Deloitte Haskins & Sells

Chartered Accountants
Indiabulls Finance Centre,
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai - 400 013,
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4101

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
FUTURE CONSUMER LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **FUTURE CONSUMER LIMITED** (formerly known as Future Consumer Enterprise Limited) ("the Company"), for the year ended 31st March, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

   This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards 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 an opinion on the Statement based on our audit of such standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

   (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended 31st March, 2017.

Deloitte Haskins & Sells

4. The Statement includes the results for the Quarter ended 31st March, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

DELOITTE HASKINS & SELLS
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013.
CHARTERED ACCOUNTANTS

Ketan Vora
Partner
(Membership No. 100459)

MUMBAI, May 26, 2017

8 B A reconciliation of the total equity to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows:

Particulars	Notes	As on March 31, 2016 (Rs. In lakhs)
Total equity under previous GAAP		88,133.58
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	A	7,013.01
Measurement of financial guarantee contracts issued (net of tax)	B	(40.81)
Impact of recognising the cost of Employee stock option scheme at Fair Value	C	(500.69)
Reversal of Depreciation / Amortisation	D	(1,735.79)
Measurement of Financial Liability at Amortised Cost using Effective Interest Rate Method	E	(389.05)
Accounting of business combination under Ind AS	F	(226.52)
Adoption of fair value as deemed cost of Property, plant and equipment (PPE) (net of tax)	G	8,795.68
Reduction of treasury shares from Equity	H	2,028.83
Total Equity under Ind-AS		**73,188.92**

8 C Notes :

A. Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS Financial assets other than in investments in equity instruments are measured at fair value through statement of profit and loss.

B. Under previous GAAP, there was no accounting for fair value of Corporate Guarantees given and was shown as contingent liability. Under Ind AS the same is fair valued on the date on giving the guarantee and subsequently unwound over the period of guarantee given.

C. Under previous GAAP, the cost of Employee Stock Option Scheme was recognised using the intrinsic value method. Under Ind AS the same is recognised based on fair value of the options as on the grant date. Cost of employee stock option given to employees of subsidiaries of the Company is acccounted as deemed investment under Ind AS.

D. Under previous GAAP, Goodwill was amortised based on estimated useful life. Under Ind AS the same is tested for impairment on transition date as well as subsequent balance sheet date. Certain items of PPE has been fair valued under Ind AS on transition date. Depreciation is provided accordingly.

E. Under previous GAAP, interest expense was recognized based on contractual rate and fund raising expenses was charged off in statement of Profit and Loss when incurred. Under Ind AS interest is charged based on Effective Interest Rate method.

F. Under Ind AS assets acquired and liabilities assumed are measured at fair value as on acquisiiton date. Expenses related business acquisition are charged to profit and loss in the period it occurs.

G. In accordance with Ind AS 101. the Company has elected to measure certain items of PPE at fair value as at transition date. This fair values are considered as deemed cost.

H. Shares acquired by trust under employee share based option plan are accounted as treasury shares.

9 Figures for the quarter ended March 31, 2017 and March 31, 2016 are the balancing figures between audited figures in respect of the full financial years ended on those dates and the published year-to-date figures upto the third quarter of the respective financial year.

10 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 26, 2017.

11 The Company has re-aligned its business by way of shifting the operations of convenience stores to be undertaken under a Franchisee model in the last quarter of the previous year. Consequently, the figures for the current quarter and year are not comparable with that of the corresponding previous quarter and year.

12 The financial results will be available on the Company's website - www.futureconsumer.in, and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

By Order of the Board
For Future Consumer Limited

G. N. Bajpai
Chairman

Place: Mumbai
Date: May 26, 2017

6

Annexure-A

1 Details of previous due dates for payment of interest and repayment of principal amount of Non-Convertible Debentures and rating assigned by rating agency:

Interest and Principal has been paid on due dates

Sr No	Particulars	Series	ISIN	Security ID	Previous Due Date (From 01-October -2016 to 31-March-2017)	Next Due Date (From 01-April -2017 to 30-September-2017)	Rating Assigned by Rating Agency
A	Non Convertible Debentures	A	INE220J07014	1195FCL17	17-Dec-16	Redeemed	CARE A
B	Non Convertible Debentures	B	INE220J07022	1195FCL18	17-Dec-16	17-Jun-17	CARE A
C	Non Convertible Debentures	A	INE220J07014	1195FCL17	17-Mar-17	Redeemed	CARE A
D	Non Convertible Debentures	B	INE220J07022	1195FCL18	17-Mar-17	17-Sep-17	CARE A
E	Non Convertible Debentures Series 1	1	INE220J07030	1100FCL18	-	-	CARE A
F	Non Convertible Debentures Series 1	2	INE220J07048	1100FCL19A	-	-	CARE A
G	Non Convertible Debentures Series 1	3	INE220J07055	1100FCL20	-	-	CARE A
H	Non Convertible Debentures Series 2	1	INE220J07063	1055FCL18	-	16-Jun-17	CARE A
I	Non Convertible Debentures Series 2	2	INE220J07071	1055FCL19A	-	16-Jun-17	CARE A
J	Non Convertible Debentures Series 2	3	INE220J07089	1055FCL20A	-	16-Jun-17	CARE A
K	Non Convertible Debentures Series 2	1	INE220J07063	1055FCL18	-	16-Sep-17	CARE A
L	Non Convertible Debentures Series 2	2	INE220J07071	1055FCL19A	-	16-Sep-17	CARE A
M	Non Convertible Debentures Series 2	3	INE220J07089	1055FCL20A	-	16-Sep-17	CARE A

2 The asset cover available as on March 31, 2017 is 1.32 times relates to NCD aggregating to Rs 60 crores. The remaining NCD is issued in the month of March 2017 for which the Company has a time of 3 months for creation of security. Therefore the same is not considered for this disclosure.

3 The Listed Secured Non-Convertible Debentures of the Company aggregating to Rs. 110 crores as on March 31, 2017 are secured by way of exclusive charge on specific fixed assets of the company and / or its subsidiaries to the extent of 1.25 times of outstanding borrowing and unconditional and irrevocable guarantee of Mr Kishore Biyani, Director of the Company, for principal and its interest thereon.

4 Other Information relating to Debt Capital and relevant ratios as on March 31, 2017 is as below :

Paid up Debt Capital = Rs. 23,815.87 lakhs

Debenture Redemption Reserve = NIL

Networth = Rs. 1,13,667.49 lakhs

Debt Equity Ratio (no. of times) = 0.21

Debt Service Coverage Ratio (no. of times) = 0.13

Interest Service Coverage Ratio (no. of times) = 1.37

(a) Paid up Debt Capital = (Long term borrowings + Current maturities of Long term borrowings).
(b) Debt Equity Ratio = (Long term borrowings + Current maturities of Long term borrowings) / (Equity).
(c) Debt Service Coverage Ratio = (Profit from ordinary activities before tax + Interest on long-term borrowings) / (Interest on long-tem borrowings + Repayment of long-term borrowings during the period).
(d) Interest Service Coverage Ratio = (Profit from ordinary activities before tax + Interest on long-term borrowings) / Interest on long-term borrowings.
For the purpose of calculation, loans having original maturity of more than 365 days are considered as long-term borrowings.