FUTURE MARKET NETWORKS
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Future Market Networks Limited

Annual Report 2015-16

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COMPANY INFORMATION

BOARD OF DIRECTORS

Vijai Singh Dugar	:	Chairman & Independent Director
Sunil Biyani	:	Managing Director
Udita Jhunjhunwala	:	Independent Director
K.A. Somayajulu	:	Independent Director
Rajesh Kalyani	:	Non-Executive Director
Chief Financial Officer	:	Pawan Agarwal
Company Secretary & Compliance Officer	:	Anil Cherian
Statutory Auditors	:	Viren Gandhi & Co.; Chartered Accountants

BANKERS

Kotak Mahindra Bank
Central Bank
Bank of India
Bank of Baroda

REGISTERED OFFICE

Knowledge House, Shyam Nagar,
Off. Jogeshwari - Vikhroli Link Road,
Jogeshwari (E) Mumbai – 400060
Telephone : 02266201456
Fax : 02266201465
E-mail : info.fmnl@futuregroup.in
Website : www.fmn.co.in
CIN: L45400MH2008PLC179914

REGISTRAR & SHARE TRANSFER AGENT

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

8th Annual General Meeting
on Tuesday, September 20, 2016 at 2.00p.m.
Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

Members are requested to bring their copy of the Annual Report to the meeting. Members are also requested to direct all correspondence relating to shares to the Company's Registrar and Transfer Agents, Link Intime India Private Limited, at the address above.

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the members of Future Market Networks Limited will be held at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 on Tuesday, 20th day of September 2016 at 2.00 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:

   a) the audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and

   b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.

2. To appoint a director in place of Mr. Rajesh Kalyani (DIN: 00220632), who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint Statutory Auditors and fix their remuneration and in this regard, consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation made by the Audit Committee of the Board, consent of the Company be and is hereby accorded for the appointment of M/s. Viren Gandhi & Co., Chartered Accountants, Mumbai, bearing ICAI Firm Registration No. 111558W, allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the statutory auditors of the Company for a period of 3 years from the conclusion of eighth annual general meeting till the conclusion of the eleventh annual general meeting, on such remuneration as may be decided by the Board of Directors of the Company from time to time."

Special Business:

4. Approval of Future Market Networks Limited Employee Stock Option Scheme - 2016 ("FMNL - ESOS 2016")

   To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a Special Resolution:

   "RESOLVED THAT, pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), ("the Act") the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), such other applicable laws / Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Company be and is hereby accorded respectively to the 'Future Market Networks Limited - Employee Stock Option Scheme 2016' (hereinafter referred to as the "FMNL - ESOS 2016"/ "the Scheme") and to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee already constituted by the Board under Section 178 of the Companies Act, 2013 nomenclature as the Nomination, Remuneration and Compensation Committee ("the Committee") to exercise its powers, including the powers, conferred by this Resolution) to create, offer and grant from time to time up to 16,85,151 (Sixteen Lakhs Eighty Five Thousand One Hundred and Fifty One) Options to the permanent employees, existing and future Directors including Whole-time directors but excluding the Independent Director of the Company and its existing and future subsidiary companies whether in or outside India as may be decided solely by the Board under the Scheme, exercisable into 16,85,151 (Sixteen Lakhs Eighty Five Thousand One Hundred Fifty One) Equity Shares of face value of ₹ 10/- each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the act, laws and the regulations issued by the relevant authorities.

   RESOLVED FURTHER THAT the Board (which includes Committee of Directors) be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of Options from time to time in accordance with FMNL - ESOS 2016 for the implementation of the Scheme as per applicable laws and regulations.

RESOLVED FURTHER THAT the number of Options that may be granted to any eligible employee and / or director of the Company, during any one year under the FMNL - ESOS 2016, shall not exceed 1% of the issued capital of the Company.

RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank paripassu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are split or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the Scheme shall automatically stand augmented or reduced in the same proportion as the present face value of ₹10/- per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc. as decided by the Committee from time to time in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under FMNL - ESOS 2016 on the Stock Exchanges where the Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (Shares Based Employee Benefits) Regulations, 2014 and any other applicable provisions of the act, laws and the regulations to the extent relevant and applicable to FMNL - ESOS 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate FMNL - ESOS 2016 subject to compliance with the applicable provisions of the Act, the Listing Regulations, SEBI (Share Based Employee Benefits) Regulations, 2014 and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of FMNL - ESOS 2016 and do all other things incidental to and ancillary thereof.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of FMNL - ESOS 2016 as also to make applications to the appropriate Authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Employee Stock Options or of the Scheme from time to time including but not limited to suspend, withdraw, terminate or revise the FMNL - ESOS 2016 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI (Share Based Employee Benefit) Regulations, 2014 and any other applicable laws."

5. Approval of Future Market Networks Limited - Employees Stock Option Scheme 2016 (FMNL - ESOS 2016) for Employees of the Subsidiaries and Associates of the Company:

   To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") such other applicable laws / Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee already constituted by the Board under Section 178 of the Companies Act, 2013 nomenclature as the Nomination, Remuneration and Compensation Committee ("the Committee") to exercise its powers, conferred by this resolution) to create, offer and grant from time to time up to 16,85,151 (Sixteen Lakhs Eighty Five Thousand One Hundred and Fifty One) Options to the permanent employees, existing and future directors, including the Whole-time Directors (but excluding the Independent Director) of the existing and future Subsidiary or Associate Company(ies) of the Company whether in or outside India under the Future Market Networks Limited – Employee Stock Option Scheme 2016' (hereinafter referred to as the "FMNL - ESOS 2016"/ "Scheme"), as may be decided solely by the Board under the Scheme, exercisable into 16,85,151 (Sixteen Lakhs Eighty Five Thousand One Hundred and Fifty One) Equity Shares of face value of ₹ 10/- each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the applicable provisions of the act, laws and regulations issued by the relevant authorities.

RESOLVED FURTHER THAT the Board (which includes Committee of Directors) be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the subsidiary/associate company/ies of the Company upon exercise of Options from time to time in accordance with FMNL - ESOS 2016 for the implementation of the Scheme as per applicable provisions of the act, laws and the regulations.

RESOLVED FURTHER THAT the number of Options that may be granted to any employee and director of the subsidiary/associate company/ies of the Company, during any one year under the FMNL - ESOS 2016 shall not exceed 1% of the Issued Capital of the Company.

RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank paripassu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are split or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the Scheme shall automatically stand augmented or reduced in the same proportion as the present face value of Re.10/- per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc. as decided by the Committee from time to time in accordance with the SEBI (Shares Based Employee Benefits) Regulations, 2014.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under FMNL - ESOS 2016 on the Stock Exchanges where the Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (Shares Based Employee Benefits) Regulations, 2014 and any other applicable laws and the Act to the extent relevant and applicable to FMNL - ESOS 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate FMNL - ESOS 2016 subject to compliance with the applicable Act, the SEBI (Shares Based Employee Benefits) Regulations, 2014 and the Listing Regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of FMNL - ESOS 2016 and do all other things incidental to and ancillary thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of FMNL - ESOS 2016 as also to make applications to the appropriate Authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Employee Stock Options or of the Scheme from time to time including but not limited to suspend, withdraw, terminate or revise the FMNL - ESOS 2016 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI (Share Based Employee Benefit) Regulations, 2014, the Listing Regulations and any other applicable laws."

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

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

Place : Mumbai
Date : August 12, 2016

By Order of the Board
For Future Market Networks Limited

Anil Cherian
Chief – Legal & Company Secretary

IMPORTANT NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the total share capital of the Company.

   The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has not yet declared dividend, however, in terms of section 125 (I) of the Companies Act, 2013, there are unclaimed sale proceeds of fractional shares arise out of issuance of shares consequent to the Demerger of the Company. This amount shall be due for transfer during the financial year 2017-2018.

   The members who have not yet claimed their entitlements are requested to make their claims directly to the Company or to Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West) Mumbai – 400078.

4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

6. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

7. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment, at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Director for his appointment/ reappointment.
8. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 8th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 8th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
10. Members may also note that the Notice of the 8th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2016 will also be available on the Company's website www.fmn.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai – 400060 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication; the shareholders may also send requests to the Company's email id: info.fmnl@futuregroup.in.
11. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information related to e-voting are given in this Notice under Note No. 25. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.
12. Any members proposes to seek any clarification on the accounts requested to send the queries to the Company at its registered office at least seven working days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
13. The Company has notified closure of the Register of Members and Share Transfer Books of the Company from Friday, September 16, 2016 to Tuesday, September 20, 2016 (both days inclusive).
14. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection of Members at the Annual General Meeting.
15. As per the provisions of the Companies Act, 2013, facility for making nomination is now available to shareholders in respect of shares held by them. Nomination forms can be obtained from the Company.
16. The Annual Reports will not be distributed at the Annual General Meeting. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting along with the Annual Report.
17. Corporate Members intending to send their authorized representatives, pursuant to Section 113 of the Companies Act, 2013 are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting so as to reach the Company on or before September 17, 2016.
18. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
19. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
20. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, expect Saturdays, during the business hours up to the date of the Meeting.
21. The Equity Shares of the Company are compulsorily traded in demat form and the share holders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.
22. Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agent viz. Link Intime India Private Limited C/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai 400 078 Maharashtra State.

23. Non-Resident Shareholders are requested to inform immediately Registrar and Share Transfer Agent , Link Intime India Private Limited:
    a) The change in the Residential status on return to India for permanent settlement.
    b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
24. Members who have not registered their e-mail address so far are requested to register their e-mail address so that they can receive the Annual Report and other communications form the Company electronically.
25. Voting through electronic means and poll:

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereof and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members with the facility for voting by electronic means provided by National Securities Depository Limited (NSDL) on all the resolutions set forth in this Notice.

The Company also will be providing voting facility through polling paper at the Meeting and members attending the Meeting who have not already cast their vote by remote e-voting may be able to exercise their voting right at the Meeting. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

The procedure and instructions for remote E-Voting facility are as follows:

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

i. Open email and open PDF file viz; "future market e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

ii. Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

iii. Click on Shareholder – Login

iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

vii. Select "EVEN" (Electronic Voting Event Number) of Future Market Networks Limited.

viii. Now you are ready for e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to alwyn.co@gmail.com with a copy marked to evoting@nsdl.co.in

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

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

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The remote e-voting period commences on Saturday, September 17, 2016 (9:00 am) and ends on Monday, September 19, 2016 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 13, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder by means of e-voting, shareholder shall not be allowed to change it subsequently.

V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 13, 2016.

Any person who acquires shares of the Company and becomes member of the Company after the dispatch of the Notice and holding shares as of the cut-off date, i.e. August 12, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or issuer.

However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting vote. If you forget your password, you can reset your password by using "Forget User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

A member may participate in the Annual General Meeting even after exercising his right to vote through remote voting but shall not be allowed to vote again at the AGM.

Mr. Alwyn D'souza, Practicing Company Secretary of M/s. Alwyn D'souza & Co, Company Secretaries, Mumbai, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner at the 8th Annual General Meeting of the Company.

The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the scrutinizer, by use of "Ballot Paper" for all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

VI. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make within a period of three (3) days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, of the Company.

The results declared along with the report of the scrutinizer shall be placed on the Company's website www.fmn.co.in and on the websites of Stock Exchanges and NSDL.

VII. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of voting results (i.e remote e-Voting and voting held at the AGM)

25. It may be noted that shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-Voting. In case of receipt of vote by both the modes, voting done through e-Voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

26. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

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

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

Place : Mumbai
Date : August 12, 2016

By Order of the Board
For Future Market Networks Limited

Anil Cherian
Chief – Legal & Company Secretary

Explanatory Statement

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

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. of the accompanying Notice:

Item No. 4 and 5

As per Regulation 6 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the key details of FMNL - ESOS 2016 ("the Scheme") are set out below:

1. Brief description of the Scheme

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. The Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary and/or Associate Company (ies) for their continuous hard work, dedication and support, which has led the Company and the Subsidiary and Associate Company (ies) on the growth path. The objective of the FMNL - ESOS 2016 is to provide an incentive to attract and retain the key employees by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Accordingly, the Board of Directors ("the Board") of the Company at its meeting held on August 12, 2016 approved FMNL - ESOS 2016 subject to the approval of the members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time and authorized the Nomination, Remuneration and Compensation Committee ("the Committee") constituted under Section 178 of the Companies Act, 2013 to formulate the detailed terms and conditions of the FMNL - ESOS 2016 and to administer and implement the FMNL - ESOS 2016 in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Listing Regulations.

Approval of the members is being sought for issue of Stock Option to the eligible employees and / or Directors of the Company and its subsidiary and / or associate company (in India or outside India).

The FMNL - ESOS 2016 is formulated in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The main features of the FMNL - ESOS 2016 which is as under:

2. Total number of Options to be granted:

A total of 16,85,151 (Sixteen Lakhs Eighty Five Thousand One Hundred Fifty One) Options exercisable into an aggregate of 16,85,151 (Sixteen Lakhs Eighty Five Thousand One Hundred and Fifty One) Equity Shares in the Company of face value of ₹ 10/- each fully paid-up, would be available for grant to the eligible employees of the Company and eligible employee of its Subsidiary and / or Associate Company(ies) aggregately under FMNL - ESOS 2016, in one or more tranches.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board or the Committee is authorized to regrant such lapsed / cancelled options as per the provisions of FMNL - ESOS 2016.

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

3. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

Following classes of employees are entitled to participate in the FMNL - ESOS 2016:

a. Permanent employees of the Company working in India or out of India;

b. A director of the Company, but excluding an independent director; or.

c. An employee as defined in clause (a) or (b) of a Subsidiary and / or Associate, in India or outside India.

Following persons are not eligible:

a. an Employee who is a Promoter or belongs to the Promoter Group; or

b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, and Independent Directors.

4. Terms of the Scheme:

a. The company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the employees. Provided that the Company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.

b. Subject to the proviso to sub-regulation (1), the Company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the employees.

c. The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

d. The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the Schemes were rendered unattractive due to fall in the price of the Equity Shares in the stock market.

Provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the employees and approval of the shareholders in general meeting has been obtained for such repricing.

5. Transferability of Employee Stock Options:

a. The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.

b. In the event of resignation or termination of the employee, all the options which are granted and yet not vested as on that day shall lapse.

c. In the event that an employee who has been granted benefits under the Scheme is transferred or deputed to an associate/subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

6. Requirements of vesting and period of vesting: Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising.

In case of	All Unvested Securities / Options	All Vested Securities / Options
Death*	Immediately vest – have to get exercised within 1 year from such vesting.	Have to get exercised within 12 months from such vest*
Permanent incapacitation	Immediately vest – have to get exercised within 1 year from such vesting.	Have to get exercised within 12 months from such vest
Retirement	Vesting continues during remaining term specified.	24 months to exercise
Voluntary Resignation	Forfeited / Lapse	3 months to exercise
Termination for cause as defined in the Scheme	Forfeited / Lapse	Forfeited / Lapse
Termination for without cause as defined in the Scheme	Forfeited / Lapse	3 months to exercise

* Option shall vest in and exercised by legal heirs of the deceased employee.

The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

7. Maximum period within which the Options shall be vested:

Options granted under FMNL - ESOS 2016 would vest within the period of 4 years from the date of grant of such Options as per the terms and conditions mentioned in the FMNL - ESOS 2016.

8. Exercise price or pricing formula:

The Exercise Price shall be the price not being less than the face value of an Equity Share as determined by the Committee.

9. Exercise period and the process of Exercise:

The vested Options shall be eligible for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 36 months from the date of vesting of such Options. The vested Option shall be exercisable by the Directors / Employees by a written application to the Company/ the Committee expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

10. Appraisal process for determining the eligibility of employees under FMNL - ESOS 2016:

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time.

The employees would be granted Options under the FMNL - ESOS 2016 based on various parameters such as work performance, period of service, rank, band or designation and such other parameters as may be decided by the Committee from time to time.

11. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted to any specific employee, in any financial year under the Scheme shall be less than 1% of the Issued Share Capital (excluding outstanding warrants and conversions) of the Company unless prior specific approval from members of the Company through a special resolution to this effect is not obtained. The maximum number of Options to be issued shall be in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 at all the time.

12. Implementation and administration of the Scheme

The FMNL –ESOS 2016 will be implemented and administered directly by the Company.

13. New Issue of shares or secondary market acquisition by the trust or both

The FMNL –ESOS 2016 involves only new issue of shares by the Company.

14. Listing of Equity Shares

Subject to the approval of the Stock Exchanges the relevant equity shares on exercise of the Options shall be listed on the Stock Exchanges on which the Equity Shares of the Company are listed.

15. Certificate from auditors:

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

16. Disclosure and Accounting Policies:

a. Any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

b. Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under these regulations then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

17. Method of Option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the company shall also be disclosed in the Directors' report.

As the FMNL - ESOS 2016 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

A copy of the scheme shall be kept for inspection by the members till the date of ensuing Annual General Meeting at the Registered Office during office hours.

18. Rights of the option holder.

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

19. Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercise period ends. The amount payable by the employee, if any, at the time of grant of option, - (a).may be forfeited by the company if the option is not exercised by the employee within the exercise period; or (b).may be refunded to the employee if the options are not vested due to non-fulfillment of conditions relating to vesting of option as per the FMNL - ESOS 2016.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 4 & 5, and the Board of Directors recommend passing of the resolutions as set out in item nos. 4 and 5 for the approval of members by of special resolutions except to the extent of their existing shareholding entitlements, if any, under the FMNL - ESOS 2016.

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

By Order of the Board
For Future Market Networks Limited

Anil Cherian
Chief: Legal & Company Secretary

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

Place : Mumbai
Date : August 12, 2016

ADDITIONAL INFORMATION IN TERMS OF REGULATION 36 OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT

Name of Director	Mr. Rajesh Kalyani
Date of Birth	8th October 1969
Date of Appointment	23rd September 2010
Qualification	Chartered Accountant
Expertise in specific functional areas:	Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 25 years of experience. He is in employment at a senior position with one of the leading organised retailer and has wide experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.
Other Directorship(s)	Retail Light Techniques India Limited
Membership in Committees	Name of the Company : Retail Light Techniques India Limited Committee : Audit Committee Position held : Member
Number of shares held in the Company	1,50,000
Relationship with other Directors	None

The details provided herein above are as on March 31, 2016

Directors' Report

DIRECTORS' REPORT

To,

The Members of

Future Market Networks Limited

The Directors take pleasure in presenting the Eighth Annual Report together with the audited financial statements for the year ended March 31, 2016.

Financial Results:

The Company's financial performance for the year ended March 31, 2016 is summarized below:

a) Standalone

(₹ in lakhs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Revenue from Operations	7316.70	7205.83
Other Income	2069.67	1290.38
Total Income	9386.37	8496.21
Personnel Cost	440.16	372.63
Purchase of Stock in trade	261.18	707.68
Operating and other expenses	4883.39	5121.24
Total Expenditure	5584.73	6201.55
Profit before Interest, Depreciation and Tax	3801.64	2294.66
Less: Interest	3425.42	4920.44
Less: Depreciation	2682.75	2703.78
Profit / (Loss)before Taxation	(2306.52)	(5329.56)
Less: Exceptional Item	(5405.47)	.-
Less: Provision for taxation	-	-
Less: Deferred Tax	6204.69	-
Profit (Loss) after Taxation	(1507.30)	(5329.56)

b) Consolidated

(₹ in Lakhs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Revenue from Operations	10911.18	15686.01
Other Income	2117.49	947.49
Total Revenue	13028.67	16633.50
Purchase	261.18	2068.17
Personnel Cost	958.51	885.64
Operating and other expenses	5610.45	9669.74
Total Expenditure	6830.14	12623.55
Profit before Interest, Depreciation and Tax	6198.53	4009.95
Less: Interest	4466.76	7482.52
Less: Depreciation	3727.70	4170.46
Profit /Loss before Taxation	(1995.93)	(7643.03)
Exceptional Item	(4546.04)	-
Profit on De-subsidiarization	448.01	-
Less: Provision for taxation	50.48	59.21
Less: Deferred Tax	(6126.70)	54.53
Profit (Loss) after Taxation	(17.75)	(7756.77)

Dividend:

Your Directors have not recommended any dividend on account of losses incurred during the financial year ended March 31, 2016.

Internal Controls:

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

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

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

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

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

Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Risk Management:

The Board of Directors of the Company has formulated a Risk Management Policy which aims at minimizing the risk and enhancing the value.

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

Share Capital:

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

The paid up share capital of the Company as on March 31, 2016 is ₹ 56,17,11,560/- divided into 56171156 equity shares of ₹ 10/- each.

During the year under review, the Company had allotted 3,16,750 equity shares on December 11, 2015 for a total consideration of ₹ 38,01,000/- under Future Market Networks Limited - Employee Stock Option Scheme – 2012.

Consolidated Financial Statements & Cash Flow Statement:

In accordance with the Companies Act, 2013 and Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures and in compliance with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the), the audited consolidated financial statements are provided in the Annual Report.

In Conformity with the provisions of Regulation 34 of the Listing Regulations, the Cash Flow Statement for the year ended March 31, 2016 has been provided in the Annual Report and which forms part of this report.

Subsidiaries(ies) and Joint Ventures(s):

At the beginning of the year, we had 8 subsidiaries and 3 Associates. As on March 31, 2016 the Company has the following Subsidiaries and joint ventures:

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

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

The Board of Directors of the Company with a view to restructure the business on a standalone basis with better financials disinvested 90% of the shares held by the Company in F R Retail Destination Private Limited and Niyman Mall Management Company Private Limited in compliance of section 180 and other applicable provisions of the Companies Act, 2013.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website, www.fmn.co.in. These documents will also be available for inspection during business hours at our registered office at Mumbai.

Particulars of Employees and other additional information

For the financial year under review, none of the employees of the Company fall under the revised ceiling limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided under Annexure 'B'.

Disclosure relating to Employee Stock Option Scheme

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

Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditor's certificate on corporate governance forms part of the Board's report. The auditor's certificate for financial year 2016 does not contain any qualification, reservation or adverse remark.

Management Discussion & Analysis Report

The Management Discussion & Analysis Report as required under Regulation 34 of the Listing Regulations is presented separately and forms part of this report.

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

Meetings

The Board of Directors met Five (5) times during the financial year 2015 -16. The details of board meetings and the attendance of Directors are provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Audit Committee

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

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

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

Directors

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

Re-appointment

In terms of the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Rajesh Kalyani retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

The brief resume and other information as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") relating to Mr. Rajesh Kalyani, forms part of the Notice of ensuing Annual General Meeting. None of the Directors are disqualified for appointment / reappointment under Section 164 of the Companies Act, 2013.

Declarations by Independent Directors

The Company has received individual declarations from all the Independent Directors of the Company stating that they fulfill the criteria of independence as specified under sub–section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

Policy on Director's Appointment and Remuneration

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

Board Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the evaluation framework. The frame work includes the evaluation of directors on various parameters.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

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

Code of conduct for prevention of insider trading

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Listing:

The Company has entered into Listing Agreement with BSE Limited (BSE) and The National Stock Exchange of India Ltd. (NSE) during November 2015 in terms of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing fee for the year 2016-17 has been paid.

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

Extract of Annual Return

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, an extract of the Annual Report in prescribed format in form MGT-9 is attached as Annexure 'D' .

Director's Responsibility statement:

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

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the loss of the Company for the year ended on that date;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors and Auditors' Report

M/s. Viren Gandhi & Co., Chartered Accountants, Statutory Auditors of the Company, bearing ICAI Registration No. 111558W, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for re-appointment.

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

Secretarial Auditor and Secretarial Audit Report

The Board has appointed Mr. Alwyn D'Souza of M/s. Alwyn D'Souza & Company, Practicing Company Secretaries, to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-2016. The report of the Secretarial Auditor in Form MR-3 is annexed to this report as Annexure 'E' to this Report. The Secretarial Auditors Report for the Financial Year 2015-16 does not contain any qualification, reservation or adverse remark.

Particulars of Contracts or Arrangement with Related Parties

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Disclosure relating to equity shares with differential rights

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

Disclosure relating to sweat equity share

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

Disclosures in respect of voting rights not directly exercised by employees

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

Disclosure of Orders passed by Regulators or Courts or Tribunal

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future other than the Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 12,90,52,379/- (Rupees Twelve Crore Ninety Lakhs Fifty Two Thousand Three Hundred Seventy Nine Only) to the Claimant after allowing certain counter claims of the Company. The Company is in the process of filing an appeal / petition against the award in terms of the applicable provision of law before the Hon'ble High Court of Calcutta.

Detection of Fraud

No Fraud has been reported by the auditor's viz. statutory and internal auditors to the Audit Committee or the Board in terms of sub-section (12) of Section 143 of the Companies Act, 2013.

Deposits from Public

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

Particulars of Loans, Guarantees or Investments

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

Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-16, no complaints were received by the Company in this regard.

Vigil Mechanism

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

Unclaimed shares

In respect of share certificates sent to shareholders and returned undelivered, the Company shall initiate the process of sending reminders to concerned shareholders in due course. After completing the process, unclaimed shares, if any, will be transferred to "Unclaimed Suspense Account" as per the procedure laid down under (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Energy, Technology Absorption and Foreign Exchange:

Information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule, 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is included in Annexure 'F'.

Acknowledgement:

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

Cautionary Note

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

For and on behalf of Board of Directors

Vijai Singh Dugar
Chairman
DIN: 06463399

Sunil Biyani
Managing Director
DIN: 00006583

Place : Mumbai
Date : August 12, 2016

Annexure 'A' to the Board's Report

Form AOC-1

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

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

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

Sl. No.	Particulars	Subsidiary 1	Subsidiary 2	Subsidiary 3	Subsidiary 4	Subsidiary 5
1	Name of the subsidiary	Aashirwad Malls Pvt. Ltd.	Suhani Mall Management Co. Pvt. Ltd	Future Trade Markets Pvt. Ltd.	Star Shopping Centres Pvt. Ltd.	Sun City Properties Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA
4	Share capital	1,000,000	9,823,010	8,773,730	250,000	20,600,000
5	Reserves & surplus	3,267,578	194,062,701	555,866,450	(21,384,632)	185,048
6	Total assets	75,585,986	745,314,055	568,648,060	74,425,084	65,969,493
7	Total Liabilities	71,318,407	541,428,344	4,007,879	95,559,717	45,184,445
8	Investments	-	134,667,762	491,225,000	-	-
9	Turnover	3,628,195	38,396,250	12,330,147	244,168,112	318,000
10	Profit / (Loss) before taxation	297,602	(4,106,274)	9,416,672	17,324,185	40,093
11	Provision for taxation/ Deffered Tax	96,677	(1,277,836)	2,939,869	(33,668)	7,500
12	Profit after taxation	200,925	(2,828,437)	6,476,803	17,357,853	32,593
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	100%	86.26%	70%	60%	55.17%

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

1. Names of subsidiaries which are yet to commence operations - Sun City Properties Private Limited
2. Names of subsidiaries which have been liquidated / sold / ceased during the year are as follows:
   i. F R Retail Destination Pvt. Ltd.
   ii. Niyman Mall Management Co. Pvt. Ltd.
   iii. Ojas Mall Management Pvt. Ltd.

Part "B": Associates and Joint Ventures

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

	Name of associates/Joint Ventures	Future Retail Destination Ltd.	Utility Developers Pvt. Ltd.	Riddhi Siddhi Mall Management Pvt. Ltd.
1	Latest audited Balance Sheet Date	31-Mar-16	31-Mar-16	31-Mar-16
2	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	15,000,000	25,000	6,129
	Amount of Investment in Associates/ Joint Venture (₹)	150,000,000	250,000	58,702,010
	Extend of Holding%	50%	50%	50%
3	Description of how there is significant influence	Due to Joint Venture Agreement	Due to Joint Venture Agreement	Due to Joint Venture Agreement
4	Reason why the associate/joint venture is not consolidated	-	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹)	295,780,219	41,519,376	562,910,929
6	Profit/Loss for the year (₹)	(2,225,975)	7,428,916	8,652,051
	i. Considered in Consolidation	(1,112,987)	3,714,458	4,326,026
	ii Not Considered in Consolidation	(1,112,987)	3,714,458	4,326,026

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

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

For and on behalf of Board of Directors

Vijai Singh Dugar
Chairman
DIN: 06463399

Sunil Biyani
Managing Director
DIN: 00006583

Place : Mumbai
Date : August 12, 2016

Annexure 'B' to the Board's Report

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

i. None of the Directors draw remuneration from the Company save and except sitting fee paid for meetings of Board and its Committees. Hence, the ratio of the remuneration of each director to the median remuneration of the employees of the Company cannot be determined.

ii. The percentage increase in remuneration of Company Secretary during the financial year 2015-16, is as under:

Name of KMP and Designation	Remuneration of Director/ KMP for financial year 2015-16 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2015-16
Mr. Anil Cherian, Chief: Legal & Company Secretary	31.03	15%

iii. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 31,695/-, previous period it was ₹ 33,830/- .

iv. There are 51 permanent employees on the rolls of Company as on March 31, 2016.

v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial period i.e. 2014-15 was around 12%.

vi. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

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

i. There were no employees in the Company who were drawing a remuneration throughout the financial year 2015-16 as stipulated in Rule 5 (2) (i).

ii. There were no employees in the Company who were drawing a remuneration for the part of the financial year 2015-16 as stipulated in Rule 5 (2) (ii).

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

For and on behalf of the Board of Directors,

Mumbai
August 12, 2016

Sd/-
Vijai Singh Dugar
Chairman
DIN: 06463399

Sd/-
Sunil Biyani
Managing Director
DIN: 00006583

ANNEXURE 'C' To THE BOARD'S REPORT

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31st March, 2016:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in the Note 37 to the Standalone financial statement of the Company for the year ended 31st March, 2016.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 -Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in the Note No. 37 of Standalone financial statement of the Company for the year ended 31st March, 2016.

C. Details related to Employee Stock Option Schemes (ESOS) of the Company:

(i) The below disclosure is in respect of "Future Market Networks Limited" Employee Stock Option Scheme (ESOS) – 2012" (FMNL - ESOS 2012) in respect of the year ended March 31, 2016.

Sr. No	Particulars	ESOS – 2012
1)	Date of Shareholders approval	August 14, 2012
2)	Total number of options approved under FMNL - ESOS 2012	5,58,000
3)	Vesting requirements	Minimum period of one year and not more than four year from the date of grant of option
4)	Exercise price or Pricing Formula	₹ 12/- per share (Face Value of ₹ 10/- each)
5)	Maximum term of Options granted	Four years from the date of vesting of options
6)	Source of shares	Primary
7)	Variation in terms of ESOS	None

(ii) Method used to account for FMNL - ESOS 2012

The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the FMNL - ESOS 2012.

(iii) Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed-

The disclosures are provided in the Note No. 37 of Standalone financial statement of the Company for the year ended 31st March, 2016.

(iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	4,39,000 (PY: 4,39,000)
Number of Options granted during the year	Nil (PY: Nil)
Number of Options Vested during the year	3,29,250 (PY: 2,32,000)
Number of Options exercised during the year	3,16,750 (PY: Nil)
The total number of shares arising as a result of exercise of option.	3,16,750(PY: Nil)
Money realized by exercise of options.	₹38,01,000/-
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	1,22,250
Number of options exercisable at the end of the year	12,500

(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

The disclosures are provided in the Note No. 37 of Standalone financial statement of the Company for the year ended 31st March, 2016.

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	**Directors:** Mr. Rajesh Kalyani **Key Managerial Personnel:** Mr. Anil Cherian *Please refer to Note 1 below*
b)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	None
c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company from the time of grant.	None

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

Sr. No	Name of the Directors and Key Managerial Personnel	Number of Options Granted
A.	Directors	
1.	Mr. Rajesh Kalyani	200000
B.	Others	
1.	Mr. Rampal Laddha	50000
2.	Mr. Prakash D. Sharma	20000
3.	Mr. Mukesh Agarwal	20000
C.	Key Managerial Personnels (KMPs)	
1.	Mr. Pawan Agarwal	50000
2.	Mr. Anil Cherian	50000

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

a)	the weighted-average values of share price	
	- exercise price	₹ 12/-
	- expected volatility	70.70%
	- expected option life	1.50 years
	- expected dividends	0.00%
	- the risk-free interest rate	7.45%
	- price of the underlying share in market at the time of option grant	₹23.95/-
b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Black-Scholes Option Value Computation Method
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	It is determined based on last five years stock price market data from BSE. The historical volatility over the expected life has been considered to calculate the fair value.
d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	1. The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities. 2. Exercise Price of each specific grant has been considered. 3. Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live. 4. Stock Price being the closing price on the stock exchange with the highest trading volumes on the last working day prior to the date of grant. 5. Dividend yield has not been calculated as an average of dividend yields for five financial years preceding the date of the grant is NIL.

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

as on the financial year ended March 31, 2016

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

I. Registration and other details

a	CIN	L45400MH2008PLC179914
b	Registration Date	March 10, 2008
c	Name of the Company	Future Market Networks Limited
d	Category / Sub-Category of the Company	Company having Share Capital
e	Address of the Registered Office and contact details.	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai -400060 Tel. No: 022-66201456 Fax: 022-66201465
f	Whether Listed Company	Yes
g	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai 400078 Tel. No.: 022-25963838 Fax No.: 022-25946969

II. Principal Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Rent / Management of Immovable Properties	681	95.34

III. Particulars of Holding, Subsidiary and Associate Companies

Name and address of the Company	Corporate Identify Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Riddhi Siddhi Mall Management Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U70102MH2006PTC161884	Associate	50	2 (6)
Future Retail Destination Limited Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U51909MH2008PLC181060	Associate	50	2 (6)
Suhani Mall Management Company Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45200MH2005PTC156837	Subsidiary	86.27	2 (87)
Future Trade Markets Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45400MH2011PTC224924	Subsidiary	70	2 (87)
Aashirwad Malls Private Limited Ahmedabad City Mall, Opp. Arya Samaj Mandir, Raipur -Kankaria Road, Raipur, Ahmedabad, Gujarat- 380022	U70101GJ2004PTC045030	Subsidiary	100	2 (87)
Utility Developers Private Limited 48,Todarmal Road Bengali Market, New Delhi, Delhi -110001	U70109DL2006PTC152581	Associate	50	2 (6)
Star Shopping Centres Private Limited E-6, 2nd Floor Geetanjali Enclave New Delhi, Delhi 110017	U51101DL2008PTC184935	Subsidiary	60	2 (87)
Sun City Properties Private Limited 16A, Brabourne Road 9th Floor Kolkata, West Bengal 700001	U70109WB1998PTC087521	Subsidiary	55.17	2 (87)
Sattva Realtors Limited Salarpuria Windsor, 4th Floor, No.3, Ulsoor Main Road, Ulsoor Bangalore Karnataka 560001	U70102KA2007PLC044240	Associate	35	2 (6)

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

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	541	–	541	–	541	–	541	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	40886159	–	40886159	73.20	40886159	–	40886159	72.79	-0.41
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A)(1)	**40886700**	–	**40886700**	**73.20**	**40886700**	–	**40886700**	**72.79**	**-0.41**
2) Foreign	–	–	–	–	–	–	–	–	–
a) NRI's- Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**40886700**	**–**	**40886700**	**73.20**	**40886700**	**–**	**40886700**	**72.79**	**-0.41**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	12743	–	12743	0.02	4527	–	4527	0.00	-0.02
b) Banks / FI	260452	–	260452	0.47	260452	–	260452	0.46	-0.01
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	319979	–	319979	0.57	319979	–	319979	0.57	–
g) FII's	12326	–	12326	0.02	10911	–	10911	0.02	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)									
Foreign Portfolio Investors	16044	–	16044	0.03	17459	–	17459	0.03	–
Sub-Total (B) (1)	**621544**	**–**	**621544**	**1.11**	**613328**	**–**	**613328**	**1.09**	**-0.03**
2) Non - Institutions									
a) Bodies Corporate									
i. Indian	8879491	197	8879688	15.90	8801390	197	8801587	15.67	-0.23
ii. Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1625844	64990	1690834	3.03	2159134	63925	2223059	3.96	0.93
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3312587	–	3312587	5.93	3392086	–	3392086	6.04	0.11
c) Others (specify)									
i. Non-Resident Indian (Repat)	13142	110	13252	0.02	21373	110	21483	0.04	0.02
ii. Non-Resident Indian (Non-Repat)	8219	–	8219	0.01	14690	–	14690	0.03	0.02
iii. Clearing Member	15520	–	15520	0.03	68197	–	68197	0.12	0.09
iv. Directors & Relative	–	–	–	–	150000	–	150000	0.27	0.27
v. Trusts	426062	–	426062	0.76	26	–	26	0.00	-0.76
Sub-Total (B) (2)	**14280865**	**65297**	**14346162**	**25.68**	**14606896**	**64232**	**14671128**	**26.12**	**0.44**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**14902409**	**65297**	**14967706**	**26.79**	**15220224**	**64232**	**15284456**	**27.20**	**0.41**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grant Total (A+B+C)	**55789109**	**65297**	**55854406**	**100**	**56106924**	**64232**	**56171156**	**100**	**–**

ii. Shareholding of Promoters

Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in Shareholding during the year
	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
PIL Industries Limited	715214	1.28	0.18	715214	1.27	0.18	-0.01
Weavette Business Ventures Limited	8563367	15.33	14.32	8563367	15.25	14.24	-0.08
Future Corporate Resources Limited	15176754	27.17	26.86	15176754	27.02	26.70	-0.15
Manz Retail Private Limited	16430824	29.42	29.36	16430824	29.25	29.20	-0.17
Vijay Biyani	50	0.00	0.00	50	0.00	0.00	–
Anil Biyani	50	0.00	0.00	50	0.00	0.00	–
Sunil Biyani	50	0.00	0.00	50	0.00	0.00	–
Vivek Biyani	50	0.00	0.00	50	0.00	0.00	–
Laxminarayan Biyani	50	0.00	0.00	50	0.00	0.00	–
Gopikishan Biyani	50	0.00	0.00	50	0.00	0.00	–
Ashni Kishore Biyani	141	0.00	0.00	141	0.00	0.00	–
Kishore Biyani	50	0.00	0.00	50	0.00	0.00	–
Rakesh Biyani	50	0.00	0.00	50	0.00	0.00	–
Total	**40886700**	**73.20**	**70.72**	**40886700**	**72.79**	**70.32**	**-0.41**

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
At the beginning of the year	40886700	73.20	There is no change in shareholding of promoters, the change in percentage is on account of exercise of options under Future Market Networks Limited Employee Stock Option Scheme (ESOS) - 2012	
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
At the end of the year	**40886700**	**72.79**		

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

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1. Ishbhoomi Mall Management Private Limited	4127870	7.39	4615516	8.22
2. Genil Commotrade Private Limited	2700000	4.83	2700000	4.81
3. Kapil Narendra Gupta	2090000	3.74	2090000	3.72
4. Payal Commercial Company Limited	450000	0.81	459713	0.82
5. ICICI Prudential Life Insurance Company Limited	285895	0.51	285895	0.51
6. Rivaaz Trade Ventures Private Limited	–	–	238912	0.43
7. Mukkarram Jan	172000	0.31	172000	0.31
8. Life Insurance Corporation of India	156812	0.28	156812	0.28
9. Punyah Business Ventures Private Limited	–	–	141106	0.25
10. Loyal Apparels Private Limited	36817	0.07	113954	0.20

v. Shareholding of Directors and Key Managerial Personnel

Each of the Directors	Shareholding at the beginning of the year.		Cumulative Shareholding during the year.	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Sunil Biyani				
At the beginning of the year	50	0.00	50	0.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	-	-	-	-
At the end of the year	50	0.00		
Mr. Rajesh Kalyani	-	-	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	150000 (Allotment on December 11, 2015 - ESOS)	0.27	150000	0.27
At the end of the year	150000	0.27		

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

Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Anil Cherian, Chief: Legal & Company Secretary				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	25,000 (Allotment on December 11, 2015 - ESOS)	0.04	25,000	0.04
	7,000 (Sale of shares on 31.12.2015)	0.01	18,000	0.03
	4,712 (Sale of shares on 04.01.2016)	0.00	13,288	0.02
	1,768 (Sale of shares on 06.01.2016)	0.00	11,520	0.02
At the end of the year	11,520	0.02		

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ In Crores)
Indebtedness at the beginning of the financial year				
i. Principal Amount	317.03	60.59	-	377.62
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	317.03	60.59	-	377.62
Change in Indebtedness during the financial year				
i. Addition	87.96	145.98	-	233.94
ii. Reduction	138.85	101.04	-	239.89
Net Change	**-50.89**	**44.94**	**-**	**-5.95**
Indebtedness at the end of the financial year				
i. Principal Amount	266.14	105.53	-	371.67
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	**266.14**	**105.53**	**-**	**371.67**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

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

B. Remuneration to other Directors

S. No	Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
		K.A. Somayajulu	Vijai Singh Dugar	Udita Jhunjhunwala	
1.	Independent Directors				
	• Fee for attending board / committee meetings	2,80,000	2,80,000	70,000	6,30,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	**2,80,000**	**2,80,000**	**70,000**	**6,30,000**
2.	Other Non- Executive Directors	**Rajesh Kalyani**			
	• Fee for attending board / committee meetings	2,50,000			2,50,000
	• Commission	Nil			Nil
	• Others, please specify	Nil			Nil
	Total (2)	**2,50,000**			**2,50,000**
	Total (B) = (1+2)	**8,80,000**			
	Total Managerial Remuneration				**8,80,000**
	Overall ceiling as per the Act	Sitting Fees is paid within the limit specified under the Companies Act, 2013			

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Anil Cherian
1.	Gross salary	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	31.03
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.39
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option (No. of Equity Shares)	50,000
3.	Sweat Equity	-
4.	Commission as % of profit	-
5.	Others, Allowances	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

ANNEXURE 'E' TO THE BOARD'S REPORT

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,

The Members,

Future Market Networks Limited.

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

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

Based on our verification of the Company's statutory books, legal papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined above mentioned books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable as the Company has not issued any debt securities during the year under review;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent applicable to the Companies Registrar & Transfer Agent M/s. Link Intime Private Limited on maintenance of records of the Company; -

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted / propose to delist its equity shares during the year under review and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.

(vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971, Maharashtra Plastic Carry Bags (Manufacture and Usage) Rules, 2006, Maharashtra State Tax on Professions, Trades, Callings And Employments Act, 1975 Maharashtra State Tax on Professions, Trades, Callings And Employments Rules, 1975, Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, Environment (Protection) Act, 1986, E-Waste (Management and Handling) Rules, 2011, Maharashtra Shops and Establishments Act, 1948, Bombay Lift Act, 1939, Bombay Lift Rules, 1958 and applicable general business laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December 2015).

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

The place of the Chief Financial Officer as a key managerial personnel (KMP) was vacated and the Board has not filled up the vacancy within the period of six months under section 203 (4) of the Companies Act, 2013. However, the Board of Directors authorized Vice President – Finance & Accounts of the Company to discharge the obligations of Chief Financial Officer during the aforesaid period. Subsequently, the Board approved the appointment of Mr. Pawan Agarwal as the Chief Financial Officer w.e.f May 27, 2016.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There are no changes in the composition of the Board during the period under review.

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

The Board decisions are recorded without recording any dissent by any member of the Board and hence we do not find any basis to believe that the Board resolutions were dissented upon by any Board member/(s).

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company, the following significant events / actions have taken place:

(a) Special Resolution in terms of Section 180(1)(a) of the Act seeking shareholders authorisation through postal ballot for the Board to sale of investment held in M/s. Suhani Mall Management Company Private Limited, M/s. Aashirwad Malls Private Limited, M/s. F R Retail Destination Private Limited, M/s.Niyman Mall Management Company Private Limited.

(b) Special Resolution in terms of Section 4 and 13 of the Act seeking shareholders authorisation through postal ballot for amendment to the Main Object Clause of the Memorandum of Association of the Company.

(c) Special Resolution in terms of Section 4 and 13 of the Act seeking shareholders authorisation through postal ballot for amendments to Clause IV of the Memorandum of Association of the Company.

(d) Special Resolution in terms of Section 14 of the Act seeking shareholders authorisation through postal ballot for adoption of a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company.

For ALWYN D'SOUZA & Co.,
Company Secretaries

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

Date : August 06, 2016
Place : Mumbai

ANNEXURE 'F' TO THE BOARD'S REPORT

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

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

A. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken

b) Additional investments and Proposals, if any, being implemented for reduction of consumption of energy and

c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

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

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

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

B. TECHNOLOGY ABSORPTION

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

Research and Development (R & D):

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

Technology absorption, adaptation and innovation:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

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

MANAGEMENT DISCUSSION & ANALYSIS

Economic review

India's economy picked up in Q4 FY 2015, driving growth for the full fiscal year to accelerate to a six year high.

According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

With a stable political environment, this is probably the most conducive period for a steady pace of implementation of policy reforms. This will encourage private sector investment, creating the platform to utilize the country's advantageous demographic potential and lay the foundations for real GDP growth to move to higher levels. There should be definite and concrete measures to manage growth in rural wages in line with productivity, reduce the fiscal deficit through rationalization of expenditure and tax reforms and improve the business environment.

Real Estate Market

Commercial real estate

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

India's office space absorption during 2015 stood at 35 million sq ft – the second-highest figure in the country's history after 2011. The demand for office space in 2011 came from occupiers taking advantage of low rents after the global financial crisis. This time, however, it was the result of corporates implementing their growth plans.

Rents rose across Indian cities in 2015. The pace was faster in the secondary business districts (SBDs) and certain peripheral business districts (PBDs) of tier-I cities than in the established central business districts (CBDs). The micro-markets seeing more leasing activity in different cities in 2015 will continue to see action in 2016, while lesser-preferred locations will see a higher vacancy rate. As and when supply dries up and vacancy drops further, occupiers will start taking up spaces in these locations, as well.

Demand will remain consistent over most of 2016, with occupiers showing a positive bias. Given the low supply and continued demand for commercial spaces, corporate occupiers will continue to firm up their expansion plans. While 2016 will bring continued demand for leased spaces, quality supply will be lower. This means that unmet demand will reflect in higher occupancy of Grade-B office spaces. After the opening up of real estate sector to FDI, the profile of developers, as well as ownership patterns, will start changing.

Real estate capital markets

2015 has been an interesting year for capital market activities in real estate. While the PE focus continued to remain high on residential and office projects, entity-level investments and platform-level deals also came into the limelight, indicating increase in investor confidence. In terms of asset focus, residential projects attracted a considerable share of funding; however, equity investment in this space is still insignificant. Income-yielding office projects attracted a majority of equity investments. In terms of the geographical spread, focus was restricted to tier-I cities with NCR, Mumbai and Bangalore attracting a majority of investments (73%); reflecting learnings from past experience.

The challenges of demand-supply mismatch and high unsold inventory across the country remain, but the signs are nevertheless encouraging - cities like Mumbai, Bangalore, Pune and Hyderabad are slowly but surely crawling back to positive growth. 2016 may well bring an end to the long and painful journey this sector has had, and signal an upward growth trajectory. It will definitely mature further into an organised industry in which some lesser-organised players become casualties.

Retail real estate

We are witnessing the two big trends in the retail real estate :

1. Consolidation of retail real estate by brands and retailers who focused on their profit-making stores and closed down loss-making ones, and
2. The entry of institutional investors. On account of relaxation of sourcing norms, single-brand retail companies will find more reason to explore the Indian market.

Quality mall space is coming up with strong pre-commitments, indicating that retailers remain bullish about India's long-term consumption story. Retailers will start experimenting with formats and sizes for the same brands, adapting to markets as they start moving up the value chain. 2015 saw food and beverage (F&B) emerge as a strong category, and this will continue in 2016. Entertainment options will also improve, and technology-led retail will start entering in the single-brand retail store category.

Warehousing

The warehousing sector is reaching an inflection point and will take a huge leap forward once the goods and services tax (GST) is rolled out next year. Apart from GST, e-commerce is expected to significantly drive the demand for warehouses in India in the near future. With nearly 25% of all warehousing absorption being driven by e-commerce players, it is currently the biggest demand driver for the sector. This industry is expected to invest an additional USD 2-3 billion into warehousing over the next 2-3 years.

Looking forward

The real estate industry is maturing. Until 2014, it was unregulated, fragmented and highly inefficient. Though 2016 will bring in regulation, it will remain fragmented and moderately inefficient. We could see it become a well-regulated, consolidated and moderately efficient industry by around 2020. Growth in the Indian economy will definitely see favourable reflection in the real estate sector, as well.

Mixed use project

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

The Company also undertook a project at Karad, Maharashtra to construct a shopping centre through joint development which is expected to complete during the current financial year.

Retail Infrastructure

During the year under review, your company completed acquisition of retail space aggregating to 250,000 sq ft Ujjain, Madhya Pradesh. During the current financial year, the Company acquired 100% equity share capital of Naman Mall Management Co. Pvt. Ltd. (Naman), a company which owns a shopping mall cum entertainment centre at Indore with a total leasable area of 18761.78 sq mts.

The Company has aligned this business with Star Shopping Centres Private Limited (SSCPL), in which the Company holds 60% equity capital and is managing more than two million sq ft of retail space today in India. SSCPL has crafted a unique model, quite akin to the model of commercial engagement followed by international hotel management brands, by leveraging its deep understanding of the category retail infrastructure and its management.

Risk

Business Risk: The business of construction and development is heavily dependent on the performance of the real estate market in India and could be adversely affected if market conditions deteriorate. The real estate market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. The development of real estate projects involves various risks including regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable.

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

Financial Performance

Total Income: The Company achieved total revenue of ₹ 9386.37 Lakhs during the financial year ended March 31, 2016.

Operating Profit: During the year financial year ended March 31, 2016, the Company achieved operating profit of ₹ 3801.65 Lakhs.

Profit/Loss after Tax: The Company recorded loss of ₹ 1507.30 Lakhs for financial year ended March 31, 2016.

Risk, Internal Control System and Adequacy:

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

Human Resources:

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees. The industrial relations across different locations of the Company were cordial during the year. The Company has, over the last few months, built the team necessary to be able to build and execute the vision that has been articulated in the preceding paragraphs. The total number of employees of the Company as on March 31, 2016 stood at 51.

Cautionary Statement:

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

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2016

In accordance with the Listing Agreements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) the report containing details of corporate governance system and processes at Future Market Networks Limited (FMNL) is as follows:

I. Company's Philosophy on Code of Corporate Governance

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

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

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

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

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

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

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

- **Ethics / Governance Polices**

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

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

- **Audits and internal checks.**

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

- **Management initiatives for Internal Controls**

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

- **Best Corporate Governance practices**

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

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

- **Shareholders' communications**

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

- **Role of the Company Secretary in overall governance process**

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

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

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

II. Board Composition

Size and composition of the Board

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. Listing Regulations mandate that for a company with a non-executive chairman, at least one-third of the board should be independent directors. As on March 31, 2016 our Board consists of five members, out of which one is Managing Director, three are independent Directors including a Women Director and a Non – Executive Director, which are in line with the requirements of the Companies Act, 2013 and the Listing Regulations.

The Composition of the Board as on March 31, 2016 and other relevant details are as under:

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

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

Chairman of the Board

The Company has appointed Mr. Vijai Singh Dugar, Non Executive and Independent Director as the Chairman of the Board with effect from August 11, 2015.

Responsibilities of the Chairman and Managing Director

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

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

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

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

Independent Directors

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines an "Independent Director" and we abide by these definitions of independent director.

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

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

Selection of new Directors

The Board is instrumental in selection of new directors. The Board delegates the screening and selection process to the Nomination, Remuneration and Compensation Committee consisting majority of independent directors. Nomination, Remuneration and Compensation Committee makes recommendations to the Board on the induction of new directors.

Familiarization programmes for Independent Directors

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

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

Meetings of Independent Directors

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

Tenure of Directorships

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

Board member's evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination, remuneration and compensation committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a evaluation, excluding the director being evaluated through a Board effectiveness survey. The evaluation for the year 2015-16 has been done.

III. Board Meetings

Scheduling and selection of agenda items

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

The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with Chief Financial Officer and Managing Director and distributes these in advance to the directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual General Meetings.

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

Five (5) Board Meetings were held during the year ended March 31, 2016. These were held on:

i)	May 30, 2015	ii)	August 11, 2015
iii)	August 26, 2015	iv)	November 07, 2015
v)	February 9, 2016		

Attendance of directors and other Directorships held.

The names and categories of the Directors on the Board, their attendance at Board meetings and Annual General Meeting held during the year, the number of Directorships and Committee Chairmanships/ Memberships held by them in other public companies as on March 31, 2016 are given herein below.

Name	Category	No. of Board Meetings held during the year	No. of Board Meetings attended	last AGM Attendance	Number of Directorship of other public companies (excluding the Company and private limited companies, foreign companies and Section 8 companies)	Committee Positions of other public companies		Pecuniary or business relation with the Company
						Chairman	Member	
Mr. Vijai Singh Dugar	Independent Director	5	5	Yes	3	Nil	Nil	None
Ms. Udita Jhujhunwala	Independent Director	5	2	No	1	Nil	1	None
Mr. Somayajulu Kodukula	Independent Director	5	5	No	9	3	6	None
Mr. Rajesh R. Kalyani	Non-Executive Director	5	5	Yes	1	Nil	Nil	None
Mr. Sunil Biyani	Managing Director	5	5	Yes	4	Nil	1	None

As on March 31, 2016, the number of directorship / committee membership / chairmanship of all the Directors are within the respective limits prescribed under Companies Act, 2013 and the Listing Regulations.

Notes:

- Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies and of companies incorporated outside India.

- None of the Directors is a Member of the Board of more than 10 Public Companies in terms of Section 165 of the Companies Act, 2013; Member of more than 10 committees and Chairman of more than 5 committees in terms of the Listing Regulations, across all the companies in which he is a director.
- Mandatory committees are the committees prescribed under the Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee of public companies.
- During the year 2015-16, information as mentioned in Schedule II, Part A of the Listing Regulations, has been placed before the Board for its consideration.
- The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- Video conferencing facility was made available to directors to participate in the proceedings of the Board and its committees. Attendance of Directors includes participation in the meeting(s) through video conference.
- Excluded the separate meeting of independent directors, in which non independent directors were not eligible to participate.

Availability of information to Board members

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

- Annual operating plans and budgets including capital budgets and any updates
- Company's annual Financial Results, Financial Statements, Auditor's Report and Board's Report
- Quarterly results and update on operations.
- Financial results for the relevant period along with limited review / audit report thereon.
- Minutes of various committee meetings of the Company and minutes of board meetings of subsidiary companies and abstracts of circular resolutions.
- Statement of investments made by unlisted subsidiaries.
- General notices of interest received from Directors.
- Shareholding pattern as per Regulation 31(1)(b) of the Listing Regulations.
- Statement of shareholder grievance received/disposed during each quarter.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- The information on recruitment and remuneration of senior officers below the board level, including appointment or removal of the Chief Financial Officer and the Company Secretary, if any.
- Approval of related party transactions.
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services.
- Quarterly compliance reports and investor grievance report.
- Details of joint ventures and acquisition of companies.
- Sale of a material nature, or of investments, subsidiaries and assets, which are not part of the normal course of business.
- Declaration of Independent Directors at the time of appointment / annually.
- Appointment of Internal and Secretarial Auditors.
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made.
- Significant changes in accounting policies and internal controls, if any.
- Proposals for major investments, mergers, amalgamations and reconstructions.

Recording minutes of proceedings at Board and Committee meetings

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

Post meeting follow-up mechanism

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

Compliance

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

Independent directors meeting

Schedule IV of the Companies Act, 2013 and the Rules under it mandates that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

During the year 2015-16, a separate meeting of Independent Directors was held on February 9, 2016 which is line with Regulation 25 of the Listing Regulations. The Independent Directors, inter-alia, reviewed the performance of the non-independent directors and the Board as a whole, as well as the performance of the chairman of the Board, taking into account the views of the executive directors and non-executive directors.

The meeting was attended by all the Independent Directors.

Remuneration Paid to directors in fiscal 2016

Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Sunil Biyani	-	-	-
Rajesh R. Kalyani	2,50,000	* -	2,50,000
Vijai Singh Dugar	2,80,000	-	2,80,000
Udita Jhunjhunwala	70,000	-	70,000
K. A. Somayajulu	2,80,000	-	2,80,000

Notes:

- Sitting fees include payment to the Directors for attending meetings of Board, Audit Committee, Nomination Remuneration and Compensation Committee and Meeting of Independent Directors.
- Mr. Sunil Biyani, Managing Director holds 50 Equity shares of the Company.
- The Company has granted 2,00,000 options under FMNL Employee Stock Option Scheme – 2012 out of which 1,50,000 options were vested and 1,50,000 equity were shares allotted to Mr. Rajesh Kalyani, a Non-Executive Director during the year ended March 31, 2016.
- Service Tax is not included.

IV. Board Committees

Currently the Board has Five (5) Committees: Audit Committee, Stakeholders Relationship Committee, Share Transfer Committee, Nomination, Remuneration and Compensation Committee and Committee of Directors. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

A. Audit Committee

As on March 31, 2016, the composition of the Audit Committee has been as under:

Mr. Vijai Singh Dugar : Chairman

Mr. K. A. Somayajulu : Member

Mr. Rajesh Kalyani : Member

The Audit Committee met five times i.e. on May 30, 2015, August 11, 2015, August 26, 2015, November 7, 2015 and February 09, 2016.

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

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

General

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

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 29, 2015.

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

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure.

(i) Powers of the Audit Committee

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

(ii) Internal Controls and Governance Processes

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

(iii) Terms of reference of the Audit Committee

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control system.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by the management;
- Significant adjustments made in financial statements arising out of audit findings;

- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications in draft audit report, if any.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- To ensure compliance of Internal Control Systems and action taken on Internal Audit reports.
- To appraise the Board on the impact of accounting policies, auditing standards and legislation.
- To hold periodical discussions with statutory auditors on the nature and scope of the audit.
- To review the Company's financial and risk management policies.
- To seek any information and investigate any activity with terms of its reference.
- To review the functioning of the Vigil Mechanism and Whistle Blower Policy.
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
- To carry out any other function as mentioned in the terms of reference of the Audit Committee.
- Reviewing the following information:
- The Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor.

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

B. Nomination, Remuneration and Compensation Committee

Our Nomination, Remuneration and Compensation Committee comprised two independent directors and one Non-Executive Director.

The Committee's constitution and terms of reference are in compliance with Regulation 19 of the Listing Regulations, Section 178 and other applicable provision of the Companies Act, 2013.

During the year under review, the Nomination, Remuneration and Compensation Committee met twice on December 11, 2015 and February 9, 2016. The minutes of the meetings of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Board. The attendance at the meetings of the Committee is given below:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	Member	2	2
Mr. Rajesh Kalyani	Non Executive Director	Chairman	2	1
Mr. K. A. Somayajulu	Independent Director	Member	2	2

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

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- To carry out evaluation of every Director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

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

Brief about Remuneration Policy:

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

A. Remuneration structure of Independent Directors & Non-Executive Directors:

   i. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members).

   ii. The Managing Director of the Company has not drawn any remuneration/ compensation/ commission etc. from the Company during the financial year ended 31st March 2016.

B. Remuneration structure of Key Managerial Personnels (KMPs) and Senior Management Personnels is as detailed hereunder:

   i. The compensation of KMPs and Senior Management Personnels shall be approved by the Nomination, Remuneration and Compensation Committee.

   ii. The Compensation of KMPs and Senior Management Personnels is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.

   iii. The remuneration structure to KMPs and Senior Management Personnels may include a variable performance linked component.

C. Share Transfer Committee

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

   Terms of Reference:

   a. To approve the Transfer/Transmission of Shares, dematerialization and rematerialization of Shares of the Company.

   b. To approve deletion of name.

   c. To approve split, consolidation and issuance of duplicate shares.

   d. To oversees the performance of the Registrars and Share Transfer Agents i.e. Link Intime India Private Limited.

The Committee met 8 (eight) times during the year ended March 31, 2016.The composition of the Share Transfer Committee is given below:

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	8	8
Mr. Rajesh Kalyani	Non Executive Director	8	8
Ms. Udita Jhunjhunwala	Independent Director	8	7

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

D. Stakeholders' Relationship Committee

Composition of the Committee:

The Stakeholders Relationship Committee (SR Committee) of the Board, comprises one Independent Director, namely Mr. Vijai Singh Dugar, one Non-Executive Non-Independent Director, namely Mr. Rajesh Kalyani and a Managing Director Mr. Sunil Biyani.

The Committee was reconstituted at the Board Meeting held on November 7, 2015 by inducting Mr. Sunil Biyani in place of Mr. K. A. Somayajulu.

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

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

- Consider, resolve and monitor redressal of investors' / shareholders' grievances related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company's Share Transfer Agent.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

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

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2016, there were 8 (eight) Investor Complaints received and the same were processed and resolved. No complaints were outstanding as on March 31, 2016.

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

Compliance Officer:

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

E. Committee of Directors

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

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

The committee met 7 (Seven) times during the year. The Minutes of the meetings of Committee of Directors are reviewed and noted by the Board. No sitting fee is paid to the members of the Committee of Directors.

F. Shareholders

Disclosure regarding the appointment or re-appointment of directors

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

Mr. Rajesh Kalyani: Non–Executive Director

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

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

Communication to the Shareholders:

The quarterly report, along with additional information and official news releases, are posted on our website, www.fmn.co.in.

a) The quarterly / annual results and official news releases are generally published in Free Press Journal and Navshakti (a regional daily published from Mumbai). Quarterly and Annual financial statements are also posted on our website www.fmn.co.in.

   The Company has its own web site and all vital information relating to the Company and its business etc have been uploaded on the web site for the benefit of the public at large. Company's web site address is www.fmn.co.in

b) Management Discussion and Analysis forms part of the Annual Report.

Details of non-compliance

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

Auditor's certificate on corporate governance

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

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

CEO and CFO certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

Code of conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct (the Code). The Code is applicable to the members of the Board, the executive officers, and all the employees of the Company and its subsidiaries. The Code is available on our website, www.fmn.co.in.

All the members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2016.

Prohibition of Insider Trading:

The Company has adopted a Code of Conduct for Prohibition of Insider Trading under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, with a view to regulate trading in the equity shares of the Company by the directors and designated employees. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on need basis. The policy is available on our website, www.fmn.co.in.

General Body Meetings

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

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

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
2012-13	Friday September 27, 2013 2.30 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, worli, Mumbai – 400 018	▪ Register of Members to be kept and maintained at the office of the Registrar & Transfer Agent as appointed from time to time.
2013-14	Thursday, September 18, 2014 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, worli, Mumbai – 400 018	▪ No special resolution was passed.
2014-15	Tuesday, September 29, 2015 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	▪ Appointment of Viren Gandhi & Co. as the Statutory Auditors of the Company in place of the retiring auditors M/s. NGS & Co. LLP. ▪ Approval for entering into related party transactions which are material in nature.

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

No extra ordinary general meeting of the company was held during the last 3 (three) years.

c. Details of Postal Ballot during the FY 2015-16:

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

POSTAL BALLOT: 1

Financial Year	2015-16
Date of the Postal Ballot Notice: July 13, 2015	Voting Period: July 18, 2015 to August 17, 2015
Date of Declaration of Result: August 20, 2015	Date of Approval: August 20, 2015

Date of Postal Ballot	Postal Ballot Results were declared by Managing Director on Thursday, August 20, 2015
Scrutinizer	Mr. Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co.
Details of the postal Ballot	On July 16, 2015, the Company had completed the dispatch of the notice under Section 110 of the Companies Act, 2013, along with the Postal Ballot forms and self addressed prepaid reply envelopes to the members of the Company whose names appeared on the Register of Members/ List of Beneficiaries as on July 10, 2015. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.
Resolutions	1. To ratify the resolution passed by the Shareholders of the Company with regard to the sale of the entire Investment of the Company in Suhani Mall Management Company Private Limited, in terms section 180(1)(a) of the Companies Act, 2013. 2. To ratify the resolution passed by the Shareholders of the Company with regard to the sale of the entire Investment of the Company in Aashirwad Malls Private Limited, in terms section 180(1)(a) of the Companies Act, 2013. 3. To ratify the resolution passed by the Shareholders of the Company with regard to the sale of the entire Investment of the Company in F R Retail Destination Private Limited, in terms section 180(1)(a) of the Companies Act, 2013. 4. To ratify the resolution passed by the Shareholders of the Company with regard to the sale of the entire Investment of the Company in Niyman Mall Management Company Private Limited, in terms section 180(1)(a) of the Companies Act, 2013.

Resolution No. 1

Details of the voting pattern: Details of the votes casted for Special Resolution for sale of entire investment held by the Company in Suhani Mall Management Company Private Limited under section 180(1)(a) of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 10.07.2015	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	224	4,50,74,994	45,07,49,940		
(b)	Less: Invalid Postal Ballot Forms	23	851	8,510		
(c)	Net Valid Postal Ballot Forms	201	4,50,74,143	45,07,41,430		
(d)	Postal Ballot Forms with assent for the Resolution	182	4,50,67,596	45,06,75,960	80.688	99.985
(e)	Postal Ballot Forms with dissent for the Resolution	19	6,547	65,470	0.012	0.015

(*) Including votes Polled through E-Voting facility

Resolution No. 2

Details of the voting pattern: Details of the votes casted for Special Resolution for sale of entire investment held by the Company in Aashirwad Malls Private Limited under section 180(1)(a) of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 10.07.2015	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	224	4,50,74,993	45,07,49,930		
(b)	Less: Invalid Postal Ballot Forms	24	883	8,830		
(c)	Net Valid Postal Ballot Forms	200	4,50,74,110	45,07,41,100		
(d)	Postal Ballot Forms with assent for the Resolution	179	4,50,67,474	45,06,74,740	80.687	99.985
(e)	Postal Ballot Forms with dissent for the Resolution	21	6,636	66,360	0.012	0.015

(*) Including votes Polled through E-Voting facility

Resolution No. 3

Details of the voting pattern: Details of the votes casted for Special Resolution for sale of entire investment held by the Company in F R Retail Destination Private Limited under section 180(1)(a) of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 10.07.2015	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	224	4,50,74,993	45,07,49,930		
(b)	Less: Invalid Postal Ballot Forms	24	883	8,830		
(c)	Net Valid Postal Ballot Forms	200	4,50,74,110	45,07,41,100		
(d)	Postal Ballot Forms with assent for the Resolution	180	4,50,67,471	45,06,74,710	80.687	99.985
(e)	Postal Ballot Forms with dissent for the Resolution	20	6,639	66,390	0.012	0.015

(*) Including votes Polled through E-Voting facility

Resolution No. 4

Details of the voting pattern: Details of the votes casted for Special Resolution for sale of entire investment held by the Company in Niyman Mall Management Company Private Limited under section 180(1)(a) of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 10.07.2015	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	224	4,50,74,994	45,07,49,940		
(b)	Less: Invalid Postal Ballot Forms	26	892	8,920		
(c)	Net Valid Postal Ballot Forms	198	4,50,74,102	45,07,41,020		
(d)	Postal Ballot Forms with assent for the Resolution	177	4,50,67,552	45,06,75,520	80.688	99.985
(e)	Postal Ballot Forms with dissent for the Resolution	21	6,550	65,500	0.012	0.015

(*) Including votes Polled through E-Voting facility

POSTAL BALLOT: 2

Financial Year	2015-16
Date of the Postal Ballot Notice: January 5, 2016	Voting Period: January 15, 2016 to February 15, 2016
Date of Declaration of Result: February 17, 2016	Date of Approval: February 17, 2016

Date of Postal Ballot	Postal Ballot Results were declared by Managing Director on Wednesday, February 17, 2016
Scrutinizer	Mr. Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co.
Details of the postal Ballot	On January 13, 2016, the Company had completed the dispatch of the notice under Section 110 of the Companies Act, 2013, along with the Postal Ballot forms and self addressed prepaid reply envelopes to the members of the Company whose names appeared on the Register of Members/ List of Beneficiaries as on January 1, 2016. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.
Resolutions	1. Amendment to Main Object Clause of the Memorandum of Association. 2. Amendment to Clause III B, Clause III C and Clause IV of the Memorandum of Association. 3. Adoption of new set of Articles of Association.

Resolution No. 1

Details of the voting pattern: Details of the votes casted for Special Resolution to amend Main Object Clause of the Memorandum of Association are as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 01.01.2016	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/E-voting received(*)	112	4,87,33,768	48,73,37,680		
(b)	Less : Invalid Postal Ballot Forms	2	450	4,500		
(c)	Net Valid Postal Ballot Forms	110	4,87,33,318	48,73,33,180		
(d)	Postal Ballot Forms with assent for the Resolution	104	4,87,30,451	48,73,04,510	86.754	99.994
(e)	Postal Ballot Forms with dissent for the Resolution	6	2,867	28,670	0.005	0.006

(*) Including votes Polled through E-Voting facility

Resolution No. 2

Details of the voting pattern: Details of the votes casted for Special Resolution to amend Clause III B, Clause III C and Clause IV of the Memorandum of Association are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 01.01.2016	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/E-voting received(*)	112	4,87,33,763	48,73,37,630		
(b)	Less : Invalid Postal Ballot Forms	2	450	4,500		
(c)	Net Valid Postal Ballot Forms	110	4,87,33,313	48,73,33,130		
(d)	Postal Ballot Forms with assent for the Resolution	104	4,87,30,446	48,73,04,460	86.755	99.994
(e)	Postal Ballot Forms with dissent for the Resolution	6	2,867	28,670	0.005	0.006

(*) Including votes Polled through E-Voting facility

Resolution No. 3

Details of the voting pattern: Details of the votes casted for Special Resolution to adopt new set of Articles of Association are as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 01.01.2016	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/ E-voting received(*)	113	4,87,33,768	48,73,37,630		
(b)	Less : Invalid Postal Ballot Forms	2	450	4,500		
(c)	Net Valid Postal Ballot Forms	111	4,87,33,3138	48,73,33,130		
(d)	Postal Ballot Forms with assent for the Resolution	105	4,87,30,446	48,73,04,451	86.755	99.994
(e)	Postal Ballot Forms with dissent for the Resolution	6	2,867	28,670	0.005	0.006

(*) Including votes Polled through E-Voting facility

V. Additional Shareholders Disclosure/ information

a. During the financial year 2015-16, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.

b. The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or structure have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.

c. At present, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing fees for the year 2016-17 have been paid to BSE and NSE.

d. The Company has paid custodial fees for the year 2016-17 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.

VI. General Shareholders information:

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

b. Annual General Meeting

i.	AGM Date, Day	:	September 20, 2016, Tuesday
ii.	Time & Venue	:	2.00 P.M, Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018
c.	**Financial Year**	:	April 1 to March 31
d.	**Book Closure Period**	:	September 16, 2016 to September 20, 2016 (both days inclusive)
e.	**Financial Calendar (tentative)**	:	
	First Quarterly Result	:	on or before 14th September, 2016
	Second Quarterly Result	:	on or before 14th December, 2016
	Third Quarterly Result	:	on or before 14th February, 2017
	Financial year ending	:	on or before 30th May, 2017

f. Listing of Equity Shares on Stock Exchanges

I. BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Scrip Code: 533296

II. National Stock Exchange of India Limited(NSE)
''Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Trading Symbol - FMNL
ISIN: INE360L01017

g. Stock Market Data

High, lows and Volumes of FMNL from April 1, 2015 to March 31, 2016 at BSE and NSE.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2015	14.95	10.30	11,759	13.85	10.25	36,132
May 2015	19.35	9.75	5,10,815	18.80	10.10	2,27,814
June 2015	13.60	11.92	5,91,975	13.65	11.90	4,70,447
July 2015	15.74	12.11	96,897	16.00	11.95	1,93,404
August 2015	20.00	12.55	2,82,467	20.00	12.80	2,96,002
September 2015	15.77	12.16	20,781	16.25	12.65	53,346
October 2015	26.40	12.51	5,85,968	26.20	12.60	12,22,237
November 2015	37.65	17.95	5,55,148	37.40	17.50	12,16,465
December 2015	41.60	31.50	7,63,254	41.70	31.50	15,40,646
January 2016	40.00	26.15	2,90,162	39.15	26.10	6,93,162
February 2016	35.60	21.60	97,696	35.75	21.35	3,48,052
March 2016	27.30	20.90	96,568	27.10	21.65	1,97,989

h. Distribution of Shareholding

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2016 is as below:

i. Distribution of shareholding as on March 31, 2016

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	6,81,653	1.21	14965	93.70
501 – 1000	3,90,677	0.70	467	2.92
1001 – 2000	3,39,972	0.60	221	1.38
2001 – 3000	2,42,115	0.43	95	0.59
3001 – 4000	1,30,687	0.23	37	0.23
4001 – 5000	2,55,892	0.46	54	0.34
5001 – 10000	3,47,986	0.62	48	0.30
Greater than 10000	5,37,82,174	95.75	84	0.54
Total	**5,61,71,156**	**100**	**15971**	**100**

ii. Shareholding pattern by ownership as on March 31, 2016

Categories	As on March 31, 2016	
	No. of Shares	Percentage
Promoters, Relatives and Associates	4,08,86,700	72.79
Directors	1,50,000	0.27
Foreign Institutional Investor/ Mutual Funds	10,911	0.02
Public Financial Institutions / State Financial Corporation / Insurance Companies	3,19,979	0.57
Mutual Funds (Indian) and UTI	4,527	0.01
Nationalized and other Banks	2,60,452	0.46
NRI / OCBs	36,173	0.06
Public	54,14,077	9.64
Others (CM/Other Body Corporate/HUF/Trusts/Foreign Portfolio Investor (Corporate))	90,88,337	16.18
Total	**5,61,71,156**	**100**

i. Dematerialization of Shares

As on March 31, 2016, 56106924 Equity Shares representing 99.89% of the total equity capital of the Company were held in dematerialized form. The bifurcation of shares held in Physical and Demat form as on March 31, 2016, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	64,232	0.11
Demat Segment		
NSDL	5,39,67,658	96.08
CDSL	21,39,266	3.81
Total	**5,61,71,156**	**100.00**

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

j. Shares held in Abeyance and Fractional Shares

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

Fractional shares on the allotment of shares subsequent to the demerger were sold in the open market and the proceeds of the same were proportionately distributed to shareholders who were entitled to such fractional shares.

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

k. Share Transfer system:

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

l. Address for correspondence:

i. Any Query on Annual Report:

Mr. Anil Cherian
Chief: Legal & Company Secretary
Knowledge House
Shyam Nagar, Jogeshwari – Vikhroli Link Road
Jogeshwari (E), Mumbai 400 060
Phone: 022-66201456
Fax: 022-66201465
Email id for investors: info.fmnl@futuregroup.in

ii. Shareholders correspondence should be addressed to:

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

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

m. Adoption of Non-Mandatory Requirements

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

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Future Market Networks Limited

We have examined the compliance of conditions of Corporate Governance by Future Market Networks Limited for the financial year ended March 31, 2016, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations")

The compliance conditions of Corporate Governance are the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For and on behalf of

Viren Gandhi & Co
Firm Registration No: 111558W
Chartered Accountants

Chintan Gandhi
Partner
Membership No: 137079

Place: Mumbai
Date: August 12, 2016

Standalone Financial Statements and Notes

INDEPENDENT AUDITOR'S REPORT

To the Members of

FUTURE MARKET NETWORKS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of FUTURE MARKET NETWORKS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, 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 and the Order under section 143(11) of the Act.

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 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit/loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone financial statements:

Sale of Investments

The disposal of investments held by the Company, including two subsidiary companies, was based on a valuation report obtained from Independent Chartered Accountant(s). The sale price was less than the cost of acquisition of said shares and consequently a loss of INR 54.05 crores was incurred, which has been disclosed as exceptional item in the Statement of Profit and Loss for the year ended March 31, 2016.

Deferred tax asset

It may be noted that Management believes the company will have sufficient future income to utilize the said asset. Accordingly, deferred tax asset of INR 62.05 crores has been recognized on brought forwards business losses and depreciation and timing difference between the depreciation as per the Companies Act and Income Tax Act, as at 31 March 2016.

Contingent Liabilities

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 ₹ 12.91 crores to the Claimant after allowing certain counter claims of the Company.

The Company is in the process of filing an appeal / application against the award in terms of the applicable provision of law before the Hon'ble High Court of Calcutta. Hence, the said liability is in the nature of contingent liability.

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, and the Cash Flow Statement 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 read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 25 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

Mumbai
May 27, 2016

ANNEXURE 1 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) Certain fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(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, 2016, for a period of more than six months from the date they became payable.

(c) Details of dues of income tax, which have not been deposited as at March 31, 2016 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
Income Tax Act 1961	Income Tax	1,302.52	A.Y. 2012-13	CIT(A)

(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.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Money raised by way of term loans during the year were applied for the purposes for which those are raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the 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 27, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of FUTURE MARKET NETWORKS LIMITED on the standalone* financial statements for the year ended March 31, 2016.

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, 2016 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 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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, 2016, 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 ICAI.

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

Chintan Gandhi
Partner
Membership No.137079

Place : Mumbai
Date: May 27, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(₹ in Lakhs)

Particulars	Note	As at March 31,2016	As at March 31,2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	**5,617.12**	5,585.44
Reserves and Surplus	3	**12,384.27**	13,892.70
Non-Current Liabilities			
Long-Term Borrowings	4	**15,223.44**	21,098.75
Other Long Term Liabilities	5	**13,835.87**	15,526.01
Long-Term Provisions	6	**20.18**	14.83
Current Liabilities			
Short-Term Borrowings	7	**15,693.17**	11,822.02
Trade Payables	8	**2,555.05**	2,787.19
Other Current Liabilities	9	**17,668.11**	15,644.46
Short-Term Provisions	10	**3.68**	2.92
TOTAL		**83,000.89**	86,374.32
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**32,517.44**	28,085.83
Capital work-in-progress		**946.72**	1,454.61
Non-Current Investments	12	**12,115.33**	20,703.91
Deferred Tax Assets (Net)		**6,204.69**	-
Long-Term Loans and Advances	13	**10,992.67**	14,927.58
Current Assets			
Inventories	14	**1,064.70**	-
Trade Receivables	15	**2,723.62**	2,891.89
Cash and Bank Balances	16	**62.30**	118.41
Short-Term Loans and Advances	17	**16,373.42**	18,192.09
TOTAL		**83,000.89**	86,374.32
The notes form an integral part of these financial statements	1-42		

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

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	Note	Year Ended March 31,2016	Year Ended March 31,2015
INCOME:			
Revenue from Operations	18	**7,316.70**	7,205.83
Other Income	19	**2,069.67**	1,290.38
Total Revenue		**9,386.37**	**8,496.21**
EXPENSES:			
Cost of units sold		**261.18**	707.68
Operating Cost	20	**4,263.40**	4,114.40
Employee Benefit Expenses	21	**440.16**	372.63
Finance Costs	22	**3,425.42**	4,920.45
Depreciation	11	**2,682.75**	2,703.78
Other Expenses	23	**619.98**	1,006.84
Total Expenses		**11,692.89**	**13,825.78**
Profit / (Loss) before tax		**(2,306.52)**	(5,329.56)
Exceptional items		**5,405.47**	-
Profit/(Loss) before Tax		**(7,711.99)**	(5,329.56)
Tax Expense:			
(1) Current tax		**-**	-
(2) Deferred Tax		**(6,204.69)**	-
Profit / (Loss) after Tax		**(1,507.30)**	(5,329.56)
Earnings Per Equity Share			
Equity Shares of Face Value ₹ 10 each			
(i) Basic		**(2.69)**	(9.54)
(ii) Diluted		**(2.67)**	(9.54)
The notes form an integral part of these financial statements	1-42		

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

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars		March 31, 2016	March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit/(Loss) Before Tax		**(7,711.99)**	(5,329.56)
Adjustments for :			
Depreciation		**2,682.75**	2,703.78
Interest Income		**(2,000.18)**	(1,200.61)
Interest Expenses		**3,425.43**	4,897.69
Provision for doubtful debts		**8.62**	306.99
(Profit)/Loss on sale of Investment		**5,405.47**	-
Loss/(Profit) on sale of Fixed Assets		**(0.42)**	0.40
Excess Provision Written back		**(35.57)**	(80.17)
On account of employees stock option scheme		**13.73**	15.20
		9,499.83	6,643.28
Operating Profit before Working Capital change		**1,787.84**	1,313.72
Adjustment for:			
Trade and Other Receivable		**159.66**	1,020.29
Trade Payable,Other Liabilities & Provisions		**(981.96)**	8,480.34
Inventory		**(1,064.70)**	-
		(1,887.00)	9,500.63
Cash generated from operations		**(99.16)**	10,814.35
Taxes Paid			
Net Cash from operating activities	**A**	**(99.16)**	10,814.35
CASH FLOW FROM INVESTING ACTIVITIES:			
Sale of Fixed Assets		**16.67**	185.28
Purchase of Fixed Assets		**(6,622.73)**	(815.15)
Sale of Investment		**3,390.90**	-
Purchase of Investment		**(207.80)**	(315.35)
Loans and Advances		**5,753.58**	(89.33)
Interest received		**2,000.18**	1,200.61
Fixed Deposit		**1.02**	(1.02)
Net Cash From Investing Activities	**B**	**4,331.82**	165.04
CASH FROM FINANCING ACTIVITIES:			
Interest paid		**(3,425.42)**	(4,897.69)
Proceeds of Equity Shares		**38.01**	-
Stamp Duty Paid		**(21.19)**	-
Net Proceeds of Short Term Borrowings		**3,871.15**	(4,948.10)
Net Proceeds of Long Term Borrowings		**(4,750.31)**	(1,841.25)
Net Cash from/(used) in Financing Activities	**C**	**(4,287.76)**	(11,687.04)
NET INCREASE IN CASH AND CASH EQUIVALENT	**(A+B+C)**	**(55.10)**	(707.65)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		**110.89**	818.54
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		**55.79**	110.89

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

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

1 COMPANY OVERVIEW

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:

2.1 Basis of preparation:

These financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, (the Act) 1956 shall continue to apply. Consequently, these financial statements are prepared to comply in all material aspects with Accounting Standards notified under sub-section (3C) of Section 211 of the Act [Companies (Accounting Standards) Rules, 2006] and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

2.2 Use of estimates:

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

2.3 Fixed Assets and Depreciation:

i. Fixed assets are stated at cost (net of cenvat credit and capital subisidy / grant wherever applicable), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets upto the date when such assets are ready for their intended use. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

ii. Depreciation on fixed assets is provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except for the leasehold improvements which are depreciated over the remaining expected lease term.

2.4 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior

years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

2.5 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.

2.6 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at the lower of cost and fair value determined on an individual basis.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is recognized in the Statement of Profit and Loss.

2.7 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.

2.8 Revenue Recognition:

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

Sale of Goods

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

Income from Services

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

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

Interest and Dividend Income

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

2.9 Employee Benefits:

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

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

Post Employment Benefits:

a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

b) Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company's liability towards gratuity is actuarially determined using the Projected Unit Credit Method by an independent actuary. Actuarial gains and losses are recognized in the Statement of Profit and Loss as income or expense in the period in which they arise.

c) Other Long Term Employee Benefits

Other Long Term Employee Benefits viz, compensated absences and long service bonus is recognized as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability towards compensated absences based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date which is calculated using Projected Unit Credit Method. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss in the period in which they arise.

d) Employee share based payments

Equity settled stock options granted under the Company's Employee stock option (ESOP) scheme are accounted in accordance with the SEBI Regulations and the Guidance Note on Accounting for Employee Share based payments issued by ICAI. The compensation cost of employee stock options is calculated based on the intrinsic value method and compensation cost is amortized over the vesting period of the option on a straight line basis.

2.10 Taxation:

Tax expense includes provision for Current tax and deferred tax.

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

Deferred tax subject to consideration of prudence is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on unabsorbed tax losses and tax depreciation are not recognized unless there is virtual certainty supported by convincing evidence that future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted as on the balance sheet date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

2.11 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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

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

2.12 Leases:

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments /receipts under operating leases are recognized as an expense / income with reference to lease terms and other considerations.

2.13 Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the period end are translated at the period end exchange rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign currency transactions are recognized in the Statement of Profit and Loss.

However, it may be noted that there are not foreign currency transactions entered into by the company during the current financial year.

2.14 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.

2.15 Earnings Per Share:

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.16 Segment Reporting:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31,2016	As at March 31,2016
Authorised Capital		
90,260,000 Equity Shares of ₹10/- each	**9,026.00**	9,026.00
5,000 Preference Shares of ₹100/- each	**5.00**	5.00
	9,031.00	9,031.00
Issued Capital*		
56,171,726 (55,854,976) Equity Shares of ₹ 10/- each	**5,617.17**	5,585.50
	5,617.17	5,585.50
Subscribed and Paid up		
56,171,156 (55,854,406) Equity Shares of ₹10/- each fully paid up	**5,617.12**	5,585.44
	5,617.12	5,585.44
*** Includes 570 shares in abeyance**		

Note - During the year, the Company has issued 316,750 equity shares (previous year - Nil) under the Employee Stock Option Scheme.

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

(₹ in Lakhs)

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	**Amount**	No. of Shares	Amount
Opening balance of Equity shares	**5,58,54,976***	**5,585.50**	5,58,54,976*	5,585.50
Shares Issued on exercise of Emlpoyee Stock Option	**3,16,750**	**31.68**	-	-
Closing balance of Equity Shares	**5,61,71,726**	**5,617.18**	5,58,54,976	5,585.50

*** Includes 570 shares in abeyance**

b) Rights and restrictions attached to shares

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

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

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	**% held**	No. of Shares	% held
Manz Retail Private Limited	**1,64,30,824**	**29.25%**	1,64,30,824	29.42%
Future Corporate Resources Limited	**1,51,76,754**	**27.02%**	1,51,76,754	27.17%
Weavette Business Ventures Limited	**85,63,367**	**15.25%**	85,63,367	15.33%
Ishbhoomi Mall Management Private Limited	**46,15,516**	**8.22%**	41,27,870	7.39%
Total	**4,47,86,461**	**79.74%**	4,42,98,815	79.31%

d) Shares reserved for issue under options

The Company has 1,22,250 (previous year 4,39,000) equity shares reserved for issue under Employee Stock Option Scheme as at March 31, 2016. (Refer note 37)

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

(i) In Financial Year 2010-11 - Allotted 1,11,70,966 shares of ₹ 10/- each under scheme of arrangement (demerger) approved by Bombay High Court on August 24, 2010.

(ii) In Financial Year 2011-12 - Allotted 4,46,83,440 equity shares of ₹ 10/- each under the scheme of amalgamation approved by Bombay High Court on Januray 20, 2012.

(iii) In Financial Year 2015 -16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

3. RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
As per last Balance Sheet	**7,474.75**	7,474.75
	7,474.75	7,474.75
Capital Reserve on Amalgamation		
As per last Balance Sheet	**25,238.81**	25,241.47
Less: Utilised during the year	**21.19**	2.66
	25,217.62	25,238.81
Share Premium	**44.19**	-
Share Option Outstanding Account		
Opening Balance	**37.09**	21.89
Add: Employee Compensation Expense for the year	**13.73**	15.20
Less: Transfer to share premium in respect of ESOPs alloted	**37.86**	-
	12.97	37.09
Statement of Profit and Loss		
Opening Balance	**(18,857.95)**	(13,516.67)
Add: Surplus/(Deficit) for the year	**(1,507.30)**	(5,329.56)
Less: Adjustment on account of revised schedule II of companies act 2013	**-**	(11.71)
	(20,365.25)	(18,857.95)
	12,384.28	13,892.70

4. LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Rupee Term Loan from Banks	**15,223.44**	21,098.75
	15,223.44	21,098.75

i) (a) ₹ 2,125 Lakhs (2015 ₹ 3,250 Lakhs) - 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

ii) (a)Term Loan of ₹ 9,348.45 Lakhs (2015: ₹ 12,690 Lakhs) are secured by (b) Charge on Assets of ₹10,500 Lakhs created out of the proposed Term Loan. (c) First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to ₹ 100 cr (d) Second Pari Passu charge on the immovable property owned by M/s Bansi Mall Management Company Private Limited (e) Personal Guarantee of the Promoters.

iii) (a) Term Loan of ₹10,000 Lakhs (2015: ₹ 10,000 Lakhs) are secured by (b) First pari pasu charge on the immovable property owned by Bansi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Bansi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters

iv) Term Loan are repayable as follows: ₹ 7,441.25 Lakhs is repayable in 2017-18, ₹ 4,282.20 Lakhs is repayable in 2018-19 and ₹ 3,500.00 Lakhs is repayable in 2019-20.
(Rate of interest between 12.40% to 13.95% p.a.)

5. OTHER LONG-TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Rental Deposits	**13,835.87**	15,526.01
	13,835.87	15,526.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
6. LONG-TERM PROVISIONS		
Provision for Employee Benefits*	**20.18**	14.83
*Include provision for gratuity and other retirement benefits		
	20.18	14.83
7. SHORT-TERM BORROWINGS		
Secured		
Cash Credit from bank	**558.80**	562.73
Loan from Financial Institution		
Inter Corporate Deposit	**4,581.50**	5,200.00
Unsecured, repayable on demand		
Loans and advances from related parties	**3,066.00**	3,066.00
Loans and advances from others	**7,486.87**	2,993.29
	15,693.17	11,822.02
Secured		
a) Cash Credit from bank:		
i) Secured by first and pari-passu hypothecation charge of all existing and future current assets including receivables of the borrower and personal guarantee of shareholder		
b) Inter Corporate Deposit:		
i) Secured by hypothecation of movable assets and receivables of the company, both present and future and personal guarantee of promoter shareholder		
(ii) Pledge of unencumbered Demat equity shares of the Company, Pantaloon Fashion Private Limited & Future Consumer Enterprise Ltd. held in the name of the Company or promoters.		
(Rate of interest between 14.75% p.a.)		
Unsecured		
a) Loans and advances from related parties:		
i) Includes interest free loan ₹ 3,066.00 Lakhs (2015 ₹ 3,066.00 Lakhs)		
b) Loans and advances from others:		
i) Includes interest free loan ₹ 7,486.87 Lakhs (2015: ₹ 2,882.13 Lakhs)		
8. TRADE PAYABLES		
Trade Payables (Refer Note No. 36)	**2,555.05**	2,787.19
	2,555.05	2,787.19
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Borrowings	**6,250.00**	4,841.25
Advance received from customers	**10,776.52**	10,522.98
Others*	**641.59**	280.23
	17,668.11	15,644.46
*** includes payable for expenses and statutory dues**		
10. Short-Term Provisions		
Provision for Employee Benefits*	**3.68**	2.92
*Includes provision for gratuity and other retirement benefits		
	3.68	2.92

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

11. FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block					Depreciation						Net Block	
	As at April 1, 2015	Additions	Sale/ Disposal during the year	Re-classi-fied as held for sale	As at March 31, 2016	Upto April 1, 2015	Adjust-ment for the Year	For the Year	Adjust-ment for the Year	Elimi-nated on reclasifi-cation as held for sale	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Fixed Assets													
Freehold Land	69.94	-	-	-	69.94	-		-	-	-	-	69.94	69.94
Air Conditioner	15.87	-	-	-	15.87	7.09		1.45	-	-	8.54	7.33	8.78
Computers and Software	44.88	-	-	-	44.88	36.57		0.34	-	-	36.91	7.97	8.31
Furniture and Fittings	131.16	-	-	-	131.16	58.43		12.03	-	-	70.46	60.70	72.74
Office and Other Equipment	6.92	-	-	-	6.92	3.79		2.65	-	-	6.44	0.48	3.13
Plant and Machinery	86.04	-	-	-	86.04	36.58		8.18	-	-	44.76	41.28	49.46
Total A	**354.81**	**-**	**-**	**-**	**354.81**	**142.46**	**-**	**24.65**	**-**	**-**	**167.11**	**187.70**	**212.35**
Under Operating Lease													
Building	12,009.18	4,638.23	-	-	16,647.41	1,676.56	-	172.25	-	-	1,848.81	14,798.60	10,332.62
Leasehold improvement	6,691.71	2,257.79	-	-	8,949.50	2,037.22	-	617.90	-	-	2,655.12	6,294.38	4,654.49
Air Conditioner	3,160.99	25.70	-	-	3,186.69	891.92	-	349.60	-	-	1,241.52	1,945.17	2,269.07
Computers and Software	131.81	4.86	-	-	136.67	120.66	-	7.36	-	-	128.02	8.65	11.15
Furniture and Fittings	6,564.49	119.95	-	-	6,684.44	1,844.69	-	718.62	-	-	2,563.31	4,121.13	4,719.80
Office and Other Equipment	306.86	1.39	-	-	308.25	157.01	-	84.84	-	-	241.85	66.40	149.85
Plant and Machinery	6,359.67	82.69	-	-	6,442.36	1,511.50	-	707.53	-	-	2,219.03	4,223.33	4,848.17
Vehicles	4.19	-	-	-	4.19	3.98	-	-	-	-	3.98	0.21	0.21
TOTAL B	**35,228.90**	**7,130.61**	**-**	**-**	**42,359.51**	**8,243.54**	**-**	**2,658.10**	**-**	**-**	**10,901.64**	**31,457.87**	**26,985.36**
Grand Total	**35,583.71**	**7,130.61**	**-**	**-**	**42,714.32**	**8,386.00**	**-**	**2,682.75**	**-**	**-**	**11,068.75**	**31,645.57**	**27,197.71**
Previous Year	**35,421.76**	**307.27**	**145.33**	**-**	**35,583.71**	**5,695.26**	**-**	**2,703.78**	**(13.04)**	**-**	**8,386.00**	**27,197.71**	**-**
Assets held for sale												**871.87**	**888.12**
												32,517.44	**28,085.83**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
12. Non-Current Investments		
Trade Investment (Valued at cost unless stated otherwise)		
Unquoted		
Investments in Equity Shares of		
Subsidiary Companies		
Equity Shares of ₹ 10/- each fully paid up		
11,36,600 Equity Shares of Sun City Properties Private Limited	**1,295.52**	1,295.52
1,00,000 Equity Shares of Aashirwad Malls Private Limited	**567.58**	567.58
15,000 Equity Shares of Star Shopping Centres Private Limited	**1.50**	1.50
6,14,161 Equity Shares of Future Trade Markets Private Limited	**3,866.00**	3,866.00
8,47,356 Equity Shares of Suhani Mall Management Company Pvt. Ltd.	**2,020.54**	2,020.54
Joint Ventures		
Equity Shares of ₹ 10/- each fully paid up		
6,129 (5,669) Equity Shares of Riddhi Siddhi Mall Management Pvt. Ltd.	**587.02**	379.22
1,50,00,000 Equity Shares of Future Retail Destination Limited	**1,500.00**	1,500.00
25,000 Equity Shares of Utility Developers Private Limited	**2.50**	2.50
Others		
Equity Shares of ₹ 10/- each fully paid up		
NIL (1,65,000) Equity Shares of Calcutta Metropolitan Group Limited	**-**	2,224.99
NIL (65,000) Equity Shares of Riverbank Developers Private Limited	**-**	5,621.05
11,425 Equity Shares of V.R.Procurement Corporation Pvt Ltd.	**228.50**	228.50
10,000 Equity Shares of Navika Developers Private Limited	**1.00**	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	**1.00**	1.00
10,000 Equity Shares of Ujjain Future Bazaar Private Limited	**9.00**	9.00
10,000 Equity Shares of Harmony Malls Mangement Private Limited	**1.00**	1.00
10,000 Equity Shares of Precision Reality Developers Private Limited	**1.00**	1.00
60,000 Equity Shares of Acute Realty Private Limited	**531.52**	531.52
10,000 Equity Shares of Nishta Mall Management Company Pvt. Ltd.	**230.08**	230.08
1,30,000 Equity Shares of Unique Malls Private Limited	**233.34**	233.34
1,000 (10,000) Equity Shares of F R Retail Destination Private Limited	**27.33**	273.34
1,000 (10,000) Equity Shares of Niyman Mall Management Company Private Limited	**78.26**	782.58
10,000 Equity Shares of Ojas Mall Management Private Limited	**1.00**	1.00
Investments in Preference Shares of		
Joint Ventures		
257 0.01% Non Cumulative Optionaly Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	**931.64**	931.64
Aggregate cost of unquoted investments	**12,115.33**	20,703.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
13. Long-Term Loans and Advances		
(Unsecured, Considered Good)		
Capital Advances	**3,765.00**	7,365.74
Security Deposits to		
Others	**2,800.38**	2,850.38
Other Loans and Advances		
Other Loans and Advances to		
Related parties	**283.36**	272.39
Others*	**2,136.91**	2,166.51
Deduction of Income Taxes (Net of Provision)	**1,309.37**	1,557.35
Other Loans and Advances	**697.65**	715.22
	10,992.67	14,927.58
* - Includes Long Term Business Advance		
14. Inventories		
Finished Shops - Karad	**851.13**	-
Finished Shops - Ujjain	**213.57**	-
	-	-
	1,064.70	-
15. Trade Receivables		
(Unsecured)		
Outstanding for a period exceeding six months		
Considered Doubtful	**666.64**	658.01
Considered Good	**1,822.91**	1,790.51
Less: Provision for Doubtful Debts	**666.64**	658.01
	1,822.91	1,791.51
Others debts	**900.71**	1,101.39
	2,723.62	2,891.90
16. Cash and Bank Balances		
Cash and cash equivalents		
Cash on Hand	**3.38**	0.53
Balance with Banks		
in current accounts	**52.42**	110.36
Other bank balances		
Short term bank deposits with original maturity Less than one year (Under Lien)	**6.50**	7.52
	62.30	118.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
17. Short-Term Loans and Advances		
(Unsecured, considered good)		
Loans and Advances to		
Related Parties	**314.97**	17,001.42
(Repayable on demand carrying interest rate 14%-15% p.a. includes interest free loan/advance ₹ NIL (2015: ₹ 4,500 Lakhs)		
Others	**15,938.39**	942.70
(Repayable on demand includes amount advanced pursuant to the stipulation of lending bank ₹ 3750.00 Lakhs (₹ 2015: Nil) , Interest bearing of ₹ 11401.44 Lakhs and Business Advances of ₹ 786.95 Lakhs which are non-Interest bearing		
(Rate of interest is 12% to 14% p.a.)		
Deposits	**72.11**	140.87
Other Loans and Advances*	**47.95**	107.10
	16,373.42	18,192.09
*** It primarily includes Share Application Money ₹ NIL (2015 :₹ 35.00 Lakhs),Other Advances, Statutory dues recoverable etc.**		
18. Revenue From Operations		
Sales	**316.49**	792.19
Less: Vat / Sales Tax	**3.09**	88.02
	313.40	704.17
Rent and other related revenues	**6,975.80**	6,358.63
Project Mangement Consultancy	**27.50**	143.03
	7,316.70	7,205.83
19. Other Income		
Interest Income		
On Fixed Deposit	**0.42**	0.65
Others	**1,999.76**	1,199.96
Security Deposit Forefiture	**-**	11.30
Profit on sale of Fixed Assets	**0.42**	4.13
Sundry Balances/Excess Provision Written Back	**35.56**	68.87
Sale of Scrap	**31.77**	-
Miscellaneous Income	**1.74**	5.47
	2,069.67	1,290.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
20. Operating Cost		
Mall Maintenance Charges	**188.95**	177.18
Rent including lease rentals	**4,074.45**	3,937.21
	4,263.40	4,114.39
21. Employee Benefit Expenses		
Salaries, Wages and Bonus	**404.00**	341.45
Contribution to Provident and Other Funds	**17.45**	11.23
Employees stock option scheme	**13.73**	15.20
Staff Welfare Expenses	**4.98**	4.75
	440.16	372.63
22. Finance Costs		
Interest Expenses	**3,402.40**	4,897.69
Other Borrowing costs	**23.02**	22.76
	3,425.42	4,920.45
23. Operating and Other Expenses		
Electricity Charges	**106.32**	138.33
Repairs and Maintenance - Others	**88.21**	115.06
Auditors' Remuneration		
Statutory Audit Fees	**3.00**	5.00
Tax Audit Fees	**0.50**	0.50
Other Services	**2.30**	2.15
Rates and Taxes	**154.21**	183.26
Insurance	**17.09**	11.00
Legal and Professional Fees	**84.66**	88.02
Listing Fees/Custodian Charges	**6.43**	5.50
Director Sitting Fees	**8.80**	7.40
Provision for Doubtful Debts	**8.62**	306.99
Travelling and Conveyance Expenses	**19.02**	24.51
Sundry Balance Written Off	**63.72**	4.90
Water Charges	**15.52**	12.09
Other Expenses	**41.58**	97.59
Loss on sale/discard of Fixed Assets	**-**	4.54
	619.98	1,006.84

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

24. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 31.02 Lakhs (2015: ₹ 94.29 Lakhs),

25. Contingent Liabilities not provided for:

(a) Corporate Guarantee given to bank on behalf of Companies- ₹ 64,950 Lakhs (2015: 68,700 ₹Lakhs)

(b) Income tax demand ₹ 1,302.52 Lakhs (2015: ₹ 1,357.23 Lakhs)

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

(c) In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 1,290.52 Lakhs to the Claimant after allowing certain counter claims of the Company. The Company is in the process of filing an appeal / application against the award in terms of the applicable provision of law before the Hon'ble High Court of Calcutta.

26. Disclosures requires by Accounting Standard 15 "Employee benefits"

A. 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 ₹ 10.12 Lakhs (previous year ₹ 8.89 Lakhs) has been included in Note 21 under Contribution to Provident and Other Funds.

B. Defined Benefit Plan – Gratuity

The Company accounts for its liability for future gratuity benefits based on the actuarial valuation, as at the balance sheet date, determined by an Independent Actuary using the Projected Unit Credit method and is provided for. The Company's gratuity plan is non-funded. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the year in which they occur.

Change in Present Value of Obligation

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Present Value of the Obligation as on April 1, 2015	10.13	7.16	7.62	5.77
Interest Cost	0.81	0.57	0.61	0.46
Current Service Cost	2.71	2.39	1.85	1.64
Benefits Paid	(0.44)	NIL	(0.66)	(0.33)
Actuarial (Gain) / Loss on Obligation	2.04	NIL	(0.80)	0.08
Present Value of the Obligation as on March 31, 2016	15.24	10.13	8.62	7.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Amount recognized in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Present Value of the Obligation as on March 31,2016	15.24	10.13	8.62	7.62
Fair value of plan assets	NIL	NIL	NIL	NIL
Un-funded Liability	15.24	10.13	8.62	7.62
Unrecognized actuarial gains/ losses	NIL	NIL	NIL	NIL
Un-funded liability recognized in Balance Sheet	15.24	10.13	8.62	7.62

Expense recognized in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Interest Cost	0.81	0.57	0.61	0.46
Current Service Cost	2.71	2.39	1.85	1.64
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss on obligations	2.04	NIL	(0.80)	0.08
Total expense recognized in the Statement of Profit and Loss	5.56	2.96	1.66	2.18

C. Reconciliation of Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Liability of transferred employees under scheme of amalgamation	NIL	NIL	NIL	NIL
Total expense recognized in the Statement of Profit and Loss Account	5.56	2.96	1.66	2.18
Benefits paid during the year	0.44	NIL	0.66	0.33
Present Value of the Obligation as on March 31	15.24	10.13	8.62	7.62

D. The assumptions used to determine the benefit obligations are as follows :

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

27. In respect of operating lease taken by the company, the future minimum lease rental obligation under non – cancellable operating leases in respect of these assets is ₹ 25,270.93 Lakhs (2015 : 13,317.03 Lakhs).

(₹ in Lakhs)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	Lease rentals recognized in Statement of Profit and Loss	**4,074.45**	3,937.21
ii)	Lease rentals payable not later than one year	**4,160.94**	2,969.17
iii)	Lease rentals payable later than one year but not later than five years	**13,819.41**	8,897.56
iv)	Lease rentals payable later than five years	**7,290.58**	1,450.30

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

(₹ in Lakhs)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	Gross block of assets let out on operating lease	**42,359.51**	35,228.90
ii)	Accumulated depreciation as at March 31	**10,901.65**	8,243.54
iii)	Depreciation charged during the year to the Statement of Profit and Loss	**2,658.11**	2,667.66
iv)	Lease rentals recognised in Statement of Profit and Loss	**6,032.45**	5,764.82
v)	Lease rentals receivable not later than one year	**3,059.52**	1,054.90
vi)	Lease rentals receivable later than one year but not later than five years	**5,047.06**	644.33
vii)	Lease rentals receivable later than five years	**-**	-

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

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

Name of Related Parties	Relationship
Aashirwad Malls Private Limited	Subsidiaries
Future Trade Markets Private Limited	
Star Shopping Centres Private Limited	
Suhani Mall Management Company Private Limited	
Sun City Properties Private Limited	
Niyman Mall Management Company Private Limited (upto 23/08/2015)	
Ojas Mall Management Private Limited (upto 10/09/2015)	
F R Retail Destination Private Limited (upto 23/08/2015)	
Utility Developers Private Limited	Joint Ventures
Riddhi Siddhi Mall Management Private Limited	
Future Retail Destination Limited	
Sattva Realtors Limited	Joint Venture of Future Trade Markets Private Limited
Mr. Sunil Biyani Mr. Anil Cherian	Key Managerial Personnel
Future Corporate Resources Limited	Investing Parties
Manz Retail Private Limited	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Acute Realty Private Limited (upto 23/08/2015)	Associate
Unique Malls Private Limited (upto 23/08/2015)	
Precision Realty Developers Private Limited (upto 23/08/2015)	
Nishta Mall Management Company Private Limited (upto 23/08/2015)	
Galaxy Entertainment Corporation Ltd	Directors Interested
Retail Light Techniques India Limited	
Splendor Fitness Private Limited	
Jolamma Cherain	Relative of KMP

B) Transactions during the year with related parties:- **(₹ in Lakhs)**

Nature of Transactions	Subsidiaries	Joint Ventures	Associates	Investing Parties	Relative of KMP	KMP	Directors Interested
Interest Income	185.74	18.12	506.67	-	-	-	-
	(890.48)	*(14.34)*	*(295.14)*	*(-)*	*(-)*	*(-)*	*(-)*
Project Management Consultancy	27.50	-	-	-	-	-	-
	(51.44)	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*
Interest Expense	-	-	-	-	-	-	-
	(104.33)	*(23.02)*	*(29.24)*	*(-)*	*(-)*	*(-)*	*(-)*
Lease Rent expense	-	-	-	-	2.46	-	-
	(-)	*(-)*	*(-)*	*(-)*	*(2.46)*	*(-)*	*(-)*
Reimbursement of Expenses	0.43	-	-	-	-	-	-
	(1.55)	*(-)*	*(-)*	*(0.79)*	*(-)*	*(-)*	*(-)*
Remuneration to KMP	-	-	-	-	-	31.02	-
	(-)	*(-)*	*(-)*	*(-)*	*(-)*	*(24.56)*	*(-)*
Investment in shares	-	207.80			-	-	-
	(-)	*(315.35)*	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*
Share application money Given	-	207.80	-	-	-	-	-
	(-)	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*
Share application money received back	-	-	-	-	-	-	-
	(3,600.00)	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*
Loans given net off received back	(1140.97)	13.60	1262.19	-	-	-	-
	(9409.46)	*(7.12)*	*(4940.91)*	*(-)*	*(-)*	*(-)*	*(-)*
Loans taken net off repaid back /	-	-	-	-	-	-	-
	(1,135.42)	*((214.61))*	*-*	*(1,934.00)*	*(-)*	*(-)*	*(-)*
Deposits received				-	-	-	23.21
	(-)	*(-)*	*(-)*	*(4.00)*	*(-)*	*(-)*	*(-)*
Deposits Received repaid back		50.28			-	-	-
	(700.00)	*(1,205.97)*	*(-)*	*(6.00)*	*(-)*	*(-)*	*(-)*
Business Advance Given	1.94				-	-	-
	(-)	(-)	(-)	(-)	*(-)*	*(-)*	*(-)*
Outstanding Balance as at March 31,							
Receivable	466.17	187.89	-	-	-	-	166.92
	(3,760.88)	*(159.31)*	*(-)*	*(-)*	*(-)*	*(-)*	*(195.13)*
Payable	0.56		-	-	-	-	-
	(0.98)	*(50.28)*	*(-)*	*(0.79)*	*(-)*	*(-)*	*(10.72)*
Borrowings	-	-	-	3066.00	-	-	-
	(-)	*(-)*	*(-)*	*(3066.79)*	*(-)*	*(-)*	*(-)*
Loans & Advances	454.08	144.47	-	-	-	-	-
	(3740.91)	*(115.67)*	*(13420.37)*	*(-)*	*(-)*	*(-)*	*(-)*

Note: Figures in italic represents previous year's figures

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

C) Significant Related party transactions: **(₹ in Lakhs)**

Nature of Transaction	Name of the Company	2016	2015
Interest Income	F R Retail Destination Private Limited	42.41	118.52
	Ojas Mall Management Private Limited	94.86	280.81
	Sun City Properties Private Limited	20.22	9.10
	Niyman Mall Management Company Private Limited	10.02	153.10
	Future Retail Destination Limited	18.12	14.34
	Nishta Mall Management Company Private Limited	134.28	188.30
	Acute Realty Private Limited	192.43	82.77
	Unique Malls Private Limited	170.96	236.44
	Harmony Malls Management Private Limited	-	20.46
Project Management	Aashirwad Malls Private Limited	27.50	40.00
	Future Trade Markets Private Limited	-	11.44
Interest Expense	Precision Realty Developers Private Limited	-	58.47
	Suhani Malls Management Private Limited	-	51.69
	Ujjain Future Bazaar Private Limited	-	23.41
	Riddhi Siddhi Mall Management Private Limited	-	23.02
Share Application Money Given	Riddhi Siddhi Mall Management Private Limited	207.80	-
Share Application Money received back	Acute Realty Private Limited	-	3,600.00
Investment in Shares	Riddhi Siddhi Mall Management Private Limited	207.80	315.34
Loan Given Net off received back	Ojas Mall Management Private Limited	(1,986.90)	2,209.52
	Niyman Mall Management Company Private Limited	24.16	18.61
	F R Retail Destination Private Limited	836.03	363.80
	Precision Realty Developers Private Limited	254.05	1,686.59
	Unique Malls Private Limited	1,030.25	2,784.96
	Acute Realty Private Limited	597.47	2,026.66
	Nishta Mall Management Company Private Limited	(619.58)	2,103.54
	Future Retail Destination Limited	13.60	7.12
Loan Taken Net off repaid back	Ujjain Future Bazaar Private Limited	-	886.53
	Shreya Mall Management Private Limited	-	117.86
	Navika Developers Private Limited	-	131.04
	Riddhi Siddhi Mall Management Private Limited	-	214.61
	Future Corporate Resources Limited	-	1,934.00
Loan Repaid Back	Riddhi Siddhi Mall Management Private Limited	-	214.61
Deposit Received	Manz Retail Private Limited	-	4.00
	Galaxy Entertainment Corporation Limited	23.21	-
Deposit Repaid	Suhani Malls Management Private Limited	-	700.00
	Riddhi Siddhi Mall Management Private Limited	50.28	1,205.97
	Manz Retail Private Limited	-	6.00
Reimbursement of expenses	Sattva Realtors Limited	0.43	-
	Ujjain Future Bazaar Private Limited	-	0.80
	Future Corporate Resources Limited	-	0.79
	Star Shopping Centres Private Limited	-	0.75
Remuneration	Mr. Anil Cherian	31.02	24.55
Business Advance Given	Star Shopping Centres Private Limited	1.94	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

30. Joint Venture Information:

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

S. No.	Name of the Company	Description of interest	Country of Incorporation	Percentage of Interest as on March 31, 2016	Percentage of Interest as on March 31, 2015
1	Future Retail Destination Limited	Equity	India	50.00%	50.00%
2	Riddhi Siddhi Mall Management Private Limited	Equity	India	50.00%	50.00%
3	Utility Developers Private Limited	Equity	India	50.00%	50.00%

Company's Interest in the Joint Ventures **(₹ in Lakhs)**

Name of the Company	Future Retail Destination Limited	Riddhi Siddhi Mall Management Private Limited	Utility Developers Private Limited
Assets			
Fixed Assets & Capital WIP	959.53	3162.07	79.27
Other Non-Current Assets	626.07	141.40	92.00
Current Assets	0.96	167.01	45.50
Liabilities			
Non-Current Liabilities & Provisions	-	274.53	-
Current Liabilities & Provisions	107.66	408.83	9.17
Income	-	236.15	46.11
Expenditure	11.13	189.84	0.17

31. Earnings Per Share:

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit/(Loss) after tax (₹ in Lakhs)	**(1,507.30)**	(5,329.56)
Nominal Value of Ordinary Shares (₹)	**10**	10
Weighted average number of Equity Shares for calculating Basic EPS	**5,59,51,335**	55,854,406
Weighted average number of Equity Shares for calculating diluted EPS	**5,60,20,936**	55,854,406
Earnings Per Share (Basic) (₹)	**(2.69)**	(9.54)
Earnings Per Share (Diluted) (₹)	**(2.67)**	(9.54)

32. Deferred Tax Asset

Disclosure as required under Accounting Standard 22 on 'Accounting for Taxes on Income' **(₹ in Lakhs)**

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability		
Related to Fixed Assets	**Nil**	Nil
Total	**Nil**	Nil
Deferred Tax Asset		
Disallowance under Income Tax Act / Unabsorbed Depreciation / Unabsorbed losses	**5146.54**	Nil
Related to Fixed Assets	**1058.15**	Nil
Total	**6204.69**	Nil
Net Deferred Tax (Assest)	**6204.69**	Nil

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

33. Expenditure in Foreign Currency: ₹ NIL (2015: ₹NIL)

34. Earnings in Foreign Currency: ₹ NIL (2015: ₹NIL)

35. 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) (₹ in Lakhs)

Sr No	Name of Companies	Relationship	Outstanding Balance		Maximum Balance outstanding during the year	
			As at March 31, 2016	As at March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
1	Future Trade Markets Private Limited	Subsidiary	-	-	4.44	22.62
2	Suhani Mall Management Company Private Limited.	Subsidiary	-	24.26	98.06	362.45
3	Star Shopping Centres Pvt Ltd	Subsidiary	283.36	272.39	283.36	272.39
4	Sun City Properties Private Limited	Subsidiary	170.73	138.31	170.73	138.31
5	Riddhi Siddhi Mall Management Private Limited.	Joint Venture	0.24	0.14	208.04	315.34
6	Future Retail Destination Limited	Joint Venture	144.24	112.52	144.24	112.52
7	Utility Developers Private Limited	Joint Venture	-	3.00	3.00	3.00
8	F R Retail Destination Private Limited (Subsidiary till 23.08.2015)	Other Corporate	1,245.54	643.90	1,544.03	1,914.22
9	Ojas Mall Management Private Limited (Subsidiary till 10.09.2015)	Other Corporate	445.06	2,490.33	2,600.56	3,638.69
10	Niyman Mall Management Company Private Limited (Subsidiary till 23.08.2015)	Other Corporate	243.62	171.71	243.63	1,906.45
11	Acute Realty Private Limited (Associate till 23.08.2015)	Other Corporate	4,101.08	3,109.93	4,101.07	3,109.93
12	Nishta Mall Management Company Private Limited (Associate till 23.08.2015)	Other Corporate	1,514.53	2,987.16	2,987.16	2,987.16
13	Precision Realty Developers Private Limited (Associate till 23.08.2015)	Other Corporate	-	41.88	507.63	3,079.59
14	Unique Malls Private Limited (Associate till 23.08.2015)	Other Corporate	7,260.48	6,031.39	7,260.48	6,768.83
15	Bansi Mall Management Co. Private Limited.	Other Corporate	275.49	-	538.78	-
16	Navika Developers Private Limited	Other Corporate	31.77	-	89.01	142.12
17	Ujjain Future Bazaar Private Limited	Other Corporate	33.86	-	104.86	618.64
18	Harmony Malls Management Private Limited	Other Corporate	-	-	-	686.23
19	Shrijee Lifestyle Private Limited	Other Corporate	55.40	50.00	55.40	50.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note:

- All the above loans have been granted for business purposes, except loan amounting to INR 3750.00 Lakhs which has been granted to Unique Malls Private Limited, being promoter contribution, for the purpose of obtaining bank finance.
- All the above loans are interest bearing except loan to Riddhi Siddhi Mall Management Private Limited which is in the nature of business advance, and promoter contribution to Unique Malls Private Limited as stated above.

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

37. Employee Stock Option Scheme

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

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

A. Summary of Status of ESOSs Granted

The position of the existing scheme is summarized as under –

Particulars	2015-16		2014-15	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	4,39,000	12.00	4,89,000	12.00
Granted during the year	NIL	-	NIL	-
Lapsed during the year	NIL	-	50,000	12.00
Exercised during the year	3,16,750	12.00	NIL	-
Outstanding at the end of the year	1,22,250	12.00	4,39,000	12.00
Exercisable at the end of the year	12,500	-	2,32,000	-
Weighted Average Remaining contractual life of outstanding options (in years)	1.50		2.50	
Weighted average exercise price of options granted (₹)	12.00		12.00	

The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2015-16 is ₹ 13.73 Lakhs. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognized in the financial statements for the year 2015-16 would be ₹ 7.86 Lakhs. The effect of adopting the fair value method on the net income and earnings per share is presented below:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Pro forma Adjusted Net Income and Earnings Per Share

Particulars	Units	2015-16	2014-15
Net Income as Reported	₹ In Lakhs	(1507.30)	(5329.56)
Add: Intrinsic Value Compensation Cost	₹ In Lakhs	13.73	15.19
Less: Fair Value Compensation Cost	₹ In Lakhs	7.86	9.88
Adjusted Pro Forma Net Income	₹ In Lakhs	(1501.43)	(5324.24)
Earning Per Equity Share: Basic			
As Reported	₹	(2.69)	(9.54)
Adjusted Pro Forma	₹	(2.68)	(9.53)
Earning Per Equity Share: Diluted			
As Reported	₹	(2.67)	(9.54)
Adjusted Pro Forma	₹	(2.67)	(9.53)

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

1.	Risk Free Interest Rate	7.45%
2.	Expected Life	2.50
3.	Expected Volatility	70.70%
4.	Dividend Yield	0.00%
5.	Price of the Underlying Share in Market at the Time of the Option Grant (₹)	23.95

38. The borrowing cost capitalized during the year ended March 31, 2016 was ₹632.48 Lakhs (2015: ₹ 247.60 Lakhs)

39. Details of Purchase of Stock in trade:-

(₹ in Lakhs)

Particulars	2015-16	2014-15
Office & Other Equipments	Nil	707.68
Total	Nil	707.68

40. Details of Sales value of Goods :-

(₹ in Lakhs)

Particulars	2015-16	2014-15
Office & Other Equipments	Nil	704.17
Total	Nil	704.17

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

(₹ in Lakhs)

S. No.	Name	Relation	Amount as at March 31,2016	Amount as at March 31,2015
A	**Corporate Guarantee Given**			
i.	IDBI Bank Limited-Acute Realty Private Limited (Associate till 23.08.2015)	Other Body Corporate	18,700.00	18,700.00
ii.	Central bank of India- Unique Malls Private Limited (Associate till 23.08.2015)	Other Body Corporate	18,750.00	18,750.00
iii.	Indian Overseas Bank - Precision Realty Developers Private Limited (Associate till 23.08.2015)	Other Body Corporate	12,500.00	12,500.00
iv.	Bank of India Nishta Mall Management Company Private Limited (Associate till 23.08.2015)	Other Body Corporate	-	18,750.00
v.	Central Bank of India Future Corporate Resources Limited	Investing Party	15,000.00	15,000.00
B	**Loans & Investments**	Loans given and Investments made are given under the respective heads and Note no. 35		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

42. Previous Year Comparatives:

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

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

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

Consolidated Financial Statements and Notes

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FUTURE MARKET NETWORKS LIMITED

Report on Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statement of **FUTURE MARKET NETWORKS LIMITED** ("the Holding Company") and its subsidiaries (together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the group and its associated and Jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under

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

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

We believe that the audit evidence obtained by us and by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at 31st March, 2016, their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / consolidated financial statements of eight subsidiaries and three jointly controlled entity, whose financial statements / consolidated financial statements reflect total assets of ₹ 20895.56 lakhs as at March 31, 2016, total revenues of ₹ 3839.48 lakhs and net cash flows of ₹ 354.45 lakhs for the year ended on that date, as considered in the consolidated financial Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements

Report on Other Legal and Regulatory Requirements

(1) 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 of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of these entities is disqualified as on March 31, 2016 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity– Refer Note 29 on Contingent Liabilities to the consolidated financial statements;

(ii) The Group, its associates and jointly controlled entity 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 Group, its associates and jointly controlled entity.

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

Chintan Gandhi
Partner
Membership No : 137079

Place : Mumbai
Date : May 27, 2016

ANNEXURE 'A' TO THE AUDITORS' REPORT

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

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

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

We have audited the internal financial controls over financial reporting of FUTURE MARKET NETWORKS LIMITED ("the Holding Company"), its subsidiaries (the holding company and its subsidiaries together referred to as "the group"), its joint ventures and associate companies as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's, its associates' and jointly controlled entities', incorporated in India, 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 and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company, its subsidiaries, its associates and its jointly controlled entities have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 On Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated/ standalone financial statements of eight subsidiaries and three jointly controlled entities which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Chintan Gandhi
Partner
Membership No : 137079

Place : Mumbai
Date : May 27, 2016

Consolidated Balance Sheet as at March 31, 2016

(₹ in Lakhs)

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	**5,617.12**	5,585.44
Reserves and Surplus	3	**10,124.72**	10,174.02
Share Application Money Pending allotment			
Minority Interest		**2,020.23**	1,989.80
Non-Current Liabilities			
Long-Term Borrowings	4	**19,065.86**	47,390.80
Deferred Tax Liabilities (Net)	5	**-**	-
Other Long Term Liabilities	6	**16,003.61**	19,915.48
Long-Term Provisions	7	**20.18**	14.83
Current Liabilities			
Short-Term Borrowings	8	**18,031.92**	19,685.76
Trade Payables	9	**2,798.60**	3,849.96
Other Current Liabilities	10	**20,437.14**	26,262.97
Short-Term Provisions	11	**57.05**	21.52
Total		**94,176.43**	134,890.58
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	**40,614.85**	55,935.64
Intangible Assets		**-**	5,159.39
Capital work-in-progress		**1,417.16**	1,865.13
Non-Current Investments	13	**2,798.62**	13,147.43
Long-Term Loans and Advances	14	**14,045.14**	20,516.68
Deferred Tax Assets (Net)	5	**6,466.72**	131.09
Goodwill on consolidation (Refer Note No. 38)		**1,614.02**	4,560.76
Current Assets			
Inventories	15	**6,153.19**	4,635.95
Trade Receivables	16	**3,322.75**	9,350.74
Cash and Bank Balances	17	**649.64**	295.20
Short-Term Loans and Advances	18	**17,080.64**	19,280.04
Other Current Assets	19	**13.70**	12.53
Total		**94,176.43**	134,890.58
The notes form an integral part of these financial statements	1 - 44		

As per our Report of even date attached

For Viren Gandhi & Co.
Chartered Accountants

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Lakhs)

	Note	Year ended March 31, 2016	Year ended March 31, 2015
INCOME:			
Revenue from Operations	20	**10,911.18**	15,686.01
Other Income	21	**2,117.49**	947.49
Total Revenue		**13,028.67**	16,633
EXPENSES:			
Cost of units sold		**261.18**	2,068.17
Project Cost	22	**146.16**	653.84
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	**(1,517.23)**	(570.22)
Cost of Services	24	**5,860.46**	7,625.39
Employee Benefit Expenses	25	**958.51**	885.64
Finance Costs	26	**4,466.75**	7,482.52
Depreciation	12	**3,727.70**	4,170.46
Other Expenses	27	**1,121.06**	1,960.73
		15,024.60	24,277
Profit/(Loss) before Tax		**(1,995.93)**	(7,643.03)
Exceptional items		**4,546.04**	-
Profit on De-subsidiarization		**(448.01)**	-
Tax Expense			
Current Tax		**50.48**	59.21
Less: MAT Credit Entitlement			
Deferred Tax		**(6,126.70)**	54.53
Profit After Taxation before Prior Period Items		**(17.75)**	(7,756.76)
Less: Prior Period Items		**-**	35.86
Profit (Loss) before Minority interest and Share in Profit/(Loss) of Associates		**(17.75)**	(7,792.62)
Share in Loss of Associates		**-**	(7.72)
Minority Interests		**(30.43)**	(7.08)
Profit/(Loss) for the year		**(48.18)**	(7,807.42)
Earnings Per Equity Share of Face value ₹ 10/- each			
(i) Basic		**(0.09)**	(13.98)
(ii) Diluted		**(0.09)**	(13.98)
The notes form an integral part of these financial statements	1 - 44		

As per our Report of even date attached

For Viren Gandhi & Co.
Chartered Accountants

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

Consolidated Cash Flow Statement For The Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss Before Tax	**(6,093.97)**	(7,643.03)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation	**3,727.70**	4,170.46
Interest Income	**(1,997.46)**	(692.08)
Interest Expenses	**4,466.76**	7,296.16
Provision for doubtful debts	**8.62**	306.99
Profit on sale of Investment	**(0.05)**	-
Bad Debts	**2.81**	67.72
Sundry balances Written back (net)	**24.02**	(86.47)
Loss/(Profit) on sale of Fixed Assets	**(46.53)**	0.40
On account of Employees Stock Option Scheme	**13.73**	15.20
Provision for Gratuity & Leave Enchashment	**7.22**	-
(Profit) / Loss on De-subsidiarization	**(448.01)**	-
Loss on sale of Investment	**4,546.04**	-
	10,304.85	11,078.40
Operating Profit before Working Capital changes	**4,210.88**	3,435.36
Movement in working capital		
(Increase)/Decrease in Trade and other Receivables	**(39.73)**	(679.82)
(Increase)/Decrease in Inventories	**(1,517.23)**	(570.22)
(Increase)/Decrease in Loans and Advances	**(1,739.67)**	24,176.30
(Increase)/Decrease in Other Current Assets	**(2.70)**	(10.35)
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	**704.60**	9,370.17
	(2,594.73)	32,286.08
Cash generated from/(used) in operations	**1,616.15**	35,721.44
Direct taxes Paid	**(50.48)**	(59.21)
Net Cash flow from/(used) in Operating Activities (A)	**1,565.67**	35,662.24
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	**87.89**	190.03
Purchase of Fixed Assets	**(6,689.97)**	(5,047.70)
Purchase of Investments	**(86.25)**	(4,050.00)
Interest Income Received	**1,997.46**	692.08
Proceeds from Sale of Investments	**3,394.28**	-
Movement Loans & Advances	**4,230.30**	(19,913.82)
Net Cash flow from/(used) in Investing activities (B)	**2,933.71**	(28,129.42)

Consolidated Cash Flow Statement For The Year Ended March 31, 2016

(₹ in Lakhs)

Particulars		March 31, 2016	March 31, 2015
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest Expenses		**(4,466.76)**	(7,296.16)
Proceeds of Equity Shares		**38.01**	-
Stamp Duty Paid on Amalgamation		**(21.19)**	-
Share application money received/(refunded)		**(29.32)**	(36.78)
Other Long Term Liabiltiies		**(3,882.55)**	6,375.94
Net Proceeds from Long Term Borrowings		**(1,982.23)**	(662.21)
Net Proceeds from Short Term Borrowings		**6,247.56**	(6,771.76)
Net Cash flow from/(used) in Financing activities	(C)	**(4,096.48)**	(8,390.96)
Net increase (+) / decrease (-) in cash and cash equivalents	(A+B+C)	**402.90**	(858.15)
Cash and Cash Equivalents at the beginning of the year		**295.20**	1,153.35
Less: Cash and Cash Equivalents of subsidiaries ceased during the current year		**48.45**	-
Cash and Cash Equivalents at the end of the year		**649.64**	295.20

As per our Report of even date attached

For Viren Gandhi & Co.
Chartered Accountants

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Significant Accounting policies on consolidated accounts

1. Significant Accounting policies on consolidated accounts

A. Basis of preparation:-

The Financial Statements of Future Market Networks Limited (the company), its subsidiaries (together 'the group') and its jointly controlled entity have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with the Rule 7, of the Companies (Accounts) Rule, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

B. Principles of Consolidation:

The consolidated financial statements comprise the financial statements of Future Market Networks Limited ('the Company'), its subsidiary companies, associates and joint ventures. Reference in these notes to 'the Company' shall mean to include Future Market Networks Limited and /or any of its subsidiaries/ associates/ joint ventures. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter- company balances, transactions and unrealized profits or losses have been fully eliminated in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".

b) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible in the same manner as the company's separate Financial Statements

c) Investment in Associate Company has been accounted under the equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements".

d) Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 – "Financial Reporting of Interest in Joint Ventures".

e) The difference between the costs of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

f) Minority Interest's share of net profit / loss of consolidated subsidiaries for the year is identified and presented separately. The losses applicable to the minority interest in excess of the minority interest in the equity of the subsidiary are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

g) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of

i. The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

ii. The minority share of movements in equity since the date parent subsidiary relationship came into existence

h) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance, based on available information.

i) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

j) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

k) The difference between the proceeds from disposal of Investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

C. Investments other than in Subsidiaries and Associates have been accounted as per Accounting Standard (AS-13) on Accounting for Investment.

D. Other significant accounting policies:

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2. Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorized Capital		
9,02,60,000 Equity Shares of ₹ 10/- each	**9,026.00**	9,026.00
5,000 Preference Shares of ₹ 100/- each	**5.00**	5.00
	9,031.00	9,031.00
Issued Capital*		
56,171,726 (55,854,976) Equity Share of ₹10/- each	**5,617.17**	5,585.50
	5,617.17	5,585.50
Subscribed and Paid up		
56,171,156 (55,854,406) Equity Share of ₹10/- each fully paid up	**5,617.12**	5,585.44
	5,617.12	5,585.44

* Includes 570 shares in abeyance

Note - During the year, the Company has issued 316,750 equity shares (previous year - Nil) under the Employee Stock Option Scheme.

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

(₹ in Lakhs)

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10/- each fully paid:				
Opening balance of Equity shares	**55,854,976***	**5,585.50**	55,854,976 *	5,585.50
Issued as per the scheme of the amalgamation	**–**	**–**	–	–
Issued as per the scheme of demerger	**–**	**–**	–	–
Cancelled as per the scheme of demerger	**–**	**–**	–	–
Shares Issued during the year	**316,750**	**31.68**	–	–
Closing balance of Equity Shares	**56,171,726**	**5,617.18**	55,854,976	5,585.50

* Includes 570 shares in abeyance

b) Terms/rights attached to equity shares.

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

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

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% held	No. of Shares	% held
Manz Retail Private Limited	**16,430,824**	**29.25%**	16,430,824	29.42%
Future Corporate Resources Limited	**15,176,754**	**27.02%**	15,176,754	27.17%
Weavette Business Ventures Limited	**8,563,367**	**15.25%**	8,563,367	15.33%
Ishbhoomi Mall Management Private Limited	**4,615,516**	**8.22%**	4,127,870	7.39%
Total	**44,786,461**	**79.74%**	44,298,815	79.31%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

d) Shares reserved for issue under options:

The Company has 122,250 (previous year 439,000) equity shares reserved for issue under Employee Stock Option Scheme as at March 31, 2016. (Refer note 42)

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

(i) In Financial Year 2010-11 - Issued 11,170,966 shares under scheme of arrangement (demerger) approved by Bombay High Court on August 24, 2010.

(ii) In Financial Year 2011-12 - Issued 44,683,440 equity shares of ₹ 10/- each under the scheme of amalgamation approved by Bombay High Court on Januray 20, 2012.

3. Reserves and Surplus (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
As per last Balance Sheet		
Add: Addition on scheme of Amalgamation		
Capital Reserve	**5,956.08**	5,956.08
Securities Premium		
As per last Balance Sheet		
Less: Utilised during the year		
Capital Reserve on Amalgamation	**25,217.62**	25,238.81
Share Premium	**44.19**	-
Share Option Outstanding Account		
As per last Balance Sheet	**37.09**	21.89
Add: charge for the year	**13.73**	15.20
Less: Transfer to share premium	**37.85**	-
Share Option Outstanding Account	**12.97**	37.09
Statement of Profit and Loss (a)	**(21,106.14)**	(21,057.96)
	10,124.72	10,174.02
(a) Statement of Profit and Loss		
Opening Balance	**(21,057.96)**	(13,682.01)
Add: Surplus/(Deficit) for the year	**(48.18)**	(7,807.42)
Less: Adjustment on account of revised Schedule II of Companies Act 2013	**-**	(30.26)
Add: Adjustment on Account of cease to be Subsidiary	**-**	461.73
	(21,106.14)	(21,057.96)

4. Long-Term Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Rupee Term Loan from Banks	**18,154.77**	29,905.10
Share in jointly controlled entities	**274.53**	623.74
Unsecured		
Loan from Others	**636.56**	16,861.96
Share in jointly controlled entities	**-**	-
	19,065.86	47,390.80

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

4.1 Secured Term Loan from Banks:

i) (a) ₹ 2,125 Lakhs (2015 ₹ 3,250 Lakhs) - 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

ii) (a) Term Loan of ₹ 9,348.45 Lakhs (2015: ₹ 12,690 Lakhs) are secured by (a) Charge on Assets of ₹ 10500 Lakhs created out of the proposed Term Loan. (b) First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to ₹100 cr (c) Second Pari Passu charge on the immovable property owned by M/s. Bansi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters.

iii) (a) Term Loan of ₹ 10,000 Lakhs (2015: ₹ 10,000 Lakhs) are secured by (b) First pari pasu charge on the immovable property owned by Bansi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Bansi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters

iv) ₹ 965.90 Lakhs (2015 ₹ 1,386.29 Lakhs) secured by exclusive first charge by way of hypothecation of lease rent receivable from specified tenants and equitable mortgage of specified assets (Immovable Property).

v) ₹ 274.53 Lakhs (2015 ₹ 623.74 Lakhs) secured by first charge of the specified property (Immovable Property) and assignment of the specified future rent receivables.

vi) ₹ 1,965.42 Lakhs (2015 ₹ 1,503.16 Lakhs) secured against mortgage of Land Building of Sattva Realtors Limited & Corporate Guarantee by M/s. Sattva Developers Private Limited

vii) Installments falling due in respect of all the above loans up to March 31, 2017 aggregating to ₹ 7,634.73 Lakhs have been grouped under current maturities of long term borrowings. ₹ 349.41 Lakhs have been grouped under Share in jointly controlled entities

viii) Rate of interest between 11.80% to 14.50% p.a.

ix) Term Loan are repayable as follows: ₹ 9,627.00 Lakhs is repayable in 2017-18, ₹ 5,076.64 Lakhs is repayable in 2018-19, ₹ 3,725.67 Lakhs is repayable in 2019-20.

4.2 Unsecured loan from others includes ₹ NIL (2015:16,229.69 Lakhs) Interest free and ₹ 636.55 Lakhs (2015 ₹ 632.27 Lakhs) carries interest rate 12.00% to 18.00%. p.a.

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

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities (net) consists of following:		
Deferred Tax Liability		
Related to Fixed Assets	**1.51**	3,385.70
Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961/		
Carry Forward of Losses and Unabsorbed Depreciation	**6,468.23**	3,516.79
Deferred Tax (Assets)/ Liability	**(6,466.72)**	(131.09)

6. Other Long-Term Liabilities (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Rental Deposits	**14,982.94**	16,644.89
Capital Creditors	**1,000.00**	3,250.00
Others*	**20.67**	20.59
* include Retention Money		
	16,003.61	19,915.48

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

7. Long term provision (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits*	**20.18**	14.83
*Include provision for gratuity and other retirement benefits		
	20.18	14.83

8. Short- term Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Cash Credit from banks	**558.80**	562.73
Loans from Financial Institutions	**4,581.50**	13,000.00
Overdraft Facility From Banks	**182.09**	-
Share in Jointly Controlled entities	**-**	-
Unsecured, repayable on demand		
Loans and advances from others	**12,709.53**	6,123.03
Share in Jointly Controlled entities	**-**	-
	18,031.92	19,685.76

8.1 Secured Loans and Advances from Banks:

a) Cash Credit : ₹ 558.80 Lakhs (2015: ₹ 562.73 Lakhs) i) Secured by first and pari-passu hypothecation charge of all existing and future current assets including receivables of the borrower and personal guarantee of shareholder

b) Overdraft from Bank

₹182.09 Lakhs - Sanctioned overdraft facility from Banks against the security of Term Deposit with the bank.

c) Rate of interest between 8.50% to 14.75% p.a.

8.2 Secured Loans and Advances from Others:

a) ₹ NIL (2015: ₹ 7,800 Lakhs) secured by hypothecation first charge of entire movable assets, both present and future, including plant and machinery, machinery spares, tools and accessories, electrical installation, furniture and fixtures and vehicles to be leased out to specified tenant.

b) ₹ 4,581.50 Lakhs (2015: ₹ 5,200.00 Lakhs)

(i) Secured by hypothecation of movable assets and receivables of the company, both present and future and personal guarantee of promoter shareholder

(ii) Pledge of unencumbered D Mat equity shares of the Company, Pantaloon Fashin Private Limited & Future Consumer Enterprise Ltd. held in the name of the Company or promoters.

c) Rate of interest between 13.35% to 14.75% p.a.

8.3 Unsecured Loans and Advances from Others:

₹12,703.62 Lakhs (2015: ₹ 6,011.87 Lakhs) are Interest free and ₹ 5.91 Lakhs (2015: ₹ 111.16 Lakhs), carries interest rate of 14% p.a.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

9. Trade Payable

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables (Refer Note No.- 40)	**2,785.62**	3,814.65
Share in Jointly Controlled entities	**12.98**	35.31
	2,798.60	3,849.96

10. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long-Term Borrowings	**7,634.73**	5,914.95
Advance from customers	**10,828.09**	17,780.16
Rental Deposits	**700.80**	803.40
Other liabilities*	**863.80**	522.22
Share in Jointly Controlled entities	**409.72**	1,242.24
	20,437.14	26,262.97

* includes payable for expenses and statutory dues

11. Short term provisions

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits*	**3.68**	2.92
Provision for Taxation (Net of payments/deduction of tax)	**44.47**	18.60
Share in Jointly Controlled entities	**8.90**	-
	57.05	21.52

* Include provision for gratuity and other retirement benefits

Note 12: Tangible Assets

(₹ in Lakhs)

Description	Gross Block					Depreciation					Net Block	
	As at April 1, 2015	Additions during the year	Sale/ Disposal during the year	Loss on Cease to be subsidiary	As at March 31, 2016	Upto April 1, 2015	Adjustment for the year	Depreciation for the year	Loss on Cease to be subsidiary	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Freehold Land	317.75	-	-	-	317.75	-	-	-	-	-	317.75	317.75
Leasehold Improvements	22,863.84	-	-	19,263.50	3,600.34	2,299.57	-	753.36	2,774.28	278.65	3,321.69	20,564.27
Plant and Machinery	665.69	-	-	517.30	148.39	129.29	-	24.57	141.17	12.69	135.70	536.40
Office Equipments	220.87	4.43	-	66.40	158.88	108.52	-	19.27	63.84	63.95	94.93	112.35
Computers and Softwares	2,981.68	2.33	-	2,921.55	62.46	2,780.65	-	23.47	2,742.48	61.64	0.82	201.03
Furniture and Fittings	2,444.97	0.87	-	2,305.80	140.03	975.83	-	118.81	1,020.02	74.62	65.41	1,469.14
Electrical Installations	541.35	-	-	457.50	83.85	230.21	-	33.97	232.03	32.15	51.70	311.14
Air Conditioner	683.48	-	-	245.13	438.35	215.62	-	70.14	113.71	172.05	266.30	467.86
Share in Jointly controlled entities	4,164.75	0.03	25.11	-	4,139.66	82.54	0.32	26.00	-	108.86	4,030.80	4,082.21
Total A	**34,884.38**	**7.66**	**25.11**	**25,777.18**	**9,089.71**	**6,822.23**	**0.32**	**1,069.59**	**7,087.53**	**804.61**	**8,285.10**	**28,062.15**
Under Lease												
Building	12,009.18	4,638.24	-	-	16,647.42	1,676.56	-	172.26	-	1,848.82	14,798.60	10,332.62
Leasehold improvement	6,691.71	2,257.79	-	-	8,949.50	2,037.23	-	617.91	-	2,655.14	6,294.36	4,654.48
Air Conditioner	3,161.00	25.70	-	-	3,186.70	891.93	-	349.60	-	1,241.53	1,945.17	2,269.07
Computers and Software	131.82	4.87	-	-	136.69	120.66	-	7.36	-	128.02	8.67	11.16
Furniture and Fittings	6,564.49	119.96	-	-	6,684.45	1,844.70	-	718.61	-	2,563.31	4,121.14	4,719.79
Electrical Installations	5,023.10	-	-	-	5,023.10	1,163.27	-	565.46	-	1,728.73	3,294.37	3,859.84
Office and Other Equipment	306.87	1.39	-	-	308.26	157.01	-	84.84	-	241.85	66.40	149.86
Plant and Machinery	1,336.58	82.70	-	-	1,419.28	348.25	-	142.07	-	490.32	928.96	988.33
Vehicles	4.19	-	-	-	4.19	3.98	-	-	-	3.98	0.21	0.21
Total B	**35,228.94**	**7,130.65**	**-**	**-**	**42,359.59**	**8,243.59**	**-**	**2,658.11**	**-**	**10,901.70**	**31,457.88**	**26,985.36**
Assets held for sale											**871.87**	**888.12**
Grand Total	**70,113.32**	**7,138.31**	**25.11**	**25,777.18**	**51,449.30**	**15,065.82**	**0.32**	**3,727.70**	**7,087.53**	**11,706.31**	**40,614.85**	**55,935.64**
Previous Year	**59,468.09**	**12,481.18**	**1,836.04**	**-**	**70,113.24**	**11,001.01**	**(105.75)**	**4,170.46**	**-**	**15,065.72**	**55,935.64**	**-**
Capital Work-in-progress											1,246.84	1,700.09
Share in jointly controlled entities											170.32	165.04
											1,417.16	**1,865.13**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

13. Non-Current Investments (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Non - Trade Investment (Valued at cost unless stated otherwise)		
Unquoted		
Investments in Equity Shares of Associates	-	5,038.23
Investments in Equity Shares of Others	**2,798.62**	8,109.20
Aggregate cost of unquoted investments	**2,798.62**	13,147.43

14. Long-Term Loans and Advances

(Unsecured, Considered Good) (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Advances	**3,765.00**	7,379.47
Security Deposits #	**2,866.60**	5,590.09
Loans and advances *	**4,511.91**	2,780.35
Other **	**2,242.90**	4,050.25
Share in Jointly Controlled entities	**658.73**	716.52
	14,045.14	20,516.68

₹ 7.50 Lakhs under lien.

* Includes Long Term Business Advance

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

15. Inventories (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Finished Shops	**6,153.19**	4,635.95
Share in Jointly Controlled entities	-	-
	6,153.19	4,635.95

16. Trade Receivables

(Unsecured) (₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
- Outstanding for a period exceeding six months		
Considered Doubtful	**666.64**	658.01
Considered Good	**1,881.68**	7,364.05
Less : Provision for Doubtful Debts	**666.64**	658.01
	1,881.68	7,364.05
- Other Debts	**1,307.57**	1,908.44
Share in Jointly Controlled entities	**133.50**	78.24
	3,322.75	9,350.74

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

17. Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash equivalents		
Cash on Hand	**19.68**	12.54
Balance with Banks		
in current accounts	**318.64**	252.05
in deposit account*	**-**	-
Other Bank balances		
Short term bank deposits with original maturity Less than one year (Under Lien)	**281.50**	7.52
Share in Jointly Controlled entities	**29.82**	23.09
	649.64	295.20

18. Short-Term Loans and Advances

(Unsecured, Considered Good)

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans and advances to others*	**16,012.49**	15,173.12
Deposits	**772.11**	195.28
Share Application Money	**-**	35.00
Other advances**	**246.22**	3,378.14
Share in Jointly Controlled entities	**49.82**	498.50
	17,080.64	19,280.04

Loans and Advances to Others referred above amounting to ₹ 20,664.99 Lakhs are Interest free and ₹ 136.11 Lakhs carries interest rate of 15% to 16.50% p.a.

*Includes Business advances

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

19. Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest receivable	**13.37**	9.41
Share in Jointly Controlled entities	**0.33**	3.12
	13.70	12.53

20. Revenue From Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sales	**407.77**	1,497.01
Rental and other related revenues	**10,066.44**	13,094.56
Project Management Consultancy	**204.90**	260.35
Share in Jointly Controlled entities	**232.06**	834.08
	10,911.17	15,686.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

21. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income on		
Fixed Deposits	**18.05**	20.14
Income Tax Refund	**23.73**	3.10
Others	**1,951.60**	683.30
Profit on sale of Fixed Assets	**0.42**	4.13
Net Gain on sale of Current Investments	**0.05**	-
Sundry balances Written back (net)	**39.70**	86.47
Miscellaneous Income	**33.74**	73.12
Share in Jointly Controlled entities	**50.20**	77.23
	2,117.49	947.49

22. Project Cost

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Project Cost	**146.16**	653.84
	146.16	653.84

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Closing Inventory		
Finished Shops	**1,064.70**	-
Work-in-progress	**5,088.49**	4,635.95
Opening Inventory		
Project in Progress	**-**	75.92
Work-in-progress	**4,635.96**	3,989.82
	(1,517.23)	(570.21)

24. Cost of Services

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Rent including lease rentals	**4,074.45**	5,733.65
Mall Maintenance Charges	**1,779.84**	1,891.74
Share in Jointly Controlled entities	**6.17**	-
	5,860.46	7,625.39

25. Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Wages and Bonus	**920.65**	844.57
Contribution to Provident and Other Funds	**17.45**	11.23
Employees stock option scheme	**13.73**	15.20
Staff Welfare Expenses	**6.68**	14.64
	958.51	885.64

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

26. Finance Costs (₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Expenses	4,332.46	7,296.16
Bank Charges	-	-
Other Borrowing Costs	24.10	35.56
Share in Jointly Controlled entities	110.19	150.79
	4,466.75	**7,482.51**

27. Other Expenses (₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Electricity charges	108.25	275.51
Repairs and Maintenance - Others	139.02	184.86
Rent including lease rentals	72.47	84.98
Rates and Taxes	216.22	412.51
Insurance	20.12	19.34
Legal and Professional Charges	114.92	131.49
Listing Fees/Custodian Charges	6.43	5.50
Auditors' Remuneration		
Statutory Audit Fees	3.00	13.45
Tax Audit Fees	0.50	-
Other Services	6.27	1.35
Advertisment and Sales Promotion	66.82	88.40
Directors Sitting Fees	9.60	7.40
Interest on Tax Deducted at Source	6.50	7.63
Loss on Sale/Retirement of Fixed Assets	-	4.54
Bad Debts	2.81	67.72
Provision for Doubtful Debts	8.62	306.99
Travelling and Conveyance Expenses	49.34	24.51
Sundry Balances Written off (net)	63.72	-
Water Charges	15.51	12.09
Other Expenses	161.23	273.64
Share in Jointly Controlled Entities	49.71	38.82
	1,121.06	**1,960.73**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

28. Information on subsidiaries, joint ventures and associates:

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

Sr. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2016	Proportion of Ownership Interest as on March 31, 2015
1.	Future Trade Markets Private Limited	India	70.00%	70.00%
2.	Star Shopping Centres Private Limited	India	60.00%	60.00%
3.	*Niyman Mall Management Company Private Limited	India	-	100.00%
4.	*Ojas Mall Management Private Limited	India	-	100.00%
5.	*F R Retail Destination Private Limited	India	-	100.00%
6.	Aashirwad Malls Private Limited	India	100.00%	100.00%
8.	Sun City Properties Private Limited	India	55.17%	55.17%
9.	Suhani Mall Management Company Private Limited	India	86.26%	86.26%

* Ceased from subsidiary during the year.

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

Sr. No.	Name of the Company	Description of Interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2016	Proportion of Ownership Interest as on March 31, 2015
1.	Riddhi Siddhi Mall Management Private Limited	Equity	India	50.00%	50.00%
2.	Future Retail Destination Limited	Equity	India	50.00%	50.00%
3.	Utility Developers Private Limited	Equity	India	50.00%	50.00%

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

Sr. No.	Name of the Company	Description of Interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2016	Proportion of Ownership Interest as on March 31, 2015
1.	Acute Realty Private Limited	Equity	India	-	31.27%
2.	Nishta Mall Management Company Private Limited	Equity	India	-	27.70%
3.	Unique Malls Private Limited	Equity	India	-	37.65%
4.	Precision Realty Developers Private Limited	Equity	India	-	22.94%

29. Contingent Liabilities not provided for:

a) Corporate Guarantees given by group to bank ₹ 64,950.00 Lakhs (2015: 1,03,700.00 Lakhs).

b) Disputed Income Tax demand ₹ 1302.52 Lakhs (2015: 1387.13 Lakhs).

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

c) Service Tax demand ₹ 20.74 Lakhs (2015: 275.73 Lakhs).

d) In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 1290.52/- Lakhs to the Claimant after allowing certain counter claims of the Company. The Company is in the process of filing an appeal / application against the award in terms of the applicable provision of law before the Hon'ble High Court of Calcutta.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

30. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 126.09 Lakhs (2015: ₹ 94.29 Lakhs).

31. In respect of operating lease taken by the group, the future minimum lease rental obligation under non – cancellable operating leases in respect of these assets is ₹ 25,390.93 Lakhs (2015: ₹13,317.03 Lakhs):

(₹ in Lakhs)

Particulars	2015-16	2014-15
Lease rentals recognised in Profit and Loss Account	**4,104.75**	3,937.21
Lease rentals payable not later than one year	**4,191.77**	2,969.17
Lease rentals payable later than one year and not later than five years	**13,908.58**	8,897.56
Lease rentals payable later than five years	**7,290.58**	1,450.30

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

(₹ in Lakhs)

Particulars	2015-16	2014-15
Gross block of assets let out on operating lease	**46,644.95**	35,228.90
Accumulated depreciation as at March 31, 2016	**12,386.83**	8,243.54
Depreciation charged during the year to the Profit and Loss Account	**2,779.31**	2,667.66
Lease rentals recognised in Profit and Loss Account	**6,342.23**	5,764.82
Lease rentals receivable not later than one year	**3,393.88**	1,054.90
Lease rentals receivable later than one year and not later than five years	**5,668.68**	644.33
Lease rentals receivable later than five years	**-**	-

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

A) List of Related parties:

Name of Related Parties	Relationship
Acute Realty Private Limited (up to August 23, 2015) Unique Malls Private Limited (up to August 23, 2015) Precision Realty Developers Private Limited (up to August 23, 2015) Nishta Mall Management Company Private Limited (up to August 23, 2015)	Associate
Future Corporate Resources Limited Manz Retail Private Limited	Investing Party
Galaxy Entertainment Corporation Limited Retail Light Techniques India Limited Splendor Fitness Private Limited	Directors Interested
Mr. Sunil Biyani Mr. Anil Cherian	Key Managerial Personnel
Jolamma Cherain	Relative of KMP

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

B) Transactions during the year with related parties :-

(₹ in Lakhs)

Nature of Transactions	Associate	Investing Party	Relative of KMP	KMP	Directors Interested
Interest Expense	- *(29.24)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
Interest Income	506.67 *(295.14)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
Reimbursement of Expenses	- *(-)*	- *(0.79)*	- *(-)*	- *(-)*	- *(-)*
Loans given and received back (net)	1262.19 *(4940.91)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
Loans taken and repaid back (net)	- *(-)*	- *(1934.00)*	- *(-)*	- *(-)*	- *(-)*
Deposit Received	- *(-)*	- *(4.00)*	- *(-)*	- *(-)*	23.21 *(-)*
Deposit Received Repaid Back	- *(-)*	- *(6.00)*	- *(-)*	- *(-)*	- *(-)*
Remuneration to KMP	- *(-)*	- *(-)*	- *(-)*	31.02 *(24.55)*	- *(-)*
Lease Rent expense	- *(-)*	- *(-)*	2.46 *(2.46)*	- *(-)*	- *(-)*

C) Outstanding Balance as at March 31, 2016 (₹ in Lakhs)

	Associates	Investing Parties	Relative of KMP	KMP	Directors Interest Interested
Receivable	- *(-)*	- *(-)*	- *(-)*	- *(-)*	166.92 *(195.13)*
Payable	- *(-)*	- *(0.79)*	- *(-)*	- *(-)*	- *(10.72)*
Borrowings	- *(-)*	3066.00 *(3066.79)*	- *(-)*	- *(-)*	- *(-)*
Loans & Advances	- *(13420.37)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*

Note: Figures in italic represents previous year's figures

D) Significant Related party transactions: (₹ in Lakhs)

Nature of Transaction	Name of the Company	2016	2015
Interest Income	Nishta Mall Management Company Private Limited	134.28	95.15
	Acute Realty Private Limited	192.43	82.77
	Unique Malls Private Limited	170.96	118.22
	Harmony Malls Management Private Limited	-	20.46
Interest Expense	Precision Realty Developers Private Limited	-	29.24
	Ujjain Future Bazaar Private Limited	-	23.41
Loan taken Net off repaid back	Future Corporate Resources Limited	-	1,934.00
Share Application Money received back	Acute Realty Private Limited	-	3,600.00
Loan Given Net off received back	Precision Realty Developers Private Limited	254.05	1,686.59
	Unique Malls Private Limited	1,030.25	2,784.96
	Acute Realty Private Limited	597.47	2,026.66
	Nishta Mall Management Company Private Limited	(619.58)	2,103.54

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Nature of Transaction	Name of the Company	2016	2015
Loan Taken Net off repaid back	Ujjain Future Bazaar Private Limited	-	886.53
	Shreya Mall Management Private Limited	-	117.86
	Navika Developers Private Limited	-	131.04
	Future Corporate Resource Limited	-	1,934.00
Deposit Received	Manz Retail Private Limited	-	4.00
	Galaxy Entertainment Corporation Limited	23.21	-
Deposit Repaid	Manz Retail Private Limited	-	6.00
Reimbursement of expenses	Ujjain Future Bazaar Private Limited	-	0.80
	Future Corporate Resource Limited	-	0.79
Remuneration	Mr. Anil Cherian	31.02	24.55

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

(₹ in Lakhs)

Name of the Company	Future Retail Destination Limited	Riddhi Siddhi Mall Management Private Limited	Utility Developers Private Limited
Assets			
Fixed Assets & Capital WIP	959.53	3162.07	79.27
Other Non-Current Assets	626.07	141.40	92.00
Current Assets	0.96	167.01	45.50
Liabilities			
Non-Current Liabilities & Provisions	-	274.53	-
Current Liabilities & Provisions	107.66	408.83	9.17
Income	-	236.15	46.11
Expenditure	11.13	189.84	0.17

34. A) Following companies ceased to be Associates during the year:

(i) Acute Realty Private Limited

(ii) Nishta Mall Management Company Private Limited

(iii) Precision Realty Developers Private Limited

(iv) Unique Malls Private Limited

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

(i) Niyman Mall Management Company Private Limited

(ii) Ojas Mall Management Private Limited

(iii) F R Retail Destination Private Limited

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

Name of the Enterprises	Net Assets, i.e. Total Assets Minus Total Liabilities		Share In Profit or Loss	
	As % of Consolidated Net Assets	Amount (in ₹)	As % of Consolidated Profit And Loss	Amount (in ₹)
Parent				
Future Market Networks Limited	52.62%	8282.87	1386%	667.64
Subsidiaries				
Aashirwad Malls Private Limited	0.35%	54.76	61%	29.51

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Name of the Enterprises	Net Assets, i.e. Total Assets Minus Total Liabilities		Share In Profit or Loss	
	As % of Consolidated Net Assets	Amount (in ₹)	As % of Consolidated Profit And Loss	Amount (in ₹)
Niyman Mall Management Company Private Limited	-	-	83%	40.05
Ojas Mall Management Private Limited	-	-	(1888%)	(909.40)
F R Retail Destination Private Limited	-	-	(909%)	(438.09)
Future Trade Markets Private Limited	14.75%	2321.83	803%	386.83
Star Shopping Centres Private Limited	0.90%	141.45	360%	173.58
Suhani Mall Management Company Private Limited	12.93%	2034.97	(40%)	(19.09)
Sun City Properties Private Limited	2.28%	358.50	1%	0.33
Minority Interest in all subsidiaries	(12.83)%	(2,020.23)	(63%)	(30.43)
Joint Ventures (as per proportionate Consolidation/ Investment as per equity method)				
Utility Developers Private Limited	1.32%	207.60	77%	37.14
Riddhi Siddhi Mall Management Private Limited	17.71%	2,787.24	33%	15.83
Future Retail Destination Limited	9.99%	1572.85	(4%)	(2.07)
Total	100	15741.83	100	(48.17)

36. Segment Report

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

37. Earnings Per Share

Particulars	2015-16	2014-15
Profit after tax (₹ in Lakhs)	(4817.98)	(7807.42)
The Weighted average number of Ordinary Shares for Basic EPS	5,59,51,335	55,854,406
The Weighted average number of Ordinary Shares for Diluted EPS	5,60,20,936	55,854,406
The Nominal Value per Share ₹	10.00	10.00
Earnings per Ordinary share (Basic) ₹	(0.09)	(13.98)
Earnings per Ordinary share (Diluted)	(0.09)	(13.98)

38. Goodwill on Consolidation is net of, Capital Reserve on consolidation, of ₹ 1,614.02 Lakhs (2015: ₹ 4560.76 Lakhs).

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

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

41. Disclosures requires by Accounting Standard 15 "Employee benefits"

A. 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 ₹ 10.12 Lakhs (previous year ₹ 8.89 Lakhs) has been included in Note 25 under Contribution to Provident and Other Funds.

B. Defined Benefit Plan – Gratuity

The Company accounts for its liability for future gratuity benefits based on the actuarial valuation, as at the balance sheet date, determined by an Independent Actuary using the Projected Unit Credit method and is provided for. The Company's gratuity plan is non-funded. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the year in which they occur.

Change in Present Value of Obligation **(₹ in Lakhs)**

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Present Value of the Obligation as on April 1, 2015	10.13	7.16	7.62	5.77
Interest Cost	0.81	0.57	0.61	0.46
Current Service Cost	2.71	2.39	1.85	1.64
Benefits Paid	(0.44)	NIL	(0.66)	(0.33)
Actuarial (Gain) / Loss on Obligation	2.04	NIL	(0.80)	0.08
Present Value of the Obligation as on March 31, 2016	15.24	10.13	8.62	7.62

Amount recognized in the Balance Sheet **(₹ in Lakhs)**

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Present Value of the Obligation as on March 31,2016	15.24	10.13	8.62	7.62
Fair value of plan assets	NIL	NIL	NIL	NIL
Un-funded Liability	15.24	10.13	8.62	7.62
Unrecognized actuarial gains/ losses	NIL	NIL	NIL	NIL
Un-funded liability recognized in Balance Sheet	15.24	10.13	8.62	7.62

Expense recognized in the Statement of Profit and Loss **(₹ in Lakhs)**

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Interest Cost	0.81	0.57	0.61	0.46
Current Service Cost	2.71	2.39	1.85	1.64
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss on obligations	2.04	NIL	(0.80)	0.08
Total expense recognized in the Statement of Profit and Loss	5.56	2.96	1.66	2.18

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

C. Reconciliation of Balance Sheet (₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Liability of transferred employees under scheme of amalgamation	NIL	NIL	NIL	NIL
Total expense recognized in the Statement of Profit and Loss Account	5.56	2.96	1.66	2.18
Benefits paid during the year	0.44	NIL	0.66	0.33
Present Value of the Obligation as on March 31	15.24	10.13	8.62	7.62

D. The assumptions used to determine the benefit obligations are as follows :

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

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

42. Employee Stock Option Scheme

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

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

A. Summary of Status of ESOSs Granted

The position of the existing scheme is summarized as under –

Particulars	2015-16		2014-15	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	4,39,000	12.00	4,89,000	12.00
Granted during the year	NIL	-	NIL	-
Lapsed during the year	-	-	50,000	12.00
Exercised during the year	3,16,750	12.00	NIL	-
Outstanding at the end of the year	1,22,250	12.00	4,39,000	12.00
Exercisable at the end of the year	12,500	-	2,32,000	-
Weighted Average Remaining contractual life of outstanding options (in years)	1.50		2.50	
Weighted average exercise price of options granted (₹)	12.00		12.00	

The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2015-16 is ₹ 13.73 Lakhs. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognized in the financial statements for the year 2015-16 would be ₹ 7.86 Lakhs. The effect of adopting the fair value method on the net income and earnings per share is presented below:

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Pro forma Adjusted Net Income and Earnings Per Share

Particulars	Units	2015-16	2014-15
Net Income as Reported	₹ In Lakhs	(48.17)	(7807.41)
Add: Intrinsic Value Compensation Cost	₹ In Lakhs	13.73	15.19
Less: Fair Value Compensation Cost	₹ In Lakhs	7.86	9.88
Adjusted Pro Forma Net Income	₹ In Lakhs	(42.30)	(5324.24)
Earning Per Equity Share: Basic			
As Reported	₹	(0.09)	(13.98)
Adjusted Pro Forma	₹	(0.08)	(13.97)
Earning Per Equity Share: Diluted			
As Reported	₹	(0.09)	(13.98)
Adjusted Pro Forma	₹	(0.08)	(13.97)

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

1. Risk Free Interest Rate	7.45%
2. Expected Life	2.50
3. Expected Volatility	70.70%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	23.95

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

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

As per our Report of even date attached

For Viren Gandhi & Co.
Chartered Accountants

Chintan Gandhi
Partner
Membership No. 137079

Mumbai
May 27, 2016

For and on behalf of the Board of Directors

Sunil Biyani
Managing Director
DIN: 00006583

Vijai Singh Dugar
Chaiman
DIN: 06463399

Anil Cherian
Company Secretary

Notes

Notes

FUTURE MARKET NETWORKS

FUTURE MARKET NETWORKS LIMITED

CIN: L45400MH2008PLC179914
(To be presented at the entrance)
8th Annual General Meeting on Tuesday, September 20, 2016 AT 2.00 P. M.
at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018

ATTENDANCE SLIP

Sr No.:

Regd. Folio/DPID & Client ID	
Name and address of the shareholder	
Joint Holders	
No of Shares	

I certify that I am a Registered Shareholder/ proxy of the Registered Shareholder of the Company as per details above. I hereby record my presence at this 8th Annual General Meeting of the Company.

Member's Folio / DP ID-Client ID No.	Member's/Proxy's name in Block Letters	Member's/Proxy's signature

Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL.
2. Electronic copy of the Annual Report for FY 2015-16 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	Password / PIN
104643		

Note: Please read instructions given at Note No. 25 of the Notice of the 8th Annual General Meeting carefully before voting electronically.

FUTURE MARKET NETWORKS
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FUTURE MARKET NETWORKS LIMITED

Registered Office: Knowledge House, Shyam Nagar,
Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060
Tel No.: 022 - 6620 1473, Fax No.: 022 – 6620 1465 E-mail: info.fmnl@futuregroup.in
Website: www.fmn.co.in •CIN: L45400MH2008PLC179914

FORM NO. MGT – 11

PROXY FORM

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

Name of the Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID:

DP ID:

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

1. Name: .....

   Address: .....

   E-mail Id:..... Signature:.....or failing him;

2. Name: .....

   Address: .....

   E-mail Id:..... Signature:.....or failing him;

3. Name: .....

   Address: .....

   E-mail Id:..... Signature:.....or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 8th Annual General Meeting of the Company to be held on Tuesday, 20th day of September 2016 at 2.00 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of such resolutions, as are indicated below:

Resolutions	Optional*	
	For	Against
Ordinary Business		
1. Consider and adopt: a) Audited Financial Statement, Reports of the Board of Directors and Auditors b) Audited Consolidated Financial Statement.		
2. Appointment of Director in place of Mr. Rajesh Kalyani (DIN: 00220632) who retires by rotation and being eligible offers himself for re-appointment.		
3. Appointment of Statutory Auditors and authorizing the Board to fix their remuneration.		
Special Business		
4. Approval of Future Market Networks Limited Employee Stock Option Scheme – 2016 (FMNL-ESOS -2016) for the Employees / Directors of the Company.		
5. Approval of Employees Stock Option Scheme 2016 (FMNL-ESOS-2016) for the Employees / Directors of the Subsidiaries and Associates of the Company.		

Signed this ……..... day of ……. 2016.

AFFIX Re.1/- REVENUE STAMP

Signature of shareholder(s):_____

Signature of Proxy holder(s):_____

Note(s)

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

For Resolutions, Explanatory Statements and Notes, please refer Notice of 8th Annual General Meeting of the Company.

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

8th AGM - Route Map to the AGM Venue

FUTURE MARKET NETWORKS

catalysing consumption

CIN: L45400MH2008PLC179914

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