

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 STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(Rs. in lakhs)

Sr. No.	Particulars	STANDALONE			
		Quarter Ended		Year Ended	
		June 30, 2024 (Unaudited)	March 31, 2024 (Audited)	June 30, 2023 (Unaudited)	March 31, 2024 (Audited)
1	Income				
	(a) Income from Operations	2,210.85	2,053.51	1,990.53	8,287.98
	(b) Other Income (Refer Note 5)	120.22	187.91	1,050.47	1,461.42
	Total Income	2,331.07	2,241.42	3,041.00	9,749.39
2	Expenses				
	(a) Operating Costs	525.27	427.12	509.27	1,946.07
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	50.45
	(c) Employee benefits expense	192.18	273.00	168.41	875.40
	(d) Finance costs	310.57	333.61	393.19	1,469.07
	(e) Depreciation and amortisation expense	306.99	307.72	306.48	1,227.88
	(f) Other expenses (Refer Note 5 and 6)	253.03	485.75	462.08	3,552.08
	Total Expenses	1,588.03	1,827.21	1,839.43	9,120.95
3	Profit / (Loss) from operations before exceptional items (1 - 2)	743.04	414.21	1,201.57	628.44
4	Exceptional Items (Refer Note 7)	(7,606.23)	-	-	-
5	Profit / (Loss) before Tax (3 - 4)	8,349.27	414.21	1,201.57	628.44
6	Tax Expense :				
	(a) Current tax	-	-	-	-
	(b) Deferred tax	114.85	712.41	327.50	1,247.62
	(c) Earlier year tax	-	(39.12)	-	(39.12)
	Total Tax Expense	114.85	673.29	327.50	1,208.49
7	Net Profit / (Loss) for the period (5 - 6)	8,234.43	(259.08)	874.08	(580.05)
8	Other comprehensive income				
	A. Items that will not be reclassified to profit or loss				
	Remeasurement of net defined benefit obligation	-	(21.27)	-	(21.27)
	Fair valuation of equity instruments	-	(86.10)	-	(86.10)
	B. Income tax relating to above items that will not be reclassified to profit or loss				
	Remeasurement of net defined benefit obligation	-	(5.35)	-	(5.35)
	Fair valuation of equity instruments	-	(18.74)	-	(18.74)
	Total other comprehensive income, net of income tax (A - B)	-	(83.27)	-	(83.27)
9	Total comprehensive income for the period (7 + 8)	8,234.43	(342.35)	874.08	(663.32)
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)				(2,267.15)
12	Earnings per share (in Rs.) :				
	(a) Basic	14.31	(0.45)	1.52	(1.01)
	(b) Diluted	14.31	(0.45)	1.52	(1.01)



Notes to the financial results:

1. The above unaudited standalone financial results of the Company for the first quarter ended June 30, 2024, 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 13, 2024. 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. Collateral Security extended to Hero FinCorp Private Limited (lender) for the term loan of INR 14,000 lakhs to Hare Krishna Operating Lease Private Limited (borrower) by way of exclusive charge on immovable property of R Mall situated at Lal Bahadur Shastri Marg, Revenue Village of Mulund West. The fair value of the aforesaid immovable property as at March 31, 2023 was INR 7,890.00 lakhs. With respect to the above Collateral Security, the Company has received a demand notice of INR 12,057.28 lakhs from Hero FinCorp Private Limited (Lender) dated April 15, 2022 and 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 and its rejoinder reply on July 18, 2022. Subsequently, a notice u/s 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. Future Market Networks Limited Versus Hero FinCorp with DRT-2, Mumbai SA 247 of 2023) on December 20, 2022 which is pending scrutiny. However, the aforesaid Securitisation Application has been withdrawn by the Company on March 01, 2024.

Hero FinCorp had filed another application u/s 14 of the SARFAESI Act before the Chief Metropolitan Magistrate, (CMM) Esplanade Court, Mumbai wherein they have got an order for taking physical possession of the immovable property.

Chief Metropolitan Magistrate Court, Mumbai has passed a final order dated September 07, 2023 U/s 14 of the Act directing the Advocate Court Commissioner to take physical possession of the property. Accordingly; the Advocate Court Commissioner did Panchanama and took physical possession of the mortgaged property situated at 1st and 2nd floor, R-Mall, Mulund-West, Mumbai on May 07, 2024 and handed over to Hero Fincorp.

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 realizable value of the securities provided.

Furthermore, the Company has also received a demand notice of INR 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 was INR 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. 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, which is pending.



Yes Bank now substituted to JC Flower as Yes Bank has assigned all its debt to JC Flower. JC Flower had filed an application u/s 14 of the SARFAESI Act and got an order for physical possession from the Chief Metropolitan Magistrate, Ahmedabad for taking physical possession of the 10 Acre Mall situated in Ahmedabad. Thereafter, an Application for amendment was filed on behalf of the Company in the captioned Securitisation Application and thereafter it was listed for arguments on stay of the Physical possession. Accordingly, the JC Flower has now withdrawn their notice for taking physical possession of 10 Acre Mall.

Yes bank has also filed an Original Application Hon'ble Debt Recovery Tribunal, New Delhi bearing no. TA/96/2022 for the loan extended to Basuti Sales & Trading Private & Brattle Foods Private Limited., The Company is also a party to the same, a summon was issued by the Hon'ble DRT on November 20, 2023. The Company has filed its written submission to the same. On the last date of hearing on April 02, 2024 the Hon'ble DRT has directed the Applicant bank to file their Affidavit of evidence.

JC Flowers has withdrawn the 13(2) notice issued to the Borrower (Basuti Sales) and consequently the Securitisation Application (SA) became infructuous. On July 18, 2024, the matter was argued and the Counsel for the Applicant (FMNL) pressed for costs to be imposed on the Bank for withdrawing the 13(2) notice after 2 years and wasting precious judicial time of the Court. Vide order dated August 03, 2024 the SA is now disposed off

IA 691/2024 has been filed seeking recall of order dated May 30, 2024 passed by the DRT. On July 22, 2024, the Applicant sought time to file a reply to IA No. 691 / 24 for review of the order dated May 30, 2024. Next date of hearing in the matter is September 04, 2024 for hearing IA No. 691 / 24.

The Company filed an IA 3861 of 2023 before NCLT-II against Vijay Kumar Iyer (RP of FRL [Future Retail Limited]) with regard to vacation of the premises occupied by it in 10 Acre mall and for payment of the outstanding lease rental from the date of initiation of Corporate Insolvency. The RP of FRL has filed their reply to the application and the matter is kept for hearing on September 24, 2024. However, since the liquidation order for FRL is passed, adding liquidator as party and carry out necessary amendment is under process.

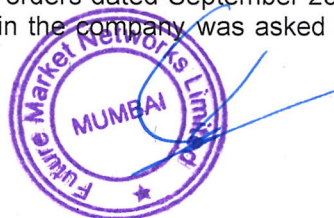
In the above contingent liabilities, if the borrower fails to repay the outstanding dues to the lender, the lender shall exercise all the rights available under the mortgage/pledge as above.

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 INR 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 INR 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 INR 650.00 lakhs and till now, transferred an amount of INR 581.00 lakhs to the bank Account of Mr. 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 September 23, 2022 and April 28, 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 September 23, 2022 were to be carried out and INR 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 INR 650.00 lakhs has been invoked during the quarter ended March 31, 2023. The balance amount is lying with Registrar, Calcutta High Court.

Final hearing of the applications filed by the parties under Sec 34 of the Arbitration and Conciliation Act, 1996 are in progress at Hon High Court.

5. During the quarter ended June 30, 2023, the Company has accounted INR 913.12 lakhs as other income with respect to reversal of lease liability of OCC Mall and INR 226.70 lakhs as compensation expense given to shopkeepers of OCC Mall in the financial year 2023-2024.
6. During the year ended March 31, 2023, the Company has accounted INR 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 March 31, 2023. Accordingly, during the quarter ended September 30, 2023, the Company has sold investment held for sale in Future Trade Market Private Limited at a loss of INR 2,058.32 lakhs.
7. The exceptional items include amount pertaining to the profit calculated on the 2 properties owned by the Company, to whom the Company had given guarantees of its property against the loan raised by the related party entity. The property situated at R-Mall, Mulund-West, Mumbai is taken over on May 07, 2024 by the Hero Fincorp Private Limited resulting in accounting of gain amounting to Rs. 4,670.74 lakhs. Also, property situated at 10 Acre Mall, Ahmedabad against which securitisation proceedings initiated by Yes Bank resulting in accounting of gain amounting to Rs. 3,440.54 lakhs. It also includes amounts written off, given as an advance to Omaxe Garv Buildtech Private Limited amounting to Rs. 505.05 lakhs during the quarter ended June 30, 2024.
8. 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.
9. The Standalone quarterly figures for the quarter ended March 31, 2024 are the balancing figures between the audited figures in respect of full financial year upto March 31, 2024 and the unaudited year to date figures upto December 31, 2023 being the date of the end of the third quarter of the financial year which were subjected to limited review.
10. 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**

Shreesh Misra

**Shreesh Misra
Whole-Time Director
DIN: 06141532**

**Date: August 13, 2024
Place: Mumbai**



S K Patodia & Associates LLP

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, 2024 ("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 and 4 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



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(S K Patodia & Associates (a partnership firm) converted into S K Patodia & Associates LLP with effect from December 15, 2023)

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 LLP

Chartered Accountants

Firm Registration Number: 112723W/ W100962



Dhiraj Lalpuria

Partner

Membership Number: 146268

UDIN: 24146268BKCSTK6340

Place: Mumbai

Date: August 13, 2024

