

FUTURE MARKET NETWORKS LIMITED

CIN : L45400MH2008PLC179914

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

Sr. No.	Particulars	STANDALONE						Rs. In Lakhs (except EPS)	
		Quarter Ended		Nine Months Ended		Year Ended		December 31, 2021	March 31, 2021
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2020	December 31, 2020	March 31, 2021		
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)		
1	Income								
	(a) Income from Operations	2,162.41	1,964.19	1,621.00	5,859.08	4,393.16	6,454.79		
	(b) Other Income	141.53	140.37	153.78	425.91	546.02	775.15		
	Total Income	2,303.94	2,104.56	1,774.78	6,284.99	5,039.18	7,229.94		
2	Expenses								
	(a) Operating Costs	407.52	403.61	368.57	1,071.93	903.59	2,164.67		
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	1.08	(0.91)	1.18		
	(c) Employee benefits expense	184.41	139.42	117.50	459.63	308.40	453.02		
	(d) Finance costs	579.88	529.25	419.04	1,448.35	1,665.90	2,056.28		
	(e) Depreciation and amortisation expense	441.84	426.61	864.39	1,302.73	3,258.09	3,729.31		
	(f) Other expenses	1,213.65	315.04	354.69	1,651.02	1,211.91	2,491.76		
	Total Expenses	2,827.30	1,813.93	2,124.20	5,934.73	7,346.97	10,896.22		
3	Profit / (Loss) from operations before exceptional items (1 - 2)	(523.36)	290.63	(349.42)	350.26	(2,307.79)	(3,666.28)		
4	Exceptional Items	-	-	-	-	-	-		
5	Profit / (Loss) before Tax (3 - 4)	(523.36)	290.63	(349.42)	350.26	(2,307.79)	(3,666.28)		
6	Tax Expense :								
	(a) Current tax	8.98	132.50	(16.95)	281.66	(288.64)	(790.11)		
	(b) Deferred tax	-	-	-	-	5.76	5.77		
	(c) Earlier year tax	-	-	-	-	-	-		
	Total Tax Expense	8.98	132.50	(16.95)	281.66	(282.88)	(784.34)		
7	Net Profit / (Loss) for the period (5 - 6)	(532.33)	158.13	(332.47)	68.60	(2,024.91)	(2,881.94)		
8	Other comprehensive income								
	A. Items that will not be reclassified to profit or loss								
	Remeasurement of net defined benefit obligation	-	-	-	-	-	(2.92)		
	Fair valuation of equity instruments	-	-	-	-	(0.99)	(1.53)		
	B. Income tax relating to above items that will not be reclassified to profit or loss	-	-	-	-	-	-		
	Remeasurement of net defined benefit obligation	-	-	-	-	-	(0.74)		
	Fair valuation of equity instruments	-	-	-	-	-	(0.39)		
	Total other comprehensive income, net of income tax (A - B)	-	-	-	-	(0.99)	(3.32)		
9	Total comprehensive income for the period (7 + 8)	(532.33)	158.13	(332.47)	68.60	(2,025.90)	(2,885.26)		
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	5,754.44	5,754.44		
11	Other Equity (excluding revaluation reserves)								
12	Earnings per share (in Rs.) :								
	(a) Basic	(0.93)	0.27	(0.58)	0.12	(3.52)	(5.01)		
	(b) Diluted	(0.93)	0.27	(0.58)	0.12	(3.52)	(5.01)		



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Notes to financial Results:

1. The above unaudited standalone financial results of the Company for the quarter and nine months ended December 31, 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 February 03, 2022. 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. **Scheme of Arrangement:**

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 Lifestyle Fashions Limited ("the Company" or Transferor Company 2"), 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 ("CCI") on November 20, 2020. Further the stock exchanges have issued an 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 ("Company Application"). Amazon.com Investment Holdings LLC. ("Amazon") had filed an intervention application in the Company Application. After hearing the parties, the NCLT reserved its orders.

Thereafter, on September 28, 2021 the NCLT passed an order ("NCLT Order") inter alia directing all Transferor Companies and Transferee Company companies involved in the Scheme to convene and hold the meetings of their respective shareholders, secured creditors and unsecured creditors as per the schedule provided in the NCLT Order.

Pursuant to the directions contained in the NCLT Order, the Company scheduled the meeting of its shareholders on November 10, 2021 and its secured and unsecured creditors on November 11, 2021 to seek their approvals on the Scheme. In view of the aforesaid, a request was received from the secured lenders seeking additional time to obtain their internal approvals in respect of the consent to be granted at the meetings scheduled on November 10, 2021 and November 11, 2021.

Accordingly, an application was filed on November 02, 2021 by the companies involved in the Scheme before the NCLT seeking extension of time to hold these meetings ("Application for Extension"). Thereafter, the Application for Extension was listed on November 08, 2021 before NCLT. During the hearing on November 08, 2021, Amazon intervened and sought dismissal of the Company Application and the Application for Extension. Additionally, certain creditors also filed an application to seek an inclusion of themselves in the list of creditors. After hearing the parties, the NCLT directed the parties to file their written submissions. In the meantime, until the NCLT passed its order, directed the parties that no meeting shall be conducted.



Arbitration Dispute between Amazon.com Investment Holdings LLC. ("Amazon"), Future Retail Limited ("FRL") and Future Coupons Private Limited ("FCPL") and other FRL promoters:

Amazon had initiated arbitration proceedings against Future Coupons Private Limited ("FCPL"), FRL and its promoters ("Promoters") on October 5, 2020 before Singapore International Arbitration Centre ("SIAC"). On the same day, Amazon had also filed an application seeking emergency reliefs ("CAER"). After completion of the CAER the Emergency Arbitrator ("EA") 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 by FRL on August 29, 2020. However, based on the legal advice received by FRL, it had contended that the EA Order would not be enforceable under Indian Laws.

Thereafter, on November 06, 2020, FRL 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 filed in the suit, on December 21, 2020 ("Judgment"), wherein the Single Judge of the Delhi High Court has prima facie held the following:

- (a) That there is no arbitration agreement between Amazon and FRL;
- (b) 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;
- (c) That conflation of the two shareholders agreements (i.e. FCPL SHA and FRL SHA) will be in violation of FEMA FDI Rules;
- (d) 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
- (e) 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.

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

There had been further multiple application and suits filed by all related parties to the matter viz. Amazon, FCPL and FRL claiming certain reliefs or for enforcement of their rights or orders of the Tribunal.

FRL had informed in its intimation to stock exchanges that FRL intended to pursue all available avenues to conclude the deal to protect the interests of its stakeholders and workforce. Accordingly, FRL filed a special leave petition against the Status Quo Order dated February 02, 2021 and the Detailed Order dated March 18, 2021 passed in the Enforcement Petition filed by Amazon, before the Supreme Court of India. On September 09, 2021 the Supreme Court of India, passed an order by consent of the parties, inter alia directing that the NCLT, CCI and SEBI to not pass any final order, for a period of four weeks, which was extended from time to time.

In the meanwhile, the Arbitral Tribunal was constituted on January 05, 2021 and in March 2021, FRL had filed 2 (two) applications before the Arbitral Tribunal i.e. (i) An application under Section 16 of the Arbitration and Conciliation Act, 1996 ("**Act**") for challenging the jurisdiction of the Arbitral Tribunal *qua* FRL ("**Jurisdiction Application**"); and (ii) An application for vacating the EA Order ("**Vacation Application**").

Thereafter, the Arbitral Tribunal directed the parties to file their respective pleadings.



The Jurisdiction Application and the Vacation Application were heard by the Arbitral Tribunal between July 12, 2021 and July 16, 2021 and dismissed by a Partial Award dated October 20, 2021 and Decision dated October 21, 2021 respectively.

Being aggrieved by the said Decision, FRL filed an Arbitration Appeal (*Arb. A (Comm) No. 64 of 2021*) *inter alia* seeking a stay of the said Decision, before the Delhi High Court. This application for stay in the Arbitration Appeal was dismissed by the Single Judge of the Delhi High Court by order dated October 29, 2021 ("**S.37 Order**"). Being aggrieved by the S. 37 Order, FRL filed a Special Leave Petition *i.e.* *SLP No. (C) 18080 of 2021* before the Supreme Court of India.

Thereafter, between November 01, 2021 to November 05, 2021, the Arbitral Tribunal concluded the hearing on evidence and scheduled the hearing on the determination of the quantum of damages on January 05, 2022 to January 08, 2022.

In a parallel proceeding filed by FCPL before the Competition Commission of India ("**CCI**") alleging misrepresentation on the part of Amazon, the CCI on December 17, 2021 passed an order *inter alia* keeping the approval granted by it to Amazon for its investment in FCPL in abeyance ("**CCI Order**").

Considering the legal effect and implication of the CCI Order on the arbitration proceedings, FRL filed an application for termination of the arbitration proceedings under Sections 32(2)(c) of the Act ("**Termination Application**"), before the Arbitral Tribunal on December 23, 2021.

Since, the Arbitral Tribunal was not inclined to hear and decide the Termination Application before proceeding with the second tranche hearing on determination of the quantum of damages, FRL filed a Writ Petition before the Single Judge of the Delhi High Court, which was dismissed by order dated January 04, 2022. Being aggrieved by the said order dated January 04, 2022, FRL filed an Appeal (*LPA 06 of 2022*) before the Division Bench of the Delhi High Court, who by order dated January 05, 2022 stayed further proceedings before the arbitral tribunal till the next date of hearing, *i.e.* February 01, 2022 (*which now stands extended till March 21, 2022*). Amazon has also filed a Special Leave Petition against the said Order dated January 05, 2022 which will be listed on February 08, 2022.

In the Special Leave Petitions filed by FRL (impugning the Status Quo Order; Detailed Order and S.37 Order) the Supreme Court of India on February 01, 2022 has passed its judgement *inter alia*:

- a. Setting aside the Status Quo Order dated February 02, 2021 and Detailed Order dated March 18, 2021, passed by the learned Single Judge of Hon'ble Delhi High Court in the Enforcement Petition filed by Amazon for enforcement of EA order; and
- b. Setting aside the S.37 Order dated October 29, 2021 passed by the Hon'ble Delhi High Court and directed the Single Judge of the Delhi High Court to reconsider all issues and pass appropriate orders on its own merits.

The Appeal filed by FRL against the Tribunal's Decision will be listed on March 22, 2022.

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 also 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 standalone 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 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.
7. 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
Executive Director and CFO
DIN: 01435580**

**Date: February 03, 2022
Place: Mumbai**



Independent Auditor's Review Report on Quarterly and Year-to-date Unaudited Standalone 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 December 31, 2021 and year to date results for the period from April 1, 2021 to December 31, 2021 ("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 ("the 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. 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.

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

Dhiraj Rajendra
Lalpuria

Dhiraj Lalpuria
Partner
Membership Number : 146268
UDIN : 22146268AAEYGH2729

Date : February 03, 2022
Place : Mumbai

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