

**Independent Auditor's Review Report on the Quarterly and Year to Date 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 December 31, 2022 and year to date from April 1, 2022 to December 31, 2022 (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. The Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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. As described in Note 4 of the Statement, due to non-availability of financial information and ongoing dispute with the Joint Venture partners, the Company is unable to determine the fair value of Company's investments in Aussee Oats Milling Private Limited (joint venture) and Aussee Oats India Private Limited (step down joint venture) as of December 31, 2022. In absence of sufficient and appropriate evidence, we are unable to comment on the carrying value of above investments (including loans and other assets) amounting to Rs. 9,136 lakhs and the consequent impact thereof.
5. Emphasis of Matter
  - a. We draw attention to Note 3 of the Statement which indicates the existence of material uncertainty on going concern as regards the Company's ability to meet its debt obligations. The appropriateness of going concern assumption is dependent upon Company's ability to arrange sufficient liquidity by monetization of its assets, increase in operations and other strategic initiatives including fresh investments to meet its obligations.
  - b. We draw attention to Note 5 of the Statement, which describes that forensic audit has been initiated on the Company's related party transactions with Future Retail Limited for the financial year ended March 31, 2020, March 31, 2021, and March 31, 2022.

Our conclusion is not modified in respect of these matters.



# **S R B C & CO LLP**

Chartered Accountants

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

6. Based on our review conducted as above, except for the possible effects of our observation in paragraph 4 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.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003

  
per Pramod Kumar Bapna  
Partner  
Membership No.: 105497



UDIN: 23105497BGXBND8042

Mumbai  
February 13, 2023

## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

PARTICULARS (Refer Notes below)				(Rs. in lakhs except per share data)		
	For the Quarter ended		For the Quarter ended	For the Nine Months ended		For the Nine Months ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
1	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income						
(a) Revenue from operations	830.14	1,773.06	31,482.09	4,838.51	80,793.82	97,008.98
(b) Other Income	1,345.75	1,458.10	1,340.00	4,140.60	4,556.36	5,943.19
<b>Total Income</b>	<b>2,175.89</b>	<b>3,231.16</b>	<b>32,822.09</b>	<b>8,979.11</b>	<b>85,350.18</b>	<b>1,02,952.17</b>
Expenses						
(a) Cost of materials consumed	259.31	97.01	2,544.54	609.60	6,574.61	7,633.06
(b) Purchases of Stock in Trade	246.11	847.98	26,633.46	2,113.08	66,983.72	76,359.44
(c) Changes in inventories of finished goods and stock-in-trade	504.85	612.61	(2,476.71)	3,230.60	(4,770.54)	(389.79)
(d) Employee benefits expense	408.57	453.63	1,038.75	1,458.05	3,248.03	4,268.45
(e) Finance Costs	1,201.24	1,257.97	1,465.87	3,721.99	4,693.66	6,134.83
(f) Depreciation and Amortisation expense	276.71	570.57	919.19	1,568.83	2,844.05	3,771.17
(g) Other expenses	727.97	1,001.22	5,544.13	2,962.87	10,532.82	32,996.66
<b>Total Expenses</b>	<b>3,624.76</b>	<b>4,840.99</b>	<b>35,669.23</b>	<b>15,665.02</b>	<b>90,106.41</b>	<b>1,30,773.82</b>
<b>3 Profit / (Loss) before exceptional items and tax (1-2)</b>	<b>(1,448.87)</b>	<b>(1,609.83)</b>	<b>(2,847.14)</b>	<b>(6,685.91)</b>	<b>(4,756.23)</b>	<b>(27,821.65)</b>
4 Exceptional items (Refer Note 6)						
5 Profit / (Loss) before tax (3+4)						
6 Tax expense / (benefit)						
Current Tax						
Deferred Tax						
<b>7 Profit / (Loss) for the period (5-6)</b>	<b>(13,501.32)</b>	<b>(16,790.44)</b>	<b>(5,643.34)</b>	<b>(38,105.93)</b>	<b>(7,552.43)</b>	<b>(54,687.37)</b>
8 Other comprehensive income (OCI)						
A (i) Items that will not be reclassified to statement of profit or loss	-	-	-	-	-	8.33
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss	-	-	-	-	-	-
B (i) Items that will be reclassified to statement of profit or loss	-	-	-	-	-	(1.50)
Other Comprehensive Income (OCI)						
<b>9 Total comprehensive income (7+8)</b>	<b>(13,501.32)</b>	<b>(16,790.44)</b>	<b>(5,643.34)</b>	<b>(38,105.93)</b>	<b>(1.50)</b>	<b>(54,680.54)</b>
10 Paid-up equity share capital (Face Value of Rs.6/- per share)						
11 Reserves excluding Revaluation Reserves						
12 Earnings per share (EPS) before exceptional item (of Rs.6/- each) (not annualised for interim periods):						
a) Basic (Rs.)	(0.68)	(0.85)	(0.28)	(1.92)	(0.38)	(2.76)
b) Diluted (Rs.)	(0.68)	(0.85)	(0.28)	(1.92)	(0.38)	(2.76)
Earnings per share (EPS) before exceptional item (of Rs.6/- each) (not annualised for interim periods):						
a) Basic (Rs.)	(0.07)	(0.08)	(0.14)	(0.33)	(0.24)	(1.41)
b) Diluted (Rs.)	(0.07)	(0.08)	(0.14)	(0.33)	(0.24)	(1.41)

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 period there was no acquisition of treasury shares by the ESOP trust or issue of shares due to exercise of stock options.

3 The Company is currently facing significant liquidity crunch which has impacted the operations of the Company during the period ended December 31, 2022. The Company has incurred loss before tax during the quarter and period ended December 31, 2022, amounting to Rs. 13,501.32 lakhs & Rs. 38,105.93 lakhs respectively (including exceptional items, refer note 6 below) primarily owing to the exceptional items, lower volumes, finance costs and depreciation and also has accumulated losses as at December 31, 2022 of Rs. 1,562,227.77 lakhs. Company's current liabilities exceeded its current assets by Rs. 47,052.92 lakhs as at the period end. Further, the Company has defaulted on payment of interest/repayment of principal amount on loans from banks/financial institution and unlisted debts securities as on December 31, 2022, amounting to Rs. 17,707.06 lakhs. During the period ended 31 December 2022, the banks have classified the loans given to the Company as non-performing assets (NPA). Due to default in borrowings, non-current borrowings including interest accrued thereof aggregating to Rs. 8,938.60 lakhs have been reclassified to current borrowings and other financial liabilities. Accordingly, the Company has total debt servicing obligations due including interest thereon aggregating to Rs. 44,159.35 lakhs as of 31 December 2022.

Further, the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") has pronounced an order dated July 20, 2022, admitting application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against one of the major customers of the Company, Future Retail Limited. The Company has significant receivables from the said Customer amounting to Rs. 37,824.06 lakhs and has recorded an expected credit loss on the entirety of the receivable from the said customer in earlier years(s).

Due to reduction in business operations and decrease in expected realisable value of assets, the Company has recorded an impairment loss of Rs. 16,293.65 lakhs during the quarter ended 31 December 2022 and Rs. 34,906.24 lakhs during the period ended 31 December 2022 (Refer note 6 below).

These events/conditions indicate the existence of material uncertainty on the Company's ability to continue as going concern. To address the liquidity crunch and to maintain the sufficient working capital, the Company has adopted several measures including sales to other customers, cost optimisation, discussion with banks for restructuring / one time settlement of loans, other strategic initiatives including fresh investments, monetisation of identified assets, etc. The expected proceeds from monetisation of these assets (which includes property plant and equipment, investments and other assets) aggregating to Rs. 36,850.00 lakhs and /or fresh investments will be utilised to repay the borrowings (including interest) and manage the working capital requirements. These identified assets for monetisation have been classified as assets held for sale in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' at lower of their carrying value and fair value less costs to sell. Accordingly, the Company has recognised impairment loss on the said assets and disclosed the same under 'exceptional items' (refer note 6 below). The management has initiated the plan to locate the prospective buyers of these assets.

The Company has also discussed the Asset Monetisation Plan with the lenders of the Company in a joint-lender's meeting (JLM) held on July 06, 2022. Considering the Asset Monetisation Plan, the lenders allowed the Company to repay its borrowings till January 31, 2023. However, the Company was unable to monetise these assets and repay the borrowing during the said period. On February 9, 2023, the Company again held a meeting with JLM and updated them about the status and likely timelines for assets monetisation and the possibility of some investor coming at Company level, besides few proposals parallelly in pipeline on individual business verticals, and in either case the company being able to settle the loans amicably with the lenders. It is informed that the lenders will have discussions internally and decide about providing extension to the Company to be able to work on the plan and timelines

The success of the above measures adopted by the Company is dependent on the effective implementation of its operating plans and timely closure with the potential buyers for monetisation of its assets or Equity infusion into the Company which is dependent on many internal / external factors. The management is confident that they will be able to arrange sufficient liquidity by either monetization or Equity infusion, increase in operations and other strategic initiatives. Accordingly, the financial results are prepared on a going concern basis.

4 Note on Qualification in Review Report

The Company has investments in Aussie Oats Milling Private Limited (joint venture) and Aussie Oats India Private Limited (step down joint venture) (together referred to as 'JV') of Rs. 9,136.00 lakhs including investments, loans and other assets (as on March 31, 2022; Rs. 931.50 lakhs). There is a dispute between the Company and said JV partners and due to non-availability of financial results for the quarter and period ended December 31, 2022, as a consequence of non-cooperation of the said JV partners which is in direct contravention of court rulings, the Company is unable to determine the fair value of Company's investments in JV as at period end date and consequent impact thereof on the results. However, the Management believe that it will not have a material impact on the financial results for the quarter and period ended December 31, 2022.

5 The Company has received, through email a letter from Securities and Exchange Board of India Bearing Ref.: SEBI/HO/CFID SEC2/P/OW/2022/34082/1 dated 3rd August 2022 ("SEBI Letter") addressed to Interim Resolution Professional ("IRP") of Future Retail Limited ("FRL") intimating about appointment of M/s Chokshi & Chokshi LLP, Chartered Accountants as forensic auditors with respect to Consolidated Financial Statements of FRL and Audit of books of accounts of the Company and some other entities for review period being the financial year ended 31st March 2021, 31st March 2021, and 31st March 2022. The said appointment has been made in terms of the provisions laid down under Regulations 5 of SEBI (PFUTD) Regulations, 2003 read with applicable provisions contained in SEBI Act, 1992. Audit of the Company will be with respect to the related party transactions with FRL only. Subsequently, the Company has submitted the data as requested in this regard.



SIGNED FOR IDENTIFICATION

BY

S R B C & CO LLP  
MUMBAI



Notes:

6 Exceptional items include the following:

- (i) Impairment of property, plant and equipments for the quarter and period ended December 31, 2022 of Rs. 2,898.03 lakhs (Rs. 333.48 lakhs for quarter ended September 30, 2022) and Rs. 6728.51 lakhs respectively;
- (ii) Impairment of Goodwill, brand and brand usage rights for the quarter and period ended December 31, 2022 of Rs. 1,052.06 lakhs (Rs. 9,507.32 lakhs for quarter ended September 30, 2022) and Rs. 10,619.38 lakhs respectively;
- (iii) Impairment of investments, other receivables and deposits for the quarter and period ended December 31, 2022 of Rs. 12,343.30 lakhs (Rs. 4,524.83 lakhs for quarter ended September 30, 2022) and Rs. 17,558.35 lakhs respectively;
- (iv) Provision for inventory of packing material for the quarter and period ended December 31, 2022 of Rs. Nil (Rs. 754.98 lakhs for quarter ended September 30, 2022) and Rs. 17,558.35 lakhs respectively;
- (v) Provision and payables written back for the quarter and period ended December 31, 2022 of Rs. Nil (Rs. 754.98 lakhs for quarter ended September 30, 2022) and Rs. 4,241.20 lakhs respectively;

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 February 13, 2023.

10 The financial results will be available on the Company's website - [www.futureconsumer.in](http://www.futureconsumer.in), and on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

Place: Mumbai  
Date: February 13, 2023

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090



By Order of the Board

Amit Kumar Agrawal  
Executive Director

