

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Future Consumer Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Future Consumer Limited (the "Company") for the quarter ended June 30, 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 "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued 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. 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 of interim financial information consists of making inquiries, primarily of persons 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 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 as 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 ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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5. Emphasis of Matter

We draw attention to Note 4 of the standalone financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and recoverability of assets. The estimates as at the date of approval of these standalone financial results may differ based on the ongoing impact of the pandemic, improvement in the economy and the business of the Company. Our conclusion is not modified in respect of this matter.

For SRBC & COLLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



Per Pramod Kumar Bapna
Partner
Membership No.: 105497



UDIN: 21105497AAAABY4246

Place: Mumbai
Date: August 13, 2021

Future Consumer Limited


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

Visit us at: www.futureconsumer.in

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Rs. in lakhs except per share data)

PARTICULARS (Refer Notes below)	For the Quarter ended	For the Quarter ended	For the Quarter ended	For the Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Income				
(a) Revenue from operations	17,533.96	26,595.73	20,193.61	58,743.60
(b) Other Income	1,801.05	1,496.30	1,557.97	6,177.88
Total Income	19,335.01	28,092.03	21,751.58	64,921.48
2 Expenses				
(a) Cost of materials consumed	1,467.08	1,478.02	832.45	2,658.01
(b) Purchases of Stock in Trade	15,228.99	22,024.11	9,129.61	41,082.59
(c) Changes in inventories of finished goods and stock-in-trade	(1,953.60)	(898.02)	8,364.27	9,659.70
(d) Employee benefits expense	1,151.36	1,262.80	1,188.64	4,736.23
(e) Finance Costs	1,620.25	1,511.53	1,833.31	7,001.98
(f) Depreciation and Amortisation expense	964.20	1,029.18	1,138.67	4,094.94
(g) Other expenses	2,119.13	11,207.12	2,939.70	26,170.49
Total Expenses	20,597.41	37,614.74	25,426.65	95,403.94
3 Profit / (Loss) before exceptional items and tax (1-2)	(1,262.40)	(9,522.71)	(3,675.07)	(30,482.46)
4 Exceptional items	-	(4,935.45)	-	(8,494.25)
5 Profit / (Loss) before tax (3+4)	(1,262.40)	(14,458.16)	(3,675.07)	(38,976.71)
6 Tax expense / (benefit)				
Current Tax	-	-	-	-
Tax relating to prior years	-	(139.96)	-	(139.96)
Deferred Tax	-	4,037.85	10.10	2,239.27
7 Profit / (Loss) for the period (5-6)	(1,262.40)	(18,356.05)	(3,685.17)	(41,076.02)
8 Other comprehensive income (OCI)				
A (i) Items that will not be reclassified to statement of profit or loss	-	150.48	-	150.48
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss	-	(37.87)	-	(37.87)
B (i) Items that will be reclassified to statement of profit or loss	(1.46)	(0.15)	(0.17)	2.65
9 Total comprehensive income (7+8)	(1,263.86)	(18,243.59)	(3,685.34)	(40,960.76)
10 Paid-up equity share capital (Face Value of Rs.6/- per share)	118,415.29	118,415.29	114,459.41	118,415.29
11 Reserves excluding Revaluation Reserves				(23,165.23)
12 Earnings per share (EPS) after exceptional item (of Rs.6/- each) (not annualised for interim periods) :				
a) Basic (Rs.)	(0.06)	(0.93)	(0.19)	(2.08)
b) Diluted (Rs.)	(0.06)	(0.93)	(0.19)	(2.08)
Earnings per share (EPS) before exceptional item (of Rs.6/- each) (not annualised for interim periods) :				
a) Basic (Rs.)	(0.06)	(0.68)	(0.19)	(1.65)
b) Diluted (Rs.)	(0.06)	(0.68)	(0.19)	(1.65)

SIGNED FOR IDENTIFICATION
 BY 
S R B C & CO LLP
MUMBAI

Notes:

- 1 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'.
- 2 During the quarter, the Company has infused additional investments of Rs. 550 lakhs in Fonterra Future Dairy Private Limited.
- 3 During the quarter there was no acquisition of treasury shares by the ESOP trust or issue of shares due to exercise of stock options.
- 4 The COVID-19 pandemic is unprecedented, and the Company has experienced its adverse impact. The Company has faced issues in supply chain, warehousing, packing centres, administrative offices, etc. which has adversely affected the operations of the Company including its ability to be consistent with supplies and sales and which in turn has also impacted liquidity position of the Company. While the Company continues to work very closely with all the stakeholders, the situation continues to be still evolving.

The Company has incurred loss before tax during the quarter ended June 30, 2021 primarily owing to the lower volumes, finance costs and depreciation. The Company has adopted several cost reductions measures to address the liquidity crunch to maintain sufficient operational cash flows. The Company has invoked One Time Restructuring (OTR) of loans on November 09, 2020 as per RBI guidelines which has been approved by all the lenders on May 06, 2021; and entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 05, 2021 and May 04, 2021, respectively, for deferment of repayments of Non-Convertible Debentures.

The Company, as at the date of approval of these financial results, has relied on available internal and external sources of information and indicators of economic forecasts, including the impact of Covid-19 while assessing the carrying amounts of current and non-current assets and its repayment obligations on a timely basis up to the date of approval of these financial results. However, the future impact of the global health pandemic and other events may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

- 5 The Board of Directors of the Company at its meeting held on August 29, 2020 approved the Composite Scheme of Arrangement ("the Scheme") which involves: (i) merger of Future Consumer Limited ("the Company"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") (ii) Transfer and vesting of the Logistics & Warehousing 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 (iii) Transfer and vesting of 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, 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 on November 20, 2020. Further stock exchanges have issued observation letter without any adverse observation on January 20, 2021. Pursuant to this, the Scheme has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021.

Amazon.com Investment Holdings LLC. (Amazon) has initiated arbitration against Future Retail Limited (FRL, a party to the Scheme) and its promoters on October 5, 2020 before Singapore International Arbitration Centre (SIAC). Emergency Arbitrator (EA) has passed an interim order on October 25, 2020 (EA Order) inter alia restraining FRL and promoters from taking any steps in furtherance of the resolution passed on August 29, 2020.

Both, FRL and Amazon have filed suit/challenged each other's position relating to the Scheme/EA Order in various courts of India and the matter is sub-judice and currently pending with Indian Courts for disposal.

The Supreme Court has pronounced its judgment on August 6, 2021 (SC Judgment) wherein it has inter alia held that an order passed by an emergency arbitrator is an order under section 17(1) of the Act. FRL has further informed in its intimation to stock exchanges that FRL intends to pursue all available avenues to conclude the deal to protect the interests of its stakeholders and workforce.

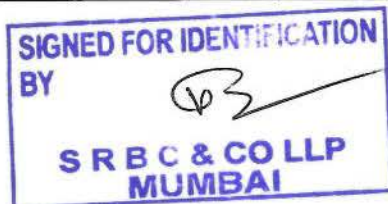
Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 5, 2021 and FRL has filed two applications before the Tribunal, first being an application under section 16 of the Act challenging the jurisdiction of the Tribunal; and second being an Application under Rule 10 of Schedule I of SIA Rules for vacation of the EA Order. The hearing for both the application was concluded on July 16, 2021 and verdict of the Tribunal is awaited on the said applications.

NCLT has heard the application relating to the Scheme and the intervention application filed by Amazon and has reserved the order on the said application filed by Amazon.

- 6 The Company has invoked One Time Restructuring (OTR) of loan from banks on November 09, 2020 as per RBI guidelines vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on 'Resolution Framework for COVID-19 related stress' and follow on circular vide DOR.No.BP.BC/13/21.04.048/2020-21 dated September 7, 2020 on 'Resolution Framework for COVID-19-related Stress - Financial Parameters'. The aforesaid OTR has been approved by all the lenders on May 06, 2021. Accordingly, the repayment of loans is extended, bills discounted have been converted into working capital term loan, penal interest is waived, and interest accrued has been converted into loan. Further, the Company has entered into an agreement with debenture trustees of A K Capital and CDC Emerging Markets on April 05, 2021 and May 04, 2021, respectively for deferment of repayments of Non-Convertible Debentures

Accordingly, the approval of One Time Restructuring and signing of agreement with debenture trustees has the following impact on the Company's working capital position:

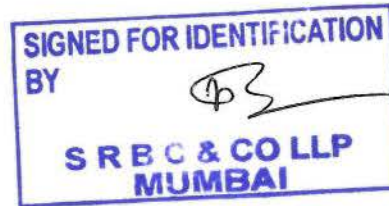
- Limits of Short-Term Borrowings (Working Capital Demand Loan and Cash Credit) to continue as per existing limits;
- Interest moratorium on all facilities with lenders participating in the OTR till September 2021 and creation of funded interest term loan on the same along with any unpaid interest as on the date of implementation;
- Outstanding bills discounted as at November 09, 2020 have been converted into Working Capital Term Loan repayable from June 2022 onwards;
- Extension of tenure of term loans by up to 24 months and moratorium of principal repayment till February 2023;
- NCDs due of Rs. 2,000 lakhs along with interest thereon have been repaid in instalments up to June 2021;
- Principal and interest due on remaining NCDs till August 2021 repayable in instalments till May 2022;



- 7 Government of India's Code for Social Security 2020 (the 'Code') received assent from the President in September 2020. However, the date from when the Code will become applicable and the rules have not yet been notified. The Company will assess the impact of the Code and account for the same once the Code becomes effective and rules are notified.
- 8 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
- 9 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 13, 2021.
- 10 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).

Place: Mumbai

Date: August 13, 2021



By Order of the Board
For Future Consumer Limited



Ashni Biyani
Managing Director