

DECEMBER 07, 2016

CARE REAFFIRMS RATING ASSIGNED TO BANK FACILITIES OF FUTURE MARKET NETWORK LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	190.11	CARE BB+; Stable (Double B Plus; Outlook: Stable)	Reaffirmed
Total Facilities	190.11 (Rs. One hundred ninety crore and eleven lakhs only)		

Rating Rationale

The rating assigned to the bank facilities continues to be constrained by Future Market Networks Ltd.'s (FMNL) weak debt coverage indicators and considerable commitment towards subsidiaries/joint ventures. The rating is further constrained by FMNL's dependence on interest income from subsidiaries or sale of property/investments in group companies to service its debt coupled with cyclicalities inherent in the real estate industry.

The rating, however, derives strength from the strong parentage of the Future group, experienced management, operating synergies with the group companies and geographical diversity. The ability of FMNL to diversify its revenue streams, improve its debt coverage indicators and continued support from the Future group would be the key rating sensitivities.

Background

Future Market Networks Ltd. (CIN-L45400MH2008PLC179914; FMNL), primarily a holding company, manages retail real estate portfolio of the Future Group and provides services related to the same. FMNL provides upkeep services such as security, housekeeping, mall promotions and parking services, thereby earning a steady annuity income from Common Area Maintenance (CAM) and other sources. FMNL also owns and manages various properties. Most of the properties have been let out to Future group entities. The company is also engaged in the business of taking large spaces in malls and commercial spaces on lease and in turn sub-leasing to Future Group companies and other companies.

In FY16 (refers to the period April 1 to March 31), FMNL reported a net loss of Rs.15 crore on a total operating income of Rs.94 crore. During Q1FY17, the company posted a loss of Rs.7 crore at PAT level on total income of Rs.25 crore.

Analyst Contact

Name: Pulkrit Agarwal

Tel: 022-67543505

Email: pulkrit.agarwal@careratings.com

Note: Shri V. K. Chopra, Non-Executive Chairman of Future Enterprises Ltd. is one of CARE's Rating Committee Members. To comply with the regulations, the member is required not to participate in the rating process and the rating committee meeting and press disclosure about the same to be made by CRA.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT**Head Office Mumbai****Mr. Amod Khanorkar**

Mobile: + 91 98190 84000

E-mail: amod.khanorkar@careratings.com**Mr. Saikat Roy**

Mobile: + 91 98209 98779

E-mail: saikat.roy@careratings.com**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com**AHMEDABAD****Mr. Mehul Pandya**

32, Titanium, Prahaladnagar Corporate Road,

Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com**BENGALURU****Mr. Deepak Prajapati**

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,

No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: deepak.prajapati@careratings.com**CHANDIGARH****Mr. Sajan Goyal**

SCF No. 54-55,

First Floor, Phase 11,

Sector 65, Mohali - 160062

Chandigarh

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com**CHENNAI****Mr. V Pradeep Kumar**

Unit No. O-509/C, Spencer Plaza, 5th Floor,

No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com**COIMBATORE****Mr. V Pradeep Kumar**

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com**HYDERABAD****Mr. Ramesh Bob**

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,

Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**

304, Pashupati Akshat Heights, Plot No. D-91,

Madho Singh Road, Near Collectorate Circle,

Bani Park, Jaipur - 302 016.

Cell: +91 – 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)

10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com**NEW DELHI****Ms. Swati Agrawal**

13th Floor, E-1 Block, Videocon Tower,

Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com**PUNE****Mr. Pratim Banerjee**

9th Floor, Pride Kumar Senate,

Plot No. 970, Bhamburda, Senapati Bapat Road,

Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691