

FUTURE MARKET NETWORKS LIMITED

CIN : L45400MH2008PLC179914

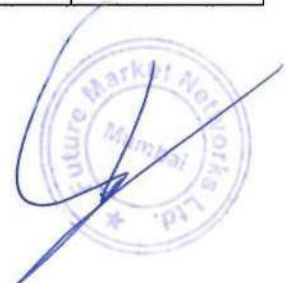
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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

Rs. In Lakhs (except EPS)

Sr. No.	Particulars	STANDALONE			
		Quarter Ended		Year Ended	
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	(a) Income from Operations	1,990.53	2,374.27	2,169.37	8,682.26
	(b) Other Income (Refer Note 7)	1,050.47	286.55	92.10	635.02
	Total Income	3,041.00	2,660.82	2,261.47	9,317.28
2	Expenses				
	(a) Operating Costs	509.27	436.49	426.06	1,811.72
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	314.89	-	314.89
	(c) Employee benefits expense	168.41	238.25	144.64	716.95
	(d) Finance costs	393.19	407.09	500.00	1,943.22
	(e) Depreciation and amortisation expense	306.48	382.76	425.41	1,659.90
	(f) Other expenses (Refer Note 7)	462.08	2,199.85	215.28	2,988.63
	Total Expenses	1,839.43	3,979.33	1,711.39	9,435.31
3	Profit / (Loss) from operations before exceptional items (1 - 2)	1,201.57	(1,318.51)	550.08	(118.03)
4	Exceptional Items (Refer Note 4 and 5)	-	2,091.24	-	2,091.24
5	Profit / (Loss) before Tax (3 - 4)	1,201.57	(3,409.75)	550.08	(2,209.27)
6	Tax Expense :				
	(a) Current tax	-	-	-	-
	(b) Deferred tax	327.50	786.05	79.47	1,036.09
	(c) Earlier year tax	-	5.77	-	(83.76)
	Total Tax Expense	327.50	791.82	79.47	952.34
7	Net Profit / (Loss) for the period (5 - 6)	874.08	(4,201.57)	470.61	(3,161.61)
8	Other comprehensive income				
	A. Items that will not be reclassified to profit or loss				
	Remeasurement of net defined benefit obligation	-	(4.90)	-	(4.90)
	Fair valuation of equity instruments	-	(21.47)	-	(21.47)
	B. Income tax relating to above items that will not be reclassified to profit or loss				
	Remeasurement of net defined benefit obligation	-	(1.23)	-	(1.23)
	Fair valuation of equity instruments	-	(5.15)	-	(5.15)
	Total other comprehensive income, net of income tax (A - B)	-	(19.98)	-	(19.98)
9	Total comprehensive income for the period (7 + 8)	874.08	(4,221.55)	470.61	(3,181.59)
10	Paid-up equity share capital (Face value of Rs. 10/- each share)	5,754.44	5,754.44	5,754.44	5,754.44
11	Other Equity (excluding revaluation reserves)				(1,603.83)
12	Earnings per share (in Rs.) :				
	(a) Basic	1.52	(7.30)	0.82	(5.49)
	(b) Diluted	1.52	(7.30)	0.82	(5.49)



Notes to the financial results:

1. The above unaudited standalone financial results of the Company for the quarter ended June 30, 2023, have been reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at their meetings held on August 11, 2023. The Statutory Auditors of the Company have reviewed the results and have expressed an unmodified opinion thereon.
2. 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.
3. The corporate guarantee given to Hero Fincorp Private Limited (lender) for sanctioning term loan of Rs.14,000 lakhs (March 31, 2023 : Rs.14,000 Lakhs) to Hare Krishna Operating Lease Private Limited (borrower) for exclusive charge on immovable property of R Mall situated at Lal Bahadur Shastri Marg, Revenue Village of Mulund West. The fair value of the immovable property as at March 31, 2023 is Rs. 7,890.00 lakhs. With respect to the above guarantee, the Company has received a demand notice of INR 12,057.28 lakhs from Hero FinCorp Private Limited (Lender) dated April 15, 2022, June 15, 2022, Possession Notice dated June 30, 2022 and Notice under The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) on August 20, 2022 which are primarily demanded from the borrower (Hare Krishna Operating Lease Private Limited) seeking repayment of the outstanding dues. The company has submitted its replies to the lender stating that the responsibility towards the outstanding debt claimed in the notice would be restricted only to the value of the mortgaged property offered by them to secure the financial facility vide letters dated June 01, 2022, July 05, 2022 its rejoinder reply on July 18, 2022. Subsequently, a notice us/ 13(2) and 13(4) of SARFAESI Act dated August 20, 2022 and November 4, 2022 were received by the Company from the Lender for the R Mall property of the Company and therefore, the Company filed a Securitisation Application i.e. M/s. Future Market Networks Limited Versus Hero Fincorp with DRT-2, Mumbai (Diary no. 2648 of 2022) on December 20, 2022 which is pending scrutiny.

In terms of the legal advice received by the Company, security documents creating security interest by way of mortgage are not treated at par with Corporate Guarantee and hence liability of the Company may be limited to the realisable value of the securities provided.

Furthermore, the company has also received a demand notice of Rs.18,448.96 lakhs from Yes Bank Limited (lender) dated April 19, 2022 which is primarily demanded from Basuti Sales & Trading Private Limited (borrower) seeking repayment of the outstanding dues within 60 days from the receipt of the notice. The company has pledged 3,830 equity shares of Riddhi Siddhi Mall Management Private Limited and secondary charge on immovable property of Big Bazaar (Ground+1) situated at Rajpur-Hirpur, Ahmedabad. The fair value of the immovable property as at March 31, 2023 is Rs. 6,267.00 lakhs. The company has submitted its reply to the lender stating that the responsibility towards the outstanding debt claimed in the notice would be restricted only to the residual value of the mortgaged property vide its letters dated June 03, 2022 and August 30, 2022. The Bank had issued a notice under section 13(4) under the SARFAESI Act on November 10, 2022 for the 10 acre mall property of the company situated at Ahmedabad, Gujarat and therefore, the company has filed a securitisation Application i.e. M/s. Future Market Networks Limited Versus Authorised Officer of Yes Bank Limited & Anr (S. A. (Lodging No.) 1 of 2022 before the Hon'ble debts Recovery Tribunal-I, at Ahmedabad) on December 26, 2022. The next date of hearing in the matter is September 12, 2023.

In the above contingent liabilities, if the borrower fails to repay the outstanding dues to the lender, the lender shall exercise all the rights available under the mortgage/pledge as above.



Corporate Guarantee given to Central Bank of India (lender) on behalf of Unique Malls Private Limited (borrower): Rs. 1,296.00 Lakhs (March 31, 2023: Rs. 1,296.00 Lakhs). With respect to the said guarantee, the company has received a demand notice of Rs.2,082.72 lakhs from Central Bank of India dated May 4, 2022 and further notices in the financial year 2022-23 and also initiated certain proceedings with NCLT Mumbai. Unique Malls repaid the dues on May 06, 2023.

4. In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of Rs. 1,290.52 lakhs to Mahaveer Constructions ("the Claimant") after allowing certain counter claims of the Company.

However, the Company filed a petition challenging the arbitration award u/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta. Claimant through its Proprietor has also challenged the aforesaid arbitration award before the Hon'ble High Court, Calcutta. The matters are pending before the Hon'ble High Court, Calcutta.

The Company filed a petition challenging the arbitration award u/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta in relation to an award with respect to the licensed premises situated at Block B Puja Complex, known as Puja the Mega Mart at Jhargram Rd, Kharagpur. Claimant through its Proprietor has also challenged the aforesaid arbitration award and initiated proceedings towards the execution of the award for a balance sum of Rs. 2,041.31 lakhs [i.e. interest @ 18% p.a. from date of the said award till November 30, 2021 before the Hon'ble High Court, Calcutta. In this connection, the company filed a stay application and the Hon'ble Calcutta High Court passed an order dated September 23, 2022 in which a conditional stay was granted. Since this was a conditional stay, Execution Court proceeded with application and directed the Registrar, Original Side, High Court at Calcutta to invoke the bank guarantee valued at Rs. 650.00 lakhs and transfer an amount of Rs. 300.00 lakhs to the bank Account of the Surana.

The Company filed a Special Leave Petition, before the Hon'ble Supreme Court and vide an order dated October 21, 2022 stay was granted on the impugned orders dated 23rd Sept, 2022 and 28th April, 2022 passed by Hon'ble High Court, Calcutta wherein the company was asked to furnish additional securities towards interest for the post award period.

Upon noticing the order of the Supreme Court, The Execution Court of Calcutta High Court observed that there is no stay granted by the Supreme Court in respect of the order passed under Execution Application so the orders passed by the said court on 23rd September, 2022 were to be carried out and Rs. 3 crores shall be transferred to the claimant's order. The company had filed an appeal against the order of Execution Court. On the order of the High Court of Calcutta, the bank guarantee valued at Rs. 300.00 lakhs has been invoked during the quarter ended March 31, 2023.

5. The Company had sub lease rights with respect to the above OCC mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. The parties arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company viz. Consent Terms dated December 8, 2017 and Supplemental Consent Terms dated April 2019 (Consent Terms). The Consent Terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor (Neel Kamal City Shopping Mall (India) Limited - which has taken it on lease from the lessor and sub-leased it to the Company) under the original arrangement till March 31, 2020. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet



issued an order sanctioning the Consent Terms. In case, the Consent Terms are accepted as filed, the Company will have to honour its payment obligations for the said amount and the parties shall be administrated in terms of the Consent Terms. However, if the Consent Terms are not approved, the parties shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the Consent Terms.

Also, few Gala owners of the mall have filed claim of Rs. 218.53 lakhs against the company to pay the lease rental/claim amount along with @18% interest, for appointment of court receiver, appointment of commissioner to visit suit premises and retained from subletting and/or giving the suit premises on Leave and License basis or parting with possession or inducting any third party. The said premises impacted by a major fire accident in the financial year 2020-21 which has been treated as a force majeure event.

The outstanding amount as per agreed consent terms is INR 6.35 crores as on March 31, 2023.

6. The fire accident occurred on October 22, 2020 at OCC mall in Mumbai and is treated as a Force Majeure event in terms of the lease deed and the lease arrangement is no more in existence.
7. During the quarter ended June 30, 2023, the Company has accounted Rs. 913.12 lakhs as other income with respect to reversal of lease liability of OCC Mall and Rs. 226.70 lakhs as compensation expense given to shopkeepers of OCC Mall.
8. During the quarter ended March 31, 2023, the Company has accounted Rs. 1,895.31 lakhs as loss on impairment of investment held in Future Trade Markets Private Limited, a subsidiary of the Company, which is classified as Asset held for sale as at June 30, 2023.
9. The Company operates in only one segment namely "Property and Related Services", consequently the Company does not have separate reportable business segment as per Ind AS - 108 - Operating Segments.
10. The standalone figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year upto March 31, 2023 and the unaudited year-to-date figures upto December 31, 2022 being the date of the end of the third quarter of the financial year which were subjected to limited review.
11. Figures of the previous financial period / year have been re-arranged / re-grouped / reclassified wherever necessary.

For and on behalf of the Board of Directors
For Future Marke Networks Limited



Shresh Misra

Shresh Misra
Whole-Time Director
DIN: 06141532

Date: August 11, 2023
Place: Mumbai



S K PATODIA & ASSOCIATES

CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Standalone 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 unaudited standalone financial results of Future Market Networks Limited ("the Company") for the quarter ended June 30, 2023 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulation").
2. This Statement, which is the responsibility of the Company's management and approved by the 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"), as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder 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 Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the 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.
4. **Emphasis of Matter**

We draw attention to Note 3, 4 and 6 of the accompanying statement of unaudited standalone financial results which describes the contingent liabilities pertaining to the demand notices raised against the company towards various corporate guarantees and assets pledged as security by the Company and disputes related to shopping malls.

Our conclusion is not modified with regard to this matter.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, 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 Standards 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.



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6. The standalone figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year upto March 31, 2023 and the unaudited year-to-date figures upto December 31, 2022 being the date of the end of the third quarter of the financial year which were subjected to limited review.

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

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Dhiraj Lalpuria
Partner

Membership Number: 146268
UDIN: 23146268BGVPZJ1917



Place : Mumbai

Date : August 11, 2023