personnel of the Applicant Company ("KMPs") and directors shall continue as key managerial personnel and directors respectively of the Applicant Company after effectiveness of the Scheme. The KMPs/directors are not affected pursuant to the Scheme.  The Transferor Company is a Subsidiary of the Applicant Company and Mr. Vijai Singh Dugar, Mr. Sunil Biyani and Mr. Pramod Arora are representing the Applicant Company on the Board of the Transferor Company.
5.	Creditors	Pursuant to the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Applicant Company. The liability of the Applicant Company towards its creditors shall not undergo any change pursuant to the Scheme.
6.	Depositors	Not Applicable. The Applicant Company does not have any Depositors.
7.	Debenture Holders	Not Applicable. The Applicant Company has not issued any Debentures.
8.	Deposit Trustee and Debenture Trustee	Not Applicable
9.	Employees	The Scheme in no manner whatsoever affects the terms and conditions of employment of the employees of the Applicant Company

**i) Disclosure about effect of the Scheme on material interests of directors, key managerial personnel (KMP), debenture trustee and other stakeholders:**

Please refer to point no. (k) above for the effect of the Scheme on material interests of directors, KMP and other stakeholders.

**iv. Particulars of SSCPL as per Rule 6 (3) of the Merger Rules :**

Sr. No	Particulars	Details
1.	Corporate Identification Number	U51101MH2008PTC306883
2.	Permanent Account Number	AAMCS5294B
3.	Date of Incorporation	November 17, 2008
4.	Type of Company	Private Limited. Unlisted Company.
5.	Registered Office Address and e-mail address	Knowledge House, Shyam Nagar, Jogeshwari – Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060 E-mail : sanjeev.manchanda@starcentres.com
6.	Name of the stock exchange(s) where securities are listed.	Not listed on any stock exchange.

**a) Summary of the main objects as per the Memorandum of Association and main business carried on by the Applicant Company**

SSCPL is presently engaged in the business of planning, development and management of shopping centres/malls. SSCPL provides a range of specialised skills and services like conceptualisation, strategy and control of master planning, retail planning, tenant & trade mix, operations and management of the project opening etc. SSCPL is a subsidiary of the Applicant Company. The main objects, inter alia, as stated in the Memorandum of Association, are set out hereunder:

"1. To develop and manage physical environments including community centers, shopping centres , markets, malls, mixed use developments, catering to consumers and shoppers, giving a superior experience to including but not limited to public spaces, landscapes, recreation, shopping, eating out, dinning, leisure, entertainment, children's activities, amidst convenient, designer, environments, provide services either directly, or indirectly in connection with the management of centers, amusement centers or of any organisation or business or centers in any manner

2. To render directly or indirectly advice, consultancy or technical assistance in relation to evaluation, conceptualisation planning, design, development, construction, implementation, supervision, operations and maintenance, marketing, acquisition or management of centers shopping centers, malls & markets, apartments, houses, hotels, motels, hostels, restaurants, factory premises, godowns, warehouses, flats, boarding houses, clubs, pleasure grounds and amusement parks, theatres, cinemas or such other show houses, meeting or lecture halls, libraries, dharamshalas, and sarais, health resorts and spas, garden, swimming pools bath, huts, bazaars, markets, melas and exhibition areas/projects "

3. To build, construct, establish, own, purchase, sell, taken on lease or exchange or otherwise acquire, hold maintain and manage industrial, commercial, or residential buildings, centers, shopping centers, apartments, houses, hotels, motels, hostels, restaurants, factory premises, godowns, warehouses, flats, boarding houses, clubs, pleasure grounds and amusement parks, theatres, cinemas or such other show houses, meeting or lecture halls, libraries, dharamshalas, and sarais, health resorts and sanitations, gardens, swimming pools, baths, huts, bazaars, and markets, melas and exhibition, and to let, sublet, give on lease or otherwise to permit use and occupation of the same for rent or hire charges and to provide for the tenants and occupies thereof all or any of the conveniences commonly provided in residential, commercial and industrial quarters."

b) **Details of change of name, registered office and objects of the Applicant Company during the last five years**

**Change of Name:** NIL.

**Change of Registered Office:**

The registered office of SSCPL has been changed from 505, 5<sup>th</sup> floor, Office block, DLF Place Mall, District Centre, Saket, New Delhi 110017 to Knowledge House, Off. Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060, Maharashtra, India on February 19, 2018

**Change of objects:** Nil

c) **Details of the capital structure of Transferor Company including authorised, issued, subscribed and paid up share capital as on March 31, 2018 is as under.**

<b>A. Authorised Share Capital</b>	<b>Amount in ₹</b>
40,000 Equity Shares of ₹ 10 each	4,00,000
<b>B. Issued, Subscribed and Paid Up Capital</b>	
25,000 Equity Shares of ₹ 10 each	2,50,000

**Post Scheme Capital Structure**

Upon this Scheme becoming effective, shares held as investments in the Transferor Company by the Applicant Company (either held in its own name or through its nominee (s)), shall stand cancelled without any further act, instrument or deed. Further, upon the Scheme becoming effective, and in consideration of the transfer of all the assets and liabilities of the Transferor Company to the Applicant Company and in terms of the Scheme, the Applicant Company shall, without any further application, act, instrument, deed, issue and allot to the eligible equity shareholders of the Transferor Company (whose names are registered in the register of members of the Transferor Company on the record date, or his/her legal heirs, executors or administrators or, as the case may be, successors), in the following manner:

“12,531 equity shares of face value of ₹ 10/- (Rupees Ten) each credited as fully paid up of the Applicant Company for every 100 (One Hundred) fully paid up equity shares of face value of ₹ 10/- (Rupees Ten Only) each held in the Transferor Company.”

d) **Details of the Promoters and Directors along with their addresses:**

The details of the promoters of the Transferor Company as on March 31, 2018 are as set forth below:

<b>Sr. No</b>	<b>Name of Promoters</b>	<b>Address</b>
1.	Mr. Pranay Sinha	E-6 2 <sup>nd</sup> Floor Geetanjali Enclave, Malviya Nagar, New Delhi - 110017
2.	Ms. Shilpa Malik	F-9 2 <sup>nd</sup> Floor Hauz Khas, New Delhi - 110016

The Transferor Company has 5 (five) directors as on March 31, 2018, mentioned as under. The details of such directors are set forth below:

<b>Sr.No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Address</b>
1.	Mr. Vijai Singh Dugar	Independent Director – Nominated by Future Market Networks Limited	605-B, Oberoi Park View, Thakur Village, Kandivali East Mumbai - 400101
2.	Mr. Pranay Sinha	Director	E-6 2 <sup>nd</sup> Floor Geetanjali Enclave, Malviya Nagar, New Delhi - 110017
3.	Ms. Shilpa Malik	Director	F-9 2 <sup>nd</sup> Floor Hauz Khas, New Delhi - 110016
4.	Mr. Sunil Biyani	Nominee Director	2302/23rd Floor, Vivarea Tower B-2, Sane Guruji Marg, Hindustan Spinning Mills & Wire Mills Compd, Mumbai - 400011
5.	Mr. Pramod Arora	Nominee Director	11 Paschim Marg DLF City Phase I, Gurgaon - 122002

m) **The date of the board meeting of the Transferor Company at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:**

Details of the Directors who voted on the resolution passed on January 30, 2018 are as follows:

<b>Sr. No</b>	<b>Name of Director</b>	<b>Voted in favour / against / abstain</b>
1.	Mr. Pranay Sinha	Favour
2.	Ms. Shilpa Malik	Favour
3.	Mr. Vijai Singh Dugar	Favour
4.	Mr. Sunil Biyani	Favour
5.	Mr. Pramod Arora	Favour

n) **As on April 30, 2018, the Transferor Company has 77 unsecured creditors and amount due to such unsecured creditors is ₹ 4,22,72,942/-, (Rupees Four Crores Twenty Two Lakhs Seventy Two Thousand Nine Hundred and Forty Two only).**

- o) None of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of Applicant Company and their respective Relatives (as defined under the Act and rules framed thereunder), except for Mr. Pranay Sinha and Ms. Shilpa Malik, have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Transferor Company.

Mr. Pranay Sinha and Ms. Shilpa Malik, being Shareholders and Directors of the Transferor Company, are deemed to be interested in the Scheme.

The details of the shareholding of directors, Key Managerial Personnel and their respective relatives as on March 31, 2018 is as follows:

Sr. No	Name	Designation	No. of shares held in the Transferor Company
1.	Mr. Vijai Singh Dugar	Independent Director (nominated by Future Market Networks Limited)	Nil
2.	Mr. Sunil Biyani	Nominee Director	Nil
3.	Mr. Pramod Arora	Nominee Director	Nil
4.	Mr. Pranay Sinha	Director	5,000
5.	Ms. Shilpa Malik	Director	5,000

- p) **Disclosure about the effect of the Scheme on the following persons:**

Sr.No	Category of Stakeholders	Effect of the Scheme on Stakeholders
1.	Shareholders	<p>As on March 31, 2018, the Applicant Company has only equity shareholders and no preference shareholders. Upon the Scheme becoming effective, the consideration towards Merger by Absorption of the Transferor Company (as defined in the Scheme) by the Applicant Company shall be made without any further application, act, instrument or deed, issue and allot Equity Shares of the Applicant Company in the following manner:</p> <p><i>“12,531 (twelve thousand five hundred thirty one) equity shares in the Applicant Company of face value ₹ 10 (Rupees Ten only) each credited as fully paid up for every 100 (One Hundred) equity share of face value ₹ 10 (Rupees Ten only) each fully paid up held by such eligible member in the Transferor Company (the “Share Entitlement Ratio”) as on the Record Date”.</i></p> <p>The Applicant Company holds 60% of the issued, subscribed and paid up share capital of the Transferor Company. The shares held by the Applicant Company in the Transferor Company shall stand cancelled without any further act or deed.</p> <p>The equity shares issued and allotted by the Applicant Company in terms of this Scheme shall rank <i>pari passu</i> in all respects with the then existing equity shares of the Applicant Company.</p> <p>The existing issued, subscribed and paid-up share capital of the Transferor Company shall stand cancelled without any further act or deed immediately following the issuance of shares by the Applicant Company to the eligible shareholders of the Transferor Company pursuant to and in accordance with provisions of the Scheme.</p> <p>Thus, the Scheme will not have any adverse effect on the equity shareholders.</p> <p>The Scheme is in the best interests of the shareholders of the Applicant Company.</p>
2.	Promoters	<p>Upon effectiveness of the Scheme, the existing issued, subscribed and paid-up share capital of the Transferor Company shall stand cancelled without any further act or deed, immediately following the issuance of shares by Applicant Company to the eligible shareholders of the Transferor Company.</p>
3.	Non-Promoter Shareholders	<p>The Applicant Company holds 60% of the issued, subscribed and paid up share capital of the Transferor Company. The shares held by the Applicant Company in the Transferor Company shall stand cancelled without any further act or deed immediately following the issuance of shares by the Applicant Company to the eligible shareholders of the Transferor Company pursuant to and in accordance with provisions of the Scheme.</p>
4.	Key Managerial Personnel (“KMPs”) / Directors	<p>Mr. Pranay Sinha and Ms. Shilpa Malik are the promoters of the Transferor Company. They are on the Board of the Transferor Company and holds 5000 equity shares each, i.e. 40% of the issued, subscribed and paid up share capital of the Transferor Company. The shares held by them in the Transferor Company shall stand cancelled without any further act or deed immediately following the issuance of shares by the Applicant Company to them pursuant to and in accordance with provisions of the Scheme.</p> <p>Other than such allotment of shares, the KMPs/directors are not affected pursuant to the Scheme.</p> <p>Mr. Vijai Singh Dugar, Mr. Sunil Biyani and Mr. Pramod Arora are representing the Applicant Company on the Board of the Transferor Company.</p>

Sr.No	Category of Stakeholders	Effect of the Scheme on Stakeholders
5.	Creditors	Pursuant to the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Transferor Company. The liability of the Transferor Company towards its creditors shall be transferred to the Applicant Company pursuant to the Scheme.
6.	Depositors	Not Applicable
7.	Debenture Holders	Not Applicable
8.	Deposit Trustee and Debenture Trustee	Not Applicable
9.	Employees	The employees of the Transferor Company shall be Transferred to the rolls of the Applicant Company in terms of the Scheme.

q) **Disclosure about effect of the Scheme on material interests of directors, key managerial personnel (KMP), debenture trustee and other stakeholders:**

Please refer to point no. (p) above for the effect of the Scheme on material interests of directors, KMP and other stakeholders.

v. **Other details regarding the Scheme required as per Rule 6 (3) of the Merger Rules :**

a) **Relationship between the Applicant Company and Transferor Company:**

60.00% of the shareholding of the Transferor Company is held by the Applicant Company, and rest 40.00% shareholding is held equally by Mr. Pranay Sinha and Ms. Shilpa Malik, both of whom are promoters of Transferor Company.

Details of shareholding of Applicant Company in Transferor Company is as set out below:

Entity	Name of Company	Pre-scheme shareholding (percentage of paid-up share capital)	Post-scheme shareholding (percentage of paid-up share capital)
Future Market Networks Limited	Star Shopping Centres Private Limited	60.00 %	*0.00%

*\*Post scheme, the Transferor Company will merge with Applicant Company.*

b) **Appointed Date, Effective Date, Record Date and Share Entitlement Ratio:**

**Appointed Date:** The appointed date for the Scheme is April 1, 2017.

**Effective Date:** means the later of the dates on which the certified copy of the orders of the Tribunal sanctioning the Scheme are filed by the Companies with the Registrar of Companies, Mumbai

**Record Date:** The record date means the date to be determined by the Board of Directors of the Applicant Company, for the purpose of determining the shareholders of the Transferor Company to whom equity shares of the Applicant Company shall be allotted pursuant to the merger under the Scheme.

**Share Entitlement Ratio:**

12,531 equity shares of face value of ₹ 10/- (Rupees Ten ) each credited as fully paid up of the Applicant /Transferee Company for every 100 (One Hundred) fully paid up equity shares of face value of ₹ 10/- (Rupees Ten Only) each held in the Transferor Company.

c) **Summary of the Valuation Report:**

The valuation report dated January 30, 2018 has been issued by Deloitte Haskins & Sells, Chartered Accountants (appointed by Applicant Company) describing inter alia the methodology adopted in arriving at the share entitlement ratio for the proposed Scheme of Merger by Absorption of Star Shopping Centres Private Limited (Transferor Company / SSCPL) by Future Market Networks Limited (Transferee Company / FMNL) and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("Valuation Report").

The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative valuation of the equity shares of FMNL and SSCPL based on various approaches / methods and various qualitative factors relevant to each company and the business dynamics and growth potentials of the business of FMNL and SSCPL.

Based on the above methodology, Share Entitlement Ratio is determined as 12,531 equity shares of face value of ₹ 10/- (Rupees Ten ) each credited as fully paid up of the Applicant /Transferee Company for every 100 (One Hundred) fully paid up equity shares of face value of ₹ 10/- (Rupees Ten Only) each held in the Transferor Company.

The Shares held by the Applicant Company in Transferor Company will stand cancelled upon the scheme being approved.

A fairness opinion certificate dated January 31, 2018 was issued by Swastika Investmart Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio from a financial point of view.

d) **Details of capital restructuring:**

Pursuant to the Scheme, the Shares held by the Applicant Company in Transferor Company will stand cancelled and the Applicant Company shall issue equity shares to eligible shareholders of the Transferor Company, in accordance with the Share Entitlement Ratio. Further, the existing issued and paid – up share capital of the Transferor Company as on the Appointed Date shall stand cancelled without any further act or deed, immediately following the issuance of shares by the Applicant Company to eligible shareholders of the Transferor Company pursuant to the Scheme. The Capital Structure of the Applicant Company post-merger shall be as provided in Clause 11 (iii) (d) (ii) hereinabove.

e) **Details of debt restructuring:**

There shall be no debt restructuring of the Applicant Company or Transferor Company pursuant to the Scheme.

f) **Rationale of the Scheme of Arrangement, and the benefit of the Scheme of Arrangement as perceived by the Board of Directors of the Applicant Company**

A. The Scheme provides for, inter alia,

- i. the merger by absorption of SSCPL by FMNL
- ii. discharge of consideration including cancellation of the equity shares held by FMNL in SSCPL;
- iii. dissolution without winding up of SSCPL
- iv. merger of the authorised share capital of SSCPL with the authorised share capital of FMNL
- v. various other matters consequential to or otherwise integrally connected with the above.
- vi. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

B. The rationale of the Scheme is as under:

This Scheme involves the restructuring of FMNL and its subsidiary, SSCPL by way of Merger by absorption of SSCPL by FMNL. The rationale for the Scheme is mentioned below:

- Rationalizing the group structure to ensure optimized legal entity structure more aligned with the business;
- Reorganizing the legal entity in the group structure so as to obtain significant cost savings and/or simplification benefits;
- Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by FMNL and SSCPL
- Rationalizing costs by elimination of administrative functions and multiple record-keeping.
- Result in business synergies besides economies in cost by combining all the functions, related activities and operations and benefits in the form of managerial and technical expertise;
- Further, the Scheme also provides that the shareholders of the Transferor Company shall indemnify the Transferee Company and keep the Transferee Company indemnified for liability, claim, demand, if any, and which may devolve on the Transferee Company on account of this amalgamation.

g) The financial position of the Applicant Company will not be adversely affected by the Scheme. The rights and interests of the members and the creditors (secured and unsecured) of the Applicant Company will not be prejudiced by the Scheme.

h) The Applicant Company receives complaints/queries from shareholders/government authorities/stakeholders from time to time under the Act. The Applicant Company has duly responded to such complaints/queries. No investigation or proceedings have been instituted or are pending in relation to the Transferor Company under the Act.

## 12. Salient extracts of the Scheme

Salient features of the Scheme are set out as below:

- a The Scheme is presented under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, for the In the matter of the Scheme of Merger by Absorption of Star Shopping Centres Private Limited by Future Market Networks Limited;
- b The Transferor Company and the Applicant Company shall make applications and / or petitions under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the jurisdictional National Company Law Tribunal ("Tribunal"), as the case may be for sanction of this Scheme and all matters ancillary or incidental thereto;
- c "**Appointed Date**" means April 1, 2017 or such other date as may be directed by NCLT; Mumbai Bench or such other competent authority as may be applicable.
- d "**Effective Date**" means the later of the dates on which the certified copy of the orders of the Tribunal sanctioning the Scheme are filed by the Companies with the Registrar of Companies, Mumbai;
- e In consideration of the Scheme of Merger by Absorption of Star Shopping Centres Private Limited (Transferor Company / SSCPL) by Future Market Networks Limited (Transferee Company / FMNL) and in terms of this Scheme, the Transferee Company shall, without any application, act or deed, issue and allot equity shares, credited as fully paid, to the extent indicated below, to the applicable members of the Transferor Company holding fully paid-up equity shares of the Transferor Company and whose names appear on the register of members of the Transferor Company as on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company/ Transferee Company in the following proportion:  
*"12,531 (twelve thousand five hundred thirty one) equity shares in the Transferee Company of face value ₹ 10 (Rupees Ten only) each credited as fully paid up for every 100 (One Hundred) equity shares of face value ₹ 10 (Rupees Ten only) each fully paid up held by such eligible member in the Transferor Company (the "**Share Entitlement Ratio**") as on the Record Date".*
- f On the Scheme becoming effective, the equity shares of the Transferor Company held by the Transferee Company shall stand cancelled.

- g The difference, if any, of the value of assets over the value of liabilities and reserves transferred to the Applicant Company and the face value of New Equity Shares issued by the Applicant Company, after providing for adjustments shall be adjusted in the Securities Premium Account of the Applicant Company.

On the Scheme becoming effective, the Applicant Company shall account for the amalgamation in its books as per the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and the accounting treatment prescribed in the Scheme, to the extent consistent with Ind AS.

- h With effect from the Appointed Date and upto and including the Effective Date:
- i The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to business of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferee Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
  - ii The Transferor Company shall not, except in the ordinary course of business or without prior written consent of the Applicant Company alienate charge, mortgage, encumber or otherwise deal with or dispose of any of its properties or part thereof of the Transferor Company.
  - iii Any income accruing or arising to the Transferor Company shall for all purposes be treated and deemed to be in profits or income of the Transferee Company.
  - iv Until the Effective Date, the Transferor Company may utilize its income/available cash, if any, for meeting its expenses in the ordinary course of business or for the purpose specified in the scheme.
  - v Until the Effective Date, the holders of shares of the Transferor Company shall, save as expressly provided otherwise in the scheme, continue to enjoy their existing rights under the Articles of Association of the Transferor Company including the right to receive dividends.
- i All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental shall be borne and paid by the Transferor Company and/or its shareholders.

**j Other important extracts from the Scheme :**

"8. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act and other applicable provisions of the Act, the Transferor Company shall stand merged with and be vested in the Transferee Company, as a going concern in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing but subject to existing Encumbrances affecting the same, so as to become, as and from the Appointed Date, the undertaking, businesses, properties and other belongings, of the Transferee Company by virtue of and in the manner provided in this Scheme. The name of the Transferee Company immediately after Merger by absorption shall remain unchanged by virtue of this Scheme

9. without prejudice to the generality of clause 8 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:

9.1 all assets (whether or not recorded in the books of accounts) of the Transferor Company that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery and on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company.

9.2 all assets of Transferor Company that are movable in nature, other than those in sub-clause 9.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date, become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

9.3 all lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits, shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

- 9.4 any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, brand names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company.
- 9.5 all immovable properties of the Transferor Company including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.
- 9.6 all Contracts and other instruments to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if, it were the Transferor Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. All inter-se contracts between the Transferee Company and the Transferor Company shall stand cancelled and cease to operate upon this Part II of the Scheme becoming effective.
- 9.7 all Taxes payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the Tax liability or refunds/claims, as the case may be, of the Transferee Company, and any Tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, remissions, reductions, or Tax holidays, minimum alternate tax credit, as would have been available to the Transferor Company, shall pursuant to the Scheme becoming effective, be available to the Transferee Company and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.
- 9.8 all Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever of or to the benefit of the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.
- 9.9 the Transferee Company shall be entitled to claim refunds or credits, including input tax credits, with respect to Taxes paid by for, or on behalf of, the Transferor Company under Applicable Law, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- 9.10 all benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/ complied with by the Transferee Company.
- 9.11 all the resolutions, if any, of the Transferor Company, which are valid and subsisting, shall under the provisions of Sections 230 to 232 of the Act, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

- 9.12 upon the Scheme becoming effective, the Transferee Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Transferor Company or carry out any other transaction as it deems fit.
- 9.13 all books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, of the Transferor Company to the extent possible and permitted under Applicable Law, be handed over to the Transferee Company.
10. Without prejudice to the generality of clause 8 above, upon the Scheme coming into effect and with effect from the Appointed Date:
- 10.1 all the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, reserves, provisions and funds, duties and obligations (whether or not provided in the books of the Transferor Company) of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date, and shall become on and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same. The Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests and in particular the statutory creditors of the Transferor Company shall continue to enjoy and hold charge upon their respective securities and properties. Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation, in favor of any of the creditors of the Transferor Company or in any other party to any contract or arrangement to which Transferor Company or Transferee Company is a party to, or any writings as may be necessary to be executed in order to give formal effect to the above provisions
- 10.2 all inter-se liabilities, between Transferor Company and Transferee Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- 10.3 all the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferor Company which secure or relate to the liabilities of the Transferor Company shall without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date and are transferred to the Transferee Company. It is clarified that the aforesaid Encumbrances shall not extend to any assets of the Transferor Company which were earlier not encumbered or to the existing assets of the Transferee Company unless specifically agreed to by Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of Transferee Company, if any.
- 10.4 any reference, in any security documents or arrangements (to which the Transferor Company is a party), to the Transferor Company and assets and properties of Transferor Company, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- 10.5 without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 10.6 the provisions of this clause 10 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.
11. Employees
- 11.1 All the employees, staff and workmen if any, employed with the Transferor Company, shall become employees, staff and workmen of and be engaged by the Transferee Company, with effect from the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of the Merger by absorption and transfer and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.
- 11.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of such employee's, staff's and workman's account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff and workmen of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

- 11.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen of the Transferor Company, upon Part II of the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.
- 11.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.
- 11.5 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferor Company, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 11.6 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees, staff and workmen of the Transferor Company which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 11.7 Any disciplinary action initiated by the Transferor Company against any employee, staff and workman of the Transferor Company shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.
12. Legal Proceedings
- 12.1 All proceedings of whatsoever nature (legal, quasi-judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company, shall not abate, be discontinued or be in any way prejudicially affected by reason of the Merger by absorption or anything contained in this Scheme, but the said proceedings shall until Effective Date, be continued, prosecuted and enforced, by or against the Transferor Company, as if this Scheme had not been made.
- 12.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) by or against, the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- 12.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company."
13. With effect from the Appointed Date and up to and including the Effective Date, The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Transferee Company. All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by the Transferor Company for and on account of and in trust for the Transferee Company; All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Transferor Company, for the period commencing from the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of the Transferee Company; Any of the rights, powers, authorities or privileges exercised by the Transferor Company, shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company, shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company; All Taxes, where applicable, payable by or refundable to the Transferor Company including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company. The Transferor Company may raise or utilize loans from the Transferee Company or discharge loans or interest amounts (if any) due or payable or which may at any time prior to the Effective Date become due or payable to the Transferee Company. With effect

from the Appointed Date, Transferor Company has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence. From the date of the acceptance of this Scheme by the respective Board of Transferor Company and Transferee Company, Transferor Company shall not alienate, charge, encumber, mortgage or otherwise deal with the assets or any part thereof, without the prior written consent of Transferee Company, save and except in the ordinary course of business, or pursuant to any pre-existing obligation by Transferor Company prior to the Appointed Date.

14. Subject to the terms of the Scheme, the transfer and vesting of the Transferor Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.
15. Upon this Scheme becoming effective, shares held as investments in the Transferor Company by the Transferee Company (either held in its own name or through its nominee (s)), shall stand cancelled in their entirety, without any further act, instrument or deed. Further, upon the Scheme becoming effective, and in consideration of the transfer of all the assets and liabilities of the Transferor Company to Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument, deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the register of members of the Transferor Company on the record date, or his/her legal heirs, executors or administrators or, as the case may be, successors), in the following manner:
  - 12,531 equity shares of face value of ₹ 10/- (Rupees Ten ) each credited as fully paid up of the Transferee Company for every 100 (One Hundred) fully paid up equity shares of face value of ₹ 10/- (Rupees Ten Only) each held in the Transferor Company.
16. Upon the Scheme becoming effective, the Transferor Company shall without any further act, instrument or deed stand dissolved without being wound-up.
17. The difference, if any, of the value of assets over the value of liabilities and reserves transferred to the Transferee Company as stated above and the face value of New Equity Shares issued by the Transferee Company, after providing for adjustments as stated above shall be adjusted in the Securities Premium Account of the Transferee Company.
18. As an integral part of the Scheme, and upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall stand transferred to and be added with the authorized share capital of the Transferee Company without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61 and Section 232(3) of the Act and no resolutions or consent and approvals would be required to be passed by the Transferee Company.
19. Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in its books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date. The Transferor Companies and the Transferee Company shall make, as applicable, joint or separate applications/petitions under Section 230 to 232 of the Companies Act, 2013 to the NCLT, as necessary, inter act, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Companies without winding up and further applications / petitions under Sections 230 to 232 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.
20. On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961(including for the purpose of re-computing tax on book profits and claiming other tax benefits), Goods & Services Tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date
21. The provisions of this Scheme as they relate to the Merger by absorption of the Transferor Company by the Transferee Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, shall prevail and the provisions of this Part II of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.
22. Each of the Transferor Company and Transferee Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf ( "Delegate") may together assent to, or make from time to time, any modifications or amendments or additions to this Scheme which NCLT or any Appropriate Authority may deem fit to approve of or impose and which the companies may in their discretion accept, or such modifications or amendments or additions as the companies or as the case may be, their respective Delegates deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out the purpose of this Scheme and as approved by NCLT, and the companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deed, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. The aforesaid powers of the companies may be exercised by the Delegate of the respective companies. It is clarified that any modification or amendment to the Scheme by the companies, after the sanction by NCLT, shall only be made with the prior consent of NCLT.

23. The Transferor Company and /or the Transferee Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any NCLT/Appropriate Authority/person or otherwise is unacceptable to any of them or for any reason whatsoever. In the case of withdrawal from the Scheme under clause 36.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and Transferee Company and their respective shareholders, creditors, employees or any other person save and except in respect of any act or deed done prior thereto as contemplated in this Scheme or as to any right liability or obligation that has accrued or arisen pursuant thereto and which shall be governed, worked out and preserved as specifically provided in the Scheme or in accordance with Applicable Law.
24. Each provision or part of this Scheme is independent and is severable. Any failure of any one provision or part of this Scheme for lack of necessary approval from the shareholders/ creditors/ Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole Scheme failing. It shall be open to the Board of Directors concerned to consent to sever such provision(s) or part(s) of the Scheme and implement the rest of the Scheme with such modification.
25. During the pendency of the Scheme, the Transferor Company and Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Board of Directors, subject to such approval of the members, as may be required.

In the event of the Scheme not being sanctioned by NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme. Subject to Clause 38.1 of the Scheme, all costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges) payable in relation to or in connection with the Scheme and or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by FMNL.

26. This Scheme is conditional upon and subject to the following:
- The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Applicant Company as may be directed by the NCLT.
  - The Scheme being approved by the "public" shareholders of the Transferee Company by way of e-voting in terms of Para (I)(A)(9)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017; provided that the same shall be acted upon only if the votes cast by the "public" shareholders in favor of the proposal are more than the number of votes cast by the "public" shareholders against it.
  - The sanction of the Scheme by the NCLT or any other authority under Sections 230 to 232 and other applicable provisions of the Act and the necessary order being filed with the Registrar of Companies.
  - Authenticated / certified copy of the orders of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.
  - The requisite consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

**27. Capital Structure Pre And Post Amalgamation And Arrangement:**

The pre and post amalgamation and arrangement shareholding pattern of the Applicant Company as on March 31, 2018 is as follows:

Particulars		Pre-amalgamation and arrangement		Post-amalgamation and arrangement	
Sr. No.	Category	No. of Equity Shares	% of holding	No. of Equity Shares	% of holding
(A)	<b>Shareholding of Promoter and Promoter Group</b>				
(1)	<b>Indian</b>		-		-
(a)	<b>Individuals/Hindu undivided family</b>				
	Ms. Ashni Kishore Biyani	141	0.00	141	0.00
	Mr. Anil Biyani	50	0.00	50	0.00
	Mr. Sunil Biyani	50	0.00	50	0.00
	Mr. Vivek Biyani	50	0.00	50	0.00
	Mr. Vijay Biyani	50	0.00	50	0.00
	Mr. Laxminarayan Bansilal Biyani	50	0.00	50	0.00
	Mr. Gopikishan Biyani	50	0.00	50	0.00
	Mr. Kishore Biyani	50	0.00	50	0.00
	Mr. Rakesh Biyani	50	0.00	50	0.00

Particulars		Pre-amalgamation and arrangement		Post-amalgamation and arrangement	
Sr. No.	Category	No. of Equity Shares	% of holding	No. of Equity Shares	% of holding
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate				
	Suhani Trading And Investment Consultants Pvt. Ltd.	41129343	73.06	41129343	71.47
	Surplus Finvest Private Limited	53526	0.10	53526	0.10
	<b>Sub-Total (A)(1)</b>	<b>41183410</b>	<b>73.16</b>	<b>41183410</b>	<b>71.57</b>
(2)	Foreign	-	-	-	-
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-
	Institutions	-	-	-	-
	Foreign Portfolio Investor	-	-	-	-
	Any Other (Specify)	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)</b>	<b>41183410</b>	<b>73.16</b>	<b>41183410</b>	<b>71.57</b>
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds	4527	0.01	4527	0.01
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	17040	0.03	17040	0.03
(f)	Financial Institutions/ Banks	260452	0.46	260452	0.45
(g)	Insurance Companies	31184	0.06	31184	0.05
(h)	Provident Funds/ Pension Funds	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-
	<b>Sub Total (B) (1)</b>	<b>313203</b>	<b>0.56</b>	<b>313203</b>	<b>0.54</b>
(2)	Central Government/State Government(s)/ President of India	-	-	-	-
	<b>Sub Total (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(3)	Non-Institutions				
(a)	i. Individual shareholders holding nominal share capital upto ₹ 2 lakhs	2033996	3.61	2033996	3.54
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	3183800	5.66	4436900	7.71
(b)	NBFCs Registered with RBI	-	-	-	-
(c)	Overseas Depositories (Holding GDRs)	-	-	-	-
(d)	Any Other				
	Trust	23	0.00	23	0.00
	Hindu Undivided Family	83302	0.15	83302	0.15
	Non Residents Indians (Non-Repatriation)	13156	0.02	13156	0.02
	Other Directors	41025	0.07	41025	0.07
	Non Resident Indians (Repatriation)	31241	0.06	31241	0.05
	Clearing Members	282493	0.50	282493	0.49
	Bodies Corporate	9125632	16.21	9125632	15.86
	<b>Sub Total (B)(3)</b>	<b>14794668</b>	<b>26.28</b>	<b>16047768</b>	<b>27.89</b>
	<b>Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)</b>	<b>15107871</b>	<b>26.84</b>	<b>16360971</b>	<b>28.43</b>
	<b>Total Shareholding (A+B)</b>	<b>56291281</b>	<b>100.00</b>	<b>57544381</b>	<b>100.00</b>

The pre-amalgamation and arrangement shareholding pattern of the Transferor Company as on March 31, 2018 is as follows:

Particulars		Pre-amalgamation and arrangement	
Sr. No.	Category	No. of Equity Shares	% of holding
1.	Mr. Pranay Sinha	5000	20.00
2.	Ms. Shilpa Malik	5000	20.00
3.	Future Market Networks Limited	15000	60.00
	<b>Total</b>	<b>25000</b>	<b>100.00</b>

## 28. General

### a) Details of availability of the following documents for obtaining extracts from or making or obtaining copies

The following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors of the Applicant Company at its Registered Office at Knowledge House, Off. Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060, Maharashtra, India between 10:00 A.M. IST to 12:00 Noon on any working day (except Saturdays, Sundays and Public Holidays) up to the date of the Meeting:

- i. Certified copy of the order dated August 3, 2018 passed by the Mumbai Bench of the NCLT in Company Scheme Application 237 (MAH) of 2018 directing the Applicant Company to convene the Tribunal Convened Meeting;
- ii. Papers and proceedings in Company Scheme Application 237 (MAH) of 2018 before Mumbai Bench of the NCLT.
- iii. Copy of the Scheme.
- iv. Copy of the Memorandum and Articles of Association of FMNL and SSCPL respectively.
- v. Copy of the annual reports of FMNL and SSCPL for the financial years ended March 31, 2016 and March 31, 2017 and March 31, 2018 respectively;
- vi. Register of Directors' Shareholding of the FMNL and extract of Register of Directors' Shareholding of SSCPL;
- vii. Copy of the Valuation Report dated January 30, 2018 issued by Deloitte Haskins & Sells, Chartered Accountants;
- viii. Copy of the Fairness Opinion Certificate dated January 31, 2018 issued by Swastika Investmart Limited, a SEBI Registered Merchant Banker, providing its opinion on the fairness of the valuation of the Deloitte Haskins & Sells, Chartered Accountants;
- ix. Complaints Report dated March 22, 2018 and March 20, 2018, filed with BSE and NSE respectively by the Applicant Company;
- x. The certificates issued by Statutory Auditors of the Applicant Company to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- xi. Observation Letters issued by Stock Exchanges;
- xii. Copy of the Audit Committee Report dated January 30, 2018 of the Applicant Company;
- xiii. Copy of Form No. GNL-1 filed by the Applicant Company with the concerned Registrar of Companies along with challan, evidencing filing of the Scheme;
- xiv. Copy of the audited Financial Statement of FMNL and SSCPL for the year ended as on March 31, 2018;
- xv. Copy of the unaudited Financial Statement of FMNL for the quarter ended June 30, 2018 along with Limited Review report of the Statutory Auditor.
- xvi. List of Subsidiary Companies, joint ventures and associates of FMNL as on March 31, 2018.
- xvii. Copy of the resolutions, all dated January 30, 2018 and February 19, 2018, passed by the respective Board of Directors / Committee of FMNL and SSCPL approving the Scheme;
- xviii. Copy of the Reports dated February 19, 2018 adopted by the Board of Directors of FMNL and SSCPL respectively, pursuant to the provisions of section 232(2)(c) of the Act.

### b) Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities in relation to the Scheme

- i. The shares of FMNL, the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited (NSE). The BSE Limited was appointed as the designated stock exchange by the Applicant Company for the purpose of coordinating with SEBI, pursuant to the SEBI Scheme Circular. The Applicant Company has received observation letter regarding the Scheme from BSE on May 9, 2018 and from NSE on May 10, 2018. In terms of the observation letters, BSE and NSE conveyed their no adverse observations/no objection to the Scheme. The observation letters dated May 9, 2018 and May 10, 2018 as received from BSE and NSE are enclosed as Annexure 4 and 5 respectively.
- ii. As required by the SEBI Scheme Circular, the Applicant Company has filed its Complaints Report with BSE and NSE on March 22, 2018 and March 20, 2018 respectively. The reports filed indicate that the Applicant Company has received nil complaints. The complaints report filed by the Applicant Company with BSE and NSE are enclosed as Annexure 6A and Annexure 6B respectively.

- iii. The Scheme was filed by the Applicant Company with the Mumbai Bench of the NCLT on May 15, 2018 and the Mumbai Bench of NCLT has given directions to convene a meeting of the equity shareholders of the Applicant Company vide an Order dated August 03, 2018.
- iv. The Transferee Company as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 has filed draft Scheme with BSE Limited and National Stock Exchange of India Limited (NSE) on February 20, 2018 and the same has been disseminated by BSE Limited and NSE on their website.
- v. The Scheme is subject to approval by majority of shareholders representing three-fourth in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by remote e-voting or by postal ballot, in terms of Section 230-232 of the Act.
- vi. Further, the Scheme is subject to approval by the requisite majority of the Public Shareholders of the Applicant Company, as set out under SEBI Scheme Circular. For this purpose the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. The SEBI Scheme Circular provides that the Scheme of Arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- vii. The provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 shall apply to Scheme.
- viii. The shares of SSCPL are not listed on any Stock Exchanges.
- ix. All other necessary regulatory and governmental approvals and registrations required pursuant to, in connection with or as a consequence of the Scheme
- x. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
- xi. This notice convening Meeting of the Equity Shareholders of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. [www.fmn.co.in](http://www.fmn.co.in)

**Dated August 3, 2018**  
**Mumbai**

**Registered Office:**

Future Market Networks Limited  
CIN L45400MH2008PLC179914  
Knowledge House, Opp Shyam Nagar,  
Off: Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060,  
Maharashtra

Sd/-  
Vijai Singh Dugar  
DIN: 06463399  
Chairman appointed for the Meeting

**SCHEME OF MERGER BY ABSORPTION OF  
STAR SHOPPING CENTRES PRIVATE LIMITED**

**BY**

**FUTURE MARKET NETWORKS LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 READ WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES THEREUNDER)**

**1. AN OVERVIEW OF THE SCHEME**

This Scheme of Merger by absorption of Star Shopping Centres Private Limited (SSCPL or “the Transferor Company”) by Future Market Networks Limited (“FMNL” or “the Transferee Company”) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as the case may be, including any statutory modifications or re-enactments and rules made thereunder and amendments thereof.

**2. DESCRIPTION OF COMPANIES**

**2.1 Star Shopping Centres Private Limited**

2.1.1 Star Shopping Centres Private Limited (“**SSCPL**” or “**Transferor Company**”) is a private limited company, incorporated under the provisions of the Companies Act, 1956, on 17 November, 2008 under the name “Star Shopping Centres Private Limited”.

The registered office of SSCPL is situated at Knowledge House, Shyam Nagar, Jogeshwari – Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060.

2.1.2 The main objects of SSCPL as per its memorandum of association are inter alia as under:

- “1. To develop and manage physical environments including community centers, shopping centres , markets, malls, mixed use developments, catering to consumers and shoppers, giving a superior experience to including but not limited to public spaces, landscapes, recreation, shopping, eating out, dinning, leisure, entertainment, children’s activities, amidst convenient, designer, environments, provide services either directly, or indirectly in connection with the management of centers, amusement centers or of any organisation or business or centers in any manner
2. To render directly or indirectly advice, consultancy or technical assistance in relation to evaluation, conceptualisation planning, design, development, construction, implementation, supervision, operations and maintenance, marketing, acquisition or management of centers shopping centers, malls & markets, apartments, houses, hotels, motels, hostels, restaurants, factory premises, godowns, warehouses, flats, boarding houses, clubs, pleasure grounds and amusement parks, theatres, cinemas or such other show houses, meeting or lecture halls, libraries, dharamshalas, and sarais, health resorts and spas, garden, swimming pools bath, huts, bazaars, markets, melas and exhibition areas/projects ”
3. To build, construct, establish, own, purchase, sell, taken on lease or exchange or otherwise acquire, hold maintain and manage industrial, commercial, or residential buildings, centers, shopping centers, apartments, houses, hotels, motels, hostels, restaurants, factory premises, godowns, warehouses, flats, boarding houses, clubs, pleasure grounds and amusement parks, theatres, cinemas or such other show houses, meeting or lecture halls, libraries, dharamshalas, and sarais, health resorts and sanitations, gardens, swimming pools, baths, huts, bazaars, and markets, melas and exhibition, and to let, sublet, give on lease or otherwise to permit use and occupation of the same for rent or hire charges and to provide for the tenants and occupies thereof all or any of the conveniences commonly provided in residential, commercial and industrial quarters.”

2.1.3 SSCPL is presently engaged in the business of planning, development and management of shopping centres/malls. SSCPL provides a range of specialised skills and services like conceptualisation, strategy and control of master planning, retail planning, tenant & trade mix, operations and management of the project opening etc. SSCPL is a subsidiary of Future Market Networks Limited.

**2.2 Future Market Networks Limited**

2.2.1 Future Market Networks Limited (“**FMNL**” or “**Transferee Company**”) is a company, incorporated under the provisions of the Companies Act, 1956, on 10 March, 2008 under the name “Future Mall Management Limited”.

2.1.2 The name of Future Mall Management Limited was changed to Agre Developers Limited and a fresh certificate of incorporation dated 4th October, 2010. Subsequently, the name of Agre Developers Limited was changed to Future Market Networks Limited and a fresh certificate of incorporation dated 6<sup>th</sup> February, 2012.

2.2.2 The registered office of FMNL is situated at Knowledge House, Off. Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai – 400060, Maharashtra, India.

2.2.3 The Equity shares of FMNL are listed on the National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”).

2.2.4 The main objects of FMNL as per its memorandum of association are as under:

“1.To carry on the business in India or elsewhere of maintaining, operating, managing malls, shopping centres, immoveable properties of all nature and description including shopping malls, commercial complexes, shopping plazas, cinema halls, theatres, departmental stores, hypermarkets, shops, business, houses, offices, residential estates, hotels, motels, resorts, homes, organisations, exhibition centres, conference centres, boarding and lodging houses, clubs, dressing rooms, and places of amusement and recreation, sports and entertainment.

2. To carry on the business in India or elsewhere of buying, selling, importing, exporting, distributing, transporting, warehousing, promoting, supplying, trading and dealing of all kinds of goods including fast moving consumable goods, merchandise either raw material, finished or semi-finished items of grocery, garments, fruits and vegetables, apparels, furniture, fixture and furnishing, cosmetic, child care products, electric and electronic products, home décor, jewellery, foot wear, entertainment, stationary, books and journals and to act as brokers, clearing and forwarding agent, shipper, commission agent, representative, franchiser, consultant, collaborator and marketing agents for aforesaid items on its own and to appoint sub-franchisers etc., for any of the above purposes.

2A To carry on the business in India or elsewhere of builders, contractors, erectors, constructors of buildings of all nature being residential, industrial, institutional or commercial, townships, holiday resorts, hotels, motels, shopping malls and preparing plans for building sites, constructing, reconstructing, erecting, altering, improving, enlarging developing, decorating, furnishing and maintaining of structures, flats, houses, factories, commercial buildings, garages, warehouses, buildings for all purposes and conveniences and to purchase for development, free-hold and lease-hold lands, houses, buildings, structures and other properties of any tenure and any interest therein.”

2.2.5 FMNL is presently engaged in the business engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India.

### 3. RATIONALE

This Scheme involves the restructuring of FMNL and its subsidiary, SSCPL by way of Merger by absorption of SSCPL by FMNL.

3.1 The rationale for the Scheme is mentioned below:

- Rationalizing the group structure to ensure optimized legal entity structure more aligned with the business;
- Reorganizing the legal entity in the group structure so as to obtain significant cost savings and/or simplification benefits;
- Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by FMNL and SSCPL
- Rationalizing costs by elimination of administrative functions and multiple record-keeping.
- Result in business synergies besides economies in cost by combining all the functions, related activities and operations and benefits in the form of managerial and technical expertise;

In view of the aforesaid, the Board of Directors of both the Companies have considered and proposed the Merger by absorption of the entire undertaking and business of the Transferor Company by the Transferee Company in order to benefit the stakeholders of the said companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 other relevant provisions of the Companies Act, 2013, as may be applicable (including any statutory modification or re-enactment or amendment thereof).

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

### 4. GENERAL

4.1 This Scheme is divided into the following parts:

4.1.1 **Part I**, provides for definitions, interpretation and share capital;

4.1.2 **Part II**, provides for the Merger by absorption of SSCPL by FMNL, discharge of consideration, accounting treatment, merger of authorised share capital and matters incidental thereto;

4.1.3 **Part III**, deals with the general terms and conditions applicable to all parts of this Scheme.

### PART I - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

#### 5. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given to them:

“**Act**” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“**Applicable Law**” means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;

“**Appointed Date**” means 1<sup>st</sup> April, 2017 or such other date as may be directed by NCLT; Mumbai Bench or such other competent authority as may be applicable.

“**Appropriate Authority**” means any government body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including NCLT, the stock exchanges, the Securities and Exchange Board of India (“**SEBI**”), income tax authorities and other applicable authorities pursuant to the provisions of Section 230(5) of the Act, as may be relevant in the context;

“**Board of Directors**” or “**Board**” in relation to SSCPL and FMNL as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

“**Contracts**” means deeds, bonds, contracts, agreements (including in connection with contracts for services) and other instruments;

“**Effective Date**” means the date on which the last of all the conditions and matters referred to in clause 29 have been fulfilled, obtained or waived. References in this Scheme to ‘upon this Scheme becoming effective’ or ‘upon this Scheme coming into effect’ shall mean the Effective Date. Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall be construed to be a reference to the Effective Date;

“**Encumbrance**” means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term “**Encumbered**” shall be construed accordingly;

**FMNL**” or “**Transferee Company**” means Future Market Networks Limited, a public company limited by shares, which is listed on recognised stock exchanges incorporated on 10 March, 2008 under the provisions of the Companies Act, 1956 and having its registered office at Knowledge House, Off. Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai – 400060, Maharashtra, India.

“**Governmental Approval**” means any consent, approval, licence, permit, order, exemption, certificate, clearance or authorisation obtained or to be obtained from, or any registration, notification, declaration or filing made to or with, or to be made to or with, any Appropriate Authority;

“**Income Tax Act**” means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force;

“**Merger by absorption**” means the amalgamation of Transferor Company with Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, and the restructuring contemplated by the Scheme in terms of Part II of the Scheme;

“**NCLT**” means the National Company Law Tribunal, Mumbai Bench having jurisdiction over FMNL and SSCPL;

“**Registrar of Companies**” or “**ROC**” means the Registrar of Companies, at Mumbai.

“**Scheme**” or “**this Scheme**” means this Scheme of Merger by absorption in its present form submitted to NCLT with any modification(s) thereto as NCLT or any other Appropriate Authority may require, direct or approve;

“**SEBI Circular**” means the circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 as modified by Circular no. CFD/DIL3/CIR/2017/26 dated 23<sup>rd</sup> March, 2017 and as also modified by Circular no. CFD/DIL3/CIR/2018/2 dated 3 January, 2018 issued by SEBI and all other applicable circulars and regulations issued by SEBI in this respect;

“**SEBI LODR**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

“**SSCPL**” or “**Transferor Company**” means Star Shopping Centres Private Limited, a private company limited by shares, incorporated on 17<sup>th</sup> November, 2008 under the provisions of the Companies Act, 1956 and having its registered office at Knowledge House, Shyam Nagar, Jogeshwari – Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060

“**Tax**” or “**Taxes**” means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), in each case in the nature of a tax, imposed by any Appropriate Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales tax, severance, branch profits, customs duties, excise duty, CENVAT credit, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, minimum alternate tax credit, banking cash transaction tax, securities transaction tax, input tax credit, entry tax, advance income tax, tax deducted at source, wealth tax, fringe benefit tax, tax collected at source, cess, tax refunds, taxes withheld or paid in a foreign country, customs duty and registration fees;

All terms and words used in this Scheme and not specifically defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

## 6. INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 6.1 words denoting singular shall include plural and vice versa;
- 6.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 6.3 references to the word “include” or “including” shall be construed without limitation;
- 6.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 6.5 unless otherwise defined, the reference to the word “days” shall mean calendar days;
- 6.6 references to dates and times shall be construed to be references to Indian dates and times;
- 6.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 6.8 references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works councillor, employee representatives body (whether or not having separate legal personality);
- 6.9 references to any person includes that person's successors;
- 6.10 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 6.11 any reference to any statute or statutory provision shall include:
  - (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time); and
  - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced. Provided that nothing in this Clause 6 shall operate to increase the liability of any party to this Scheme beyond that which would have existed had this Clause 6 been omitted.
- 6.12 The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and the directions of NCLT, shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.

## 7. SHARE CAPITAL

### 7.1 SSCPL (Transferor Company)

The share capital of SSCPL as on 31<sup>st</sup> December, 2017 is as under:

<b>Authorised Share Capital</b>	<b>Amount (₹)</b>
40,000 Equity Shares of ₹ 10 each	400,000
<b>Total</b>	<b>400,000</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>	
25, 000 Equity Shares of ₹10 each	250,000
<b>Total</b>	<b>250,000</b>

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of SSCPL

### 7.2 FMNL (Transferee Company)

The share capital of FMNL as on 31<sup>st</sup> December, 2017 is as under

<b>Authorised Share Capital</b>	<b>Amount (₹)</b>
902,60,000 Equity Shares of ₹ 10 each	9,026,00,000
5000 Preference Shares of ₹ 100 each	500,000
<b>Total</b>	<b>9,031,00,000</b>
<b>Issued Share Capital</b>	
56,291,851* Equity Shares of ₹ 10 each	562,918,510
<b>Total</b>	<b>562,918,510</b>
<b>Subscribed and Fully Paid Up Share Capital</b>	
56,291,281 Equity Shares of ₹ 10 each	562,912,810
<b>Total</b>	<b>562,912,810</b>

*\*570 Equity shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in Future Enterprises Limited (the demerged entity in the Scheme approved by the Hon'ble High Court of Bombay vide its order dated August 24, 2010 which are currently held in abeyance.*

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of FMNL.

Subsequent to Merger by absorption, the Transferee Company will allot its shares to shareholders of Transferor Company who holds 40% of the paid up share capital of Transferor Company and 60% of the equity capital held by Transferee Company in Transferor Company shall be cancelled. The shares of the Transferee Company are currently listed on the BSE Limited and the National Stock Exchange of India Limited.

## **PART II MERGER BY ABSORPTION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY**

8. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act and other applicable provisions of the Act, the Transferor Company shall stand merged with and be vested in the Transferee Company, as a going concern in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing but subject to existing Encumbrances affecting the same, so as to become, as and from the Appointed Date, the undertaking, businesses, properties and other belongings, of the Transferee Company by virtue of and in the manner provided in this Scheme. The name of the Transferee Company immediately after Merger by absorption shall remain unchanged by virtue of this Scheme
9. Without prejudice to the generality of clause 8 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:
  - 9.1 all assets (whether or not recorded in the books of accounts) of the Transferor Company that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery and on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company.
  - 9.2 all assets of Transferor Company that are movable in nature, other than those in sub-clause 9.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date, become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.
  - 9.3 all lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits, shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
  - 9.4 any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, brand names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company.
  - 9.5 all immovable properties of the Transferor Company including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.
  - 9.6 all Contracts and other instruments to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may

be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if, it were the Transferor Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. All inter-se contracts between the Transferee Company and the Transferor Company shall stand cancelled and cease to operate upon this Part II of the Scheme becoming effective.

- 9.7 all Taxes payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the Tax liability or refunds/claims, as the case may be, of the Transferee Company, and any Tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, remissions, reductions, or Tax holidays, minimum alternate tax credit, as would have been available to the Transferor Company, shall pursuant to the Scheme becoming effective, be available to the Transferee Company and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.
- 9.8 all Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever of or to the benefit of the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.
- 9.9 the Transferee Company shall be entitled to claim refunds or credits, including input tax credits, with respect to Taxes paid by for, or on behalf of, the Transferor Company under Applicable Law, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- 9.10 all benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/ complied with by the Transferee Company.
- 9.11 all the resolutions, if any, of the Transferor Company, which are valid and subsisting, shall under the provisions of Sections 230 to 232 of the Act, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- 9.12 upon the Scheme becoming effective, the Transferee Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Transferor Company or carry out any other transaction as it deems fit.
- 9.13 all books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, of the Transferor Company to the extent possible and permitted under Applicable Law, be handed over to the Transferee Company.
10. Without prejudice to the generality of clause 8 above, upon the Scheme coming into effect and with effect from the Appointed Date:
  - 10.1 all the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, reserves, provisions and funds, duties and obligations (whether or not provided in the books of the Transferor Company) of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date, and shall become on and from the Appointed Date the liabilities

of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same. The Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests and in particular the statutory creditors of the Transferor Company shall continue to enjoy and hold charge upon their respective securities and properties. Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation, in favor of any of the creditors of the Transferor Company or in any other party to any contract or arrangement to which Transferor Company or Transferee Company is a party to, or any writings as may be necessary to be executed in order to give formal effect to the above provisions

- 10.2 all inter-se liabilities, between Transferor Company and Transferee Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- 10.3 all the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferor Company which secure or relate to the liabilities of the Transferor Company shall without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date and are transferred to the Transferee Company. It is clarified that the aforesaid Encumbrances shall not extend to any assets of the Transferor Company which were earlier not encumbered or to the existing assets of the Transferee Company unless specifically agreed to by Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of Transferee Company, if any.
- 10.4 any reference, in any security documents or arrangements (to which the Transferor Company is a party), to the Transferor Company and assets and properties of Transferor Company, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- 10.5 without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 10.6 the provisions of this clause 10 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

## **11. Employees**

- 11.1 All the employees, staff and workmen if any, employed with the Transferor Company, shall become employees, staff and workmen of and be engaged by the Transferee Company, with effect from the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of the Merger by absorption and transfer and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.
- 11.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of such employee's, staff's and workman's account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff and workmen of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.
- 11.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen of the Transferor Company, upon Part II of the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.
- 11.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.
- 11.5 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferor Company, including but not limited to, personnel files (including

hiring documents, existing employment contracts, and documents reflecting changes in an employee's, , staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- 11.6 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees, staff and workmen of the Transferor Company which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 11.7 Any disciplinary action initiated by the Transferor Company against any employee, staff and workman of the Transferor Company shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

## **12. Legal Proceedings**

- 12.1 All proceedings of whatsoever nature (legal, quasi-judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company, shall not abate, be discontinued or be in any way prejudicially affected by reason of the Merger by absorption or anything contained in this Scheme, but the said proceedings shall until Effective Date, be continued, prosecuted and enforced, by or against the Transferor Company, as if this Scheme had not been made.
  - 12.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) by or against, the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
  - 12.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
13. The experience, track record and credentials of the Transferor Company in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its Merger by absorption by the Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferee Company including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
  14. The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company is a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.
  15. On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for the purpose of re-computing tax on book profits and claiming other tax benefits), Goods & Services Tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date
  16. The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company including its business and operations, into the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
  17. Upon the Scheme becoming effective, the Transferee Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Transferor Company or carry out any other transaction as it deems fit.
  18. For the purpose of giving effect to the Merger by absorption order passed under Sections 230 to 232 of the Act (and other applicable provisions) in respect of this Scheme by the Hon'ble National Company Law Tribunal, Mumbai Bench, the Transferee Company shall,

at any time pursuant to the orders on this Scheme, be entitled to get the recordal of change in the legal right(s) upon the Merger by absorption of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall be authorized to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

19. Upon this Scheme becoming effective, the Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company, pertaining to the period subsequent to the Appointed Date, in order to give effect to the foregoing provisions.
20. The Transferee Company is commercially solvent and their respective undertaking(s) can fully take care and honour its creditors, if any, and all liabilities, therefore by virtue of Merger by absorption of the Transferor Company by the Transferee Company, the creditors, if any, of the Transferor Company shall not be affected in any manner whatsoever.
21. Further, the Transferee Company has a substantial capital and operation base and therefore upon the Merger by absorption of the Transferor Company by the Transferee Company, the creditors, if any, of the respective Transferor Company also shall not be affected in any manner whatsoever.

## **22. Conduct of Business**

With effect from the Appointed Date and up to and including the Effective Date:

- 22.1 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Transferee Company;
- 22.2 All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by the Transferor Company for and on account of and in trust for the Transferee Company;
- 22.3 All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Transferor Company, for the period commencing from the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of the Transferee Company;
- 22.4 Any of the rights, powers, authorities or privileges exercised by the Transferor Company, shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company, shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;
- 22.5 All Taxes, where applicable, payable by or refundable to the Transferor Company including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company.
- 22.6 The Transferor Company may raise or utilize loans from the Transferee Company or discharge loans or interest amounts (if any) due or payable or which may at any time prior to the Effective Date become due or payable to the Transferee Company.
- 22.7 With effect from the Appointed Date, Transferor Company has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence. From the date of the acceptance of this Scheme by the respective Board of Transferor Company and Transferee Company, Transferor Company shall not alienate, charge, encumber, mortgage or otherwise deal with the assets or any part thereof, without the prior written consent of Transferee Company, save and except in the ordinary course of business, or pursuant to any pre-existing obligation by Transferor Company prior to the Appointed Date

## **23. Saving of Concluded Transactions**

Subject to the terms of the Scheme, the transfer and vesting of the Transferor Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## **24. Consideration**

- 24.1 Upon this Scheme becoming effective, shares held as investments in the Transferor Company by the Transferee Company (either held in its own name or through its nominee (s)), shall stand cancelled in their entirety, without any further act, instrument or deed.
- 24.2 Further, upon the Scheme becoming effective, and in consideration of the transfer of all the assets and liabilities of the Transferor Company to Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument, deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the register of members of the Transferor Company on the record date, or his/her legal heirs, executors or administrators or, as the case may be, successors), in the following manner:

12531 equity shares of face value of Rs 10/- (Rupees Ten ) each credited as fully paid up of the Transferee Company for every 100 (One Hundred) fully paid up equity shares of face value of Rs 10/- (Rupees Ten Only) each held in the Transferor Company.

- 24.3 The ratio in which the new equity shares of the Transferee Company are to be issued and allotted to the equity shareholders of the Transferor Company is herein referred to as "Share Exchange Ratio". The aforesaid share exchange ratio has been approved by the Board of Directors of the Transferor Company and Transferee Company as being a fair share exchange ratio as recommended by a reputed independent firm of Chartered Accountants vide their valuation report dated January 30, 2018.
- 24.4 Under and pursuant to the Merger by absorption of the Transferor Company by Transferee Company, no fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, of the shareholders of the Transferor Company.
- 24.5 The Transferee Company shall, to the extent required, increase its Authorized Share Capital in order to issue Equity Shares under this Scheme. Further, the Transferee Company shall comply with the provisions of the Act to increase its Authorized Share Capital.
- 24.6 In case any member's holding in the Transferor Companies is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the applicable taxes and expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
- 24.7 All Equity Shares to be issued and allotted by the Transferee Company in terms hereof shall rank pari passu in all respects including dividend from the date of their allotment in terms of the Scheme with the existing Equity Shares of the Transferee Company. The holders of the equity shares of the Transferor Companies shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing rights including the right to receive dividends from the respective Transferor Companies, till the Effective Date. The holders of Equity Shares issued pursuant to the Scheme by the Transferee Company will not be entitled to receive the benefit of any dividends declared/ paid by the Transferee Company between the Appointed Date and Record Date.
- 24.8 The shares or the share certificates of the Transferor Company in relation to the equity shares held by their respective members shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 24.9 The Transferee Company shall issue to the eligible shareholders of the Transferor Company, whose names appears on the register of members of the respective Transferor Companies on the Record Date, share certificates in respect of the shares to which they are entitled in accordance with the Scheme. The members shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit the dematerialized securities account of such member with the shares of the Transferee Company. It is clarified that each of the members holding shares in the Transferor Companies in dematerialised form shall be issued the shares of the Transferee Company in dematerialised form as per the records maintained by the depositories on the Record Date.
- 24.10 The Equity Shares of the Transferee Company issued in terms of the provisions of this Scheme above to the eligible members of the Transferor Company, shall subject to applicable laws, be listed and/ or admitted to trading on the relevant stock exchange(s), where the Equity Shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.

## **25. Accounting Treatment in the books of the Transferee Company**

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in its books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

## **26. Winding Up**

Upon the Scheme becoming effective, the Transferor Company shall without any further act, instrument or deed stand dissolved without being wound-up.

## **27. Compliance with Section 2(1B) of the Income Tax and provisions of Section 232 of the Act**

The provisions of this Scheme as they relate to the Merger by absorption of the Transferor Company by the Transferee Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, shall prevail and the provisions of this Part II of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.

## **28. Combination of Authorised Share Capital**

- 28.1 As an integral part of the Scheme, and upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall stand transferred to and be added with the authorized share capital of the Transferee Company without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61 and Section 232(3) of the Act and no resolutions or consent and approvals would be required to be passed by the Transferee Company.

### **PART III GENERAL TERMS AND CONDITIONS**

#### **29. Conditions to effectiveness of the Scheme**

29.1 This Scheme is and shall be conditional upon and subject to:

29.1.1 Shareholder and Creditor approval: This Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of FMNL and SSCPL as required under the Act, and as directed by NCLT or dispensation having been received from NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;

29.1.2 Stock Exchanges Approval. The Transferor Company shall have received observation letter or no-objection letter from BSE and NSE in respect of the Scheme under the SEBI Circular which shall be in form and substance acceptable to FMNL and SSCPL, each acting reasonably and in good faith;

29.1.3 NCLT Sanction: NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to FMNL and SSCPL;

29.1.4 Certified copies of the Order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai; and

29.1.5 Such other approvals and sanctions of any Appropriate Authority as may be required by law in respect of the Scheme.

30. In case any doubt or difference or issue shall arise between the Parties hereto or any of their Shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the Transferor Company or Transferee Company as to the construction thereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to the Transferee Company or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to arbitration. The arbitration proceedings shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 and the award passed by the arbitrators shall be final and binding on all concerned.

31. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and creditors and the terms and conditions of this Scheme, the latter shall prevail.

#### **32. Applications/Petitions to NCLT**

FMNL and SSCPL shall make and file all applications and petitions under Sections 230 to 232 of the Act before NCLT, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

#### **33. Dividend**

33.1 During the pendency of the Scheme, the Transferor Company and Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

33.2 The shareholders of the Transferee Company, Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

33.3 Transferor Company and Transferee Company shall be entitled to declare dividend only out of disposable profit earned by the respective companies during the relevant financial year and shall not transfer any amount from the reserves for the purposes of payment of dividend.

33.4 The dividend shall be declared by Transferor Company and/or Transferee Company only by mutual agreement between the Board of Directors of the companies.

33.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Board of Directors, subject to such approval of the members, as may be required.

34. Each of the Transferor Company and Transferee Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf ( "Delegate") may together assent to, or make from time to time, any modifications or amendments or additions to this Scheme which NCLT or any Appropriate Authority may deem fit to approve of or impose and which the companies may in their discretion accept, or such modifications or amendments or additions as the companies or as the case may be, their respective Delegates deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out the purpose of this Scheme and as approved by NCLT, and the companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deed, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. The aforesaid powers of the companies may be exercised by the Delegate of the respective companies. It is clarified that any modification or amendment to the Scheme by the companies, after the sanction by NCLT, shall only be made with the prior consent of NCLT.

35. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the companies may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question on doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

**36. Withdrawal of the Scheme**

36.1 The Transferor Company and /or the Transferee Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any NCLT/Appropriate Authority/person or otherwise is unacceptable to any of them or for any reason whatsoever.

36.2 In the case of withdrawal from the Scheme under clause 36.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and Transferee Company and their respective shareholders, creditors, employees or any other person save and except in respect of any act or deed done prior thereto as contemplated in this Scheme or as to any right liability or obligation that has accrued or arisen pursuant thereto and which shall be governed, worked out and preserved as specifically provided in the Scheme or in accordance with Applicable Law.

**37. Severability**

Each provision or part of this Scheme is independent and is severable. Any failure of any one provision or part of this Scheme for lack of necessary approval from the shareholders/ creditors/ Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole Scheme failing. It shall be open to the Board of Directors concerned to consent to sever such provision(s) or part(s) of the Scheme and implement the rest of the Scheme with such modification.

**38. Costs**

38.1 In the event of the Scheme not being sanctioned by NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

38.2 Subject to Clause 38.1 above, all costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges) payable in relation to or in connection with the Scheme and or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by FMNL.

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# Deloitte Haskins & Sells

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## STRICTLY PRIVATE AND CONFIDENTIAL

Ref: DHS/G-200/229

30 January 2018

To, <b>Board of Directors Future Market Networks Limited</b> Knowledge house Shyam Nagar Off Jogeshwari Vikhroli Link Road, Mumbai - 400 060 India.	To, <b>Board of Directors Star Shopping Centre Private Limited</b> 505, DLF Place Saket South Delhi New Delhi - 110 017 India.
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**Sub: Recommendation of the fair equity share exchange ratio for the purpose of the proposed merger of Star Shopping Centres Private Limited into Future Market Networks Limited.**

Dear Sir / Madam,

We refer to the engagement letter dated 23 January 2018 with Deloitte Haskins & Sells (hereinafter referred to as "DHS" or the "Valuer"), wherein Future Market Networks Limited ("FMNL") and Star Shopping Centers Private Limited ("SSCPL") (hereinafter collectively referred to as the "Companies") have requested us to recommend a Fair Equity Share Exchange Ratio (defined hereinafter) for the Proposed Merger (defined hereinafter) and the discussions that we have had with and information that we have received from the managements of the Companies ("Management/s") from time to time in the above matter.

### **SCOPE AND PURPOSE OF THIS REPORT**

We have been informed as under:

FMNL is in the business of owning and leasing retail space in malls. The equity shares of FMNL are listed on National Stock Exchange of India Limited and BSE Limited.



SSCPL is engaged in the business of mall management. FMNL holds 60% equity stake in SSCPL.

In order to consolidate their operations, the Managements of the Companies are considering the merger of SSCPL into FMNL, on a going concern basis with effect from the proposed Appointed Date of 1 April 2017, pursuant to a Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 or other applicable securities and capital market laws and rules issued thereunder to the extent applicable (the "Scheme") (the "Proposed Merger"). In consideration thereof, equity shares of FMNL will be issued to equity shareholders of SSCPL, other than towards equity shares held by FMNL in SSCPL which will be cancelled once the Scheme becomes effective. The number of equity shares of FMNL to be issued for the equity shares of SSCPL in the event of the Proposed Merger is referred to as the "Fair Equity Share Exchange Ratio".

In this connection, DHS has been requested by the Companies to submit a report on the Fair Equity Share Exchange Ratio for the consideration of the Board of Directors (the "Boards") of the respective Companies.

This report will be placed before the Board and the Audit Committee of FMNL, as per the relevant SEBI circulars, and to the extent mandatorily required under applicable laws of India, maybe produced before the judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Merger.

The scope of our services is to conduct a relative valuation of equity shares of SSCPL in terms of the relative value of equity shares of FMNL for recommending Fair Equity Share Exchange Ratio for the Proposed Merger in accordance with generally accepted professional standards.

We have considered financial information up to 30 September 2017 (the "Valuation Date") in our analysis and made adjustments for facts made known (past or future) to us till the date of our report which will have a bearing on the financial position as at the Valuation Date. The Managements have informed us that they do not expect any events which are unusual or not in normal course of business up to the effective date of the Proposed Merger, other than the events specifically mentioned in this report. We have relied on the above while arriving at the Fair Equity Share Exchange Ratio for the Proposed Merger.



This report is our deliverable in respect of our recommendation of Fair Equity Share Exchange Ratio for the Proposed Merger.

This report and the information contained herein is absolutely confidential. It is intended only for the sole use and information of the Companies and only in connection with the Proposed Merger including for the purpose of obtaining regulatory approvals, as required under applicable laws of India, for the Proposed Merger. We understand that the Companies may be required to submit this report to judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Merger under applicable laws. We hereby consent to such disclosure of this report, on the basis that we owe responsibility to only the Boards of Directors of the Companies that have engaged us, under the terms of our engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to the shareholders of the Companies or any other party, in connection with this report. It is understood that this analysis does not represent a fairness opinion. The results of our computation and our report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares / businesses of the Companies or their holding company / subsidiaries / joint ventures / associates / investee companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that reproduction, copying or otherwise quoting of this report or any part thereof, other than for the aforementioned purpose, is not permitted.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

#### **SOURCES OF INFORMATION**

In connection with this exercise, we have received the following information from the respective Companies:

- Salient features of the Proposed Merger.
- Financial statements of Companies for three years ended 31 March 2017.
- Standalone financial statements of the Companies for six months ended 30 September 2017.



- Discussion with the Managements of the Companies in connection with the operations of the respective Companies, past and present activities, future plans and prospects, quarterly results, share capital, shareholding pattern and financial statements of the subsidiaries, joint ventures and associates of FMNL.
- Other relevant information and documents for the purpose of this engagement.

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Managements of the Companies. The Companies have been provided with the opportunity to review the draft report (excluding the recommended Fair Equity Share Exchange Ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

**SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report is as agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Valuation analysis and results are specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair equity share exchange ratio for the Proposed Merger as on the Valuation Date. Significant events and circumstances may have occurred since the Valuation Date concerning the financial position of the Company or any other matter and such events or circumstances might be considered material by the Companies or any third party. We have no responsibility to update this report for such events and circumstances occurring after the Valuation Date - beyond those agreed to with the Companies - or for those occurring after the date of this



report. Our valuation analysis was completed on a date subsequent to the Valuation Date and accordingly we have taken into account such valuation parameters and over such period, as we considered appropriate and relevant, up to a date close to such completion date.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

In the course of the valuation, we were provided with both written and verbal information, including financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical and projected financial information, if any, provided to us regarding the Companies and / or its holding / subsidiary / associates / joint ventures / investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials / financial statements and projections. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report.



The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

Our report is not nor should it be construed as our opining or certifying the compliance of the Proposed Merger with the provisions of any law / standards including companies, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Merger. No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our report is not nor should it be construed as our recommending the Proposed Merger. This report does not address the relative merits of the Proposed Merger as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies regarding whether or not to proceed with the Proposed Merger shall rest solely with the Companies. We express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger. This report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the Proposed Merger. Our report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions.

We express no opinion on the achievability of the forecasts, if any, relating to the Companies given to us. The future projections are the responsibility of the respective management of the Companies. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both – the most likely set of future business events and circumstances and the respective management's course of action related to them. It is usually the case that some events and circumstances



do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent.

We have not conducted or provided an analysis or prepared a model for any fixed assets valuation and have wholly relied on information provided by the Companies in that regard.

The fees for the engagement is not contingent upon the results reported.

This valuation report is subject to the laws of India.

#### **SHARE CAPITAL DETAILS OF THE COMPANIES**

##### **FMNL**

As at 30 September 2017, the paid up equity share capital of FMNL was c. INR 561.71 million consisting of 56,171,156 equity shares of INR 10/- each fully paid up, which we have considered for the purpose of the valuation analysis. The promoter and promoter group hold c. 73.16% of the paid up outstanding equity shares and balance is held by public shareholders.

##### **SSCPL**

The paid up equity share capital of SSCPL as at 30 September 2017 was c. INR 0.25 million consisting of 25,000 equity shares of face value of INR 10/- each fully paid up, which we have considered for the purpose of the valuation analysis. FMNL holds 60% of the aforesaid equity share capital and 40% is held by others.

#### **APPROACH - BASIS OF AMALGAMATION**

The Scheme contemplates the Proposed Merger under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

Arriving at the Fair Equity Share Exchange Ratio for the purposes of a merger such as the Proposed Merger would require determining the relative values of each company involved



and of their shares. These values are to be determined independently but on a relative basis, and without considering the effect of the merger.

There are several commonly used and internationally accepted methods for determining the value of shares, under the asset, market and income approaches, which can be considered in the present case, to the extent relevant and applicable, to arrive at the Fair Equity Share Exchange Ratio for the purpose of the Proposed Merger, including:

1. Asset Approach - Net Asset Value method
2. Market Approach
  - a) Value based on market quotes as available from recognized stock exchanges (Market Price method)
  - b) Comparable Companies' Multiples method
3. Income Approach
  - a) Discounted Cash Flows (DCF) method
  - b) Earnings Capitalization Value method

In the present case, the Companies have not provided us with detailed projections for a reasonably sufficient period of time and hence we have not applied the DCF method.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies / businesses, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.



**Net Asset Value (NAV) Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book value. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Under the Asset Approach, we have computed the Net Asset Value of equity shares of FMNL and SSCPL. We have considered the balance sheets as at the Valuation Date and made suitable adjustments for, inter-alia, investments, surplus assets as deemed appropriate for the purpose of our valuation analysis. In the present case, keeping in mind that our evaluation is on a going concern basis, we have not considered it appropriate to use the value arrived at under this method in the present case for arriving at the relative value of the equity shares of FMNL and SSCPL.

**Market Price Method:**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

While the equity shares of SSCPL are not listed on stock exchanges, the equity shares of FMNL are listed and adequately traded on the stock exchanges. Accordingly, under the



Market Approach, we have computed the market price of the equity shares of FMNL over an appropriate period. For this purpose, we have taken into consideration the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 relating to Preferential Issue and the SEBI circulars CFD/DIL3/CIR/2017/21 dated 10 March 2017 and CFD/DIL3/CIR/2017/26 dated 23 March 2017 in this regard, which inter-alia lay down the minimum price at which the equity shares of FMNL are to be issued pursuant to the Proposed Merger.

#### **Comparable Companies' Multiples Method**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have performed a search for suitable comparable companies for valuing the shares of FMNL and SSCPL under this method. Our research did not indicate listed companies in India operating primarily in the similar businesses as that of FMNL and SSCPL which could be considered comparable to them. Hence, we have not considered it appropriate to apply this method in the present case for arriving at the value of FMNL and SSCPL.

#### **Earnings Capitalization Value Method**

Earnings Capitalization Value Method involves determination of the maintainable earnings level of the company from its operations, based on past and / or projected working results. These earnings are then capitalized at a rate, which in the opinion of the valuer's combines an adequate expectation of reward from the enterprise risk, to arrive at the value of the company.

Under the Income Approach, applying the Earnings Capitalization Value Method, we have capitalized the maintainable earnings of FMNL and SSCPL and suitably adjusted the resultant enterprise value, inter alia, for debt, cash and cash equivalents, value of investments and value of surplus assets, if any, as deemed appropriate, for the purpose of arriving at the equity value. The total value for equity shareholders has then being divided by the total number of equity shares of the respective companies in order to work out the relative value per equity share of FMNL and SSCPL.



### **BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO**

The fair basis of the Proposed Merger would have to be determined after taking into consideration all the factors, approaches and methods mentioned hereinabove. Though different values can be arrived at under each of the above approaches / methods, for the purposes of recommending a Fair Equity Share Exchange Ratio it is necessary to arrive at a single value for the shares of the companies involved in a merger such as the Proposed Merger. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the companies but at their relative values to facilitate the determination of a Fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach / method. For arriving at the value of the equity shares of FMNL and SSCPL, for the purpose of arriving at the Fair Equity Share Exchange Ratio for the Proposed Merger, we have given weights to the values arrived at under different approaches / methods, based on our evaluation and judgement of the businesses of the companies, in order to arrive at the relative values of the equity shares of FMNL and SSCPL.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative valuation of the equity shares of FMNL and SSCPL based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions and limitations.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Merger whose computation is as under:



**Computation of Fair Equity Share Exchange Ratio:**

Valuation Approach	Future Market Networks Limited		Star Shopping Centres Private Limited	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach – Net Asset Value Method	60	0%	210	0%
Income Approach – Earnings Capitalization Value Method	150	100%	18,825	100%
Market Approach – Market Price Method	134	0%	N/A*	0%
<b>Relative Value per equity share</b>	<b>150</b>		<b>18,825</b>	
<b>Fair Equity Share Exchange ratio (rounded off)</b>			<b>125.31</b>	

\*N/A = Not Applicable

**Ratio:**

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Merger:

**12,531 (Twelve Thousand Five Hundred Thirty One Only) equity shares of Future Market Networks Limited of INR 10/- each fully paid up for every 100 (One Hundred Only) equity shares of Star Shopping Centres Private Limited of INR 10/- each fully paid up.**

Yours faithfully,

For **Deloitte Haskins & Sells,**

Chartered Accountants

Firm Registration No. 117365W



**Rukshad N. Daruvala**

Partner

[Membership No.:111188]





To  
**FUTURE MARKET NETWORKS LIMITED**  
 CIN: L45400MH2008PLC179914  
 Knowledge house Shyam Nagar,  
 Off Jogeshwari Vikhroli Link Road,  
 Mumbai-400060

Dear Sirs,

This has reference to our engagement letter dated January, 22nd, 2018 with Swastika Investmart Limited (hereinafter referred to as "SIL"), wherein Future Market Networks Limited ("FMNL") and Star Shopping Centers Private Limited ("SSCPL") (hereinafter collectively referred to as the "Companies") have requested us to give Fairness Opinion on the Share Exchange Ratio as of the date hereof. Accordingly, we have given our fairness opinion vide our opinion date January, 30, 2018 to the Board of Directors and in this connection, the Stock Exchange has raised certain clarification regarding the application made by the company under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We hereby clarify our opinion in the following manner:-

**Background of the Companies:**

FMNL is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India. The Company is currently managing approximately 1 million sq. ft. of retail space and owns various real estate properties across India. Equity shares of FMNL are listed on National Stock Exchange of India Limited and BSE Limited.

SSCPL is a private limited company incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013. The registered office of SSCPL is located in New Delhi. SSCPL is engaged in the business of mall management. FMNL holds 60% equity stake in SSCP

**Information received and relied upon by us for the fairness opinion:**

We have not undertaken independent valuation of the Companies. The valuation of the Companies has been done by Deloitte Haskins & Sells (referred as "the Valuers"). We have reviewed the valuation report submitted by the Valuers dated 30<sup>th</sup>, January, 2018 to the Company. However, we have not independently checked or verified the assumptions made by the Valuers. We have reviewed the historical financial and business information of the Companies, listed stock price data of the Company, and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

**Swastika Investmart Limited**

Group : Member of NSE, BSE, MSEI, NCDEX, MCX & ICEX, DP : CDSL & NSDL

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 Regd. Off. : 305, Madhuban Building, Cochin Street, Fort, Mumbai -400 001. Ph. : 022-22655565, 22654113-14  
 Email : info@swastika.co.in. Web : www.swastika.co.in

CIN : L 05910 MH 1892 PLC 067052



In addition to the above, we have had discussions with members of the management of the Company on the past and current business operations of the concerned businesses of the Companies.

Further, we have had discussions with the valuers on such matters which we believe are necessary or appropriate for the purpose of issuing the Opinion.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Opinion has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by SIL as to or in relation to, the accuracy or adequacy of information, contained in the Opinion or any other written or oral information made available to any party or their advisors.

We have not conducted any evaluation of the solvency or fair value of the Companies, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of the Companies. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies.

Our Opinion does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the business of the Companies.

We express no view as to, and our Opinion does not address, the underlying business decision of any company to effect the acquisition or the merits of the proposed acquisition nor does it constitute any kind of recommendation to any shareholder or creditor of the Companies as regards to the Proposed Transaction or any matter related thereto. In addition, this Opinion does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Companies. Our Opinion, as set forth herein only relates to the valuation of the Companies and Share Exchange Ratio. We are not expressing any suggestion or opinion herein as to the price at which the shares of FMNL will trade following the announcement of consummation of the Proposed Transaction or as to the prices at which the shares of FMNL may be transacted.


Our Opinion is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this fairness opinion and the buyer shall carry out due diligence.

Our Opinion is necessarily based on economic, market and other conditions as in effect on the date of issuing this Opinion, and the information made available to us as of, the date hereto, including the capital structure of the Companies. It should be understood that in case of any subsequent developments we do not have obligations to update, revise, or reaffirm this Opinion.

To the extent that the conclusions are based on projections, SIL expresses no opinion on the achievability of those forecasts.

This Opinion is provided solely for the benefit of the Board of Directors of FMNL and shall not confer rights or remedies upon any shareholder of FMNL or any other person other than the members of the Board of Directors of FMNL or be used for any other purpose. This Opinion may not be used or relied upon by, or disclosed, referred to or communicated by you (in whole or in part) to any third party including stock exchanges or shareholders for any purpose whatsoever except with our prior written consent in each instance.

This Opinion is only a free and fair opinion and does not constitute a commitment by SIL to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

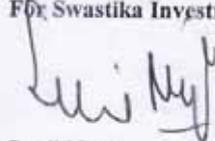
Disputes, if any, regarding this Opinion will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof the proposed Share Exchange Ratio is fair to the Equity shareholders of –FMNL.

Thanking you.

Yours faithfully,

For Swastika Investmart Limited

  
Sunil Nyati  
Managing Director  
DIN:-00015963



Date: 27<sup>th</sup>, February, 2018

To  
The Board of Directors  
Future Market Networks Limited  
CIN: L45400MH2008PLC179914  
Knowledge house Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Mumbai-400060

Dear Sir/Madam,

This has reference to our engagement letter dated January, 22<sup>nd</sup>, 2018 with Swastika Investmart Limited (hereinafter referred to as "SIL"), wherein Future Market Network Limited ("FMNL") and star Shopping Center Private Limited ("SSCPL") (hereinafter collectively referred to as the "Companies") have requested us to give Fairness Opinion on the Share Exchange Ratio as of the date hereof.

**Background of the Companies:**

FMNL is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India. The Company is currently managing approximately 1 million sq. ft. of retail space and owns various real estate properties across India. Equity shares of FMNL are listed on National Stock Exchange of India Limited and BSE Limited.

SSCPL is a private limited company incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013. The registered office of SSCPL is located in New Delhi. SSCPL is engaged in the business of mall management. FMNL holds 60% equity stake in SSCPL.

**Information received and relied upon by us for the fairness opinion:**

We have not undertaken independent valuation of the companies. The valuation of the companies has been done by Deloitte Haskins & Sells (hereinafter referred as "The Valuer"). We have reviewed the valuation report submitted by the valuers dated 30<sup>th</sup>, January, 2018 to the Company. However, we have not independently checked or verified the assumptions made by the Valuers. We Swastika Investmart Limited, have prepared the fairness opinion on the basis of the information provided to us by the Management and collected by us from publically available sources.

In addition to the above, we have had discussion with members of the management of the company on the past and current business operation of the concerned business of the Companies.

This report is issued on the understanding that Companies have drawn our attention to all the relevant matters, of which they were aware of concerning the respective company's financial position and business, which have an impact on this report.

**Swastika Investmart Limited**

Group : Member of NSE, BSE, MSEI, NCDEX, MCX & ICEX, DP : CDSL & NSDL

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Email : info@swastika.co.in. Web : www.swastika.co.in

CIN : L 65910 MH 1992 PLC 067052



Our work does not constitute an audit or certification of the historical financial statements of Companies, including their working results referred to in this report. Accordingly, we are unable to and do not express any opinion on the accuracy of any financial information referred to in this report, if any. We assume no responsibility for any error in the information submitted by the Managements and their impacts on the present exercise. This fairness opinion has been furnished on the methodologies and resultant share valuation used by the Valuer.

**Opinion on Valuation Report:**

Based on the information, material, data made available to us, including the Valuation Report, and after analyzing the Scheme of Merger, as stated in the valuation report by the valuer that swap ratio being:

**12,531 (Twelve Thousand Five Hundred Thirty One Only) equity shares of Future Market Networks Limited of INR 10/- each fully paid up for every 100 (One Hundred Only) equity shares of Star Shopping Centres Private Limited of INR 10/- each fully paid up.**

**Disclaimer:**

We have not considered any findings made by other external agencies in carrying out this work.

This report is intended solely for the limited purpose mentioned earlier and should not be regarded as a recommendation to the investor to invest in Companies or deal in any form in the securities of both the Companies and should also not be considered as a final equity value of both the Companies.

Our report is for the benefit of and confidential use by both the Companies. This report is not meant for save and except as specified above, under any Indian or Foreign Law, Statue, Act, Guideline or Similar Instruction. Both the Companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statue for carrying out the limited purpose of this report.

During the course of our work, we have relied upon assumptions made by the management of the companies and the Valuer. These assumptions require the exercise of judgment and are subject to uncertainties.

In no circumstances whatsoever, We Swastika Investmart Limited, its directors and employees, accept any responsibility or liability towards any third party for consequences arising out of the use of this report.

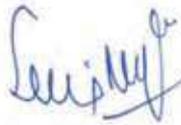
This Report is intended only for the sole purpose mentioned above, and only in connection with the Proposed Merger including for the purpose of obtaining judicial and regulatory approvals for the Purpose Scheme. We are not responsible in any way to any other



person/party for any decision of such person/party based on this report. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Proposed Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant NCLT, Stock Exchange, advisors of the Companies and regulatory authorities in relation to the Proposed Scheme.

Thanking You

Yours faithfully  
For Swastika Investmart Limited



**Sunil Nyati**  
Managing Director  
DIN:-00015963

Date: 30<sup>th</sup>, January, 2018



DCS/AMAL/PB/R37/1127/2018-19

May 09, 2018

The Company Secretary  
**FUTURE MARKET NETWORKS LTD.**  
 Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road,  
 Jogeshwari (East),  
 Mumbai, Maharashtra, 400060

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Future Market Networks Ltd and Star Shopping Centres Private Limited**

We are in receipt of Draft Scheme of Arrangement between Future Market Networks Ltd and Star Shopping Centres Private Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated May 04, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that applicable information pertaining to unlisted entity SSCPL is included in the abridged prospectus as per the format specified in the circular.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001, India  
 T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com  
 Corporate Identity Number: L67120MH2005PLC155188

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

ps   
Nitin Pujari  
Sr. Manager



Ref: NSE/LIST/46710

May 10, 2018

The Company Secretary & Compliance Officer  
 Future Market Networks Limited  
 Knowledge House,  
 Jogeshwari-Vikhroli Link Road,  
 Jogeshwari(E), Mumbai – 400 060.

**Kind Attn.: Mr. Anil Cherian**

Dear Sir,

**Sub: Observation Letter for Merger by Absorption of Star Shopping Centres Private Limited by Future Market Networks Limited and their respective shareholders and creditors**

We are in receipt of the Merger by Absorption of Star Shopping Centres Private Limited by Future Market Networks Limited and their respective shareholders and creditors vide application dated February 20, 2018.

Based on our letter reference no Ref: NSE/LIST/15305 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated May 04, 2018, has given following comments:

- a. *The Company shall disclose that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

This Document is Digitally Signed

Signer: Divya Babu Poojari  
 Date: Thu, May 10, 2018 18:26:05 IST  
 Location: NSE  
 (E), Mumbai 400 051, India

**Regd. Office:** Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Corridor, Mumbai 400 051, India  
 CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: [www.nseindia.com](http://www.nseindia.com)



Continuation Sheet

The validity of this “Observation Letter” shall be six months from May 10, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For **National Stock Exchange of India Ltd.**

Divya Poojari  
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

# FUTURE MARKET NETWORKS

catalysing consumption

CIN: L45400MH2008PLC179914

## Period of Complaints Report:

As on date i.e. March 22, 2018

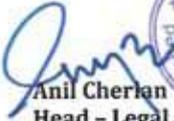
### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
None			

For Future Market Networks Limited



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

Date: 22/03/2018

Place: Mumbai

Future Market Networks Ltd.

Corporate Office : SOBO Central Mall, 4th Floor, 28, Pt. Madan Mohan Malviya Road, Near Haj Ali, Tardeo, Mumbai - 400 034  
 T +91 22 6620 1473 F +91 22 6620 1462 www.fmn.co.in Email : info.fmn@futuregroup.in

Registered Office : Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060

# FUTURE MARKET NETWORKS

catalysing consumption

CIN: L45400MH2008PLC179914

## Period of Complaints Report:

As on date i.e. March 20, 2018

### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
None			

For Future Market Networks Limited

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

Date: 20/03/2018

Place: Mumbai

Future Market Networks Ltd.

Corporate Office : SOBO Central Mall, 4th Floor, 28, Pt. Madan Mohan Malviya Road, Near Haji Ali, Tardeo, Mumbai - 400 034  
 T : +91 22 6620 1473 F : +91 22 6620 1462 www.fmn.co.in Email : info.fmn@futuregroup.in

Registered Office : Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.

## FUTURE MARKET NETWORKS LIMITED

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF FUTURE MARKET NETWORKS LIMITED (“APPLICANT COMPANY” / “TRANSFEREE COMPANY” / “FMNL”) AT ITS MEETING HELD ON JANUARY 30, 2018, EXPLAINING THE EFFECT OF THE SCHEME OF MERGER BY ABSORPTION OF STAR SHOPPING CENTRES PRIVATE LIMITED (“TRANSFEROR COMPANY” / “STAR”) BY FUTURE MARKET NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (“SCHEME”) ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS.

**Background:**

The proposed Scheme of Merger by absorption of Star Shopping Centres Private Limited (“Transferor Company” / “Star”), with Future Market Networks Limited (“Applicant Company” / “Transferee Company” / “FMNL”) and their respective shareholders and creditors (“Scheme”) under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) was approved by the Board of Directors of the Applicant Company at its meeting held on January 30, 2018.

As required under the provisions of Sections 232 (2) (c) of the Act, a report explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non – promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting of equity shareholders and creditors of the Company.

Having regard to the aforesaid provisions, the following was discussed and adopted by the Board of Directors of the Company:

Disclosure about the effect of the Scheme on the following persons of the Applicant Company:

S.No	Category of Stakeholders	Effect of the Scheme on Stakeholders
1.	Shareholders	<p>The Applicant Company only has equity shareholders and does not have any preference shareholders. Upon the Scheme becoming effective, the consideration towards Merger by Absorption of the Transferor Company (as defined in the Scheme) by the Applicant Company shall be made without any further application, act, instrument or deed, issue and allot Equity Shares of the Applicant Company in the following manner:</p> <p><i>“12,531 (twelve thousand five hundred thirty one) equity shares in the Applicant Company of face value ₹ 10 (Rupees Ten only) each credited as fully paid up for every 100 (Hundred) equity share of face value ₹ 10 (Rupees Ten only) each fully paid up held by such eligible member in the Transferor Company (the “Share Entitlement Ratio”) as on the Record Date”.</i></p> <p>The equity shares issued and allotted by the Applicant Company in terms of this Scheme shall rank <i>pari passu</i> in all respects with the then existing equity shares of the Applicant Company.</p> <p>Further, the authorized share capital of the Applicant Company will be increased to ₹ 90,39,00,000/- (Rupees Ninety Crores and Thirty Nine Lakhs), divided into equity share capital of ₹ 90,34,00,000/- (Rupees Ninety Crores Thirty Four Lakhs Only), comprising of 9,03,40,000 (Nine Crores Three Lakhs Forty Thousand) equity shares of ₹10/- (Rupees Ten only) each and preference share capital of ₹ 5,00,000/- (Rupees Five Lakhs Only), comprising of 5,000 (Five Thousand) preference shares of ₹100/- (Rupees Hundred only) each, in accordance with the provisions of the Act, pursuant to the Scheme.</p> <p>Thus, the Scheme will not have any adverse effect on the equity shareholders.</p>
2.	Promoters	Upon the Scheme becoming effective and as an integral part of the Scheme, such number of shares as are issued and allotted to the eligible shareholders of the Transferor Company, the Promoter Shareholding will be reduced to 71.57% from existing 73.16%.
3.	Non-Promoter Shareholders	Please refer to point (1) above for details regarding effect on the shareholders.
4.	Key Managerial Personnel (“KMPs”) / Directors	<p>The key managerial personnel of the Applicant Company (“KMPs”) and directors shall continue as key managerial personnel and directors respectively of the Applicant Company after effectiveness of the Scheme. The KMPs/ directors are not affected pursuant to the Scheme.</p> <p>The Transferor Company is a Subsidiary of the Applicant Company and Mr. Vijai Singh Dugar, Mr. Sunil Biyani and Mr. Pramod Arora are representing the Applicant Company on the Board of the Transferor Company.</p>
5.	Creditors	Pursuant to the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Applicant Company. The liability of the Applicant Company towards its creditors shall not undergo any change pursuant to the Scheme.
6.	Depositors	Not Applicable. The Applicant Company does not have any Depositors.
7.	Debenture Holders	Not Applicable. The Applicant Company has not issued any Debentures.
8.	Deposit Trustee and Debenture Trustee	Not Applicable
9.	Employees	The Scheme in no manner whatsoever affects the terms and conditions of employment of the employees of the Applicant Company

By order of the Board

For Future Market Networks Limited

Sd/-

Pramod Arora

Whole-time Director

DIN: 02559344

Date: January 30, 2018

Place: Mumbai

## STAR SHOPPING CENTRES PRIVATE LIMITED

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF STAR SHOPPING CENTRES PRIVATE LIMITED (“TRANSFEROR COMPANY”/“STAR”) AT ITS MEETING HELD ON JANUARY 30, 2018, EXPLAINING THE EFFECT OF THE SCHEME OF MERGER BY ABSORPTION OF STAR SHOPPING CENTRES PRIVATE LIMITED BY FUTURE MARKET NETWORKS LIMITED (“APPLICANT COMPANY”/“TRANSFEE COMPANY”/“FMNL”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (“SCHEME”) ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS.**

### Background:

The proposed Scheme of Merger by absorption of Star Shopping Centres Private Limited (“Transferor Company” / “Star”), by Future Market Networks Limited (“Applicant Company”/“Transferee Company”/“FMNL”) and their respective members and creditors (“Scheme”) under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) was approved by the Board of Directors of Star at its meeting held on January 30, 2018.

As required under the provisions of Sections 232 (2) (c) of the Act, a report explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non – promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting of equity shareholders and creditors of the Company.

Having regard to the aforesaid provisions, the following was discussed and adopted by the Board of Directors of Star:

Disclosure about the effect of the Scheme on the following persons of the Transferor Company:

S.No	Category of Stakeholders	Effect of the Scheme on Stakeholders
1.	Shareholders	<p>As on March 31, 2018, the Applicant Company has only equity shareholders and no preference shareholders. Upon the Scheme becoming effective, the consideration towards Merger by Absorption of the Transferor Company (as defined in the Scheme) by the Applicant Company shall be made without any further application, act, instrument or deed, issue and allot Equity Shares of the Applicant Company in the following manner:</p> <p>“12,531 (twelve thousand five hundred thirty one) equity shares in the Applicant Company of face value ₹ 10 (Rupees Ten only) each credited as fully paid up for every 100 (Hundred) equity share of face value ₹ 10 (Rupees Ten only) each fully paid up held by such eligible member in the Transferor Company (the “Share Entitlement Ratio”) as on the Record Date”.</p> <p>The Applicant Company holds 60% of the issued, subscribed and paid up share capital of the Transferor Company. The shares held by the Applicant Company in the Transferor Company shall stand cancelled without any further act or deed.</p> <p>The equity shares issued and allotted by the Applicant Company in terms of this Scheme shall rank pari passu in all respects with the then existing equity shares of the Applicant Company.</p> <p>The existing issued, subscribed and paid-up share capital of the Transferor Company shall stand cancelled without any further act or deed immediately following the issuance of shares by the Applicant Company to the eligible shareholders of the Transferor Company pursuant to and in accordance with provisions of the Scheme.</p> <p>Thus, the Scheme will not have any adverse effect on the equity shareholders.</p> <p>The Scheme is in the best interests of the shareholders of the Applicant Company.</p>
2.	Promoters	Upon effectiveness of the Scheme, the existing issued, subscribed and paid-up share capital of the Transferor Company shall stand cancelled without any further act or deed, immediately following the issuance of shares by Applicant Company to the eligible shareholders of the Transferor Company.
3.	Non-Promoter Shareholders	The Applicant Company holds 60% of the issued, subscribed and paid up share capital of the Transferor Company. The shares held by the Applicant Company in the Transferor Company shall stand cancelled without any further act or deed immediately following the issuance of shares by the Applicant Company to the eligible shareholders of the Transferor Company pursuant to and in accordance with provisions of the Scheme.
4.	Key Managerial Personnel (“KMPs”)/ Directors	<p>Mr. Pranay Sinha and Ms. Shilpa Malik are the promoters of the Transferor Company. They are on the Board of the Transferor Company and holds 5000 equity shares each, 20% of the issued, subscribed and paid up share capital of the Transferor Company. The shares held by them in the Transferor Company shall stand cancelled without any further act or deed immediately following the issuance of shares by the Applicant Company to them pursuant to and in accordance with provisions of the Scheme.</p> <p>Other than such allotment of shares, the KMPs/directors are not affected pursuant to the Scheme.</p> <p>Mr. Vijai Singh Dugar, Mr. Sunil Biyani and Mr. Pramod Arora are representing the Applicant Company on the Board of the Transferor Company.</p>
5.	Creditors	Pursuant to the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Transferor Company. The liability of the Transferor Company towards its creditors shall be transferred to the Applicant Company pursuant to the Scheme.
6.	Depositors	Not Applicable
7.	Debenture Holders	Not Applicable
8.	Deposit Trustee and Debenture Trustee	Not Applicable
9.	Employees	The employees of the Transferor Company shall be Transferred to the rolls of the Applicant Company in terms of the Scheme.

**By order of the Board**

**For Star Shopping Centres Private Limited**

**Sd/-**

**Sunil Biyani**

**Director**

**DIN: 00006583**

Date: January 30, 2018

Place: Mumbai

**Standalone Financial Statement of  
Future Market Networks Limited  
as on March 31, 2018.**

# 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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

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

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2018, its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

## **Emphasis of Matter**

Attention is drawn to Note No. 35 of standalone financial statements.

The Company has sub lease rights with respect to a shopping mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. During the year 2017-18, the parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company. The consent terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor and in terms of the settlement entire outstanding till June 30, 2017 is settled for an amount of ₹ 35.10 Cr, which is payable over

a period of 3 years (over and above the existing receivables standing in the books) and the arrangement provides for future lease period and reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the consent terms. In case, the consent terms are accepted as filed, the Company will have to honor its payment obligations for the said amount after payments made, if any, and the parties shall be administrated in terms of the said consent terms. However, if the consent terms are not approved as agreed by the parties, it shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the consent terms.

Our opinion is not modified in respect of these matters.

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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 on Contingent Liabilities to the standalone financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

**Place: Mumbai**  
**Date: May 25, 2018**

## ANNEXURE I TO THE AUDITORS' REPORT

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

- (i) In respect of Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by management at regular intervals, which in our opinion is reasonable considering the size of the company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) In respect of its Inventories:
- As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- (iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013
- (a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/or receipts of interest have been regular as per stipulations.
- (c) There are no overdue amounts as at the year-end in respect of both principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act for the products of the company.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues as applicable with the appropriate authorities with respect to Provident Fund, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Cess and other material statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, service tax, wealth tax, cess and other material statutory dues were outstanding as at March 31, 2018, for a period of more than six months from the date they became payable.
- (c) Details of dues of service tax, which have not been deposited as at March 31, 2018 on account of dispute, are given below.

Name of the Statute	Nature of the dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	779.80	Prior to 2014	High Court

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

- (viii) Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from government and has not issued any debentures. Accordingly, the Paragraph 3(viii) of the order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has also not raised any money by way of term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

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

**Place: Mumbai**  
**Date: May 25, 2018**

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India.

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

**Chintan Gandhi  
Partner  
Membership No.137079**

**Place: Mumbai**

**Date: May 25, 2018**

## Balance Sheet as at March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	11,038.95	13,238.76
Investment properties	4	7,468.39	7,604.37
<b>Financial assets</b>			
Investments	5 (a)	12,973.40	11,766.58
Loans	5 (c)	4,258.07	4,924.53
Deferred tax assets (net)	6	7,110.20	7,476.18
Other non-current assets	7	4,264.93	4,626.22
<b>Total non-current assets</b>		<b>47,113.94</b>	<b>49,636.64</b>
<b>Current assets</b>			
Inventories	8	918.71	929.80
<b>Financial assets</b>			
Investments	5 (a)	510.54	-
Trade receivables	5 (b)	1,573.38	1,361.56
Cash and cash equivalents	5 (d)	742.01	647.16
Bank Balances other than above	5 (e)	7.15	6.68
Loans	5 (c)	7,564.09	7,843.09
Other financial assets	5 (f)	157.61	14.61
Other current assets	7	1,676.79	1,671.76
		<b>13,150.28</b>	<b>12,474.66</b>
Assets classified as held for sale	9	6,277.75	7,786.03
<b>Total current assets</b>		<b>19,428.03</b>	<b>20,260.69</b>
<b>Total assets</b>		<b>66,541.97</b>	<b>69,897.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10 (a)	5,629.13	5,629.13
Other Equity	10 (b)	13,751.99	13,601.42
<b>Total Equity</b>		<b>19,381.12</b>	<b>19,230.55</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11 (a)	3,505.51	7,764.93
Other financial liabilities	11 (b)	8,895.68	3,853.41
Employee benefit obligations	12	31.51	21.26
Other non-current liabilities	13	572.19	672.52
<b>Total non-current liabilities</b>		<b>13,004.89</b>	<b>12,312.12</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11 (a)	12,760.30	14,900.98
Trade payables	11 (c)	1,347.59	1,595.28
Other financial liabilities	11 (b)	7,594.63	10,647.59
Employee benefit obligations	12	0.50	0.34
Other current liabilities	13	12,452.94	11,210.47
<b>Total current liabilities</b>		<b>34,155.96</b>	<b>38,354.66</b>
<b>Total liabilities</b>		<b>47,160.85</b>	<b>50,666.78</b>
<b>Total Equity and Liabilities</b>		<b>66,541.97</b>	<b>69,897.33</b>
The above balance sheet should be read in conjunction with the accompanying notes.	1-35		

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

For and on behalf of the Board of Directors

**Chintan Gandhi**  
Partner

**Sunil Biyani**  
Managing Director  
DIN: 00006583

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Pramod Arora**  
Whole Time Director  
DIN: 02559344

Place: Mumbai  
Date: May 25, 2018

**Pawan Agarwal**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
Revenue from operations	15	7,941.43	8,250.06
Other income	16	3,496.26	3,338.53
<b>Total income</b>		<b>11,437.69</b>	<b>11,588.59</b>
<b>Expenses</b>			
Operating Cost	17	4,868.65	4,749.36
Cost of units sold	18	39.28	384.66
Employee benefits expense	19	469.82	467.63
Finance costs	20	2,326.54	4,200.32
Depreciation and amortization expense	21	2,486.41	2,613.89
Other expenses	22	699.51	1,526.02
<b>Total expenses</b>		<b>10,890.21</b>	<b>13,941.88</b>
<b>Profit /(Loss) before exceptional items and tax</b>		<b>547.48</b>	<b>(2,353.29)</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>547.48</b>	<b>(2,353.29)</b>
<b>Income tax expenses</b>			
Current tax	6	-	-
Deferred tax	6	367.20	52.80
<b>Total tax expenses</b>		<b>367.20</b>	<b>52.80</b>
<b>Profit/(Loss) for the year (A)</b>		<b>180.28</b>	<b>(2,406.09)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	1.24	6.52
Equity instruments through other comprehensive income	10	(32.16)	(206.26)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		-	-
Remeasurements of net defined benefit plans	10	0.41	2.16
Equity instruments through other comprehensive income	10	(1.63)	(68.20)
<b>Other comprehensive income for the year, net of taxes(B)</b>		<b>(29.70)</b>	<b>(133.70)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>150.58</b>	<b>(2,539.79)</b>
<b>Earnings per equity share</b>			
Basic (face value of ₹ 10/- each) (in ₹)	26	<b>0.32</b>	<b>(4.28)</b>
Diluted (face value of ₹ 10/- each) (in ₹)		<b>0.32</b>	<b>(4.28)</b>
The above statement of profit and loss should be read in conjunction with the accompanying notes.	1-35		

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

For and on behalf of the Board of Directors

Chintan Gandhi  
Partner

Sunil Biyani  
Managing Director  
DIN: 00006583

Vijai Singh Dugar  
Chairman  
DIN: 06463399

Pramod Arora  
Whole Time Director  
DIN: 02559344

Place: Mumbai  
Date: May 25, 2018

Pawan Agarwal  
Chief Financial Officer

Anil Cherian  
Company Secretary

## Statement of Change in Equity

(All amounts in INR lakhs, unless otherwise stated)

### A. Equity Share Capital

As at March 31, 2017	5,629.13
Changes in equity share capital	-
<b>As at March 31, 2018</b>	<b>5,629.13</b>

### B. Other Equity

	Reserve and surplus					Other Reserve	Total other equity
	Securities premium	Share option outstanding account	Retained earnings	Capital Reserve	Subordinated Debt	FVOCI-equity investments	
<b>Balance as at April 1, 2016</b>	25,267.13	19.69	(16,811.03)	7,474.75	3,066.00	(4,719.82)	14,296.72
Profit / (Loss) for the year	-	-	(2,406.09)	-	-	-	(2,406.09)
Other comprehensive income for the year	-	-	4.37	-	-	(138.06)	(133.69)
<b>Total comprehensive income for the year</b>	-	-	(2,401.72)	-	-	(138.06)	(2,539.78)
Employee stock option expenses	21.80	2.11	-	-	-	-	23.91
Issue of Equity shares	2.40	(21.80)	-	-	-	-	(19.40)
Addition during the year	-	-	-	-	1,839.97	-	1,839.97
<b>Balance as at March 31, 2017</b>	<b>25,291.33</b>	<b>-</b>	<b>(19,212.75)</b>	<b>7,474.75</b>	<b>4,905.97</b>	<b>(4,857.88)</b>	<b>13,601.42</b>
<b>Balance as at April 1, 2017</b>	<b>25,291.33</b>	<b>-</b>	<b>(19,212.75)</b>	<b>7,474.75</b>	<b>4,905.97</b>	<b>(4,857.88)</b>	<b>13,601.42</b>
Profit / (Loss) for the year	-	-	180.28	-	-	-	180.28
Other comprehensive income for the year	-	-	0.83	-	-	(30.53)	(29.70)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>181.11</b>	<b>-</b>	<b>-</b>	<b>(30.53)</b>	<b>150.58</b>
<b>Balance as at March 31, 2018</b>	<b>25,291.33</b>	<b>-</b>	<b>(19,031.64)</b>	<b>7,474.75</b>	<b>4,905.97</b>	<b>(4,888.41)</b>	<b>13,751.99</b>

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

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

**Chintan Gandhi**  
Partner

Place: Mumbai  
Date: May 25, 2018

For and on behalf of the Board of Directors

**Sunil Biyani**  
Managing Director  
DIN: 00006583

**Pawan Agarwal**  
Chief Financial Officer

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Anil Cherian**  
Company Secretary

**Pramod Arora**  
Whole Time Director  
DIN: 02559344

## Cash Flow Statement for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash Flow from operating activities:</b>		
<b>Profit / (Loss) before income tax</b>	<b>547.48</b>	<b>(2,353.29)</b>
Adjustments for		
<b>Add:</b>		
Provision For Doubtful Debt	32.59	-
Depreciation and amortisation expenses	2,486.41	2,613.87
Finance costs	2,326.55	4,200.32
Loss on assets sold or discarded/ Investment	-	407.57
Bad debts and irrecoverable balances written off	-	203.84
Share Based Payment Expenses	-	1.89
Provision for Gratuity & Leave Encashment	11.94	6.10
<b>Less:</b>	<b>-</b>	<b>-</b>
Interest received	(1,922.66)	(2,464.86)
Sundry balance written back	(5.11)	(533.66)
Profit on sale of investment	(303.50)	-
Profit on sale of assets	(1,129.52)	(325.08)
Gratuity & Leave Encashment Paid	(0.29)	-
<b>Operating Profit before Working Capital change</b>	<b>2,043.88</b>	<b>1,756.70</b>
<b>Change in operating assets and liabilities</b>		
Trade and Other Receivable	(439.11)	2,557.71
Trade Payable, Other Liabilities & Provisions	6,023.88	(6,457.07)
Inventory	11.09	134.90
	<b>5,595.86</b>	<b>(2,007.76)</b>
<b>Cash generated / (used) from operations</b>	<b>7,639.74</b>	<b>(2,007.76)</b>
Income taxes paid	43.64	(958.70)
<b>A Net cash inflow / (outflow) from operating activities</b>	<b>7,596.10</b>	<b>(1,049.06)</b>
<b>Cash flow from investing activities:</b>		
Sale of Fixed Assets	2,795.22	2,282.75
Purchase of Fixed Assets	(386.06)	(66.11)
Sale of Investment	381.60	-
Purchase of Investment	(1,239.11)	(189.12)
Loans received / (given)	1,402.20	3,446.96
Interest received	1,922.66	2,464.86
Fixed Deposit	(0.47)	0.23
<b>B Net cash inflow from investing activities</b>	<b>4,876.04</b>	<b>7,939.57</b>
<b>Cash flow from financing activities:</b>		
Interest paid	(2,326.55)	(4,200.32)
Proceeds of Equity Shares	-	14.42
Proceeds from Subordinated Debt	-	1,839.97
Net Proceeds of Short Term Borrowings	(1,448.90)	2,140.83
Net Repayment of Long Term Borrowings	(7,399.53)	(6,227.02)

## Cash Flow Statement for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>C</b>	<b>Net cash outflow from financing activities</b>	<b>(11,174.98)</b>	<b>(6,432.12)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,297.17</b>	<b>458.39</b>
	Add: Cash and cash equivalents at the beginning of the financial year	(44.62)	(503.01)
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,252.55</b>	<b>(44.62)</b>
	<b>Cash and cash equivalents at the end of the year</b>		
	Cash and cash equivalents [See Schedule 5(d)]	742.01	647.16
	Bank Overdraft [See Schedule 11(a)]	-	(691.78)
	Investment in Liquid Funds [See Schedule 5(a)]	510.54	-
	<b>Balance as per Statement of Cash Flow</b>	<b>1,252.55</b>	<b>(44.62)</b>

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

### Change in Liability arising from financing activities

Particulars	As at March 31, 2017	Cash Flows	Non Cash Changes	As at March 31, 2018
Current Borrowings	14,209.21	(1,448.90)	-	12,760.31
Non Current Borrowings (including current maturities)	15,187.54	(7,418.18)	18.65	7,788.01

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

For and on behalf of the Board of Directors

**Chintan Gandhi**  
Partner

**Sunil Biyani**  
Managing Director  
DIN: 00006583

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Pramod Arora**  
Whole Time Director  
DIN: 02559344

Place: Mumbai  
Date: May 25, 2018

**Pawan Agarwal**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

## Notes to financial statements for the year ended March 31, 2018

### 1. BACKGROUND

Future Market Networks Limited (The Company) is a public limited company incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013. Equity shares of the Company are listed with BSE Limited and National Stock Exchange of India Limited. The company is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India. The Company is currently managing approximately 1 million sq ft of retail space and owns various real estate properties across India.

### 2. Significant Accounting Policies:

#### a) Basis of preparation

##### i. Compliance with Ind AS

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

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

##### ii. Historical cost convention

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

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

##### iii. Current non-current classification

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

#### b) Property, plant and equipment

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

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

##### Depreciation methods, estimated useful lives and residual value

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

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

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

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

#### c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the

## Notes to financial statements for the year ended March 31, 2018

item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

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

- Freehold buildings 60 years

### d) Investments and other financial assets:

#### i. Classification

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

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

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

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

#### ii. Measurement of financial assets

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

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

##### Debt instruments:

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

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

##### Equity instruments

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

#### iii. Impairment of financial assets

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

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

#### iv. Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

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

## Notes to financial statements for the year ended March 31, 2018

### e) Interest income

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

### f) Dividends

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

### g) Trade receivables

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

### h) Cash and Cash Equivalents

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

### i) Revenue Recognition:

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

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

#### Recognising revenue from major business activities

##### Sale of Goods

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

##### Income from Services

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

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

### j) Non-current assets held for sale

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

### k) Employee Benefits:

#### Short term employee benefits

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

#### Other long-term employee benefit obligations

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

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

## Notes to financial statements for the year ended March 31, 2018

### Post-employment obligations

The Company operates the following post-employment schemes:

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

### Gratuity obligations

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

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

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

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

### Defined contribution plans

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

### Share-based payments

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

## I) Income tax

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

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

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

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

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

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

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

## Notes to financial statements for the year ended March 31, 2018

### m) Leases:

#### As a lessee

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

#### As a lessor

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

### n) Foreign Currency transactions:

#### Functional and presentation currency

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

#### Transactions and balances

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

### o) Inventories:

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

### p) Investments in subsidiaries, joint ventures and associates

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

### q) Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

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

#### Diluted earnings per share

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

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

### r) Segment Reporting:

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

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

### s) Borrowings

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

## Notes to financial statements for the year ended March 31, 2018

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

### t) Borrowing costs

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

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

### u) Provisions and contingent liabilities

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

### v) Rounding of amounts

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

### w) Critical estimates and judgments

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

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

The areas involving critical estimates or judgments are:

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

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

### x) Recent accounting pronouncements

#### Ind AS 115

In March 2018, the Ministry of Corporate Affairs as notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions.

The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from April 1, 2018.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant"

## Notes to the financial statements for the year ended March 31, 2018

### 3. Property, Plant and Equipment

	Leasehold Improvements	Air Conditioner	Computers	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Capital work-in-progress
<b>Year ended March 31, 2017</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	6,912.27	2,303.55	24.33	4,912.48	154.38	4,980.32	0.21	<b>19,287.54</b>	946.72
Additions	-	13.40	2.47	3.42	1.82	-	-	<b>21.11</b>	-
Disposal/Transfer	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	(279.75)	(1.92)	(513.96)	(9.18)	(567.33)	(0.20)	<b>(1,372.34)</b>	(946.72)
<b>Closing gross carrying amount</b>	<b>6,912.27</b>	<b>2,037.20</b>	<b>24.88</b>	<b>4,401.94</b>	<b>147.02</b>	<b>4,412.99</b>	<b>0.01</b>	<b>17,936.31</b>	-
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	617.90	351.05	7.70	730.64	87.49	715.71	-	<b>2,510.49</b>	-
Depreciation charge during the year	752.29	325.43	4.62	679.19	41.42	656.19	-	<b>2,459.14</b>	-
Depreciation related to Assets classified as held for sale	-	(47.90)	-	(105.57)	(5.82)	(112.79)	-	<b>(272.08)</b>	-
<b>Closing accumulated depreciation</b>	<b>1,370.19</b>	<b>628.58</b>	<b>12.32</b>	<b>1,304.26</b>	<b>123.09</b>	<b>1,259.11</b>	-	<b>4,697.55</b>	-
<b>Net carrying amount</b>	<b>5,542.08</b>	<b>1,408.62</b>	<b>12.56</b>	<b>3,097.68</b>	<b>23.93</b>	<b>3,153.88</b>	<b>0.01</b>	<b>13,238.76</b>	-
<b>Year ended March 31, 2018</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	6,912.27	2,037.20	24.88	4,401.94	147.02	4,412.99	0.01	<b>17,936.31</b>	-
Additions	-	4.10	1.21	-	0.72	380.04	-	<b>386.07</b>	-
Disposal/Transfer	-	-	-	(211.61)	-	(369.10)	-	<b>(580.71)</b>	-
<b>Closing gross carrying amount</b>	<b>6,912.27</b>	<b>2,041.30</b>	<b>26.09</b>	<b>4,190.33</b>	<b>147.74</b>	<b>4,423.93</b>	<b>0.01</b>	<b>17,741.67</b>	-
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	1,370.19	628.58	12.32	1,304.26	123.09	1,259.11	-	<b>4,697.55</b>	-
Depreciation charge during the year	752.29	317.00	3.53	645.85	6.61	636.63	-	<b>2,361.91</b>	-
Depreciation related to Disposal/Transfer	-	-	-	(126.81)	-	(229.93)	-	<b>(356.74)</b>	-
<b>Closing accumulated depreciation</b>	<b>2,122.48</b>	<b>945.58</b>	<b>15.85</b>	<b>1,823.30</b>	<b>129.70</b>	<b>1,665.81</b>	-	<b>6,702.72</b>	-
<b>Net carrying amount</b>	<b>4,789.79</b>	<b>1,095.72</b>	<b>10.24</b>	<b>2,367.03</b>	<b>18.04</b>	<b>2,758.12</b>	<b>0.01</b>	<b>11,038.95</b>	-

(i) Property, plant and equipment pledged as security

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

### 4. Investment Properties

	Freehold Land	Building	Total
<b>Year ended March 31, 2017</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	14,970.85	<b>15,040.79</b>
Assets classified as held for sale	-	(7,282.10)	<b>(7,282.10)</b>
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>7,688.75</b>	<b>7,758.69</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	172.25	<b>172.25</b>
Depreciation charge during the year	-	154.75	<b>154.75</b>
Depreciation related to Assets classified as held for sale	-	(172.68)	<b>(172.68)</b>
<b>Closing accumulated depreciation</b>	-	<b>154.32</b>	<b>154.32</b>
<b>Net carrying amount</b>	<b>69.94</b>	<b>7,534.43</b>	<b>7,604.37</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

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

(i) Investment Properties pledged as security

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

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

	As at March 31, 2018	As at March 31, 2017
Rental income	846.33	683.27
Direct operating expenses from property that generated rental income	68.87	68.46
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	777.46	614.81
Depreciation	124.50	154.75
Profit from investment properties	652.96	460.06

(ii) **Leasing arrangements**

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

	As at March 31, 2018	As at March 31, 2017
Within one year	627.67	675.64
Later than one year but not later than 5 years	2,053.08	2,491.53
Later than 5 years	-	110.00
<b>Total</b>	<b>2,680.75</b>	<b>3,277.17</b>

(iii) **Fair value**

	As at March 31, 2018	As at March 31, 2017
Investment properties	36,717.03	36,397.54

### Estimation of fair value

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

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 5(a). Investments

	As at March 31, 2018	As at March 31, 2017
<b>a. Investment in subsidiaries</b>		
Unquoted		
1,00,000 Equity Shares of Aashirwad Malls Private Limited	570.56	570.56
11,36,600 Equity Shares of Sun City Properties Private Limited	1,295.52	1,295.52
8,47,356 Equity Shares of Suhani Mall Management Company Private Limited	2,023.52	2,023.52
6,58,030 Equity Shares of Future Trade Markets Private Limited - Note (ii)	4,019.44	-
1,50,00,000 Equity Shares of Future Retail Destination Limited	1,500.00	-
1,08,62,500 Equity Shares of Gati Realtors Private Limited - Note (i)	1,085.68	-
<b>b. Investment in joint venture</b>		
Unquoted		
6,589 Equity Shares of Riddhi Siddhi Mall Management Private Limited	698.14	698.14
1,50,00,000 Equity Shares of Future Retail Destination Limited	-	1,500.00
25,000 Equity Shares of Utility Developers Private Limited	2.50	2.50
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
<b>Total (a+b)</b>	<b>11,196.86</b>	<b>9,957.74</b>
<b>c. Investment in preference shares of joint venture</b>		
Unquoted		
257 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	931.64	931.64
<b>Total (c)</b>	<b>931.64</b>	<b>931.64</b>
<b>d. Investment in equity instruments</b>		
<b>Fair value through other comprehensive income</b>		
Unquoted		
11,425 Equity Shares of V.R.Procurement Corporation Private Limited	23.02	23.88
10,000 Equity Shares of Navika Developers Private Limited	1.00	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	1.00	1.00
10,000 Equity Shares of Ujjain Future Bazaar Private Limited	1.04	1.09
10,000 Equity Shares of Harmony Malls Mangement Private Limited	1.00	1.00
10,000 Equity Shares of Precision Realty Developers Private Limited	1.38	1.25
60,000 Equity Shares of Acute Realty Private Limited	349.15	379.60
Nil (2017:1000) Equity Shares of F R Retail Destination Private Limited	-	0.10
10,000 Equity Shares of Niyman Mall Management Company Private Limited	11.55	11.83
10,000 Equity Shares of Ojas Mall Management Private Limited	1.06	1.02
10,000 Equity Shares of Nishta Mall Management Company Private Limited	230.75	221.88
1,30,000 Equity Shares of Unique Malls Private Limited	223.95	233.55
<b>Total (d)</b>	<b>844.90</b>	<b>877.20</b>
<b>Non-current investments total (a+b+c+d)</b>	<b>12,973.40</b>	<b>11,766.58</b>
<b>Aggregate amount of unquoted investments</b>	<b>12,973.40</b>	<b>11,766.58</b>
<b>Current</b>		
UTI - Floating Rate Fund	510.54	-
<b>Current investments total</b>	<b>510.54</b>	<b>-</b>

(i) During the Financial Year 2017-18, the Company has acquired 100% shares of Gati Realtors Private Limited

(ii) Further, the Company also acquired 100% stake in Future Trade Markets Private Limited (erstwhile Joint Venture Limited) by purchasing the balance 43,869 shares from the other co-venturer.

Refer Note 27 on Acquisition of Subsidiaries

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 5(b). Trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade receivables		
Related Parties	507.31	-
Others	1,157.39	1,446.18
<b>Total</b>	<b>1,664.70</b>	<b>1,446.18</b>
Less: Allowance for bad and doubtful debts	(91.32)	(84.62)
<b>Total Trade receivables</b>	<b>1,573.38</b>	<b>1,361.56</b>
<b>Breakup of securities details</b>		
Secured, considered good	-	-
Unsecured, considered good	1,587.14	1,375.31
Doubtful	77.56	70.87
<b>Total</b>	<b>1,664.70</b>	<b>1,446.18</b>
Less: Allowance for doubtful debts	(91.32)	(84.62)
<b>Total trade receivables</b>	<b>1,573.38</b>	<b>1,361.56</b>

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

### 5(c). Loans

	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Security Deposits	1,739.15	1,756.48
Loans and advances to others	1,618.92	2,518.05
Advance against purchases of shares	900.00	650.00
<b>Total Non current loans and advances</b>	<b>4,258.07</b>	<b>4,924.53</b>
<b>Current</b>		
Security Deposits	243.56	64.51
Loans and advances	6,447.13	6,795.33
Loans and advances to related parties	873.40	983.25
<b>Total current loans and advances</b>	<b>7,564.09</b>	<b>7,843.09</b>

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

	As at March 31, 2018	As at March 31, 2017
<b>Cash on hand</b>	<b>0.84</b>	<b>0.89</b>
<b>Balances with Banks</b>		
In current accounts	741.17	646.27
<b>Total Cash and cash equivalents</b>	<b>742.01</b>	<b>647.16</b>

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

	As at March 31, 2018	As at March 31, 2017
Fixed Deposit*	6.50	6.50
Interest accrued on fixed deposit	0.65	0.18
<b>Total Bank Balances other than above</b>	<b>7.15</b>	<b>6.68</b>

\* Lien against Bank Guarantee

### 5(f). Other financial assets

	As at March 31, 2018	As at March 31, 2017
<b>Other current financial assets</b>		
<b>Considered good</b>		
Unbilled Revenue	141.27	6.81
Advance to Staff	16.34	7.80
<b>Total current financial assets</b>	<b>157.61</b>	<b>14.61</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 6. Current and deferred tax

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

	March 31, 2018	March 31, 2017
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax (expense)	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	367.20	52.80
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	367.20	52.80
<b>Income tax expense</b>	<b>367.20</b>	<b>52.80</b>

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

	March 31, 2018	March 31, 2017
<b>Profit from operation before income tax expenses</b>	547.48	(2,353.29)
<b>Tax rate @33.063%</b>	181.01	(778.06)
<i>Differences due to:</i>		
Permanent Differences	2.25	27.98
Standard Deduction on Rental Income	(134.87)	(116.25)
Adjustment related to Unabsorbed Tax Losses	322.61	1,070.11
Others	(3.80)	(150.98)
<b>Income tax expenses</b>	<b>367.20</b>	<b>52.80</b>

#### 6(c) Tax losses

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

	March 31, 2018	March 31, 2017
Unused tax losses for which no deferred tax asset has been recognised	3,571.57	2,584.19
Potential tax benefit @ 33.063%	1,180.87	854.41

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

	March 31, 2018	March 31, 2017
<b>Deferred tax assets</b>		
Unabsorbed Tax Losses	5,027.86	5,027.86
Defined benefit obligation	-	-
Provisions	12.47	8.62
Fair valuation of financial assets-P&L (Net)	133.67	381.95
Fair valuation of financial assets-OCI (Net)	155.66	154.03
Property Plant & Equipment	1,094.94	1,218.62
MAT credit entitlement	679.17	679.17
Freehold Land	8.33	7.41
<b>Deferred tax liabilities</b>		
Defined benefit obligation	(1.90)	(1.48)
<b>Total deferred tax assets (net)</b>	<b>7,110.20</b>	<b>7,476.18</b>

#### 6(e) Movement in deferred tax liabilities

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial assets	Property Plant & Equipment	Freehold Land	MAT credit entitlement	Total
<b>At March 31, 2016</b>	<b>7.89</b>	<b>5,138.65</b>	<b>572.85</b>	<b>1,058.16</b>	<b>6.22</b>	<b>679.17</b>	<b>7,462.94</b>
(Charged)/credited:							
- to profit or loss	1.41	(110.79)	(105.08)	160.47	1.19	-	(52.80)
- to other comprehensive income	(2.16)	-	68.20	-	-	-	66.04

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial asstes	Property Plant & Equipment	Freehold Land	MAT credit entitlement	Total
<b>At March 31, 2017</b>	<b>7.14</b>	<b>5,027.86</b>	<b>535.97</b>	<b>1,218.63</b>	<b>7.41</b>	<b>679.17</b>	<b>7,476.18</b>
(Charged)/credited:							
- to profit or loss	3.85	-	(248.28)	(123.69)	0.92	-	(367.19)
- to other comprehensive income	(0.41)	-	1.63	-	-	-	1.22
<b>At 31 March 2018</b>	<b>10.58</b>	<b>5,027.86</b>	<b>289.32</b>	<b>1,094.94</b>	<b>8.33</b>	<b>679.17</b>	<b>7,110.20</b>

### 7. Other assets

	As at March 31, 2018	As at March 31, 2017
<b>Other non-current assets</b>		
Business Advance - Related Party	171.91	240.68
Capital Advance	3,355.00	3,650.00
Balances with Govt. Authorities	397.68	351.39
Prepaid Expense	340.34	384.15
<b>Total Other Non-current assets</b>	<b>4,264.93</b>	<b>4,626.22</b>
<b>Other current assets</b>		
Security Deposits	5.86	5.86
Business Advance	1,605.56	1,505.78
Balances with Govt. Authorities	-	0.30
Prepaid Expense	65.37	159.82
<b>Total Other current assets</b>	<b>1,676.79</b>	<b>1,671.76</b>

### 8. Inventories

	As at March 31, 2018	As at March 31, 2017
Finished Shops	918.71	929.80
<b>Total Inventories</b>	<b>918.71</b>	<b>929.80</b>

### 9. Assets classified as held for sale

	As at March 31, 2018	As at March 31, 2017
Buildings	6,277.75	7,708.03
Investments	-	78.00
<b>Total</b>	<b>6,277.75</b>	<b>7,786.03</b>

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

#### Non-recurring fair value measurements

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

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 10(a). Equity Share capital

	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b>		
90,260,000 Equity Shares [March 31, 2017: 90,260,000] of ₹ 10/- each	9,026.00	9,026.00
5,000 Preference Shares [March 31, 2017: 5,000] of ₹ 100/- each	5.00	5.00
<b>Total</b>	<b>9,031.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
56,291,851 Equity Shares [March 31, 2017: 56,291,851] of ₹ 10/- each	5,629.19	5,629.19
<b>Total</b>	<b>5,629.19</b>	<b>5,629.19</b>
*includes 570 shares held in abeyance		
	As at March 31, 2018	As at March 31, 2017
<b>Subscribed and paid up</b>		
56,291,281 Equity Shares [March 31, 2017: 56,291,281] of ₹ 10/- each	5,629.13	5,629.13
<b>Total</b>	<b>5,629.13</b>	<b>5,629.13</b>

#### a) Movements in Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	56,291,281	5,629.13	56,171,156	5,617.12
Add: ESOP shares issued during the year	-	-	120,125	12.01
<b>Balance as at the end of the year</b>	<b>56,291,281</b>	<b>5,629.13</b>	<b>56,291,281</b>	<b>5,629.13</b>

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

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

#### Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2018) including equity shares issued pursuant to contract without payment being received in cash

- (i) In Financial Year 2015 -16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.
- (ii) In Financial Year 2016 -17 - Allotted 1,20,125 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 14, 2016.

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

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% held	Number of shares	% held
Suhani Trading and Investment Consultants Private Limited	41,129,343	73.06%	-	-
Manz Retail Private Limited	-	-	16,430,824	29.19%
Future Corporate Resources Limited	-	-	15,176,754	26.96%
Weavette Business Ventures Limited	-	-	8,563,367	15.21%
Ishbhoomi Fabtraders Private Limited	4,309,260	7.66%	4,615,516	8.20%
	<b>45,438,603</b>	<b>80.72%</b>	<b>44,786,461</b>	<b>79.56%</b>

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

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 10(b). Other Equity

	As at March 31, 2018	As at March 31, 2017
<b>Reserve and surplus</b>		
Capital Reserve	7,474.75	7,474.75
Securities Premium	25,291.33	25,291.33
Share Option Outstanding Account	-	-
Retained Earnings	(19,031.64)	(19,212.75)
Subordinated Debt*	4,905.97	4,905.97
Other Reserves	(4,888.41)	(4,857.88)
<b>Total</b>	<b>13,751.99</b>	<b>13,601.42</b>

\* The subordinated debt represents loan taken from Suhani Trading & Investment Consultants Private Limited

	As at March 31, 2018	As at March 31, 2017
<b>(i) Capital Reserve</b>		
Opening Balance	7,474.75	7,474.75
Movement during the year	-	-
<b>Closing Balance</b>	<b>7,474.75</b>	<b>7,474.75</b>
<b>(ii) Securities Premium</b>		
Opening Balance	25,291.33	25,267.13
Exercise of options	-	21.80
Share issued	-	2.40
Utilized during the year	-	-
<b>Closing Balance</b>	<b>25,291.33</b>	<b>25,291.33</b>
<b>(iii) Share Option Outstanding Account</b>		
Opening Balance	-	19.69
Add: Employee Stock option expenses	-	2.11
Less: Exercise of option	-	(21.80)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>(iv) Retained Earnings</b>		
Opening Balance	(19,212.75)	(16,811.03)
Add: profit for the year	180.28	(2,406.09)
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation	1.24	6.52
Deferred tax (Actuarial Gains)	(0.41)	(2.15)
<b>Closing Balance</b>	<b>(19,031.64)</b>	<b>(19,212.75)</b>
	As at March 31, 2018	As at March 31, 2017
<b>Other Reserves</b>		
Opening Balance	(4,857.88)	(4,719.82)
Change in fair value of FVOCI equity instruments	(32.16)	(206.26)
Deferred tax (Fair Value)	1.63	68.20
<b>Closing Balance</b>	<b>(4,888.41)</b>	<b>(4,857.88)</b>

#### Nature and purpose of other reserves

##### Securities premium reserve

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

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### FVOCI equity investments

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

### Share options outstanding account

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

### 11(a). Borrowings

	As at March 31, 2018	As at March 31, 2017
<b>Non current Borrowing</b>		
<b>Secured</b>		
Term loans from banks	7,788.01	15,187.53
<b>Total Non current Borrowing</b>	<b>7,788.01</b>	<b>15,187.53</b>
Less: Current Maturities of long term borrowing	(4,282.50)	(7,422.60)
<b>Non current borrowings</b>	<b>3,505.51</b>	<b>7,764.93</b>

### Secured borrowings and assets pledged as security

Sr. No	Nature of security	Terms of Repayment
1	Term Loan from Bank balance outstanding amounting to ₹ NIL lakhs (March 31, 2017 : ₹ 750.00 lakhs) is secured by First Pari Passu charge on all the current assets at the Malls of the Company (b) Hypothecation of all the movable properties at the Malls of the Company (c) First Pari Passu charge / assignment of all the revenues and receivables, trust and retention account and any other bank account of the Malls of the company (d) Personal Guarantee of the Promoters	Repayable in 20 quarterly installments starting from Dec 2012. Last installment due in Sep. 2017. Rate of interest - 4% above the Base Rate (Previous Year Effective Rate - 13.55%)
2	Term Loan from Bank balance outstanding amounting to ₹ 1,304.01 lakhs (March 31, 2017 : ₹ 5,972.19 lakhs) are secured by are secured by (a) Charge on Assets of ₹ 10,500 Lakhs created out of the proposed Term Loan. (b) First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to ₹10,000 lakhs (c) Second Pari Passu charge on the immovable property owned by M/s Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 14 quarterly installments starting from March 2015. Last installment due in June 2018. Rate of interest - MCLR (1 Year) +4% = 12.40% (Previous Year - 13.70% p.a.)
3	Term Loan from Bank balance outstanding amounting to ₹6,500.00 lakhs (March 31, 2017 : ₹ 8,500.00 lakhs) are secured by (a) Charge on Assets created out of the proposed Term Loan. (b) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 16 quarterly installments starting from June 2016. Last installment due in June 2020. Rate of interest - MCLR (1 Year) + 3.75 Present Effective Rate - 12.35%.p.a. (12.35% p.a)

	As at March 31, 2018	As at March 31, 2017
<b>Current Borrowing</b>		
<b>Secured</b>		
Bank Overdraft	-	691.78
<b>Unsecured</b>		
Loans from related party	12,760.30	-
Other Loans	-	14,209.20
<b>Total Current Borrowing</b>	<b>12,760.30</b>	<b>14,900.98</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### Secured borrowings and assets pledged as security

- i) Bank overdraft (for previous year) 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

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

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

	As at March 31, 2018	As at March 31, 2017
Security deposits:		
From Related Parties	262.43	-
From Others	8,633.25	3,853.41
<b>Total Non-current financial liabilities</b>	<b>8,895.68</b>	<b>3,853.41</b>

### Other Current financial liabilities

	As at March 31, 2018	As at March 31, 2017
Security deposits:		
From Related Parties	29.04	-
From Others	3,264.07	2,995.71
<b>Total</b>	<b>3,293.11</b>	<b>2,995.71</b>
Current Maturities of Long-Term Borrowings	4,282.50	7,422.60
Advance received against sale of Investment	-	200.00
Corpus Funds	14.78	19.32
Other payables (Retention Money)	4.24	9.96
<b>Total Current financial liabilities</b>	<b>7,594.63</b>	<b>10,647.59</b>

### 11(c). Trade payables

	As at March 31, 2018	As at March 31, 2017
Trade payables :		
Related Parties	39.22	-
Others	1,308.37	1,595.28
<b>Total Trade payables</b>	<b>1,347.59</b>	<b>1,595.28</b>

### 12. Employee benefit obligations

	As at March 31, 2018	As at March 31, 2017
<b>Non current Employee benefit obligations</b>		
Gratuity	21.09	13.64
Leave entitlement	10.42	7.62
<b>Total Non current Employee benefit obligations</b>	<b>31.51</b>	<b>21.26</b>
<b>Current Employee benefit obligations</b>		
Gratuity	0.30	0.20
Leave entitlement	0.20	0.14
<b>Total current Employee benefit obligations</b>	<b>0.50</b>	<b>0.34</b>

### 13. Other liabilities

	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Deferred Rent Income	572.19	672.52
<b>Total Other Non-current liabilities</b>	<b>572.19</b>	<b>672.52</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Statutory dues (including provident fund, tax deducted at source and others)	253.19	182.04
Advance from customers	10,680.92	10,087.79
Deferred Rent Income	1,139.36	478.82
Other payables	379.47	461.82
<b>Total Other current liabilities</b>	<b>12,452.94</b>	<b>11,210.47</b>

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

#### Defined Contribution Plan

##### Provident Fund

The contributions to the Provident Fund of the employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Employer's Contribution to Provident Fund amounting to ₹16.21 Lakhs (previous year ₹12.99 Lakhs) has been recognized as an expense in the Statement of Profit and Loss.

#### Defined Benefit Plan

##### Gratuity

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

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

	Gratuity	
	As at March 31, 2018	As at March 31, 2017
<b>Opening defined benefit obligation</b>	<b>13.85</b>	<b>15.24</b>
Current service cost	7.78	5.08
Interest expense/(income)	1.02	1.16
<b>Total amount recognised in profit and loss</b>	<b>8.80</b>	<b>6.24</b>
<i>Remeasurements</i>		
(Gain )/loss from change in financial assumptions	(0.81)	1.04
Experience (gains)/losses	(0.44)	(7.56)
<b>Total amount recognised in other comprehensive income</b>	<b>(1.25)</b>	<b>(6.52)</b>
Employer contributions	-	(1.11)
<b>Closing defined benefit obligation</b>	<b>21.40</b>	<b>13.85</b>

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

	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	21.40	13.85
Fair value of plan assets	-	-
<b>Surplus /(Deficit)</b>	<b>21.40</b>	<b>13.85</b>
Effect of assets ceiling	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>21.40</b>	<b>13.85</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

	Gratuity	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Assumptions</b>		
Discount rate	7.70%	7.40%
Salary growth rate	5.00%	5.00%
<b>Demographic Assumptions</b>		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1.00%	1.00%
Retirement age	58 years	58 years

### Sensitivity analysis

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

	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Discount rate		
a. Discount rate -100 basis point	24.22	15.81
b. Discount rate+100 basis point	18.98	12.16
Salary growth rate		
a. Rate -100 basis point	18.90	12.50
b. Rate+100 basis point	24.00	15.38

### Expected Future Cash Flows

	As at March 31, 2018	As at March 31, 2017
Year 1	0.31	0.20
Year 2	0.33	0.22
Year 3	1.32	0.26
Year 4	0.45	0.53
Year 5	0.47	0.33
Year 6 to 10	2.88	2.15

### 15. Revenue from Operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sales	52.01	469.86
Less: Vat / Sales Tax	-	1.07
	<b>52.01</b>	<b>468.79</b>
Rent and other related revenues	7,889.42	7,774.43
Project Mangement Consultancy	-	6.84
<b>Total</b>	<b>7,941.43</b>	<b>8,250.06</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 16. Other income

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Interest income</b>		
On bank deposits	0.58	0.46
On others	1,922.08	2,464.41
Income From Debtors Assignment	123.00	-
Profit on sale of Fixed Assets	1,129.51	325.08
Profit on sale of Investments	307.80	-
Fair Valuation of Investments	7.86	-
Excess Provision Written Back	-	507.90
Sale of Scrap	-	9.52
Miscellaneous Income	5.43	31.16
<b>Total</b>	<b>3,496.26</b>	<b>3,338.53</b>

### 17. Operating Cost

	Year ended March 31, 2018	Year ended March 31, 2017
Mall Maintenance Charges	121.05	170.06
Rent	4,747.60	4,579.30
<b>Total</b>	<b>4,868.65</b>	<b>4,749.36</b>

### 18. Cost of Units sold

	Year ended March 31, 2018	Year ended March 31, 2017
Cost of units sold	39.28	384.66
<b>Total</b>	<b>39.28</b>	<b>384.66</b>

### 19. Employee benefits expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	436.87	433.95
Contribution to Provident and Other Funds	30.09	24.18
Employees stock option scheme	-	1.89
Staff Welfare Expenses	2.86	7.61
<b>Total</b>	<b>469.82</b>	<b>467.63</b>

### 20. Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses	2,309.09	4,193.65
Other Borrowing costs	17.45	6.67
<b>Total</b>	<b>2,326.54</b>	<b>4,200.32</b>

### 21. Depreciation and amortization expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on Property, Plant and Equipment	2,361.91	2,459.14
Depreciation on Investment property	124.50	154.75
<b>Total</b>	<b>2,486.41</b>	<b>2,613.89</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 22. Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Power and Fuel	192.12	45.53
Repairs and Maintenance - Others	81.30	71.59
<b>Auditors' Remuneration</b>		
Statutory Audit Fees	5.00	5.00
Tax Audit Fees	0.50	0.50
Other Services	0.90	2.05
Rates and Taxes	100.46	471.37
Insurance	14.99	17.11
Legal and Professional Fees	133.83	190.73
Listing Fees/Custodian Charges	10.70	9.51
Director Sitting Fees	11.05	11.10
Provision for Doubtful Debts	32.59	-
Travelling and Conveyance Expenses	21.47	16.70
Bad Debts	-	203.84
Water Charges	9.34	13.43
Other Expenses	85.26	59.99
Loss on discard of fixed assets	-	407.57
<b>Total</b>	<b>699.51</b>	<b>1,526.02</b>

### 23. Fair value measurements

#### 23(a) Financial instruments by category

	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity Instruments	-	844.90	-	-	877.20	-
- Mutual Funds	510.54	-	-	-	-	-
Loans	-	-	11,822.16	-	-	12,767.62
Trade receivables	-	-	1,573.38	-	-	1,361.56
Cash and cash equivalents	-	-	742.01	-	-	647.16
Bank Balances other than above	-	-	7.15	-	-	6.68
Other financial assets	-	-	157.61	-	-	14.61
<b>Total financial assets</b>	<b>510.54</b>	<b>844.90</b>	<b>14,302.31</b>		<b>877.20</b>	<b>14,797.63</b>
<b>Financial liabilities</b>						
Borrowings	-	-	16,265.81	-	-	22,665.91
Deposits from customer	-	-	8,895.68	-	-	3,853.41
Other financial liabilities	-	-	7,594.63	-	-	10,647.59
Trade payables	-	-	1,347.59	-	-	1,595.28
<b>Total financial liabilities</b>	-	-	<b>34,103.71</b>		-	<b>38,762.19</b>

#### 23(b) Fair value hierarchy

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

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

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

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

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

The following table presents the changes in level 3 items for the periods ended March 31, 2018:

	Investment in- Equity instruments
<b>As at March 31, 2016</b>	<b>1,083.44</b>
Conversion of loan into equity shares	-
Gains/(losses) recognised in Other Comprehensive Income	(206.26)
<b>As at March 31, 2017</b>	<b>877.18</b>
Sale of Investment	(0.10)
Gains/(losses) recognised in Other Comprehensive Income	(32.16)
<b>As at March 31, 2018</b>	<b>844.92</b>

### Valuation processes

The Company has obtained assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Company and the valuer on periodic basis. Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

### 23(c) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans	11,822.16	11,867.35	12,767.62	12,851.89
<b>Total financial assets</b>	<b>11,822.16</b>	<b>11,867.35</b>	<b>12,767.62</b>	<b>12,851.89</b>
<b>Financial liabilities</b>				
Borrowings	16,265.81	16,265.81	22,665.91	22,665.91
Deposits from customer	8,895.68	9,000.81	3,853.41	3,927.15
<b>Total financial liabilities</b>	<b>25,161.49</b>	<b>25,266.62</b>	<b>26,519.32</b>	<b>26,593.06</b>

### The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, trade payables, cash and cash equivalent, Bank balances other than above, other financial assets and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 in the fair value hierarchy due to the inclusion of observable inputs.
3. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
4. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
5. The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Company borrowing (since the date of inception of the loans). Further, the Company has no long-term Borrowings with fixed rate of interest.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 24. Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk are reviewed regularly to reflect changes in market conditions and the company's activities.

#### A. Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The company is not exposed to any foreign currency risk as neither operates internationally nor has any foreign currency transaction.

##### (a) Price Risk - Exposure:

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

	March 31, 2018	March 31, 2017
BSE Sensex 30- Increase 5%	25.53	-
BSE Sensex 30- Decrease 5%	(25.53)	-

Above referred sensitivity pertains to investment in quoted securities . Profit for the year would increase/(decrease) as a result of gains/ (losses) on the same as at fair value through profit or loss.

##### (b) Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2018	March 31, 2017
Variable rate borrowings	7,788.01	15,879.31
Percentage of variable rate borrowings to total borrowings	38%	53%
<b>Total borrowings</b>	<b>20,548.32</b>	<b>30,088.52</b>

#### Sensitivity

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

	March 31, 2018	March 31, 2017
Interest rates – increase by 50 basis points*	(38.94)	(79.40)
Interest rates – decrease by 50 basis points*	38.94	79.40

\*Holding all other variables constant

#### B. Credit Risks

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

##### Trade receivables

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

The Company measures the expected credit loss of trade receivables and loan & advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, adequate provision for the loss on collection of receivable has been made.

##### Movement in provisions of doubtful debts

	As at March 31, 2018	As at March 31, 2017
<b>Opening provision</b>	<b>84.62</b>	<b>666.64</b>
Add:- Additional provision made	32.59	-
Less:- Provision write off	25.90	74.12
Less:- Provision reversed	-	507.90
<b>Closing provisions</b>	<b>91.31</b>	<b>84.62</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### C. Liquidity Risk:

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the company's credit rating and impair investor confidence.

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

Maturity patterns of liabilities:

	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2018</b>			
Trade payables	1,347.59	-	<b>1,347.59</b>
Borrowings	12,760.30	3,521.51	<b>16,281.81</b>
Other Financial liabilities	7,594.63	10,784.78	<b>18,379.41</b>
Other Non Financial liabilities	11,313.58	-	<b>11,313.58</b>
<b>As at March 31, 2017</b>			
Trade payables	1,595.28	-	<b>1,595.28</b>
Borrowings	14,900.98	7,799.58	<b>22,700.56</b>
Other Financial liabilities	10,647.59	5,214.23	<b>15,861.82</b>
Other Non Financial liabilities	10,731.63	-	<b>10,731.63</b>

### D. Capital Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company does not distribute dividends to the shareholders.

### 25. Segment information

In accordance with the Accounting Standard Ind-AS 108 - Operating Segment, segment information has been given in the consolidated financial statements of Future Market Networks Limited, no separate disclosure of segment reporting is required in these financial statements.

### 26. Earnings per share

	As at March 31, 2018	As at March 31, 2017
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the company	180.28	(2,406.09)
Total basic earnings per share attributable to the equity holders of the company (in ₹)	0.32	(4.28)
<b>(b) Diluted earnings per share</b>		
Profit attributable to the equity holders of the company	180.28	(2,404.19)
Total diluted earnings per share attributable to the equity holders of the company (in ₹)	0.32	(4.28)
<b>(c) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	56,291,281	56,206,700
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	56,291,281	56,206,700

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 27. Acquisition of Subsidiaries:

#### a. Gati Realtors Private Limited:

On August 14, 2017 the company has acquired 10,000 Equity Shares of Gati Realtors Private Limited, being 100% shareholding of the company.

Subsequent to the acquisition of the 100% equity holding, during the year additional 10,852,500 shares were issued to the company at FV of ₹10/- resulting in a total investment of ₹ 1,085.68 Lakhs

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

Total Purchase Consideration transferred:- ₹ 0.42 Lakhs (entire cash) upon acquisition

The fair value of net assets acquired as at the date of acquisition were ₹ 0.42 Lakhs

#### b. Future Trade Markets Private Limited.

The Company was holding 70% of the share capital in Future Trade Markets Private Limited. Pursuant to share purchase and buy back agreement dated August 16, 2017, the company has acquired 43,869 equity shares of Future Trade Markets Private Limited (Classified as a Joint Venture upto 31.03.2017) from the other co-venturer, being 5% of the share holding of the company and the balance 25% shareholding held by the other co-venturer was bought back by Future Trade Markets Private Limited. As a result, Future Trade Markets Private Limited became a wholly owned subsidiary of the Company.

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

Total Purchase Consideration paid for the purpose of acquisition:

Upto August 16, 2017: 6,14,161 shares at a cost of ₹ 3866.00 Lakhs fair value of such shares as on the date of acquiring full control was ₹ 2142. 19 Lakhs During FY 2017-18: 43,869 shares at cost (which is equivalent to the fair value) of ₹ 153.44 Lakhs The fair value of assets acquired and liabilities assumed as at the date of acquisition were:- ₹ 2295.21 Lakhs

#### c. Future Retail Destination Limited

The Company is holding 50% of the shareholding in Future Retail Destination Limited. Pursuant to Share Purchase Agreement dated 31 May, 2017 the company has agreed to purchase 1,50,00,000 shares of Future Retail Destination Limited (Classified as Joint Venture upto 31.03.2017) being balance 50% of the share holding of the said company from the other co-venturer by the end of September 2018. Further, the Company has also established full control over operations of Future Retail Destination Limited, by virtue of the agreement, thereby resulting into a subsidiary of the Company.

Till May 31, 2017, the company has made an investment of ₹ 1500 lakhs (representing 50% of the total shareholding), fair value of which as on the date of share purchase agreement is ₹ 1466.82 lakhs. The fair value of assets and liabilities assumed at the date of share purchase agreement were: ₹ 2933.63 Lakhs

### 28. Assets pledge as security

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

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current Assets</b>		
<b>Financial Assets</b>		
<i>First Charge</i>		
- Trade Receivables	-	1,361.56
<b>Total Current Assets pledged as Security</b>	-	<b>1,361.56</b>
<b>Non-Current Assets</b>		
<i>First Charge</i>		
Property, Plant and Equipment	11,038.95	13,238.77
Capital Work-in-Progress	-	-
Investment Properties	2,988.71	7,604.37
Assets Held for Sale	6,277.75	7,708.03
<b>Total Non Current Assets pledged as Security</b>	<b>20,305.41</b>	<b>28,551.17</b>
<b>Total Assets pledged as Security</b>	<b>20,305.41</b>	<b>29,912.73</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 29. Share based payments

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

Future Market Networks Limited (FMNL) has granted options to eligible employees on September 24, 2012 under Employee Stock Option Scheme 2012 ("ESOS 2012"). These options shall vest over a period of four years in the proportion of 25% for each year from the date of grant. These options can be exercised anytime within a period of three years from the date of vesting.

#### (b) The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	-	-	12	122,250
Options granted during the period	-	-	-	-
Exercised during the period	-	-	12	(120,125)
Expired during the period	-	-	-	-
Forfeited during the period	-	-	12	(2,125)
<b>Options outstanding at the end of the period</b>	-	-	-	-
<b>Options vested and exercisable at the end of the period</b>	-	-	-	-

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

Total expenses arising from share-based payment transactions on account of Share option plans recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2018	March 31, 2017
Employee compensation expense	-	1.89

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

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

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

1. Risk Free Interest Rate	<b>7.45%</b>
2. Expected Life	<b>2.5 years</b>
3. Expected Volatility	<b>70.70%</b>
4. Dividend Yield	<b>0.00%</b>
5. Price of the Underlying Share in Market at the Time of the Option Grant ( ₹)	<b>23.95</b>

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### 30. Related party transactions

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

#### (a) Name of related parties and related parties relationship:-

Name of Related Parties	Relationship		
	March 31, 2018	March 31, 2017	
PAN India Food Solutions Private Limited (w.e.f. 14.08.2017)	Director Interested	-	
Splender Fitness Private Limited		Director Interested	
Galaxy Entertainment Corporation Limited			Subsidiary
Retail Light Techniques India Limited			
Naman Mall Management Company Private Limited (wholly owned subsidiary upto 30.09.2017)	Subsidiary	Subsidiary	
Aashirwad Malls Private Limited			
Suhani Mall Management Company Private Limited			
Sun City Properties Private Limited			
Gati Realtors Private Limited	Joint Venture	-	
Future Trade Markets Private Limited		Investing Parties	
Future Retail Destination Limited			Investing Parties
Star Shopping Centres Private Limited			
Riddhi Siddhi Mall Management Private Limited	Holding Company	Joint Venture	
Utility Developers Private Limited			
Sattva Realtors Limited	Investing Parties	Investing Parties	
Future Corporate Resources Limited			
Manz Retail Private Limited			
Weavette Business Ventures Limited			
Ishbhoomi Fabtraders Private Limited	Holding Company	-	
Suhani Trading & Investment Consultants Private Limited (w.e.f. 14.10.2017)			
Retail Trust (w.e.f. 14.10.2017)	Ultimate Holding Entity	-	
Future Retail Limited (w.e.f. 14.10.2017)	Associate of Holding Company	-	
Praxis Home Retail Limited (w.e.f. 14.10.2017)			
Mr. Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)	
Mr. Pawan Agarwal	Relative of KMP	Relative of KMP	
Ms. Ritu Pawan Agarwal			
Ms. Jollamma Anil Cherian	Managing Director	Managing Director	
Mr. Sunil Biyani			
Mr. Rajesh Kalyani	Non-Executive Director	Non-Executive Director	
Ms. Udita Jhunjunwala	Independent Director	Independent Director	
Mr. Vijai Singh Dugar			
Mr. K.A Somayajulu			
Mr. Pramod Arora (w.e.f. 14.08.2017)			Whole Time Director

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

### (b) Key management personnel compensation

Particulars	March 31, 2018	March 31, 2017
Short-term employee benefits	159.79	79.13
Post-employment benefits	19.59	7.84
Employee share-based payment	-	7.50
<b>Total</b>	<b>179.38</b>	<b>94.47</b>

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

Nature of Transaction	Subsidiary	Joint Ventures	Holding Company / Investing Parties	Relative of KMP	Directors	Director Interested	Associate of the Holding Company
Interest Income	<b>76.51</b> 35.08	<b>48.70</b> 23.10	-	-	-	-	-
Project Management Consultancy	-	-	-	-	-	-	-
Rent Expenses	-	6.84	-	6.72 5.88	-	-	22.46
Reimbursement of Expenses	-	-	-	-	-	-	16.78
Sitting Fees	10.84	-	-	-	11.05 11.10	-	-
Investment in shares	<b>1,085.26</b>	-	-	-	-	-	-
Share application money Given	<b>1,085.26</b>	111.12	-	-	-	-	-
Share application money received back	-	112.59	-	-	-	-	-
Share application money received back	-	1.47	-	-	-	-	-
Advances /Loans given net off received back	<b>(539.13)</b> 427.66	<b>352.07</b> 163.17	-	-	-	-	-
Advances /Loans taken net off repaid back	-	-	(486.00)	-	-	-	(2,935.11)
Purchase	-	-	-	-	-	1.41	-
Rent Income	-	-	-	-	-	5.25	586.21
Income from Debtors Assignment	-	-	-	-	-	123.00	-
Promotor Contribution	-	-	-	-	-	-	-
Business Advance Given Recived back Net	-	<b>(68.77)</b> 42.68	-	-	-	-	-
Capital Advance	-	-	-	-	-	-	-
Shares issued under ESOP Scheme (at issue price)	1.20	-	-	-	6.00	-	-
<b>Outstanding Balance as at March 31, 2018</b>							
Receivable	-	-	-	-	-	-	507.31
Payables	-	-	-	-	-	-	39.22
Subordinated Debt	-	-	4,905.97 4,905.97	-	-	-	-
Loans & Advances	<b>385.49</b> 642.95	<b>663.95</b> 577.98	-	-	-	-	-
Loan / Advance Taken	-	-	450.00	-	-	-	12,760.30
Security Deposits Taken	-	-	-	-	-	-	453.00

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

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

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

Nature of Transaction	Name of the Company	March 31, 2018	March 31, 2017
Interest Income	Suhani Mall Management Company Private Limited	12.52	1.69
	Future Retail Destination Limited	21.02	22.29
	Sun City Properties Private Limited	28.81	24.21
	Riddhi Siddhi Mall Management Private Limited	48.70	-
	Naman Mall Management Company Private Limited	12.65	9.19
Project Management Consultancy	Future Trade Market Private Limited	-	6.84
Lease Rent Expenses	Ms. Jollamma Anil Cherian	3.36	2.94
	Ms. Ritu Pawan Agarwal	3.36	2.94
Reimbursement of Expenses	Sun City Properties Private Limited	-	10.84
Remuneration to KMP	Mr. Pawan Agarwal	47.01	46.58
	Mr. Anil Cherian	35.73	40.05
	Mr. Pramod Arora	77.04	-
Sitting Fees / ESOP	Mr. Rajesh Kalyani (Sitting Fees)	2.80	3.30
	Mr. Rajesh Kalyani (ESOP Shares)	-	6.00
	Mr. Vijai Singh Dugar (Sitting Fees)	3.50	3.60
	Mr. K.A Somayajulu (Sitting Fees)	3.60	3.60
Share application money given	Riddhi Siddhi Mall Management Private Limited (Joint Venture)	-	111.12
	Gati Realtors Private Limited	1,085.26	-
Investment in Shares	Gati Realtors Private Limited	1,085.26	-
	Riddhi Siddhi Mall Management Private Limited (Joint Venture)	-	111.12
Loan Given net off received Back	Future Retail Destination Limited	(220.66)	54.68
	Naman Mall Management Company Private Limited (wholly owned subsidiary upto 30/09/2017) (Director Intereted)	(379.27)	371.00
	Suhani Mall Management Company Private Limited	62.09	56.47
	Riddhi Siddhi Mall Management Private Limited	351.64	95.91
	Future Trade Markets Private Limited	(20.51)	19.77
	Gati Realtors Private Limited	14.75	-
Loan Taken Net Off Paid Back	Future Retail Limited (w.e.f. 14.10.2017)	(2,935.11)	-
Advances repaid back	Weavette Business Ventures Limited	-	486.00
Promotor's Contribution	Future Corporate Resources Limited	-	1,839.97
Business Advance Given Recived back Net	Star Shopping Centers Private Limited	(68.78)	42.68
Purchases	Galaxy Entertainment Corporation Limited	1.42	-
Rent Expenses	Future Retail Limited (w.e.f. 14.10.2017)	22.46	-
Rent Income	Future Retail Limited (w.e.f. 14.10.2017)	550.88	-
	Praxis Home Retail Limited (w.e.f. 14.10.2017)	35.34	-
Reimbursement of Expenses	Future Retail Limited (w.e.f. 14.10.2017)	16.79	-
Income from Debtors Assignment	PAN India Food Solutions Private Limited (w.e.f. 14.08.2017)	123.00	-

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

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

S. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i)	Lease rentals recognized in Statement of Profit and Loss	4,622.43	4,369.55
ii)	Lease rentals payable not later than one year	2,188.09	3,602.22
iii)	Lease rentals payable later than one year and not later than five years	8,054.61	8,848.11
iv)	Lease rentals payable later than five years	2,925.34	4,409.84

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

S. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i)	Gross block of assets let out on operating lease	25,418.54	25,625.04
ii)	Accumulated depreciation as at March 31	6,981.14	4,851.85
iii)	Depreciation charged during the year to the Statement of Profit and Loss	2,486.41	2,613.89
iv)	Lease rentals recognised in Statement of Profit and Loss	6,341.56	5,720.79
v)	Lease rentals receivable not later than one year	5,411.20	5,715.93
vi)	Lease rentals receivable later than one year and not later than five years	20,288.96	7,937.07
vii)	Lease rentals receivable later than five years	9.33	110.00

### 33. Payable to MSME

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

### 34. Disclosures as per Part A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 in relation to loans and advances given (except advances given for business / capital purpose)

Sr No	Name of Companies	Relationship	Outstanding Balance		Maximum Balance outstanding during the year	
			As at March 31, 2018	As at March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
<b>A</b>	<b>Loans Given</b>					
1	Future Trade Markets Private Limited	Subsidiary	-	20.50	29.36	20.50
2	Suhani Mall Management Company Private Limited	Subsidiary	132.74	58.14	132.74	58.14
3	Star Shopping Centres Private Limited	Joint Venture	171.91	240.68	249.15	283.36
4	Sun City Properties Private Limited	Subsidiary	233.87	205.54	233.87	205.54
5	Riddhi Siddhi Mall Management Private Limited	Joint Venture	491.61	96.14	542.77	106.24
6	Future Retail Destination Limited	Subsidiary	-	220.65	243.53	220.65
7	Utility Developers Private Limited	Joint Venture	0.44	-	0.44	-
8	F R Retail Destination Private Limited	Other Body Corporate	-	-	-	1,274.54
9	Ojas Mall Management Private Limited	Other Body Corporate	412.95	475.02	482.39	555.06
10	Niyman Mall Management Company Private Limited	Other Body Corporate	451.18	292.09	451.18	292.09
11	Acute Realty Private Limited	Other Body Corporate	187.28	1,286.13	1,312.31	4,529.01
12	Nishita Mall Management Company Private Limited	Other Body Corporate	1,692.37	1,725.50	1,748.31	1,725.50
13	Precision Realty Developers Private Limited	Other Body Corporate	2,065.16	-	2,065.16	170.00
14	Unique Malls Private Limited	Other Body Corporate	2,271.15	5,205.82	5,205.82	7,260.48

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Sr No	Name of Companies	Relationship	Outstanding Balance		Maximum Balance outstanding during the year	
			As at March 31, 2018	As at March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
15	Bansi Mall Management Company Private Limited.	Other Body Corporate	-	-	-	324.39
16	Navika Developers Private Limited	Other Body Corporate	12.90	77.65	269.00	253.13
17	Ujjain Future Bazaar Private Limited	Other Body Corporate	784.65	452.97	784.65	452.97
18	Harmony Malls Management Private Limited	Other Body Corporate	649.97	713.65	1,046.65	713.65
19	Shrijee Lifestyle Private Limited	Other Body Corporate	-	-	-	64.85
20	Naman Mall Management Company Private Limited	Other Body Corporate	-	379.27	379.27	379.27
21	Gati Realtors Private Limited	Subsidiary	14.75	-	14.75	-
22	Invention Realtors Private Limited	Other Body Corporate	-	-	45.00	-
<b>B</b>	<b>Corporate Guarantee Given</b>					
i.	IDBI Bank Limited- Acute Realty Private Limited	Other Body Corporate	18700	18700		
ii.	Central bank of India- Unique Malls Private Limited	Other Body Corporate	18750	18750		
iii.	Indian Overseas Bank - Precision Realty Developers Private Limited	Other Body Corporate		12500		
v.	Central Bank of India Suhani Trading and Investment Consultants Private Limited	Investing Party/ Holding Company	15000	15000		
<b>C</b>	<b>Investments</b>	Investments made are given under Schedule 5(a)				

### Note:

- (a). All the above loans have been granted for business purposes, except loan amounting to ₹ 2150.00 lakhs which has been granted to Unique Malls Private Limited, being promoter contribution, for the purpose of obtaining bank finance.
- (b). All the above loans are interest bearing except loan to Gati Realtors Private Limited & Star Shopping Centres Private Limited which is in the nature of business advance, and promoter contribution to Unique Malls Private Limited as stated above.

### 35. Contingent Liabilities not provided for:

- (a) Corporate Guarantee given to bank on behalf of Companies- ₹ 52,450 Lakhs (2017: ₹ 64,950 Lakhs)

Note: As on May 25, 2018, being the date of adopting the Financial Statements the amount of Corporate Guarantee is ₹ 18,700 Lakhs (Refer note 34)

- (b) Service Tax disputed demand - ₹ 779.80 lakhs (2017: ₹ 779.80 lakhs)

The demand is related to the tax liabilities of the erstwhile owner of the commercial property situated at D-09, Dhanvantari Chikitsa Kendra Yojna, Nanakheda, Ujjain, Madhya Pradesh – 456010. The property was acquired from a financial institution and not from the alleged assessee/erstwhile owner.

Based on the interpretation of other relevant provisions, the Company has been legally advised that the demand is not maintainable and the Company already filed a writ petition before Hon'ble High Court MP challenging the demand and accordingly no provision has been made.

- (c) In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 12,90,52,379/- (Rupees Twelve Crore Ninety Lakhs Fifty Two Thousand Three Hundred Seventy Nine Only) to the Claimant after allowing certain counter claims of the Company.

The Company has filed an Arbitration Petition challenging the arbitration award U/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta.

Claimant through its Proprietor has also challenged the aforesaid arbitration award before the Hon'ble High Court, Calcutta.

The matters are pending before the High Court, Calcutta.

## Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

- (d) The Company has sub lease rights with respect to a shopping mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. During the year 2017-18, the parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company. The consent terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor and in terms of the settlement entire outstanding till 30th June 2017 is settled for an amount of ₹ 35.10 Cr. which is payable over a period of 3 years (over and above the existing receivables standing in the books) and the arrangement provides for future lease period and reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the consent terms. In case, the consent terms are accepted as filed, the Company will have to honour its payment obligations for the said amount after payments made, if any, and the parties shall be administrated in terms of the said consent terms. However, if the consent terms are not approved as agreed by the parties, it shall be relegated to the original position of the suit filed by the Company . In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the consent terms.

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

**Chintan Gandhi  
Partner**

**Place: Mumbai  
Date: May 25,2018**

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

**Sunil Biyani  
Managing Director  
DIN: 00006583**

**Pawan Agarwal  
Chief Financial Officer**

**Vijai Singh Dugar  
Chairman  
DIN: 06463399**

**Anil Cherian  
Company Secretary**

**Pramod Arora  
Whole Time Director  
DIN: 02559344**

FUTURE MARKET NETWORKS LIMITED  
CIN: L45400MH2008PLC179914

Registered Office: Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari East, Mumbai - 400060

Email :info.fmn@futuregroup.in, Tel: 022-61995237, Fax -022 61995054

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER (UNAUDITED) ENDED JUNE 30, 2018

(Rs. In Lakhs) Except EPS

PART - I Sr. No.	Particulars	STANDALONE			
		3 months ended (30/06/2018)	Preceding 3 months ended (31/03/2018)	Corresponding 3 months ended in the previous year (30/06/2017)	Previous Year ended (31/03/2018)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income from operations				
	(a) Income from operations	2,325.07	2,264.66	1,841.89	7,941.43
	(b) Other income	542.68	886.03	393.91	3,496.26
	<b>Total Income</b>	<b>2,867.75</b>	<b>3,150.69</b>	<b>2,235.80</b>	<b>11,437.69</b>
2	Expenses				
	(a) Operating Cost	1,162.73	1,136.50	1,445.53	4,868.65
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	36.49	2.79	39.28
	(c) Employee benefits expense	87.45	124.31	123.61	469.82
	(d) Finance costs	561.35	549.50	651.97	2,326.54
	(e) Depreciation and amortisation expense	614.26	619.23	626.88	2,486.41
	(f) Other expenses	264.46	289.64	157.03	699.51
	<b>Total expenses</b>	<b>2,690.25</b>	<b>2,755.67</b>	<b>3,007.81</b>	<b>10,890.21</b>
3	Profit / (Loss) from operations before exceptional items (1 - 2)	177.50	395.02	(772.01)	547.48
4	Exceptional Items	-	-	-	-
5	Profit / (Loss) before tax (3 - 4)	177.50	395.02	(772.01)	547.48
6	Tax expense	65.55	147.96	30.05	367.20
7	Net Profit / (Loss) for the period (5 - 6)	111.95	247.06	(802.06)	180.28
8	Other comprehensive income				
	A. Items that will not be reclassified to profit or loss				
	Actuarial gain/(loss) on employee defined benefit funds recognised in other Comprehensive Income	-	1.24	-	1.24
	Fair Valuation of Equity Investments other than Investments in subsidiaries, Associates and Joint Ventures	-	(32.16)	-	(32.16)
	B. Income tax relating to above items that will not be reclassified to profit or loss	-	(1.22)	-	(1.22)
	<b>Total other comprehensive income, net of income tax</b>	<b>-</b>	<b>(29.70)</b>	<b>-</b>	<b>(29.70)</b>
9	Total comprehensive income for the period (7 + 8)	111.95	217.36	(802.06)	150.58
10	Paid-up equity share capital (Face value of Rs.10/-each)	5,629.13	5,629.13	5,629.13	5,629.13
11	Other Equity				13,751.99
12	Earnings per share (in Rs. ) :				
	(a) Basic	0.20	0.44	(1.42)	0.32
	(b) Diluted	0.20	0.44	(1.42)	0.32

Notes to the financial results:

- The above results have been reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at their meeting held on July 31, 2018.
- This statement has been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.
- Figures of the previous financial period / year have been re-arranged / re-grouped / reclassified wherever necessary.
- The Company operates in only one segment namely "Property and Related Services".
- In the Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of the termination of a license agreement related to a shopping mall known as "Puja Mall", the Arbitrator has awarded a net amount of Rs. 12,90,52,379/- to the Claimant after allowing certain counter claims of the Company. The Company filed an appeal / application against the award in terms of the applicable provisions of law before the Hon'ble High Court of Calcutta. The Claimant also filed an appeal against the award.
- The aforesaid results have been filed with Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on the website of the Company at www.fmn.co.in

For Future Market Networks Limited



*[Signature]*  
Pramod Arora  
Whole Time Director  
DIN: 02559344



*Viren Gandhi & Co.*  
**Chartered Accountants**

ADD : 103, Vikas Commercial, Bhakti Marg, Next to Tridev Appartment, Mulund (W), Mumbai - 400 080.  
Tele Fax : 2590 3597 / 2591 6926  
E-mail : cavirengandhi@gmail.com  
info@cavirengandhiandco.com  
Web : www.cavirengandhiandco.com

Date : 31<sup>st</sup> July, 2018

**Limited Review Report**

Review Report to  
The Board of Directors  
Future Market Networks Limited

Dear Sirs,

**Re: Limited Review Report on the Unaudited Standalone Financial Result for the quarter ended June, 2018 pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.**

We have reviewed the accompanying statement of unaudited standalone financial results of **M/s Future Market Networks Limited (CIN: L45400MH2008PLC179914)**, ('the Company') for the quarter ended June 30, 2018 (the statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we comply with ethical requirements and plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared for the quarter ended June 30,2018 in accordance with applicable Indian accounting standards (Ind AS) prescribed under section 133 of companies Act, 2013 read with the relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Viren Gandhi and Co**

Chartered Accountants

Registration No.: 111558W

**Chintan V. Gandhi**

Partner

Membership No: 137079

Mumbai.





### AUDITOR'S REPORT

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Star Shopping Centres Pvt Ltd. ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 Ind AS financial statements.

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

### **Opinion**

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the 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 purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2018  
Taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact on its financial position in its Ind AS financial statements.



- ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The company is not required to transfer any amount in Investor Education and Protection Fund by the Company.

**For Shambhu Gupta & Co.**

*Chartered Accountants*

Firm's registration number: 007234C

*Rajkumar*

**Rajkumar Khatod**  
**Partner**

**M.No. : 133612**



Place :- Mumbai

Date :- 21<sup>st</sup> May, 2018

**THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

**Re: Star Shopping Centres Private Limited ('the Company')**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all fixed assets of the Company have been physically verified by the management during the year and the procedures of physical verification followed by the management, in our opinion, was reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed during such verification.
- (c) According to the information and explanations given to us Company don't have any immovable properties except leasehold improvements, hence point (i) (c) is not applicable.
- (ii) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories and no material discrepancy was noticed on physical verification of inventory by the management as compared to book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the clause iii (a) (b) & (C) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments and guarantees to any directors and director having interest in other organization, so provisions of Section 185 and 186 of the Companies Act, 2013 is not applicable to company.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public. Hence the provisions of this clause are not applicable.
- (vi) The Company is not a manufacturing company hence the provisions of Section 148 of the Companies Act, 2013 for the maintenance of cost records are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities all undisputed statutory dues for the FY 2017-18. There are no undisputed amounts payable in respect of any statutory dues as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they become payable.



- (b) There are no disputed dues on the Company as on the end of the year.
- (c) The Company is not a listed company with SEBI hence the relevant provisions of Companies Act, 1956 so there is no requirement to transfer any amount to investor education and protection fund set-up under Section 205C of the Companies Act, 1956.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any Bank or financial institutions during the year however there is delay in repayment of installment.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised money through term loans were applied for the purposes for which those are raised.
- (x) In our opinion and according to the information and explanations given to us there is no any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company so the provision of this clause is not applicable to company.
- (xiii) All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 has been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) During the year the Company has not made any preferential allotment/ Private placement of shares or fully or partly convertible debenture during the year.
- (xv) In our opinion and according to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him so provisions of Section 192 of Companies Act, 2013 have been complied with.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Shambhu Gupta & Co.**

*Chartered Accountants*

Firm's registration number: 007234C

*Rajkumar*

**Rajkumar Khatod**  
**Partner**  
**M.No: 133612**



Place :- Mumbai

Date :- 21<sup>st</sup> May, 2018

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

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

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of



Management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

**For Shambhu Gupta & Co.**

*Chartered Accountants*

Firm's registration number: 007234C

*Rajkumar*

**Rajkumar Khatod**  
**Partner**  
**M.No: 133612**



Place :- Mumbai

Date :- 21<sup>st</sup> May, 2018

<b>STAR SHOPPING CENTRES PRIVATE LIMITED</b>			
<b>CIN NO :- U51101DL2008PTC184935</b>			
<b>BALANCE SHEET AS AT 31 March, 2018</b>			
(All amounts in Lacs)			
Particulars	Notes	31 March 2018	31 March 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	18.98	22.08
Capital Work-in-progress			-
Other Intangible assets	4	0.44	0.66
<b>Financial Assets</b>			
(i) Loans	5(a)	-	-
(ii) Other Financial Assets	5(b)	2.84	2.54
Deferred tax assets (net)	19	81.77	121.53
Other non-current assets	6	2.52	5.28
<b>Total Non- Current Assets</b>		<b>106.54</b>	<b>152.09</b>
<b>Current assets</b>			
Inventories	7	-	0.35
<b>Financial Assets</b>			
(i) Trade receivables	5(c)	212.21	242.89
(ii) Loans	5(a)	-	-
(iii) Cash and cash equivalents	5(d)	200.04	169.07
(iv) Other Financial Assets	5(b)	1.18	2.18
Current Tax Assets (Net)			
Other current assets	6	254.94	147.23
<b>Total Current Assets</b>		<b>668.36</b>	<b>561.72</b>
<b>Total Assets</b>		<b>774.91</b>	<b>713.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	8(a)	2.50	2.50
<b>Other Equity</b>			
Reserves and Surplus	8(b)	112.12	11.76
Other reserves	8(b)		
<b>Total Equity</b>		<b>114.62</b>	<b>14.26</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	9(a)	-	-
(ii) Other financial liabilities	9(c)	44.35	21.05
Provisions	11	16.62	19.02
Deferred tax liabilities (Net)		-	-
Other non-current liabilities	10	7.56	2.59
<b>Total Non-Current Liabilities</b>		<b>68.52</b>	<b>42.66</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	9(a)	-	-
(ii) Trade payables	9(b)	288.15	402.31
(iii) Other financial liabilities	9(c)	94.87	74.99
Provisions	11	0.55	0.45
Income Tax Liabilities (Net)		65.47	36.93
Other current liabilities	10	142.71	142.21
<b>Total Current Liabilities</b>		<b>591.76</b>	<b>656.89</b>
<b>Total Liabilities</b>		<b>660.29</b>	<b>699.55</b>
<b>Total Equity and Liabilities</b>		<b>774.91</b>	<b>713.81</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For Shambhu Gupta & Co.**

**Chartered Accountants**

**Firm Reg No :- 007234C**

Rajkumar Khatod

**Partner**

**Membership No: 133612**

**Place : Mumbai**

**Date : 21-05-2018**

**For and on behalf of the Board**

PRAMOD ARORA VIJAI SINGH DUGAR

**Director Director**

02559344 06463399

Sanjeev Manchanda

**Chief Finance Officer**

**STAR SHOPPING CENTRES PRIVATE LIMITED**  
**CIN NO :- U51101DL2008PTC184935**  
**STATEMENT OF PROFIT AND LOSS**

(All amounts in Lacs)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue From Operations	12	2,523.90	2,421.98
Other Income	13	8.20	9.70
<b>Total Income</b>		<b>2,532.10</b>	<b>2,431.68</b>
<b>Expenses</b>			
Cost of Material Consumed	14	39.07	39.82
Employee Benefits Expense	15	324.09	305.45
Depreciation and Amortization Expense	16	6.28	4.96
Other Expenses	17	2,016.98	2,028.09
Finance costs	18	5.67	4.83
<b>Total Expenses</b>		<b>2,392.09</b>	<b>2,383.16</b>
<b>Profit/(Loss) before Exceptional Items and Tax</b>		<b>140.01</b>	<b>48.52</b>
Exceptional Items			-
<b>Profit/(Loss) before Tax</b>		140.01	48.52
<b>Income Tax Expense:</b>	19		
-Current Tax		28.55	9.25
-Earlier year Tax		-	0.52
-Deferred Tax		(39.77)	(15.41)
-MAT Credit Entitlement		(28.55)	(9.76)
<b>Total tax expense</b>		39.77	15.41
<b>Profit (Loss) for the year</b>		100.24	33.11
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(0.12)	(0.51)
Income tax relating to the above		0.04	0.16
<b>Other Comprehensive Income for the year, net of tax</b>		(0.09)	(0.35)
<b>Total Comprehensive Income for the year</b>		100.33	33.46
<b>Earnings per equity share for profit from continuing operation attributable to owners of the company</b>			
Basic earnings per share	28	400.97	132.44
Diluted earnings per share	28	400.97	132.44

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For Shambhu Gupta & Co.**

**Chartered Accountants**

**Firm Reg No :- 007234C**

Rajkumar Khatod

**Partner**

**Membership No: 133612**

**Place : Mumbai**

**Date : 21-05-2018**

**For and on behalf of the Board**

PRAMOD ARORA

**Director**

02559344

VIJAI SINGH DUGAR

**Director**

06463399

Sanjeev Manchanda  
**Chief Finance Officer**

**STAR SHOPPING CENTRES PRIVATE LIMITED**

**CIN NO :- U51101DL2008PTC184935**

**Cash Flow Statement**

(All amounts in Lacs)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
<b>A Cash Flow from operating activities</b>			
<b>Profit before income tax including discontinued operations</b>		<b>140.13</b>	<b>49.04</b>
Adjustments for			
<b>Add:</b>			
Depreciation and amortisation expenses	16	6.28	4.96
Loss on assets sold or discarded		-	-
Bad debts and irrecoverable balances written off		-	-
<b>Less:</b>			
Interest received	13	1.61	5.17
Provisions no longer required		-	-
Provision for doubtful debt written back		-	-
Surplus on sale of fixed assets		-	-
<b>Operating Profit before Working Capital Changes</b>		<b>144.80</b>	<b>48.82</b>
<b>Change in operating assets and liabilities</b>			
(Increase)/decrease in trade receivables	5(c)	30.69	168.72
(Increase)/decrease in Non Current other financial assets	5(b)	(0.30)	(0.30)
(Increase)/decrease in Current other financial assets	5(b)	1.00	(1.52)
(Increase)/decrease in other non-current assets	6	2.76	3.37
(Increase)/decrease in other current assets	6	(107.71)	29.13
(Increase)/decrease in inventories	7	0.35	(0.35)
Increase/(decrease) in trade payables	9(b)	(114.16)	(12.45)
Increase/(decrease) in other Non Current financial liabilities	9(c)	23.30	(3.28)
Increase/(decrease) in other Current financial liabilities	9(c)	19.89	7.96
Increase/(decrease) in Non Current provisions	11	(2.40)	3.49
Increase/(decrease) in Current provisions	11	0.10	0.08
Increase/(decrease) in other non-current liabilities	10	4.96	(169.23)
Increase/(decrease) in other current liabilities	10	0.50	(37.34)
<b>Cash generated from operations</b>			
Income taxes paid	19	28.55	9.76
<b>Net cash inflow from operating activities</b>		<b>32.32</b>	<b>46.87</b>
<b>B Cash flow from investing activities:</b>			
Purchase of property, plant and equipment/ intangible assets	3 & 4	(2.96)	(9.17)
Capital advances		-	-
Sale proceeds of property, plant and equipment		-	-
Long term deposits		-	-
Short term deposits		-	-
Interest received	13	1.61	5.17
<b>Net cash outflow from investing activities</b>		<b>(1.35)</b>	<b>(4.00)</b>

<b>C Cash flow from financing activities</b>			
Repayment of long term borrowings		-	-
Repayment of short term borrowings		-	-
Interest paid		-	-
Investment in equity shares of a subsidiary		-	-
<b>Net cash inflow (outflow) from financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		30.97	42.87
Add: Cash and cash equivalents at the beginning of the financial year	5(d)	169.07	126.19
<b>Cash and cash equivalents at the end of the year</b>	<b>5(d)</b>	<b>200.04</b>	<b>169.07</b>
Non Cash Financing and investing activities - Acquisition of property, plant and equipment by means of finance lease-			
<b>Reconciliation of Cash Flow statements as per the cash flow statement</b>		<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Cash Flow statement as per above comprises of the following</b>			
Cash and cash equivalents		200.04	169.07
Bank overdrafts		-	-
<b>Balances as per statement of cash flows</b>		<b>200.04</b>	<b>169.07</b>
<p>The accompanying notes form an integral part of the financial statements. As per our report of even date attached</p> <p><b>For Shambhu Gupta &amp; Co.</b> <b>Chartered Accountants</b> <b>Firm Reg No :- 007234C</b></p> <p>Rajkumar Khatod <b>Partner</b> <b>Membership No: 133612</b> <b>Place : Mumbai</b> <b>Date : 21-05-2018</b></p> <p style="text-align: right;"><b>For and on behalf of the Board</b></p> <p style="text-align: right;">PRAMOD ARORA      VIJAI SINGH DUGAR <b>Director</b>                      <b>Director</b> 02559344                      06463399</p> <p style="text-align: right;">Sanjeev Manchanda <b>Chief Finance Officer</b></p>			

Notes to financial statements for the year ended March 31, 2018.

## 1. BACKGROUND

Star Shopping Centres Private Limited (referred as “the Private Limited Company”) incorporate under the provision of Companies Act, 1956 and validly exiting under Companies Act 2013 with the objective to carry on the business of planning, development & management of shopping centers / malls which involves a range of specialized skill & services, like conceptualization, strategy and control of master planning, retail planning, zoning, tenant and trade mix, strategic marketing & leasing, budgeting/ financial forecasting, business plan formulation, operations and management of the project opening, collections and occupier relationship management. The Company is a subsidiary company of Future Market Networks Limited (Holding) with 60% Share Holding.

The contracts / assignment entered / to be entered by the Company broadly called as Advisory Services, Project Management / Mall operating contract – Pure Revenue Sharing Arrangement, Project Management – Commitment Fee coupled with Revenue Sharing Arrangement, Sub-leasing.

## 2. SIGNIFICANT ACCOUNTING POLICIES:

### (a) BASIS OF PREPARATION OF FINANCIAL STATEMENT

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

Accounting Policies have been consistently applied except where a new issued Accounting Standard is initially adopted or a revision to an existing Accounting Standards required a change in the accounting policy with here to in use.

#### (ii) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- defined benefit plans-plan assets are measured at fair value; and
- certain financial assets and liabilities and contingent consideration that is measured at fair value.

### **(iii) Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statement and reported amount of revenues and expenses during the period.

### **(iv) Functional and Presentation Currency**

The financial statements are prepared in Indian Rupees, which is the Company's functional currency.

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

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment

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

Depreciation and Amortisation methods, estimated useful lives and residual value  
Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which are equal to those specified in part C of Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets residual values has useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

### **(c) Investment Properties**

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

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset at the Company.

### **(d) Impairment of Assets**

All assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The Recoverable amount is higher of an asset's Fair Value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

### **(e) Intangible Assets**

Intangible assets are recognized, when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. An intangible asset shall be measured initially at cost. Intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses. Intangible does not include any software which is integral part of the related hardware.

The Company should assess whether the useful life of an intangible asset is finite or indefinite. A useful life is indefinite, when based on all relevant factor analysis, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. An intangible asset with a finite useful life is amortised and those with an indefinite useful life are not amortised.

The amortisation period and the amortisation method for intangible assets are reviewed at financial year end.

#### **(f) Provisions, Contingent Liabilities and Contingent Assets**

Provision is made when there is a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there should be made a reliable estimate of an obligation.

Contingent Liabilities are disclosed if a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognized but are disclosed in the notes. If the possibility of an outflow of resources is remote, disclosure is not required.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are neither recognized nor disclosed in the Financial Statements. However, when the realization of income is virtually certain, then the related asset is recognized. A contingent asset is disclosed, when an inflow of economic benefits is probable.

#### **(g) Cash Flow Statement**

Cash flow are reported using the indirect method, whereby net profits before tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities are segregated.

#### **(h) Current versus Non- Current Classification**

The Company presents assets and liabilities in statements of financial position based on current/non-current classification. The Company classifies an asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purposes of trading
  - Expected to be realized within twelve months after the reporting period or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

The company classifies a liability as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purposes of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

**(i) Borrowing Cost**

It should capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit and losses in the period in which they are incurred.

**(j) Revenue**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

**Sale of Services**

Revenue from Services derived is recognized in the accounting period in which the service rendered, for Fixed-price Contracts, revenue is recognized based on actual service provided to the end of the reporting period as a proportion of the total service to be provided (Percentage of Completion method).

Estimate of Revenues, cost or extent of progress toward completion are revised if circumstances changes. Any resulting increase or decrease in estimated revenues or costs are reflected in the profit or loss in the period in which circumstances that gives rise to the revision become known by management

**(k) Interest Income**

Interest income is recognised in the statement of profit and loss, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the entity estimates the expected cash flows by considering all the contractual terms of the financial instrument.

**(l) Other Income**

Other income is recognized on an accrual basis, when there is certainty of collection.

**(m) Employment Benefits****(i) Short Term Employee Benefits**

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

## **(ii) Post-Employment Benefits**

### **Defined Benefit Plan**

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

## **(n) Tax**

The tax expense for the period comprises current and deferred income tax.

### **(i) Normal Income Tax Assets and Liabilities**

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted by the balance sheet date. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

### **(ii) Deferred Income Tax Asset and Liabilities**

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Accounting for the deferred tax effects of a transaction or other event is consistent with the accounting for the transaction or event itself.

Deferred tax shall be recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

A transaction or event which is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Deferred income tax assets is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference and tax losses can be utilized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**(o) Trade and Other Payables**

Trade and other payables such as security deposits are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within twelvemonths or less. If not, they are presented as non-current liabilities. These financial instruments are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(p) Trade and Other Receivables**

Trade and other receivables such as security deposits are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(q) Expense Recognition**

Expenses are accrued for on accrual basis and provisions are made for all known losses and liabilities.

All direct costs attributable to a project are charged to that project as follows:

Payroll expenditure is proportionately allocated to various projects based on the man hours spent by the staff on that particular project.

Traveling, Printing, Professional fees, brokerage, maintenance charges etc. are allocated to a project on actual basis.

All indirect costs are treated as period cost and are charged to the profit & loss account in the year in which they are incurred

**(r) Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss attributable to the ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted earning per equity share is calculated by dividing the net profit attributable to the ordinary equity holders of the company by the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any.

**(s) Investments**

Long term (Non-current) investments are stated at the cost of acquisition. However, provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

Current investments are stated at the lower of cost or fair market value.

## **(x) Financial Assets**

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

## STAR SHOPPING CENTRES PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR, unless otherwise stated)

#### Note 3 : Property, Plant & Equipment

(All amounts in Lacs)

Particulars	Computer hardware	Furniture & Fittings	Leasehold Improvement	Electrical Equipments	Office Equipments	Total
<b>Year ended 31 March 2017</b>						
<b>Gross carrying amount</b>						
Balance as at 1st April, 2016	12.73	8.86	21.16	0.53	5.63	<b>48.91</b>
Additions	2.09	5.34	-	-	1.03	<b>8.46</b>
Deductions and adjustments	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>14.82</b>	<b>14.20</b>	<b>21.16</b>	<b>0.53</b>	<b>6.65</b>	<b>57.38</b>
<b>Accumulated depreciation and impairment</b>						
Opening accumulated depreciation	10.21	4.16	14.60	0.08	1.33	<b>30.38</b>
Depreciation charge during the year	0.96	0.90	2.06	0.05	0.94	<b>4.92</b>
Impairment loss	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Closing accumulated depreciation and impairment</b>	<b>11.16</b>	<b>5.07</b>	<b>16.67</b>	<b>0.13</b>	<b>2.27</b>	<b>35.30</b>
Net carrying amount	3.66	9.14	4.50	0.40	4.38	<b>22.08</b>

<b>Year ended 31 March 2018</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount	14.82	14.20	21.16	0.53	6.65	<b>57.38</b>
Additions	1.12	-	-	0.55	1.29	<b>2.96</b>
Deductions and adjustments	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>15.94</b>	<b>14.20</b>	<b>21.16</b>	<b>1.09</b>	<b>7.94</b>	<b>60.34</b>
<b>Accumulated depreciation and impairment</b>						
Opening accumulated depreciation	11.16	5.07	16.67	0.13	2.27	<b>35.30</b>
Depreciation charge during the year	1.58	1.19	2.06	0.07	1.16	<b>6.06</b>
Impairment loss	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Closing accumulated depreciation and impairment</b>	<b>12.74</b>	<b>6.26</b>	<b>18.73</b>	<b>0.20</b>	<b>3.43</b>	<b>41.35</b>
Net carrying amount	3.20	7.95	2.44	0.89	4.51	<b>18.98</b>

**Note 4: Intangible Assets**

<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Year ended 31 March 2017</b>		
<b>Gross carrying amount</b>		
Balance as at 1st April, 2016	-	-
Additions	0.71	0.71
Deductions	-	-
<b>Closing gross carrying amount</b>	<b>0.71</b>	<b>0.71</b>
<b>Accumulated amortisation and impairment</b>		
Opening accumulated amortisation	-	-
Amortisation charge for the year	0.05	0.05
Impairment charge		-
<b>Closing accumulated amortisation and impairment</b>	<b>0.05</b>	<b>0.05</b>
Closing net carrying amount	0.66	0.66

<b>Year ended 31 March 2018</b>		
<b>Gross carrying amount</b>		
Balance as at 1st April, 2017	0.71	0.71
Additions	-	-
Deductions	-	-
<b>Closing gross carrying amount</b>	<b>0.71</b>	<b>0.71</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at 1st April, 2017	0.05	0.05
Amortisation charge for the year	0.22	0.22
Impairment charge		-
<b>Closing accumulated amortisation and impairment</b>	<b>0.27</b>	<b>0.27</b>
Closing net carrying amount	0.44	0.44

**STAR SHOPPING CENTRES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts in INR, unless otherwise stated)

**Note 5: Financial assets**

**5(a) Loans**

(All amounts in Lacs)

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Security and other deposits	-	-	-	-
<b>Total loans</b>			-	-

**Note 5(b) Other financial assets**

	31 March 2018		31 March 2017	
	Current	Non-Current*	Current	Non-Current*
Interest accrued on deposits	-	-	-	-
Security deposits Paid	1.18	2.84	2.18	2.54
Other Receivables	-	-	-	-
Advances recoverable in cash	-	-	-	-
Bank deposits with more than 12 months maturity	-	-	-	-
<b>Total other financial assets</b>	<b>1.18</b>	<b>2.84</b>	<b>2.18</b>	<b>2.54</b>

\* on amortised cost

**Note 5(c) Trade receivables**

	31 March 2018	31 March 2017
Trade receivables	181.85	242.89
Receivables from related parties	30.36	-
Less: Allowance for doubtful debts	-	-
<b>Total receivables</b>	<b>212.21</b>	<b>242.89</b>

**Breakup of securities details**

	31 March 2018	31 March 2017
Secured, considered good	-	-
Unsecured, considered good	212.21	242.89
Doubtful		
<b>Total</b>	<b>212.21</b>	<b>242.89</b>
Less: Allowance for doubtful debts		
<b>Total trade receivables</b>	<b>212.21</b>	<b>242.89</b>

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

	31 March 2018	31 March 2017
Balances with banks		
- in current accounts	199.04	168.46
- deposits with original maturity of 3 months or less	-	-
Cash on hand	1.00	0.61
<b>Total cash and cash equivalents</b>	<b>200.04</b>	<b>169.07</b>

**Note 6: Other assets**

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Other Assets	3.08	-	3.08	2.46
Prepaid Rent	0.30	2.52	0.30	2.82
Advances to suppliers	3.40	-	6.75	-
Balances with statutory authorities				
-TDS Receivable on services	112.28	-	89.05	-
Other receivables	62.69	-	0.04	-
Employee advances	0.75	-	-	-
MAT Credit Entitlement FY 15-16	27.68	-	27.68	-
MAT Credit Entitlement FY 16-17	9.25	-	9.25	-
MAT Credit Entitlement FY 17-18	28.55	-	-	-
Prepaid expenses	6.97	-	11.08	-
<b>Total other assets</b>	<b>254.94</b>	<b>2.52</b>	<b>147.23</b>	<b>5.28</b>

**Note 7: Inventories**

	31 March 2018	31 March 2017
Closing Stock	-	0.35
<b>Total</b>	-	0.35

**STAR SHOPPING CENTRES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts in INR, unless otherwise stated)

**Note 8: Equity share capital and other equity**

**8(a) Equity share capital**

Authorised equity share capital

(All amounts in Lacs)

PARTICULARS	Number of shares	Amount
As at 31 March 2017	40,000	4.00
As at 31 March 2018	40,000	4.00

**Issued ,Subscribed & Paid up Capital**

PARTICULARS	Number of shares	Amount
As at 31 March 2017	25,000	2.50
As at 31 March 2018	25,000	2.50

**(i) Movements in equity share capital**

PARTICULARS	31 March 2018		31 March 2017	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
Opening Balance	25,000	2.50	25,000	2.50
Changes during the year	-	-	-	-
Closing Balance	25,000	2.50	25,000	2.50

**(ii) Details of shareholders holding more than 5% shares in the company**

Particulars	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Future Market Networks Ltd	15,000	60.00	15,000	60.00
Mr. Pranay Sinha	5,000	20.00	5,000	20.00
Ms. Shilpa Malik	5,000	20.00	5,000	20.00

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. 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 of the Company, the shareholders will be eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**In the period of five years immediately preceeding March 31, 2018**

- Nil number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash.
- Nil number and class of shares allotted as fully paid up by way of bonus shares; and
- Nil number and class of shares bought back.

**8(b) Reserve and surplus**

	31 March 2018	31 March 2017
Securities premium reserve	298.50	298.50
Retained earnings	(186.38)	(286.74)
<b>Total reserves and surplus</b>	<b>112.12</b>	<b>11.76</b>

**(i) Securities premium reserve**

	31 March 2018	31 March 2017
Opening balance	298.50	298.50
Proceeds received	-	-
<b>Closing Balance</b>	<b>298.50</b>	<b>298.50</b>

**(ii) Retained earnings**

	31 March 2018	31 March 2017
Opening balance	(286.74)	(320.21)
Add: profit for the year	100.24	33.11
<i>Items of other comprehensive income recognised directly in retained earnings:</i>		
Remeasurements of post-employment benefit obligation, net of tax	(0.12)	(0.35)
<b>Closing Balance</b>	<b>(186.38)</b>	<b>(286.74)</b>

**Note 9: Financial liabilities**

**9(a) Borrowings**

Non-current borrowings	Maturity date	Effective Interest Rate	31 March 2018	31 March 2017
<b>Secured</b>				
From Banks			-	-
From financial institutions			-	-
<b>Total non-current borrowings</b>			-	-
<b>Current borrowings</b>				
<b>Secured</b>				
From Banks			-	-
Buyers credit			-	-
<b>Total current borrowings</b>			-	-
Less: Interest accrued (included in note 9(c))			-	-
<b>Total Current borrowings</b>			-	-

**9(b) Trade payables**

	31 March 2018	31 March 2017
Trade payables*	116.25	160.51
Payable to related party	171.91	241.80
<b>Total trade payables</b>	<b>288.15</b>	<b>402.31</b>

\*-There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

- No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.

- The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED.

**9(c) Other financial liabilities**

	31 March 2018		31 March 2017	
	Current	Non-current *	Current	Non-current *
Security Deposit Received	94.87	44.35	74.99	21.05
Interest accrued but not due			-	-
<b>Total other current financial liabilities</b>	<b>94.87</b>	<b>44.35</b>	<b>74.99</b>	<b>21.05</b>

\* on amortised cost

**Note 10: Other liabilities**

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Statutory dues	19.57	-	4.29	-
Prepaid rent received	6.07	7.56	3.91	2.59
Expenses payable	104.25	-	106.32	-
Payable to Employee	2.36	-	1.14	-
Advance from Customers	10.46	-	26.55	-
<b>Total other liabilities</b>	<b>142.71</b>	<b>7.56</b>	<b>142.21</b>	<b>2.59</b>

**Note 11: Provisions**

**Employee benefit obligations**

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Gratuity	0.55	16.62	0.45	19.02
<b>Total employee benefit obligations</b>	<b>0.55</b>	<b>16.62</b>	<b>0.45</b>	<b>19.02</b>

**Post employment benefit obligations**

**Gratuity**

**Changes in Present Value of Obligations:**

Particulars	As at	As at
	31-Mar-18	31-Mar-17
Present value of the obligation at the beginning of the period	19.47	15.91
Interest cost	1.51	1.19
Current service cost	3.27	3.53
Benefits paid (if any)	(6.96)	(0.64)
Actuarial (gain)/loss	(0.12)	(0.51)
Present value of the obligation at the end of the period	17.17	19.47

**liabilities**

Particulars	As at	As at
	31-Mar-18	31-Mar-17
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	-	-
Experience Adjustment (gain)/ loss for Plan liabilities	(0.12)	(0.51)
Total amount recognized in other comprehensive Income	(0.12)	(0.51)

**Amount for the year ended March 31, 2018 and March 31, 2017 recognised in the Statement of Profit and Loss under current period.**

Particulars	As at	As at
	31-Mar-18	31-Mar-17
Current service cost	3.27	3.53
Interest cost	1.51	1.19
Expected return on plan asset	-	-
Expenses to be recognized in the statement of profit and loss accounts	4.78	4.72

**Amount for the year ended March 31, 2018 and March 31, 2017 recognised in the Statement of other comprehensive income/Expenses under the current period:**

Particulars	As at	As at
	31-Mar-18	31-Mar-17
Actuarial (gain)/loss - obligation	(0.12)	(0.51)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(0.12)	(0.51)

**Experience adjustment:**

Particulars	As at	As at
	31-Mar-18	31-Mar-17
Experience Adjustment (Gain) / loss for Plan liabilities	(0.12)	(0.51)
Experience Adjustment Gain / (loss) for Plan assets	-	-

**Summary of membership data at the date of valuation and statistics based thereon:**

Particulars	As at	As at
	31-Mar-18	31-Mar-17
Number of employees	21.00	19.00
Total monthly salary	8.50	9.42
Average Past Service(Years)	2.70	3.30
Average remaining working lives of employees(Years)	22.00	21.00
Average Age(Years)	38.00	39.00
Weighted average duration (based on discounted cash flows) in years	12.00	16.00
Average monthly salary	0.40	0.50

**The assumptions employed for the calculations are tabulated:**

Discount rate	7.50 % per annum	7.50 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate (Per Annum)	5.00% p.a. (16 to 30 Years)	2.00% p.a.
Withdrawal rate (Per Annum)	3.00% p.a. (30 to 44 Years)	
Withdrawal rate (Per Annum)	2.00% p.a. (44 to 60 Years)	

**Benefits valued:**

	60 Years	60 Years
Normal Retirement Age		
Salary	Terminal Basic Salary (Excluding all other Allowances and Perquisites)	Terminal Basic Salary (Excluding all other Allowances and Perquisites)
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Number of completed Years of Service	15/26 * Salary * Number of completed Years of Service
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	20.00	10.00

**Expected contribution during the next annual reporting period**

The Company's best estimate of Contribution during the next year	3.89	4.34
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**Maturity profile of defined benefit obligation**

Weighted average duration (based on)	12.00	16.00
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**Estimate of expected benefit payments (In absolute terms i.e. undiscounted)**

01 Apr 2018 to 31 Mar 2019	0.54
01 Apr 2019 to 31 Mar 2020	7.10
01 Apr 2020 to 31 Mar 2021	0.42
01 Apr 2021 to 31 Mar 2022	0.43
01 Apr 2021 to 31 Mar 2023	0.46
01 Apr 2023 Onwards	13.46

**Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:**

Period	As on: 31 March 2018	As on: 31 March 2017
Defined Benefit Obligation (Base)	17.16 @ Salary Increase Rate : 5%, and discount rate :7.75%	19.47 @ Salary Increase Rate : 5%, and discount rate :7.5%
Liability with x% increase in Discount Rate [% Change]	15.84; x=1.00% [Change (8)% ]	17.48 [ (10)% ], x=1.00%
Liability with x% decrease in Discount Rate [% Change]	18.71; x=1.00% [Change 9% ]	21.85 [ 12% ], x=1.00%
Liability with x% increase in Salary Growth Rate [% Change]	18.74; x=1.00% [Change 9% ]	21.89 [ 12% ], x=1.00%
Liability with x% decrease in Salary Growth Rate [% Change]	15.80; x=1.00% [Change (8)% ]	17.42 [ (11)% ], x=1.00%
Liability with x% increase in Withdrawal Rate [% Change]	17.45; x=1.00% [Change 2% ]	19.96 [ 3% ], x=1.00%
Liability with x% decrease in Withdrawal Rate [% Change]	16.83; x=1.00% [Change (2)% ]	18.89 [ (3)% ], x=1.00%

**STAR SHOPPING CENTRES PRIVATE LIMITED**

**Statement of changes in equity**

(All amounts in INR, unless otherwise stated)

**(A) Equity share capital**

	Notes	Amount
<b>As at 1 April 2016</b>	8(a)	2.50
Changes in equity share capital		-
<b>As at 31 March 2017</b>		2.50
Changes in equity share capital		-
<b>As at 31 March 2018</b>		2.50

**(B) Other equity**

	Notes	Reserves and Surplus		Other Reserves
		Securities premium reserve	Retained earnings	Remeasurement of Post-Employment Benefit
<b>Balance as at 1st April 2016</b>		298.50	(320.75)	0.54
Profit for the period		-	33.11	-
Other Comprehensive Income		-	-	0.35
<b>Total comprehensive income for the years</b>		298.50	(287.64)	0.90
<b>Balance as at 31 March 2017</b>		298.50	(287.64)	0.90
<b>Balance as at 1st April 2017</b>		298.50	(287.64)	0.90
Profit for the period		-	100.24	-
Other Comprehensive Income		-	-	0.12
<b>Total comprehensive income for the years</b>		298.50	(187.40)	1.02
<b>Balance as at 31 March 2018</b>		298.50	(187.40)	1.02

**STAR SHOPPING CENTRES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts in INR, unless otherwise stated)

**Note 12: Revenue from operations**

(All amounts in Lacs)

Particulars	31 March 2018	31 March 2017
Professional receipts	35.00	55.00
Income from Mall Operations	2,434.97	2,319.36
Sale from Food Court	53.93	47.62
<b>Revenue from operations</b>	<b>2,523.90</b>	<b>2,421.98</b>

**Note 13: Other income**

Particulars	31 March 2018	31 March 2017
Interest Received on Income Tax Refund	1.61	5.17
Miscellaneous Income	6.59	4.52
<b>Total other income</b>	<b>8.20</b>	<b>9.70</b>

**Note 14: Cost of Material Consumed**

Particulars	31 March 2018	31 March 2017
Purchase for Food Court	38.72	40.17
Change in Inventory	0.35	(0.35)
<b>Total</b>	<b>39.07</b>	<b>39.82</b>

**Note 15: Employee benefit expense**

Particulars	31 March 2018	31 March 2017
Salaries, Wages & Bonus	246.23	266.17
Directors' Remuneration	60.00	28.80
Staff Welfare	3.05	0.14
Gratuity	4.78	4.72
Insurance staff	10.03	5.62
<b>Total</b>	<b>324.09</b>	<b>305.45</b>

**Note 16: Depreciation and amortisation expense**

	31 March 2018	31 March 2017
Depreciation on Property, plant and equipment	6.06	4.92
Amortisation of Intangible Assets	0.22	0.05
<b>Depreciation and amortisation expense</b>	<b>6.28</b>	<b>4.96</b>

**Note 17: Other expenses**

Particulars	31 March 2018	31 March 2017
Amortization of Project Cost	2.46	8.20
Auditors Remuneration	2.00	1.50
Books and Periodicals	0.12	0.10
Business Promotion	54.64	47.27
CAM Charges	5.90	5.23
Commission & Brokerage	-	4.05
Communication Exps.	4.59	6.43
Computer Maintenance	1.64	1.36
Conference & Business Meetings	1.47	1.26
Consultancy Charges	39.21	0.42
Conveyance Expenses	3.75	5.34
Donation	1.20	1.36
Director Seating Fee	0.45	0.30
Housekeeping Expenses	0.79	1.44
Income Tax Demand Paid	-	0.08
Insurance Expenses	0.10	0.12
Interest on TDS, Service Tax, etc	14.57	1.00
Internal Audit Fees	-	1.50
Legal & Professional Charges	84.62	203.84
Mall Management Expenses	1,740.84	1,628.07
Subscription Charges	0.80	0.42
Miscellaneous Expenses	2.56	2.61
Office Expenses/ Supplies	2.78	4.73
Luxury Tax (Hotel & Restaurant )	0.78	1.51
Professional Tax	0.03	-
Postage & Corier	1.55	1.35
Power & fuel	0.63	2.11
Printing & Stationery	2.96	5.81
Rental charges	33.46	33.23
Repair & Maintenance	0.46	2.45
Sundry balance Written off	(12.15)	23.55
Swachha Bharat Tax	1.01	3.65
Travelling /Accommodation Expenses	23.75	27.81
	<b>2,016.98</b>	<b>2,028.09</b>

**17(a) Details of payments to auditors**

	31 March 2018	31 March 2017
<b>Auditors Remuneration</b>		
a) Audit fees	1.50	1.00
b) Tax Audit Fees	0.50	0.50
b) Other Services	0.17	-
c) Reimbursement of Expenses	0.20	-
<b>Total</b>	<b>2.37</b>	<b>1.50</b>

**17(b) Corporate social responsibility expenditure**

Since the company has not made profits, the company is therefore not required to incur corporate social responsibility activities in compliance with Section 135 of Companies Act, 2013.

**Note 18: Finance costs**

	31 March 2018	31 March 2017
Interest	5.37	4.48
Bank charges	0.30	0.34
<b>Total</b>	<b>5.67</b>	<b>4.83</b>

**Note 19: Current and deferred tax****19(a) Statement of profit and loss:**

	31 March 2018	31 March 2017
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	28.55	9.25
Adjustments for Earlier year tax		0.52
Total current tax (expense)/Saving	<b>28.55</b>	<b>9.76</b>
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	40.41	15.82
(Decrease) increase in deferred tax liabilities	(0.65)	(0.41)
Total deferred tax expense/(benefit)	<b>39.77</b>	<b>15.41</b>
<b>Income tax expense</b>	<b>68.31</b>	<b>25.18</b>

**19(b) Deferred tax has been recorded for recognised in other comprehensive income during the years**

Rs. 15,824/- (previous year Rs. 24,319/).

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

	31 March 2018	31 March 2017
<b>Profit before Income Taxes</b>	140.01	48.52
<b>Statutory income tax rate (MAT)</b>	20.39	19.06
<i>Differences due to:</i>		
Brought forward Loss or Unabsorbed Dep Whichever is Lower	-	-
Provision for Gratuity	-	-
Income exempt from income tax	-	-
Income tax incentives	-	-
Total Tax	28.55	9.25
<b>Effective income tax rate</b>	<b>20.39%</b>	<b>19.06%</b>

**19(d) Tax losses**

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

	31 March 2018	31 March 2017
Unused tax losses for which no deferred tax asset has been recognised	248.26	389.07
As on 31 March 2017, the Group has net operating losses and carry forwards that shall expire as follows:		
<b>Net operating losses</b>		
2021	59.11	193.14
2022	35.52	35.52
2023	125.96	125.96
<b>Unabsorbed depreciation</b>		
Indefinitely	27.67	34.46

**19(e) Deferred tax liabilities (net)**

	31 March 2018	31 March 2017
Property, plant and equipment	0.45	1.10
Gratuity	5.50	6.22
<b>Total deferred tax liabilities</b>	<b>5.95</b>	<b>7.31</b>
Unabsorbed Depreciation	8.55	10.65
<b>Total deferred tax assets/(Liabilities)</b>	<b>2.60</b>	<b>3.34</b>

Note: Deferred tax assets on unabsorbed depreciation has been restricted to the extent of deferred tax liability.

**19(f) Movement in deferred tax liabilities/assets**

	Carry forward losses	Gratuity	Unabsorbed depreciation	Property plant and equipment	Total
<b>At 1 April 2016</b>	<b>123.05</b>	<b>4.91</b>	<b>10.65</b>	<b>(1.51)</b>	<b>137.11</b>
(Charged)/credited:					
- to profit or loss	(17.28)	1.46	-	0.41	(15.41)
- to other comprehensive income	-	(0.16)	-	-	(0.16)
- Deferred tax on basis adjustment	-	-	-	-	-
<b>At 31 March 2017</b>	<b>105.77</b>	<b>6.22</b>	<b>10.65</b>	<b>(1.10)</b>	<b>121.53</b>
(Charged)/credited:					
- to profit or loss	(37.61)	1.48	(2.10)	0.65	(37.58)
- to other comprehensive income	-	(0.04)	-	-	(0.04)
- Deferred tax on basis adjustment	-	(2.15)	-	-	(2.15)
<b>At 31 March 2018</b>	<b>68.16</b>	<b>5.50</b>	<b>8.55</b>	<b>(0.45)</b>	<b>81.77</b>

**19(g) Current tax liabilities**

	31 March 2018	31 March 2017
Opening balance	-	-
Add: Current tax payable for the year	28.55	9.25
Add: Earlier year tax payable	-	0.52
Less: Taxes paid (TDS Received on Service)	28.55	9.76
<b>Closing balance</b>	<b>-</b>	<b>-</b>

## STAR SHOPPING CENTRES PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR, unless otherwise stated)

#### Note 20: Fair value measurements

##### Fair value of financial assets and liabilities measured at amortised cost

	31 March 2018	31 March 2017
<b>Financial assets</b>		
Loans		-
Other Financial Assets	2.84	2.54
<b>Total financial assets</b>	<b>2.84</b>	<b>2.54</b>
<b>Financial Liabilities</b>		
Other Financial Liabilities	44.35	21.05
<b>Total financial liabilities</b>	<b>44.35</b>	<b>21.05</b>

The carrying amounts of trade receivables, trade payables, capital payables and cash and cash equivalents are considered to be the same as their fair values.

Security deposits were calculated based on cash flows discounted using a lending/deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

## STAR SHOPPING CENTRES PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR, unless otherwise stated)

#### **Note 21: Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprise trade and other receivables, and cash that arrive directly from its operations.

The company is exposed commodity price risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

#### **Commodity Price Risk**

The Company is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase of stock & supplies and therefore require a continuous supply of the same.

The Company manages this risk by purchasing stock and supplies from the supplier identified by the management and the Company has long term relation with the supplier.

#### **Credit Risk**

The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

#### **Trade Receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

#### **Cash Deposits**

Credit risk from balances with banks are managed by maintaining the balances with highly reputed commercial banks only.

#### **Liquidity Risk**

The Company monitors its risk to a shortage of funds on a regular basis through cash forecast.

#### **Note 22: Capital Management**

For the purposes of the Company's capital management, capital includes issued capital, security premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

#### **Note 23: Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by Ind AS- 108, "Operating segment".

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 Ind AS 108 "Operating Segments". The operations of the Company are within the geographical territory of India which is considered as a single geographical segment.

The chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

## STAR SHOPPING CENTRES PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR, unless otherwise stated)

#### Note 24: Related party transactions

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

#### (a) Name of related parties and related parties relationship

Related Parties	Nature of relationship	
	31 March 2018	31 March 2017
Future Market Networks Limited	Holding Company	Holding Company
Aashirwad Malls Private Limited		
Suhani Mall Management Company Private Limited		
Future Trade Markets Private Limited		
Niyman Mall Management Private Company Limited	Fellow Subsidiary	Fellow Subsidiary
F R Retail Destination Private Limited		
Sun City Properties Private Limited		
Ojas Mall Management Private Limited		
Utility Developers Private Limited		
Future Retail Destination Limited		
Riddhi Siddhi Mall Management Private Limited		
River Bank Developers Private Limited		
Acute Realty Private Limited	Associate Of Holding Company	Associate Of Holding Company
Precision Realty Developers Private Limited		
Unique Malls Private Limited		
Nishita Mall Management Company Private Limited		
Euphoria Design & Decors OPC Private Limited	Director's relative	Director's relative

Key Management Personnel	
Sunil Biyani	
Shilpa Malik	
Pranay Sinha	
Sanjeev Manchanda	

**(b) Key management personnel compensation**

Name	31 March 2018	31 March 2017
Short-term employee benefits	169.75	241.20
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
<b>Total</b>	<b>169.75</b>	<b>241.20</b>

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

Nature of Transaction	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Holding Company	Other Related Concerns	Holding Company	Other Related Concerns
Professional fee received	-	35.00	-	45.00
Reimbursement of expenses	-	-	-	-
Fixed assets acquired	-	-	-	5.19
Amount paid on Behalf of FMNL	2.76	-	-	-
Advance Repay	75.00	-	-	-
Amount Received on Behalf of FMNL	7.86	-	-	-
<b>Closing Outstanding at the end of the year</b>				
Salary Payable (Pranay Sinha )	-	-	-	-
Salary Payable(Shilpa Malik)	-	-	-	-
Advance payable	171.91	-	241.80	-
Amount receivable		30.36		

## STAR SHOPPING CENTRES PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR, unless otherwise stated)

#### Note 25: Contingent liabilities and contingent assets

##### (a) Contingent liabilities

The group had contingent liabilities at 31 March 2018 in respect of:

(i) Claims against the group not acknowledged as debts

	31 March 2018	31 March 2017
a) Bank Guarantees given on behalf of the Company for various parties	-	-

(ii) The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

	31 March 2018	31 March 2017
Service tax	-	-
<i>(Note : The Company has reversed the credit of Rs.Nil and paid Rs. Nil under protest against the demand)</i>		

#### Note 26: Commitments

##### Capital commitments

Capital expenditure has not contracted for at the end of the reporting period and not recognised as liabilities is Rs. Nil (31 March 2017: Rs. Nil)

#### Note 27: Event occurring after the reporting period

There is no any event occurring after the reporting period for adjustment and disclosure purpose.

#### Note 28: Earnings per share

	31 March 2018	31 March 2017
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the company	100,24,152	33,11,073
Total basic earnings per share attributable to the equity holders of the company	400.97	132.44

##### (b) Weighted average number of shares used as the denominator

	31 March 2018 No. of shares	31 March 2017 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	25,000	25,000

#### Note: 29: Minimum Alternate Tax (MAT)

The company has during the year, provided the current year tax liability of Rs. 21.42/- (previous year Rs. 9.24/-) calculated in accordance with the provisions of the Income Tax Act, 1961. The MAT Credit entitlement in respect of MAT liability for the current and earlier year has been assessed/ re-assessed as at march 31, 2018 and is disclosed under 'other current assets'.

**Note: 30:** The balances of payables and receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process of obtaining the respective confirmations in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

**Note: 31: Mergers & Acquisitions**

The Board of Directors ("the Board") of the Company at its meeting held on February 19, 2018, approved the Scheme of Merger by absorption of Star Shopping Centres Private Limited ("Transferor Company"), by Future Market Networks Limited ("Transferee Company") and their respective members and creditors pursuant to Sections 230 to 232, other relevant provisions of the Companies Act, 2013.

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The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For Shambhu Gupta & Co.**  
**Chartered Accountants**  
**Firm Reg No :- 007234C**

Rajkumar Khatod  
**Partner**  
**Membership No: 133612**

**Place : Mumbai**  
**Date : 21-05-2018**

**For and on behalf of the Board**

PRAMOD ARORA  
**Director**  
02559344

VIJAI SINGH DUGAR  
**Director**  
06463399

Sanjeev Manchanda  
**Chief Finance Officer**

Annexure XIII (a)

**IN THE NATURE OF ABRIDGED PROSPECTUS – MEMORANDUM CONTAINING SALIENT FEATURES OF THE SCHEME OF MERGER BY WAY OF ABSORPTION OF STAR SHOPPING CENTRES PRIVATE LIMITED BY FUTURE MARKET NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS (UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER) (HEREINAFTER REFERRED TO AS THE "SCHEME")**

This is an abridged prospectus prepared to comply with the requirement of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. You are also encouraged to read the greater details available in the Scheme.

**THIS ABRIDGED PROSPECTUS CONSISTS OF 9 (NINE) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This document is prepared to comply with the requirement of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time and in accordance with disclosures in Abridged Prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable. Future Market Networks Limited, (hereinafter referred to as the "Issuing Company" or the "Transferee Company" or "FMNL") is already listed on the BSE Limited and the National Stock Exchange of India Limited (hereinafter collectively referred to as "the Stock Exchanges"). Pursuant to the Scheme, there is no issue of equity shares to the public at large, except to the existing shareholders of Star Shopping Centres Private Limited (hereinafter referred to as the "Transferor Company" or "Star") from whom FMNL is acquiring 40% of the fully paid up equity share capital. The equity shares so issued would be listed on the Stock Exchanges under Regulation 19 of Securities Contracts (Regulation) Rules, 1957. Therefore, the requirements with respect to GID (General Information Document) is not applicable and this abridged prospectus be read accordingly.

You may also download this Abridged Prospectus along with the Scheme as approved by the Board / Committee of Directors of the Transferor Company and Transferee Company, the Audit Committee of the Transferee Company vide their resolution dated January 30, 2018 and January 30, 2018, respectively, and copy of the Swap Ratio Report issued by Deloitte Haskins & Sells dated January 30, 2018 and Fairness Report issued by Swastika Investment Limited dated January 30, 2018 from the websites of the BSE Limited ("BSE") and National Stock Exchange Of India Limited ("NSE") where the equity shares issued pursuant to the Scheme are proposed to be listed i.e [www.bseindia.com](http://www.bseindia.com); and [www.nseindia.com](http://www.nseindia.com) respectively. A copy of the Abridged Prospectus shall be submitted to Securities and Exchange Board of India ("SEBI").

#### STAR SHOPPING CENTRES PRIVATE LIMITED

**Registered and Corporate Office:** Knowledge House, Shyam Nagar, Off: Jogeshwari – Vikhroli Link Road, Jogeshwari (East) Mumbai – 400 060, Maharashtra, India | **Contact Person:** Mr. Pramod Arora, Director | Knowledge House, Shyam Nagar, Off: Jogeshwari – Vikhroli Link Road, Jogeshwari (East) Mumbai – 400 060, Maharashtra, India | **Telephone –** 022 6199 5237 | **Fax:** 022 6199 5054 | **Email:** [info.fmn1@futuregroup.in](mailto:info.fmn1@futuregroup.in) | **website:** [www.starcentres.com](http://www.starcentres.com) | **CIN:** U51101DL2008PTC184935

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OFFER DETAILS, LISTING AND PROCEDURE

STAR SHOPPING CENTRES PRIVATE LIMITED (HEREINAFTER REFERRED TO AS "STAR" OR THE "TRANSFEROR" COMPANY) IS THE SUBSIDIARY OF FUTURE MARKET NETWORKS LIMITED HEREINAFTER REFERRED TO AS "FMNL". FMNL HOLDS 60% OF THE PAID UP SHARE CAPITAL OF STAR.

IT IS PROPOSED TO MERGE STAR WITH FMNL BY WAY OF ABSORPTION PURSUANT TO THE SCHEME, AS A RESULT OF WHICH THE SHAREHOLDERS HOLDING 40% OF THE PAID UP SHARE CAPITAL OF STAR WILL BE ALLOTTED SHARES OF FMNL AS CONSIDERATION.

The details with respect to the meeting of the shareholders (including Postal Ballot and e-voting) of the Issuing Company as convened in accordance with Sections 230 to 232 of the Companies Act, 2013, and e-Voting required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 where the Scheme would be placed before the shareholders will be published in two newspapers as may be directed by the Hon'ble National Company Law Tribunal ("NCLT"), Bench at Mumbai.

DETAILS ABOUT THE BASIS FOR THE SWAP OF SHARES IN ACCORDANCE WITH THE SCHEME AND THE SHARE SWAP RATIO REPORT AND FAIRNESS OPINION WILL BE AVAILABLE ON THE WEBSITES OF THE ISSUING COMPANY, BSE AND NSE.

PROCEDURE

The procedure with respect to Public Issue / Offer would not be applicable as this issue is only to the shareholders of the Transferor Company, pursuant to the Scheme of merger by way of absorption of Star by FMNL. Hence, the procedure with respect to GID may be applicable only to the limited extent as specifically provided.

ELIGIBILITY

- In compliance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time and in accordance with Abridged Prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable.
- The equity shares sought to be listed are proposed to be allotted by the listed issuer to the holders of securities of an unlisted entity pursuant to a Scheme of merger by way of absorption of Star by FMNL to be sanctioned by NCLT under Section 230 – 232 of the Companies Act, 2013;
- The percentage of shareholding, of pre-scheme public shareholders, of the listed entity and the public shareholders and Qualified Institutional Buyers (QIBs) of the unlisted entity, in the post scheme shareholding pattern of the "Merged" company on a fully diluted basis shall not be less than 25%.



- The Transferee Company will not issue / reissue any shares, not covered under the Draft Scheme of merger by way of absorption of Star by FMNL.
- As on date of application, there are no outstanding warrants / instruments / agreements which give right to any person to take the equity shares in the Transferee Company at any future date. If there are such instruments stipulated in the Scheme, the percentage referred above shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumptions that the options outstanding, if any, to subscribe for additional capital will be exercised; and
- The shares of the Transferee Company issued in lieu of the locked-in shares of the Transferor Company will be subject to lock-in for the remaining period, if any.

#### INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty. However, in general, it may take 5 to 6 months after the shareholders meeting.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the equity of the Issuing Company unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors mentioned in this Abridged Prospectus carefully before taking an investment decision. For taking an investment decision, investors may rely on their own examination of the Issuing Company and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), not does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or Abridged Prospectus. Specific attention of the investors is invited to the section "Risk Factors" at page 7 of this Abridged Prospectus.

#### Price information of Lead Manager

Issue Name	Name of Merchant Banker	+ / - % change in closing price, [+ / - % change in closing benchmark]		
		30 <sup>th</sup> Calendar day from listing	90 <sup>th</sup> Calendar day from listing	180 <sup>th</sup> Calendar day from listing
Not Applicable.				
Since the proposed issue is not to public shareholders but to the shareholders of the Transferor Company pursuant to Scheme of merger by way of absorption of Transferor Company by Transferee Company.				

Lead Manager: Not Applicable	Statutory Auditor: <b>Shambhu Gupta &amp; Co., Chartered Accountant</b> Address: 512-513, Manish Chamber, Opp. Karan Palace, Sonawala Road, Goregaon East, Mumbai - 400053
Syndicate Members: Not Applicable Credit Rating Agencies: Not Applicable Debenture Trustee : Not Applicable Self-Certified Syndicated Banks: Not Applicable	Registrar: Not Applicable Non-Syndicate Registered Brokers : Not Applicable Collection Bankers : Not Applicable



## PROMOTERS OF STAR

**Pranay Sinha**, aged 46, is a Promoter & Executive Director of Star. He is a resident Indian National. He is a qualified professional architects with outstanding proven track record in setting up and managing successful shopping centers in India. He has been a Director of Star since its incorporation.

**Shilpa Malik**, aged 40, is a Promoter & Executive Director of Star. She is a resident Indian National. She is a qualified professional architects with outstanding proven track record in setting up and managing successful shopping centers in India. She has been a Director of Star since its incorporation.

**Name of the top 5 (five) largest Listed Group Companies:** None

## BUSINESS OVERVIEW / STRENGTH AND STRATEGY

Star Shopping Centres Private Limited ("Star") is a Private Limited company incorporated under the provisions of Companies Act, 1956 in the year 2008. Mr. Pranay Sinha and Ms. Shilpa Malik were the initial subscribers to the Memorandum and Articles of Association. Currently, the authorized share capital of Star is Rs. 4,00,000/- (rupees four lakhs only) divided in 40,000 equity shares of Rs. 10/- each.

Star is presently engaged in the business of planning, development and management of shopping centres /malls. Star provides a range of specialized skills and services like conceptualization, strategy and control of master planning, retail planning, tenant & trade mix, operations and management of the project opening etc.

### Our Strategies and Competitive Strengths

- a) Strong track record and financial stability
- b) Qualified and Experienced Promoters
- c) No Debt and sustainable Balance Sheet situation.
- a) Flexible and Scalable business model
- b) Low capital requirements

## BOARD OF DIRECTORS

S.No	Name and DIN of Director	Designation	Experience including current / past position held in other firms.
1)	Mr. Pranay Sinha DIN: 02296078	Director	Mr. Pranay Sinha is a qualified Architect by profession and he was part of the team that created Select City Walk, Delhi one of the most successful shopping centres in the Country. He was associated with JLL at senior management position prior to setting up of Star.



2)	Ms. Shilpa Malik DIN: 02165912	Director	Ms. Shilpa Malik is a qualified Architect by profession and she was part of the team that created Select City Walk, Delhi one of the most successful shopping centres in the Country. She was associated with JLL at senior management position prior to setting up of Star.
3)	Mr. Sunil Biyani DIN: 00006583	Nominee Director of FMNL	Mr. Sunil Biyani is the Managing Director of Future Market Networks Limited, a part of Future Group. He is a Commerce Graduate with Masters in Business Administration and is instrumental in setting up various formats in the Group. He has extensive experience in textiles, retail sectors, Building and Construction, Property related transaction and project management. He leads the real estate, mall management teams of various group companies within the Future Group.
4)	Mr. Pramod Arora DIN: 02559344	Nominee Director of FMNL	Mr. Pramod Arora is the CEO and Whole Time Director of Future Market Networks Limited. He was associated for over a decade with PVR Limited and handled key designations. He was the Managing Director and Chief Executive Officer of F&B Asia Ventures (India) Private Limited.
5)	Mr. Vijai Singh Chandan Mal Dugar DIN: 06463399	Independent Director	Mr. Vijay Singh Dugar, who is a qualified Chartered Accountant and was associated with Indian Oil Corporation Limited for more than 33 years in various capacities including Finance Head of IOBL, a Subsidiary of Indian Oil Corporation Limited and has vast professional expertise spreading a span of more than three decades in corporate finance, Internal Audit, strategic business planning and investment advisory.

Details of means of finance – Not Applicable

#### OBJECTS

**To amalgamate with a listed company.**

The object is to merge Star into FMNL, by way of absorption, as a result of which, FMNL shall have the full control in the business carried on by star and business will be reflected directly in the Books of FMNL.

The rationale for the Scheme is mentioned below:

- Rationalizing the group structure to ensure optimized legal entity structure more aligned with the business;
- Reorganizing the legal entity in the group structure so as to obtain significant cost savings and/or simplification benefits;



- Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by FMNL and Star.
- Rationalizing costs by elimination of administrative functions and multiple record-keeping.
- Result in business synergies besides economies in cost by combining all the functions, related activities and operations and benefits in the form of managerial and technical expertise;

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issues, if any, of the Company in the preceding 10 years: Not Applicable.

Name of monitoring agency, if any: As the equity shares are issued pursuant to Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and the size of such issue being less than Rs.5,000 million, the appointment of a monitoring agency is not required. Accordingly, no monitoring agency has been appointed in respect of the Offer.

Terms of Issuance of Convertible Security, if any – Not Applicable

Shareholding Pattern of the Transferor Company as on the date of the Scheme is as follows:

S.No	Name of the Member	Pre-Offer No. of equity Shares	% holding of Pre-Offer	Post –Offer No. of Equity Shares	% holding of Post-Offer
1.	Future Market Networks Limited	15,000	60.00	Nil	Nil
2.	Mr. Pranay Sinha	5,000	20.00	Nil	Nil
3.	Ms. Shilpa Malik	5,000	20.00	Nil	Nil
	<b>Total</b>	<b>25,000</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>

Shareholding Pattern of the Transferee Company as on December 31, 2017 and the indicative Post Scheme Shareholding is as under:

S.No	Particulars	(Pre-Scheme) Pre-Offer No. of equity shares)	% holding of Pre-Offer	(Post-Scheme) Post-Offer No. of equity shares)	% holding of Post-Offer
<b>(A)</b>	<b>Promoter &amp; Promoter Group</b>				
1.	Ashni Kishore Biyani	141	0.00	141	0.00
2.	Anil Biyani	50	0.00	50	0.00
3.	Gopikishan Biyani	50	0.00	50	0.00
4.	Kishore Biyani	50	0.00	50	0.00
5.	Laxminarayan Biyani	50	0.00	50	0.00
6.	Rakesh Biyani	50	0.00	50	0.00
7.	Sunil Biyani	50	0.00	50	0.00
8.	Vijay Biyani	50	0.00	50	0.00
9.	Vivek Biyani	50	0.00	50	0.00
10.	Aaradhak Commercial Ventures Pvt. Ltd.	53,526	0.10	53,526	0.09



11.	Suhani Trading & Investment Consultants Private Limited	4,11,29,343	73.06	4,11,29,343	71.47
	<b>Total Promoter Shareholding</b>	<b>4,11,83,410</b>	<b>73.16</b>	<b>4,11,83,410</b>	<b>71.57</b>
(B)	<b>Non-Promoter Shareholding</b>				
	Public Shareholding	1,51,07,871	26.84	1,63,60,971	28.43
	<b>Total (A+B)</b>	<b>5,62,91,281</b>	<b>100.00</b>	<b>5,75,44,381</b>	<b>100.00</b>

#### RESTATED AUDITED FINANCIALS

(In Rs. Lakhs unless stated otherwise)

Standalone	Six Months ended September 30, 2017 (Unaudited)	FY – 2017 (as per IND AS)	FY – 2016 (as per IND AS)	FY – 2015 (as per GAAP)	FY – 2014 (as per GAAP)	FY – 2013 (as per GAAP)
Revenue from operations (net)	1857.96	8250.06	8077.99	7205.83	7709.29	10953.22
Net Profit / (Loss) before tax and extra - ordinary items.	152.36	-2353.29	-3102.02	-5329.56	-6582.98	-5175.91
Net Profit / (Loss) after tax and extra-ordinary items.	121.94	-2406.09	3595.24	-5329.56	-6582.98	-3499.10
Equity Share Capital	5629.13	5629.13	5617.12	5585.44*	5585.44	5585.44
Reserves and Surplus		13601.42	14296.72	10662.40*	19221.44	25782.52
Net Worth		19230.55	19913.84	16247.84*	24806.88	31367.96
Basic Earnings Per Share (In Rs.)	0.22	-4.28	6.43	-9.54	-11.79	-6.26
Diluted Earnings Per Share (In Rs.)	0.22	-4.28	6.43	-9.54	-11.79	-6.26
Return on Net Worth (%)		-12.51	18.05	-34.65	-26.54	-11.15
Net Asset Value Per Share (In Rs.)		0.34	0.35	0.29	0.44	0.56

\* Figures as per IND AS

#### RISK FACTORS

The risks described below and any additional risks and uncertainties not presently known to the Company or that are currently deemed immaterial could adversely affect the Company's business, financial condition or results of operations.

**i. Weak economic conditions may have an adverse impact on the Company.**

The volatility in economic conditions has resulted in an industry-wide softening of demand for property due to a lack of consumer confidence and decreased affordability which has adversely affected the real estate industry and may adversely affect the Company and its business, financial condition and results of operations. Additionally, economic and market conditions can adversely affect the performance of the Company since the revenue generated from mall management is linked to the consumption abilities of the general public and disposable income available with them.



**ii. The Company may be involved in disputes with tenants which could adversely affect the Company's business, financial condition and results of operations.**

The Company may be involved in disputes with tenants of malls and other commercial properties that it operates. Any such dispute could result in litigation between the Company and such tenants. Whether or not any dispute actually proceeds to litigation, the Company may be required to devote significant management time and attention to its resolution (through litigation, settlement or otherwise), which may affect the management's ability to focus on the Company's business. Any such resolution could involve the payment of damages or expenses by the Company which may be significant or settlement on terms that may not be favourable to the Company. Any of the foregoing events could have an adverse impact on the Company's business, financial condition and results of operations.

**iii. The Company is potentially liable for any uninsured loss which may result due to injuries to visitors at retail, commercial and office premises managed by the Company.**

There exists a risk of accidents involving visitors in premises managed by the Company. In such instances, the Company's inability to put in place adequate public liability insurance cover may have an adverse impact on the Company's business, reputation, financial condition and results of operations.

**iv. External events beyond the control of the Company may have a negative impact on the income**

A decrease in consumer demand, retailer tenancy demand or the demand for offices could make it difficult for the Company to renew contracts for mall management, at rates equal to or above historical rates or then prevailing market rates. Any occurrence of the foregoing events could have an adverse impact on the Company and its business, reputation, financial condition and/or operating results.

**v. The Company faces inherent risks relating to mall and project management activities and the occurrence of any or all could have an adverse impact on the Company's business, financial conditions and results of operations.**

Revenue earned from the mall and project management activities of the Company and the operating expenses of the Company are subject to a number of inherent general risks, which include, among others:

- a) increases in business rates of various service providers;
- b) increases in payroll expenses and energy costs;
- c) a competitive rental market, which may affect rental levels or occupancy levels at the shopping malls and other commercial retail spaces;
- d) the amount of mall management fees being less favourable than existing rates;
- e) the periodic need to renovate, repair and the cost thereof;
- f) the Company's ability to collect service charge payments from tenants on a timely basis or at all;
- g) the Company's ability to manage increases in the cost of services provided by third party providers and/or increases in the cost of maintaining commercial properties, if any, including, but not limited to, unforeseen capital expenditure;



- h) the shopping malls and other commercial spaces which the Company is managing either as mall management or project management are not being perceived as convenient or safe;
- i) changes in laws and governmental regulations in relation to real estate, commercial markets, taxes and government charges (including those relating to health, safety and environmental compliance). Such changes may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to particular properties may also be restricted by legislative action, such as revisions to existing laws or the enactment of new laws; and
- j) the Company's ability to obtain adequate maintenance services on commercial terms or at all.
- k) the Company's ability to obtain adequate insurance at acceptable premium rates or at all

To the extent that these factors generate an increase in operating and other expenses that is not matched by an increase in revenues or are not recoverable from tenants of shopping malls or other commercial spaces operated by the Company, these factors may have an adverse impact on the Company's business, financial condition and results of operations.

#### **SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION IN RESPECT OF TRANSFEROR COMPANY/STAR**

- A. Total number of outstanding litigations against the company and amount involved: NIL
- B. Brief details of top 5 material outstanding litigations against the company and amount involved: Nil
- C. Regulatory Action, if any – disciplinary action taken by SEBI or Stock Exchanges against the Promoters / Group Companies in last 5 financial years including outstanding action, if any: None
- D. Brief details of outstanding criminal proceedings against Promoter: Nil

#### **DECLARATION BY THE COMPANY**

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Abridged Prospectus in contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in the Abridged Prospectus are true and correct.



The Board of Directors  
Star Shopping Centre Private Limited  
CIN: U51101DL2008PTC184935  
505, DLF Place Saket South Delhi,  
New Delhi-110017

**Sub: Certificate on adequacy and accuracy of disclosure of information in the Abridged prospectus in compliance with SEBI Circular CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup>, March, 2017 in relation to proposed Scheme of Merger between Future Market Network Limited ("FMNL") and star Shopping Center Private Limited ("SSCPL") (hereinafter collectively referred to as the "Companies").**

Dear Sir/Madam,

This has reference to our engagement letter dated January, 22<sup>nd</sup>, 2018 with Swastika Investmart Limited (hereinafter referred to as "SIL"), wherein Future Market Network Limited ("FMNL") and star Shopping Center Private Limited ("SSCPL") (hereinafter collectively referred to as the "Companies") has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information provided in its Abridge Prospectus pursuant to the proposed scheme of Merger between Companies under Section 230-232 and other applicable provisions of the Companies Act, 2013.

**Regulatory Requirement**

SEBI vide its Circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup>, March, 2017 ("SEBI Circular") prescribed requirements to be followed by the listed entities when they propose the scheme of Merger. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into Scheme of Merger with an unlisted Company, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for the Abridged Prospectus as provided in Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009.

**Disclaimer and Limitation:**

- This Certificate is a specific purpose certificate issued in terms of and in compliance with SEBI Circular and hence it should not be used for any other purpose or transaction.
- This Certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to the unlisted entity, and is not an opinion on the Scheme of Merger or its success.
- This Certificate is issued on the basis of examination of information and documents provided by Companies and information which is available in the public domain and wherever required, the appropriate representation from Companies has also been obtained.



**Swastika Investmart Limited**

Group : Member of NSE, BSE, MSEI, NCDEX, MCX & ICEX, DP : CDSL & NSDL

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Corp. Off.: 48, Jaora Compound, M.Y.H. Road., Indore-452 001. Ph. : 0731-8644000, 3345000 Fax : 6644300  
Regd. Off. : 305, Madhuban Building, Cochin Street, Fort, Mumbai -400 001. Ph. : 022-22655565, 22654113-14  
Email : info@swastika.co.in. Web : www.swastika.co.in  
CIN : L 65910 MH 1992 PLC 067052

- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.
- Our Opinion is not, nor should it be constructed as our opining or certifying the compliance of the proposed Scheme of Merger with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

**Certification:**

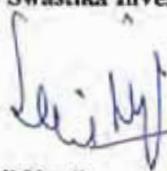
We state and confirm as follow:

- We have examined various documents and other materials in connection with the finalization of draft disclosure of information pertaining to Companies (referred to as "Abridged Prospectus") which will be circulated to the members of Companies at the time of seeking their consent of the proposed Scheme of Merger between Companies as a part of explanatory statement to the notice.
- On the basis of such examination and the discussion with the management of Companies, its director, others officer and on independent verification of content of Abridged Prospectus and other paper furnished to us, WE CONFIRM that:
  - The information contained in the Abridge Prospectus is in conformity with the relevant documents, materials and other papers related to Companies.
  - The Abridge prospectus contains applicable information pertaining to Companies as required in terms of SEBI Circular which, in our view fair, adequate to enable the members to make a well informed decision onn the proposed Scheme of Merger.

Thanking You

Yours faithfully

For Swastika Investmart Limited

  
**Sunil Nyati**  
Managing Director  
DIN:-00015963



Date: 30<sup>th</sup>, January, 2018

## Future Market Networks Limited

**CIN: L45400MH2008PLC179914**

**Registered Office:** Knowledge House, Opp Shyam Nagar, Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060, Maharashtra, India  
**Tel. No.:** 022 – 6199 5237 • **Fax No.:** 022 – 6199 5054  
**Email Id:** info.fmnl@futuregroup.in • **Website:** www.fmn.co.in

### BEFORE THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH COMPANY SCHEME APPLICATION No. 237 of 2018

In the matter of Companies Act, 2013;

And

In the matter of the Scheme of Merger by Absorption of Star Shopping Centres Private Limited (referred to as the '**Transferor Company**') by Future Market Networks Limited (referred to as the '**Transferee Company**') and their respective shareholders

And

In the matter of Sections 230 to Section 232 read with Section 52 and Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

**Future Market Networks Limited**, a listed company )  
incorporated under the provisions of the Companies Act, 1956 )  
having CIN L45400MH2008PLC179914 and its registered )  
office at Knowledge House, Opp Shyam Nagar, Jogeshwari )  
– Vikhroli Link Road, Jogeshwari East, Mumbai – 400060, )  
Maharashtra. )

.... APPLICANT COMPANY

### MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY FORM OF PROXY

[As per Form MGT -11 and Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
No. of Shares Held	
Folio No. / DP ID & Client ID*	
Joint Holder(s)	
E-mail Id	

\* Applicable in case shares are held in electronic form.

I/ We being the member(s) and holding \_\_\_\_\_ shares of the above named Applicant Company hereby appoint:

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

as my / our proxy, to act for me / us at the meeting of the Equity Shareholders of the Applicant Company to be held at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 on Wednesday, September 19, 2018 at 1.00 P.M. IST for the purpose of considering and, if thought fit, modifications(s), the arrangement embodied in the Scheme of Merger by Absorption of Star Shopping Centres Private Limited by Future Market Networks Limited and their respective shareholders (“the Scheme”) and at such meeting and at any adjournment or adjournments thereof, to vote, for me / us and in my / our name(s).

S. No.	Particulars	Optional	
1	Approval of Scheme of Merger by Absorption of Star Shopping Centres Private Limited (“Transferor Company” or “SSCPL”) by Future Market Networks Limited (“Transferee Company” or FMNL) and their respective shareholders.		

Signed this ..... day of ..... 2018.

Affix  
Revenue  
Stamp of  
Re.1.

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

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

**Note(s)**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The Form of Proxy must be deposited at the registered office of the Company at Knowledge House, Opp Shyam Nagar, Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai – 400060, Maharashtra not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/or holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
3. All alterations made in the Form of Proxy should be initialed.
4. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting, the proxy received later in time shall be accepted.
5. A person who is a minor cannot be appointed as proxy.
6. It is optional to put a ‘X’ in the appropriate column against the resolution indicated in the box. If you leave the ‘For’ or ‘Against’ column blank, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

## Future Market Networks Limited

CIN: L45400MH2008PLC179914

**Registered Office:** Knowledge House, Opp Shyam Nagar, Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060, Maharashtra, India

**Tel. No.:** 022 – 6199 5237 • **Fax No.:** 022 – 6199 5054

**Email Id:** info.fmnl@futuregroup.in • **Website:** www.fmn.co.in

### EQUITY SHAREHOLDERS WHICH INCLUDES PUBLIC SHAREHOLDERS

#### ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL**

#### MEETING OF THE EQUITY SHAREHOLDERS ON WEDNESDAY, SEPTEMBER 19, 2018 AT 1.00 P.M. IST

I / We record my / our presence at the meeting of the Equity Shareholders of Future Market Networks Limited, the Applicant Company, convened under the directions of National Company Law Tribunal, Mumbai Bench pursuant to the order dated August 3, 2018 passed in Company Scheme Application No. 237 of 2018, held at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 on Wednesday, September 19, 2018 at 1.00 P.M. IST

Registered Folio No. / Client ID & DP ID No. :

Name and address of the Shareholder :

Joint Holders, if any :

No. of shares :

Name of the Proxy, if any :

\_\_\_\_\_  
Signature of the Member / Joint Member(s) / Proxy

#### Notes:

1. The Shareholder, Proxy holder or the Authorized Representative attending this meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled and signed for admission to the meeting hall.
2. The Shareholder, Proxy holder or the Authorized Representative are requested to bring their copy of notice for reference at the meeting.
3. The authorized representative of a body corporate which is a shareholder of the Applicant Company must bring a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said meeting.

## Route Map to the venue of Tribunal Convened Meeting

