

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated 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 Consolidated Financial Results of Future Consumer Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures for the quarter ended September 30, 2022 and year to date from April 1, 2022 to September 30, 2022 (the "Statement") attached herewith, being submitted by the Holding 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 Holding 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 Holding 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. We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 (the "Circular") issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations.

The Statement includes the results of the entities as detailed out in Annexure 1.

5. As described in Note 7 of the Statement as regards non-availability of financial information and ongoing dispute with Joint Venture partner of 2 Joint Venture companies, which are not considered for consolidation in the attached Statement, which is a non-compliance of Ind AS 27 and Regulation 33 of SEBI Listing and Disclosure Obligations, 2015, as amended. Consequently, we are unable to determine the impact of such non-compliance on the loss, earnings per share for the quarter and period ended September 30, 2022 and investment in joint venture, reserves and surplus as of September 30, 2022.



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**6. Emphasis of Matter**

- a. We draw attention to Note 6 of the Statement which indicates the existence of material uncertainty on going concern on the Group and its joint ventures as regards their ability to meet the debt obligations. The appropriateness of going concern assumption is dependent upon Group and its joint ventures ability to arrange sufficient liquidity by monetization of its assets, increase in operations and other strategic initiatives to meet its obligations.
- b. We draw attention to Note 8 of the Statement, which describes that forensic audit has been initiated on the Holding Company with respect to its 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.

7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors and the financial results/ financial information certified by the management referred to in paragraph 8 and 9 below respectively, except for the possible effects of our observation in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.
8. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:
 - 7 subsidiaries, whose unaudited interim financial results/statements include total assets of Rs 34,947.56 lakhs as at September 30, 2022, total revenues of Rs 8,350.58 lakhs and Rs 16,728.53 lakhs, total net loss after tax of Rs. 1,149.72 lakhs and Rs. 3,114.80 lakhs, total comprehensive loss of Rs. 1,170.77 lakhs and Rs. 3,171.37 lakhs, for the quarter ended September 30, 2022 and the period ended on that date respectively, and net cash outflows of Rs. 81.31 lakhs for the period from April 01, 2022 to September 30, 2022, as considered in the Statement which have been reviewed by their respective independent auditors.
 - 2 joint ventures, whose unaudited interim financial results/statements include Group's share of net loss of Rs. 80.72 lakhs and Rs. 92.40 lakhs and Group's share of total comprehensive loss of Rs. 80.72 lakhs and Rs. 92.40 lakhs for the quarter ended September 30, 2022 and for the period from April 01, 2022 to September 30, 2022 respectively, as considered in the Statement whose interim financial results/financial statements, other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial information and financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint ventures is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.



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9. The accompanying Statement includes unaudited interim financial results /statements and other unaudited financial information in respect of:

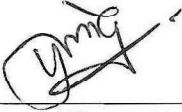
- 5 joint ventures, whose interim financial results/statements includes the Group's share of net loss of Rs. 56.81 lakhs and Rs 264.77 lakhs and Group's share of total comprehensive loss of Rs. 56.81 lakhs and Rs. 264.77 lakhs for the quarter ended September 30, 2022 and for the period ended on that date respectively.

The unaudited interim financial information/ financial results and other unaudited financial information of these joint ventures have not been reviewed by any auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these joint ventures, is based solely on such unaudited interim financial statement/financial results and other unaudited financial information.

According to the information and explanations given to us by the Management, these interim financial information/financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in paragraph 8 and 9 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Management.

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


per Pramod Kumar Bapna
Partner
Membership No.: 105497



UDIN: 22105497BCROYO6031

Mumbai
November 10, 2022

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

Annexure 1 - List of Entities

| Sr. No. | Name of Entities |
|----------|--|
| A | Subsidiaries |
| 1 | Aadhaar Wholesale Trading and Distribution Limited |
| 2 | Appu Nutritions Private Limited |
| 3 | Bloom Foods and Beverages Private Limited |
| 4 | Delect Spices and Herbs Private Limited |
| 5 | FCEL Overseas FZCO |
| 6 | FCL Tradevest Private Limited |
| 7 | Future Consumer Products Limited |
| 8 | Future Food Processing Limited |
| 9 | Integrated Food Park Limited |
| 10 | Nilgiri's Mechanised Bakery Private Limited |
| 11 | Nilgiris Franchise Limited |
| 12 | The Nilgiri Dairy Farm Private Limited |
| | |
| B | Joint Ventures |
| 1 | Aussee Oats India Limited |
| 2 | Aussee Oats Milling (Private) Limited |
| 3 | Fonterra Future Dairy Private Limited |
| 4 | MNS Foods Limited |
| 5 | Sublime Foods Limited |
| 6 | FCL Speciality Foods Private Limited |
| 7 | Hain Future Natural Products Private Limited |
| 8 | Illusie Trading Company (till April 11, 2022) (Formerly known as Mibelle Future Consumer Products AG) |
| 9 | Cosmolift Consumer Products Private Limited (till April 11, 2022) (Formerly known as Mibelle India Consumer Products Private Limited) |
| | |
| C | Associates |
| 1 | Amar Chitra Katha Private Limited |



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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(Rs. in lakhs except per share data)

| PARTICULARS | For the | For the | For the | For the | For the | For the |
|--|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | Quarter ended | Quarter ended | Quarter ended | Six Months ended | Six Months ended | Year ended |
| (Refer Notes below) | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 Income | | | | | | |
| (a) Revenue from operations | 10,043.96 | 10,426.82 | 45,000.13 | 20,470.78 | 75,550.81 | 146,878.86 |
| (b) Other Income | 771.30 | 551.04 | 395.94 | 1,322.34 | 1,319.20 | 2,057.69 |
| Total Income | 10,815.26 | 10,977.86 | 45,396.07 | 21,793.12 | 76,870.01 | 148,936.55 |
| 2 Expenses | | | | | | |
| (a) Cost of materials consumed | 259.64 | 398.42 | 2,863.91 | 658.06 | 4,616.11 | 8,613.71 |
| (b) Purchases of Stock in Trade | 7,348.66 | 9,213.22 | 36,680.37 | 16,561.88 | 63,923.01 | 122,709.12 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 1,095.09 | 1,508.12 | (297.02) | 2,603.21 | (2,638.83) | (2,476.08) |
| (d) Employee benefits expense | 842.10 | 1,007.50 | 1,355.19 | 1,849.60 | 2,821.55 | 5,417.95 |
| (e) Finance Costs | 1,328.50 | 1,338.43 | 1,620.35 | 2,666.93 | 3,296.96 | 6,322.13 |
| (f) Depreciation, Amortisation and Impairment expense | 919.50 | 1,078.39 | 1,283.84 | 1,988.94 | 2,634.96 | 5,150.07 |
| (g) Other expenses | 1,829.45 | 2,230.90 | 3,936.79 | 4,060.35 | 6,831.14 | 38,626.95 |
| Total Expenses | 13,623.34 | 16,774.98 | 47,453.43 | 30,398.32 | 81,489.90 | 194,363.85 |
| 3 Profit / (Loss) before share of profit / (Loss) of an Associate/a Joint Venture and Exceptional items (1-2) | (2,808.08) | (5,797.12) | (2,057.36) | (8,605.20) | (4,619.89) | (35,427.30) |
| 4 Share of Profit / (Loss) in Associate Company and Joint Ventures | (137.53) | (219.64) | (471.91) | (357.17) | (1,052.63) | (2,200.75) |
| 5 Profit / (Loss) before Exceptional items and Tax (3+4) | (2,945.61) | (6,016.76) | (2,529.27) | (8,962.37) | (5,672.52) | (37,628.05) |
| 6 Exceptional items (Refer Note 9) | (11,510.66) | (2,948.36) | - | (14,459.02) | - | (7,409.20) |
| 7 Profit / (Loss) before tax (5+6) | (14,456.27) | (8,965.12) | (2,529.27) | (23,421.39) | (5,672.52) | (45,037.25) |
| 8 Tax expense / (benefit) | | | | | | |
| Current Tax | (212.00) | 566.36 | 31.67 | 354.36 | 60.67 | 4.00 |
| Tax relating to prior years | - | - | 2.69 | - | 2.69 | 4.70 |
| Deferred Tax | (17.34) | (17.33) | (17.34) | (34.67) | (34.67) | (70.33) |
| 9 Profit / (Loss) for the period (7-8) | (14,226.93) | (9,514.15) | (2,542.29) | (23,741.08) | (5,701.21) | (44,975.63) |
| 10 Other comprehensive income (OCI) | | | | | | |
| A (i) Items that will not be reclassified to statement of profit or loss | 10.89 | - | 3.42 | 10.89 | 4.53 | 22.87 |
| (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 | (4.50) | (34.98) | (0.31) | (39.48) | (11.27) | (25.87) |
| Total other comprehensive income | 6.39 | (34.98) | 3.11 | (28.59) | (6.74) | (3.00) |
| 11 Total comprehensive income (9+10) | (14,220.54) | (9,549.13) | (2,543.18) | (23,769.67) | (5,707.95) | (44,978.63) |
| Profit / (Loss) for the year attributable to: | | | | | | |
| - Owners of the company | (14,226.49) | (9,513.75) | (2,545.49) | (23,740.24) | (5,698.19) | (44,967.96) |
| - Non-controlling interests | (0.44) | (0.40) | (0.80) | (0.84) | (3.02) | (7.67) |
| Other Comprehensive income for the year attributable to: | | | | | | |
| - Owners of the company | 6.39 | (34.98) | 3.11 | (28.59) | (6.74) | (3.00) |
| - Non-controlling interests | - | - | - | - | - | - |
| Total Comprehensive income for the year attributable to: | | | | | | |
| - Owners of the company | (14,220.10) | (9,548.73) | (2,542.38) | (23,768.83) | (5,704.93) | (44,970.96) |
| - Non-controlling interests | (0.44) | (0.40) | (0.80) | (0.84) | (3.02) | (7.67) |
| 12 Paid-up equity share capital (Face Value of Rs.6/- per share) | | | | | | 119,014.91 |
| 13 Reserves excluding Revaluation Reserves | | | | | | (103,981.70) |
| 14 Earnings per share attributable to owners of the Group after exceptional item (of Rs.6/- each) (not annualised for interim periods): | | | | | | |
| a) Basic (Rs.) | (0.72) | (0.48) | (0.13) | (1.20) | (0.29) | (2.27) |
| b) Diluted (Rs.) | (0.72) | (0.48) | (0.13) | (1.20) | (0.29) | (2.27) |
| Earnings per share attributable to owners of the Group before exceptional item (of Rs.6/- each) (not annualised for interim periods): | | | | | | |
| a) Basic (Rs.) | (0.14) | (0.33) | (0.13) | (0.47) | (0.29) | (1.90) |
| b) Diluted (Rs.) | (0.14) | (0.33) | (0.13) | (0.47) | (0.29) | (1.90) |

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Notes:

1. STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

| | | (Rs. in lakhs) | |
|---|--------------------|-------------------|--|
| PARTICULARS | As at | As at | |
| | September 30, 2022 | March 31, 2022 | |
| | (Unaudited) | (Audited) | |
| A ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 4,496.48 | 29,879.44 | |
| (b) Capital Work-in-progress | 188.05 | 898.38 | |
| (c) Investment Property | 651.30 | 677.04 | |
| (d) Goodwill | 412.05 | 6,911.02 | |
| (e) Other Intangible Assets | 1,462.93 | 15,697.71 | |
| (f) Right-of-use assets | 1,809.85 | 11,078.79 | |
| (g) Financial Assets | | | |
| (i) Investments | 680.46 | 822.35 | |
| (ii) Loans | 5,509.37 | 5,178.47 | |
| (iii) Other Financial Assets | 3,083.76 | 3,536.20 | |
| (h) Deferred Tax Assets (net) | 5.10 | 5.10 | |
| (i) Other Assets | 3,058.55 | 3,057.63 | |
| Total non-current assets | 21,357.90 | 77,742.13 | |
| Current Assets | | | |
| (a) Inventories | 4,243.81 | 7,857.04 | |
| (b) Financial Assets | | | |
| (i) Investments | 1.45 | 1.70 | |
| (ii) Trade Receivables | 2,158.00 | 14,916.27 | |
| (iii) Cash and cash equivalents | 870.32 | 2,762.36 | |
| (iv) Bank Balances other than (iii) above | 165.48 | 34.74 | |
| (v) Loans | - | - | |
| (vi) Other Financial Assets | 1,250.32 | 1,235.60 | |
| (c) Other Assets | 1,981.66 | 2,036.30 | |
| | 10,671.04 | 28,844.01 | |
| Assets held for Sale | 42,830.89 | 15,699.52 | |
| Total current assets | 53,501.93 | 44,543.53 | |
| TOTAL ASSETS | 74,859.83 | 122,285.66 | |
| B EQUITY AND LIABILITY | | | |
| Equity | | | |
| (a) Equity Share Capital | 119,014.91 | 119,014.91 | |
| (b) Other Equity | (127,768.04) | (103,981.70) | |
| Equity attributable to owners of the Group | (8,753.13) | 15,033.21 | |
| (c) Non-controlling interests | 0.67 | 0.70 | |
| Total Equity | (8,752.46) | 15,033.91 | |
| LIABILITY | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | - | 12,987.45 | |
| (ii) Lease Liabilities | 2,227.53 | 5,025.60 | |
| (iii) Other financial liabilities | 128.01 | 1,226.08 | |
| (b) Provisions | 344.61 | 338.44 | |
| (c) Deferred Tax Liabilities (net) | 3,356.69 | 3,391.36 | |
| (d) Other non-current liabilities | 2,970.45 | 3,144.00 | |
| Total non-current liabilities | 9,027.29 | 26,112.93 | |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 41,515.09 | 39,050.52 | |
| (ii) Lease Liabilities | 437.18 | 685.76 | |
| (iii) Trade Payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 933.05 | 701.80 | |
| (b) Total outstanding dues of trade payables other than micro enterprises and small enterprises | 11,558.61 | 10,993.29 | |
| (iv) Other Financial Liabilities | 5,073.50 | 3,541.32 | |
| (b) Provisions | 616.97 | 804.02 | |
| (c) Other Current Liabilities | 14,450.60 | 25,362.11 | |
| Total current liabilities | 74,585.00 | 81,138.82 | |
| TOTAL EQUITY AND LIABILITY | 74,859.83 | 122,285.66 | |

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2. Statement of Consolidated Cash flows for the six months ended September 30, 2022

| Particulars | (Rs. in lakhs) | |
|---|---|---|
| | Six Months ended September 30, 2022 (Unaudited) | Six Months ended September 30, 2021 (Unaudited) |
| Cash flows from operating activities | | |
| Net loss before tax as per the Statement of Profit and Loss | (23,421.39) | (5,672.52) |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Exceptional items | 14,459.02 | - |
| Finance costs (including fair value change in financial instruments) | 2,666.93 | 3,296.97 |
| Finance income (including fair value change in financial instruments) | (244.74) | (400.65) |
| Interest on income tax refund | (5.06) | (117.22) |
| Share of loss of associate and joint ventures | 357.17 | 1,052.63 |
| Provision no longer required written back | (100.08) | (163.81) |
| Net loss on disposal of property, plant and equipment | 183.42 | 45.16 |
| Net unrealised exchange (gain) / loss | (524.16) | (11.42) |
| Expected Credit Loss on trade and other receivable and advances written off | 249.57 | 216.63 |
| Depreciation and Impairment of Property, Plant & Equipment, CWIP | 1,445.67 | 2,051.12 |
| Amortization of intangible Assets | 552.62 | 596.36 |
| Share-based payment expenses | 9.59 | 13.85 |
| Gain on termination/revaluation of Lease Asset | (210.97) | (267.88) |
| Amortisation of Government Grant | (142.83) | (142.83) |
| | 18,696.15 | 6,168.91 |
| | (4,725.24) | 496.39 |
| Working capital adjustments: | | |
| (Increase) / Decrease in trade and other receivables | 11,742.66 | 18,485.13 |
| (Increase) / Decrease in inventories | 2,858.25 | (2,563.84) |
| (Increase) / Decrease in other assets | 10.81 | (375.51) |
| Increase / (Decrease) in other assets | 796.58 | (927.50) |
| Decrease in provisions | (169.98) | (118.24) |
| Decrease in other liabilities | (7,440.27) | (8,319.98) |
| | 7,798.05 | 6,180.06 |
| Cash flow from operations | 3,072.81 | 6,676.45 |
| Income taxes (paid)/refunded | (212.19) | 1,055.14 |
| Net cash flow from operating activities | 2,860.62 | 7,731.59 |
| Cash flows from investing activities | | |
| Proceeds on sale of financial assets | 300.00 | (640.00) |
| Loans refunded | - | (19.93) |
| Interest received | 94.79 | 29.75 |
| Purchase of property, plant and equipment including CWIP | (90.70) | (673.66) |
| Proceeds from sale of property, plant and equipment and asset held for sale | 8,027.11 | 36.10 |
| Advance Received Against Assets Held for Sale | 10.00 | - |
| Net cash flow from/(used) in investing activities | 8,341.20 | (1,267.74) |
| Cash flows from financing activities | | |
| Repayment of long term borrowings | (2,350.00) | (2,385.54) |
| Repayment of Lease Liabilities | (304.38) | (305.52) |
| Repayment from short term borrowings (net) | (8,172.88) | (2,792.39) |
| Interest paid | (2,266.60) | (1,921.46) |
| Net cash flow used in financing activities | (13,093.86) | (7,404.91) |
| Net increase/ (decrease) in cash and cash equivalents | (1,892.04) | (941.06) |
| Cash and cash equivalents at the beginning of the period | 2,762.36 | 3,690.86 |
| Cash and cash equivalents at the end of the period | 870.32 | 2,749.80 |

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Notes:

3 The Group 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'.

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

5 Key Standalone financial information of the Holding Company is given here below:

| PARTICULARS | For the | For the | For the | For the | For the | For the |
|----------------------------|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | Quarter ended | Quarter ended | Quarter ended | Six Months ended | Six Months ended | Year ended |
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Revenue from operations | 1,773.06 | 2,235.31 | 31,777.77 | 4,008.37 | 49,311.73 | 97,008.98 |
| Profit / (Loss) before Tax | (16,790.44) | (7,814.17) | (646.68) | (24,604.61) | (1,909.08) | (54,687.37) |
| Total comprehensive income | (16,790.44) | (7,814.17) | (646.72) | (24,604.61) | (1,910.58) | (54,680.54) |

6 "The Group is currently facing significant liquidity crunch which has impacted the operations of the group during the period ended September 30, 2022. The Group has debt servicing obligations aggregating to Rs. 41,515.09 lakhs within the next twelve months, comprising of Current Maturities of Long-Term debt amounting to Rs. 20,448.41 lakhs and short-term borrowings of Rs. 21,066.68 lakhs. The Group has incurred loss before tax during the quarter and period ended September 30, 2022 amounting to Rs. 14,456.27 lakhs and Rs. 23,421.39 lakhs respectively (Including Exceptional items refer note 9 below) primarily owing to the exceptional items, lower volumes, finance costs and depreciation and also has accumulated losses as at September 30, 2022 of Rs. 1,68,006.58 lakhs. Group's current liabilities exceeded its current assets by Rs. 21,083.07 lakhs as at the period end. Also, the Holding Company has defaulted on payment of interest/repayment of principal amount on loans from banks/financial institution and unlisted debts securities as on September 30, 2022 amounting to Rs. 7,933.71 lakhs. Further, during the current quarter the bank have classified the bank accounts of the Holding 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 of Holding Company has been reclassified to current borrowings and other financial liabilities.

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 Group, Future Retail Limited. The Group has significant amount of receivables from the said Customer amounting to Rs. 39,390.93 lakhs and has recorded an expected credit loss on the entirety of the receivable from the said customer during the previous year ended March 31, 2022.

These events/conditions indicate the existence of material uncertainty on the Group's ability to continue as going concern. To address the liquidity crunch and to maintain the sufficient working capital, the Group has adopted several measures including sales to other customers, cost optimisation etc. Further, the Board of Directors of the Holding Company has approved the plan for monetisation of some of the assets including investments, to repay the debts 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 Group has recognised impairment loss on the said assets and disclosed the same under 'exceptional items' (refer note 9(i) below). The management has initiated the plan to locate the prospective buyers of these assets.

The success of the above measures adopted by the Group is dependent on the effective implementation of its operating plans and timely identification of the prospective buyers for monetisation of its assets including investments which is dependent of many internal / external factors. The management is confident that they will be able to arrange sufficient liquidity by monetisation of its assets, increase in operations and other strategic initiatives. Accordingly, the financial results are prepared on a going concern basis."

7 Note on Qualification in Review Report

The Group has investments in Joint Ventures Aussee Oats Milling Private Limited and Aussee Oats India Private Limited (together referred to as 'JV') of Rs. 6,346.68 lakhs including investments, loans and other assets (As on March 31, 2022 Rs. 6,650.53 lakhs). There is a dispute between the Group and said JV partners and due to non-availability of financial results for the quarter and period ended September 30, 2022, as a consequence of non-cooperation of the said JV partners which is in direct contravention of court rulings, the Group is unable to determine the fair value of Group's investments in JV as at September 30, 2022 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 September 30, 2022.

8 The Holding 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 Holding Company and some other entities for review period being the financial year ended 31st March,2020, 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 (PFUTP) Regulations, 2003 read with applicable provisions contained in SEBI Act, 1992. Audit of the Holding Company will be with respect to the related party transactions with FRL only. During the quarter, the Holding Company has submitted the data as requested in this regard.



Notes:

9 Exceptional items includes the followings :

- (i) Impairment of property, plant and equipments for the quarter and period ended September 30, 2022 of Rs. 333.48 lakhs (Rs. 3,497.00 lakhs for quarter ended June 30, 2022) and Rs. 3,830.48 lakhs respectively;
- (ii) Impairment of Goodwill and brand usage rights for the quarter and period ended September 30, 2022 of Rs. 9,601.10 lakhs;
- (iii) Provision for inventory of packing material for the quarter and period ended September 30, 2022 of Rs. 754.98 lakhs;
- (iv) Gain on sale of land for the quarter and period ended September 30, 2022 of Rs. Nil (Rs. 579.35 lakhs for quarter ended June 30, 2022) and Rs. 579.35 lakhs respectively and
- (v) Losses of joint venture for the quarter and period ended September 30, 2022 of Rs. (27.09) lakhs (Rs. 30.71 lakhs for the quarter ended June 30, 2022) and Rs. 3.62 lakhs respectively.
- (vi) Impairment of Deposits for the quarter and period ended September 30, 2022 of Rs. 855.43 lakhs.

10 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 Group will assess the impact of the Code and account for the same once the Code becomes effective and rules are notified.

11 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

12 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 10, 2022.

13 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: November 10, 2022

By Order of the Board
For Future Consumer Limited


Amit Kumar Agrawal
Executive Director

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

