

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF FUTURE CONSUMER LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **FUTURE CONSUMER LIMITED** (formerly known as Future Consumer Enterprise Limited) ("the Company") for the quarter and six months ended September 30, 2016 and Standalone Unaudited Statement of Assets and Liabilities as at September 30, 2016 ("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. We have not performed a review, as stated in Note 09, of the figures relating to the corresponding quarter and six months ended September 30, 2015 and reconciliation of net loss for the quarter and six months ended September 30, 2015 between the previous GAAP and Indian Accounting Standards ("IND AS"), as reported in this Statement.

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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Ketan Vora
Partner

(Membership No. 100459)

Future Consumer Limited (formerly known as Future Consumer Enterprise Limited)

Regd. Office : Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Rd., Jogeshwari (E.), Mumbai-60.

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

(Rs. in lakhs except per share data)

PARTICULARS (Refer Notes below)	For the	For the	For the	For the	For the
	Quarter ended	Quarter ended	Quarter ended	Six Months ended	Six Months ended
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1 Income from operations	43,720.74	35,598.50	34,487.70	79,319.24	60,627.43
(a) Net Sales	141.75	127.59	150.04	269.34	261.00
(b) Other operating income	43,862.49	35,726.09	34,637.74	79,588.58	60,888.43
Total Income from Operations					
2 Expenses	1,076.48	836.69	447.52	1,913.17	804.17
(a) Cost of materials consumed	37,920.11	33,446.94	30,132.62	71,367.05	55,842.13
(b) Purchases of Stock in Trade	(692.71)	(3,372.75)	(416.21)	(4,065.46)	(3,719.21)
(c) Changes in inventories of finished goods and stock-in-trade	1,615.01	1,558.91	1,721.46	3,173.92	3,307.07
(d) Employee benefits expense	517.45	447.49	433.03	964.94	865.02
(e) Depreciation and Amortisation expense	3,301.45	2,706.66	3,320.04	6,008.11	5,981.74
(f) Other expenses	43,737.79	35,623.94	35,638.46	79,361.73	63,080.92
Total Expenses					
3 Profit/(Loss) from Operations before Other Income, Finance costs and Exceptional items (1-2)	124.70	102.15	(1,000.72)	226.85	(2,192.49)
4 Other Income	743.87	702.50	769.03	1,446.37	1,629.88
5 Profit/(Loss) from Ordinary Activities before Finance costs and Exceptional items (3+4)	868.57	804.65	(231.69)	1,673.22	(562.61)
6 Finance Costs	872.68	1,157.71	1,314.81	2,030.39	2,838.37
7 Profit/(Loss) from Ordinary Activities after Finance cost but before Exceptional items (5-6)	(4.11)	(353.06)	(1,546.50)	(357.17)	(3,400.98)
8 Exceptional items	-	-	-	-	-
9 Profit/(Loss) from Ordinary Activities before tax (7-8)	(4.11)	(353.06)	(1,546.50)	(357.17)	(3,400.98)
10 Tax expense	-	-	-	-	-
11 Net Profit/(Loss) for the period (9-10)	(4.11)	(353.06)	(1,546.50)	(357.17)	(3,400.98)
12 Other comprehensive income	-	-	-	-	-
13 Total comprehensive income (11+12)	(4.11)	(353.06)	(1,546.50)	(357.17)	(3,400.98)
14 Paid-up equity share capital (Face Value of Rs.6/- per share) (Refer note 4)	98,717.90	98,714.05	99,121.14	98,717.90	99,121.14
15 Basic and diluted earnings per share (EPS) (of Rs.6/- each) not annualised (in Rs.)	(0.00)	(0.02)	(0.09)	(0.02)	(0.21)

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Notes:

I. STANDALONE STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	(Rs. in lakhs)
	As at September 30, 2016 (Unaudited)
A ASSETS	
Non-Current Assets	
(a) Property, Plant and Equipment	5,665.80
(b) Capital Work-in-progress	3,235.42
(c) Goodwill	10,915.81
(d) Other Intangible Assets	15,424.17
(e) Intangible Assets under development	1,675.65
(f) Financial Assets	
(i) Investments	60,570.52
(ii) Loans	2,009.48
(iii) Other Financial Assets (includes security & other deposits and advances)	275.46
(g) Other Non-Current Assets	2,783.46
	102,555.77
Current Assets	
(a) Inventories	13,085.21
(b) Financial Assets	
(i) Trade Receivables	24,669.70
(ii) Cash and cash equivalents	2,187.12
(iii) Bank Balances other than (ii) above	183.96
(iv) Loans	20,652.65
(v) Other Financial Assets	1,078.64
(c) Other Current Assets	2,222.07
	64,079.35
TOTAL ASSETS	166,635.12
B EQUITY AND LIABILITIES	
Equity	
(a) Equity Share Capital	98,717.90
(b) Other Equity	23,808.52
	122,526.42
LIABILITIES	
Non-current liabilities	
(a) Financial Liabilities	
Borrowings	14,307.63
(b) Provisions	427.39
	14,735.02
Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	10,590.92
(ii) Trade Payables	12,658.02
(iii) Other Financial Liabilities	5,069.69
(b) Other Current Liabilities	798.40
(c) Provisions	256.65
	29,373.68
TOTAL EQUITY AND LIABILITIES	166,635.12

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- 2 The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS -34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS - 34.
- 3 The name of the Company has been changed from Future Consumer Enterprise Limited to Future Consumer Limited w.e.f. October 13, 2016. Additional information required in terms of regulation 33 (1)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to change in name of a Company, suggesting a new line of business, is not applicable since there is no change in business line.
- 4 The paid up equity share capital of the Company is Rs. 99,488.53 lakhs as at September 30, 2016 (as at September 30, 2015: Rs. 99,428.64 lakhs) which includes an amount of Rs. 770.64 lakhs (as at September 30, 2015: Rs. 307.50 lakhs) in respect of 12,843,988 equity shares (as at September 30, 2015: 5,125,000 equity shares) of Rs 6 each held by the ESOP trust and yet to be exercised. These shares are treated as treasury shares under Ind AS - 32 and the paid up capital has been reduced, for the purpose of this disclosure, to arrive at the paid up equity share capital shown above.
- 5 The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment as per Indian Accounting Standard - 108 'Operating Segments'.
- 6 Disclosures under regulation 52(4) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures issued by the Company are given in Annexure A.
- 7 A reconciliation of the standalone financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows:

Particulars	Notes	For the Quarter ended September 30, 2015 (Rs. In lakhs)	For the Six months ended September 30, 2015 (Rs. In lakhs)
Loss After tax as reported under previous GAAP		(1,783.24)	(3,891.94)
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	A	48.70	84.75
Measurement of financial guarantee contracts issued (net of tax)	B	9.84	17.08
Impact of recognising the cost of Employee stock option scheme at Fair Value	C	(112.40)	(169.18)
Reversal of Amortisation of Intangibles	D	381.93	738.93
Measurement of Financial Liability at Amortised Cost using Effective Interest Rate Method	E	(91.33)	(180.62)
Loss after Tax as reported under Ind AS		(1,546.50)	(3,400.98)

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 equity 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 unwinded 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.

D. Under previous GAAP, Goodwill was amortised based on estimated useful life. Under Ind AS the same is tested for impairment and not amortised.

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.

- 8 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 14, 2016. The results for quarter and six months ended September 30, 2016 have been subjected to Limited Review by the statutory auditors.
- 9 The financial results and other financial information for the quarter and six months ended September 30, 2015 have not been reviewed by Statutory auditors and have been presented based on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS.
- 10 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 six months are not comparable with that of the corresponding previous quarter and six months.
- 11 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


Ashni Biyani
Wholetime Director

Place: Mumbai
Date: November 14, 2016

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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-April -2016 to 30-September-2016)	Next Due Date (From 01-October -2016 to 31-March-2017)	Rating Assigned by Rating Agency
A	Non Convertible Debentures	A	INE220J07014	1195FCEL17	17-Jun-16	17-Dec-16	CARE A
B	Non Convertible Debentures	B	INE220J07022	1195FCEL18	17-Jun-16	17-Dec-16	CARE A
C	Non Convertible Debentures	A	INE220J07014	1195FCEL17	17-Sep-16	17-Mar-17	CARE A
D	Non Convertible Debentures	B	INE220J07022	1195FCEL18	17-Sep-16	17-Mar-17	CARE A

2 Asset cover available as on September 30, 2016 is 1.25.

3 The Listed Secured Non-Convertible Debentures of the Company aggregating to Rs. 100 crores as on September 30, 2016 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 Bijani, Director of the Company, for principal and its interest thereon.

4 Other Information relating to Debt Capital and relevant ratios as on September 30, 2016 is as below :

Paid up Debt Capital = Rs. 18,460.38 lakhs

Debenture Redemption Reserve = NIL

Networth = Rs. 1,22,526.42 lakhs

Debt Equity Ratio (no. of times) = 0.15

Debt Service Coverage Ratio (nc. of times) = 0.05

Interest Service Coverage Ratio (no. of times) = 0.73

(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-term 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.

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