

FUTURE MARKET NETWORKS LIMITED

CIN : L45400MH2008PLC179914

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

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

Rs. In Lakhs (except EPS)

Sr. No.	Particulars	CONSOLIDATED			
		Quarter Ended			Year Ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	(a) Income from operations	1,777.50	2,319.55	1,039.02	6,899.73
	(b) Other Income	134.38	116.54	243.40	723.60
	Total Income	1,911.88	2,436.09	1,282.42	7,623.33
2	Expenses				
	(a) Operating Costs	262.42	1,263.08	179.46	2,172.22
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.08	2.09	-	1.18
	(c) Employee benefits expense	145.60	152.36	108.55	482.19
	(d) Finance costs	358.85	509.41	634.88	2,233.91
	(e) Depreciation and amortisation expense	452.06	504.75	1,259.86	3,863.44
	(f) Other expenses (Refer Note 5)	131.12	1,290.06	467.86	2,683.40
	Total Expenses	1,351.13	3,721.75	2,650.61	11,436.34
3	Profit before exceptional item, share of net profits of investments accounted for using equity method and tax (1-2)	560.75	(1,285.66)	(1,368.19)	(3,813.01)
4	Share of net profit of associates and joint ventures accounted by using equity method	8.57	(33.49)	(8.26)	(52.50)
5	Profit before exceptional items and tax (3 + 4)	569.32	(1,319.15)	(1,376.45)	(3,865.51)
6	Exceptional Items	-	-	-	-
7	Profit / (Loss) before Tax (5 - 6)	569.32	(1,319.15)	(1,376.45)	(3,865.51)
8	Tax expense :				
	(a) Current tax	0.26	0.62	0.01	0.98
	(b) Deferred tax	130.51	(513.84)	(172.93)	(792.60)
	(c) Earlier year tax	-	-	5.76	5.38
	Total Tax Expense	130.77	(513.22)	(167.16)	(786.24)
9	Profit / (Loss) after Tax from Continuing Operations	438.55	(805.93)	(1,209.29)	(3,079.27)
10	Profit / (Loss) after Tax from Discontinued Operations	-	-	-	-
11	Profit / (Loss) after Tax for the year (9 + 10)	438.55	(805.93)	(1,209.29)	(3,079.27)
12	Other comprehensive income				
	A. Items that will not be reclassified to profit or loss				
	Remeasurement of net defined benefit obligation	-	(2.92)	-	(2.92)
	Fair valuation of equity instruments	-	(0.54)	-	(1,969.42)
	Share of other comprehensive income of associates and joint ventures accounted by using equity method	-	-	-	-
	B. Income tax relating to above items that will not be reclassified to profit or loss				
	Remeasurement of net defined benefit obligation	-	(0.74)	-	(0.74)
	Fair valuation of equity instruments	-	(0.39)	-	(156.99)
	Share of other comprehensive income of associates and joint ventures accounted by using equity method	-	-	-	-
13	Total other comprehensive income, net of income tax (A - B)	-	(2.33)	-	(1,814.61)
14	Total comprehensive income for the period (12 + 13)	438.55	(808.26)	(1,209.29)	(4,893.88)
	Profit is attributable to :				
	Owners of Future Market Networks Limited	436.51	(821.94)	(1,203.43)	(3,090.89)
	Non Controlling Interest	2.04	16.01	(5.85)	11.62
	Other comprehensive income is attributable to :				
	Owners of Future Market Networks Limited	-	(2.33)	-	(1,565.74)
	Non Controlling Interest	-	-	-	(248.87)
	Total comprehensive income is attributable to :				



Owners of Future Market Networks Limited	436.51	(824.27)	(1,203.43)	(4,656.61)
Non Controlling Interest	2.04	16.01	(5.85)	(237.25)
Total comprehensive income is attributable to Owners of Future Market Networks Limited				
Continuing Operations	436.51	(824.27)	(1,203.43)	(4,656.63)
Discontinuing Operations	-	-	-	-
Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Continuing Operations				
Basic (face value of Rs. 10/- each share)	0.76	(1.43)	(2.09)	(5.37)
Diluted (face value of Rs. 10/- each share)	0.76	(1.43)	(2.09)	(5.37)
Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Discontinuing Operations				
Basic (face value of Rs. 10/- each share)	-	-	-	-
Diluted (face value of Rs. 10/- each share)	-	-	-	-
Earnings per equity share from profit attributable to owners of Future Market Networks Limited				
Basic (face value of Rs. 10/- each share)	0.76	(1.43)	(2.09)	(5.37)
Diluted (face value of Rs. 10/- each share)	0.76	(1.43)	(2.09)	(5.37)
15 Paid-up equity share capital (Face value of Rs. 10/- each share)	5,754.44	5,754.44	5,754.44	5,754.44
16 Other equity				5,310.86

Notes to the financial results:

- The above unaudited consolidated financial results of the Company for the quarter ended June 30, 2021, have been reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at its meeting held on August 10, 2021. The Statutory Auditors of the company have reviewed the results and have expressed an unmodified opinion thereon.
- This statement has been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

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The Board of Directors of the Company at its meeting held on August 29, 2020 has inter-alia, considered and approved the Composite Scheme of Arrangement which involves: (i) merger of Future Market Networks Limited ("the Company" or Transferor Company 3"), and other 18 Transferor Companies including Future Retail Limited ("FRL") with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS ("The Composite Scheme of Arrangement"/ Scheme), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

The combination contemplated under the scheme has been approved by Competition Commission of India on November 20, 2020. Further stock exchanges have issued observation letter without any adverse observation on January 20, 2021. Pursuant to this the scheme application has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021 for convening the meeting of the Shareholders and Creditors of the Transferor Companies and Transferee Company. NCLT has heard this Application and the intervention application filed by Amazon.com Investment Holdings LLC. (Amazon) and has reserved the order on the said application filed by Amazon.

Amazon has initiated arbitration proceedings against Future Coupons Private Limited ("FCPL"), FRL and its promoters on October 5, 2020 before Singapore International Arbitration Centre ("SIAC"). On the same day, Amazon had also filed a Claimant's application for seeking emergency reliefs ("CAER").

After completion of the CAER the Emergency Arbitrator passed an interim order on October 25, 2020 ("EA Order") inter alia restraining the Respondents therein i.e. FCPL, FRL and Promoters from taking any steps in furtherance of the resolution passed on August 29, 2020. However, based on the legal advice received by FRL, it had contended that the EA Order would not be enforceable in view of FRL not being a signatory to the arbitration agreement between Amazon and FCPL & Promoters, under which arbitration has been initiated.

In terms of the information provided by FRL, a party to the composite scheme of arrangement, it has on November 06, 2020 filed a suit before Hon'ble Delhi High Court seeking a relief to injunct Amazon from tortuously interfering with the Scheme. The Hon'ble Single Judge of the Delhi High Court has passed a judgment in the interim application in the Suit, on December 21, 2020 (Judgment), wherein the Single Judge of the Delhi High Court has prima facie held the following:

- That there is no arbitration agreement between Amazon and FRL;
- That FRL's Resolution dated August 29, 2020 approving the scheme is neither void nor contrary to any statutory provision nor the Articles of Association of FRL;
- That conflation of the two shareholders agreements (i.e. FCPL SHA and FRL SHA) will be in violation of FEMA FDI Rules;
- That Amazon's representations to various regulatory authorities amounted to unlawful interference with the Scheme and a civil wrong actionable by both FRL and Reliance in case they suffer any loss and
- Even though an injunction was not granted and all the Statutory Authorities were directed to take the decision on the objections in



accordance with the law.

An appeal was preferred by Amazon ("Amazon's Appeal") against certain observations contained in this Judgment, which is currently pending before the Division Bench of the Delhi High Court. On 13 January 2021, even though notice has been issued in Amazon's Appeal, no stay has been granted by the Division Bench on the said Judgment.

In another application made by Amazon under section 17(2) of Arbitration & Conciliation Act, 1996 ("the Act") to enforce EA Order, Hon'ble Delhi High Court vide its interim order dated February 2, 2021 directed the parties to maintain status quo (Status Quo Order). On March 18, 2021 a detailed order was passed by the Single Judge of the High Court (Detailed Order) inter alia confirming the directions in the Status Quo Order passed by Hon'ble Delhi High Court in the application under section 17(2) of the Act granting further reliefs in favour of Amazon, and inter alia restricting all respondents from taking any further action in violation of the EA Order. FRL has filed appeals against both the above orders before the Hon'ble Division Bench of Delhi High Court and has obtained a stay on the Status Quo Order and the Detailed Order by orders dated February 08, 2021 and March 22, 2021 respectively.

Amazon has in turn preferred Special Leave Petitions before Hon'ble Supreme Court against the respective stay orders granted by the Hon'ble Division Bench. The Supreme Court has pronounced its judgment on August 6, 2021 (SC Judgment) wherein it has inter alia held that an order passed by an emergency arbitrator "are referable to and are made under Section 17 (1) of the Act". By virtue of the said SC Judgment, the stay granted by the Division Bench of the Delhi High Court by orders dated February 08, 2021 and March 22, 2021 also stand vacated.

FRL has further informed in its intimation to stock exchanges that FRL intends to pursue all available avenues to conclude the deal to protect the interests of its stakeholders and workforce.

Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 5, 2021 and FRL has filed two applications before the Tribunal, first being an application under section 16 of the Act challenging the jurisdiction of the Tribunal; and second being an Application under Rule 10 of Schedule I of SIA Rules for vacation of the EA Order. The hearing for both the application was concluded on July 16, 2021 and verdict of the Tribunal is awaited on the said applications.

Additionally, on August 06, 2021 FRL has also filed its Statement of Defence in response to the contentions raised by Amazon in its Statement of Claim.

- 4 The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the current quarter were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the unaudited standalone financial results, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these unaudited consolidated financial results and current indicators of future economic conditions.
- 5 A fire accident occurred on October 22, 2020 night in Orchid City Center Mall (OCC) Mall Mumbai, which is partly managed by the company. No revenue and corresponding expenses have been accrued and accounted from the month of November, 2020. The Company is yet to receive the final insurance claim as determined by the insurance company and has accounted the resulting loss on discard of the property, plant and equipment of Rs. 667.33 lakhs during the quarter ended March 31, 2021. The mall has not been re-opened for public as on date. The re-opening of the mall is subject to inspection and No Objection Certificate (NOC) from the fire department.
- 6 The Group operates in only one segment namely "Property and Related Services", consequently the Group does not have separate reportable business segment as per Ind AS - 108 - Operating Segments.
- 7 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 8 The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year upto March 31, 2021 and the unaudited year to date figures upto December 31, 2020 being the date of the end of the third quarter of the respective financial year which were subjected to limited review.
- 9 Figures of the previous financial period / year have been re-arranged / re-grouped / reclassified wherever necessary.

On behalf of the Board of Directors
For Future Market Networks Limited



Pawan Agarwal

Pawan Agarwal
Executive Director and CFO
DIN : 01435580

Date : August 10, 2021
Place : Mumbai



Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Future Market Networks Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**TO THE BOARD OF DIRECTORS OF
FUTURE MARKET NETWORKS LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Future Market Networks Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of net profit / (loss) after tax and total comprehensive income / (loss) of its joint ventures for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("the Regulation").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind-AS") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Parent Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Regulations to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Entity	Nature of Relationship
1	Future Trade Markets Private Limited	Wholly Owned Subsidiary
2	Jeremia Real Estate Private Limited	Wholly Owned Subsidiary
3	Aashirwad Malls Private Limited	Wholly Owned Subsidiary
4	Sun City Properties Private Limited	Subsidiary
5	Suhani Mall Management Company Private Limited	Subsidiary
6	Riddhi Siddhi Mall Management Private Limited	Joint Venture
7	Gati Realtors Private Limited	Joint Venture
8	Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited)	Joint Venture

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review report of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements / financial information / financial results of five subsidiaries included in the consolidated unaudited financial results, whose interim financial statements / financial information / financial results reflect total revenues of Rs. 50.00 lakhs, total net profit/(loss) after tax of Rs. (12.84) lakhs and total comprehensive income/(loss) of Rs. (12.84) lakhs for the quarter ended June 30, 2021 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. 13.42 lakhs and total comprehensive income / (loss) of Rs.13.42 lakhs for the quarter ended June 30, 2021 respectively, in respect of one joint venture, whose financial statements / financial information / financial results have not been reviewed by us. These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

7. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. (4.85) lakhs and total comprehensive income / (loss) of Rs. (4.85) lakhs for the quarter ended June 30, 2021, in respect of two joint ventures, as considered in the unaudited consolidated financial results, based on their interim financial statements / financial information / financial results which have not been reviewed by their auditors, which are certified by the Management.

Our conclusion on the Statement is not modified in respect of the above matters.

Place : Mumbai
Date : August 10, 2021

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number : 112723W

Dhiraj Rajendra Lalpuria
Digitally signed by
Dhiraj Rajendra
Lalpuria
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Dhiraj Lalpuria
Partner
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