

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 September 30, 2021 and year to date from April 01, 2021 to September 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.



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

5. Emphasis of Matter Paragraph

We draw attention to Note 5 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 S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Pramod Kumar Bapna
Partner
Membership No.: 105497



UDIN: 21105497AAAACN5570

Place: Mumbai

Date: November 12, 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 AND SIX MONTHS ENDED SEPTEMBER 30, 2021

PARTICULARS (Refer Notes below)	For the Quarter ended September 30, 2021 (Unaudited)	For the Quarter ended June 30, 2021 (Unaudited)	For the Quarter ended September 30, 2020 (Unaudited)	For the Six Months ended September 30, 2021 (Unaudited)	For the Six Months ended September 30, 2020 (Unaudited)	For the Year ended March 31, 2021 (Audited)
1 Income						
(a) Revenue from operations	31,777.77	17,533.96	7,540.79	49,311.73	27,734.40	58,743.60
(b) Other Income	1,415.33	1,801.05	1,683.78	3,216.38	3,241.75	6,177.88
Total Income	33,193.10	19,335.01	9,224.57	52,528.11	30,976.15	64,921.48
2 Expenses						
(a) Cost of materials consumed	2,563.00	1,467.08	1,124.42	4,030.08	944.87	2,658.01
(b) Purchases of Stock in Trade	25,121.33	15,228.99	4,989.32	40,350.32	14,118.93	41,082.59
(c) Changes in inventories of finished goods and stock-in-trade	(340.23)	(1,953.60)	2,648.32	(2,293.83)	11,012.59	9,659.70
(d) Employee benefits expense	1,057.92	1,151.36	1,110.69	2,209.28	2,299.33	4,736.23
(e) Finance Costs	1,607.53	1,620.25	1,849.12	3,227.78	3,682.43	7,001.98
(f) Depreciation and Amortisation expense	960.67	964.20	997.52	1,924.87	2,136.19	4,094.94
(g) Other expenses	2,869.56	2,119.13	5,721.14	4,988.69	8,660.84	26,170.49
Total Expenses	33,839.78	20,597.41	17,428.53	54,437.19	42,855.18	95,403.94
3 Profit / (Loss) before Exceptional items (1-2)	(646.68)	(1,262.40)	(8,203.96)	(1,909.08)	(11,879.03)	(30,482.46)
4 Exceptional items	-	-	(3,558.80)	-	(3,558.80)	(3,494.25)
5 Profit / (Loss) before tax (3+4)	(646.68)	(1,262.40)	(11,762.76)	(1,909.08)	(15,437.83)	(38,976.71)
6 Tax expense / (benefit)	-	-	-	-	-	-
Current Tax	-	-	-	-	-	-
Tax relating to prior years	-	-	-	-	-	-
Deferred Tax	-	-	(709.18)	-	(699.08)	(139.96)
7 Profit / (Loss) for the period (5-6)	(646.68)	(1,262.40)	(11,762.76)	(1,909.08)	(14,738.75)	(41,076.02)
8 Other comprehensive income (OCI)						
A (i) Items that will not be reclassified to statement of profit or loss	-	-	-	-	-	150.48
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss	(0.04)	(1.46)	2.23	(1.50)	-	(37.87)
B (i) Items that will be reclassified to statement of profit or loss	(646.72)	(1,263.86)	(11,051.35)	(1,910.58)	(14,736.69)	2.65
9 Total comprehensive income (7+8)	1,18,415.29	1,18,415.29	1,14,459.41	1,18,415.29	1,14,459.41	(40,960.76)
10 Paid-up equity share capital (Face Value of Rs.6/- per share)						1,18,415.29
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.)	(0.03)	(0.06)	(0.58)	(0.10)	(0.77)	(2.08)
b) Diluted (Rs.)	(0.03)	(0.06)	(0.58)	(0.10)	(0.77)	(2.08)
Earnings per share (EPS) before exceptional item (of Rs.6/- each) (not annualised for interim periods):						
a) Basic (Rs.)	(0.03)	(0.06)	(0.59)	(0.10)	(0.59)	(1.65)
b) Diluted (Rs.)	(0.03)	(0.06)	(0.59)	(0.10)	(0.59)	(1.65)

SIGNED FOR IDENTIFICATION
BY

S R B C & CO LLP
MUMBAI

Notes:

1. STATEMENT OF STANDALONE ASSETS AND LIABILITIES

PARTICULARS	(Rs. in lakhs)	
	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
A ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	13,336.96	13,674.64
(b) Capital Work-in-progress	-	21.42
(c) Goodwill	2,951.82	2,951.82
(d) Other Intangible Assets	9,436.32	9,985.97
(e) Right-of-use assets	4,256.54	2,973.73
(f) Financial Assets		
(i) Investments	47,817.50	47,111.81
(ii) Loans	40,873.23	41,066.45
(iii) Other Financial Assets	9,763.90	7,421.45
(g) Other Assets	1,095.01	1,397.47
Total non-current assets	1,29,531.48	1,26,604.76
Current Assets		
(a) Inventories	6,699.36	4,427.83
(b) Financial Assets		
(i) Trade Receivables	40,251.82	58,474.22
(ii) Cash and cash equivalents	1,862.07	2,439.32
(iii) Bank Balances other than (ii) above	78.55	1,049.14
(iv) Other Financial Assets	1,112.01	266.39
(c) Other Assets	1,896.30	1,903.50
Assets held for Sale	51,900.11	68,560.40
Assets held for Sale	409.08	409.08
Total current assets	52,309.19	68,969.46
TOTAL ASSETS	1,81,840.67	1,95,574.24
B EQUITY AND LIABILITY		
Equity		
(a) Equity Share Capital	1,18,415.29	1,18,415.29
(b) Other Equity	(25,062.16)	(23,165.23)
Total Equity	93,353.13	95,250.06
LIABILITY		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	17,365.16	16,970.53
(ii) Lease Liabilities	4,271.83	3,090.02
(iii) Other financial liabilities	979.22	927.04
Provisions	348.30	368.68
Total non-current liabilities	22,964.51	21,356.27
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	36,341.14	39,185.44
(ii) Lease Liabilities	738.64	768.55
(iii) Trade Payables	2,186.54	2,182.67
(a) Total outstanding dues of micro enterprises and small enterprises	12,839.05	14,329.14
(b) Total outstanding dues of trade payables other than micro enterprises and small	1,436.27	2,058.20
(iv) Other Financial Liabilities	696.26	756.89
Provisions	11,265.13	19,687.02
Other Current Liabilities	65,523.03	78,967.91
Total current liabilities		
TOTAL EQUITY AND LIABILITY	1,81,840.67	1,95,574.24

SIGNED FOR IDENTIFICATION
BY



S R B C & CO LLP
MUMBAI

2. Statement of Standalone Cash flows for the six months ended 30th September 2021

(Rs. in lakhs)

Particulars	Six Months ended 30th September 2021 (Unaudited)	Six Months ended 30th September 2020 (Unaudited)
Cash flows from operating activities		
Net loss before tax as per the Statement of Profit and Loss	(1,909.08)	(15,437.83)
Adjustments to reconcile profit before tax to net cash flows:		
Exceptional items	-	3,558.80
Finance costs (including fair value change in financial instruments)	3,227.78	3,682.43
Finance income (including fair value change in financial instruments)	(2,486.10)	(2,703.14)
Interest on income tax refund	(57.09)	-
Provision no longer required written back	(123.25)	-
Net loss on disposal of property, plant and equipment	16.94	127.16
Net gain on financial assets measured at fair value through profit or loss	(155.69)	(135.38)
Gain on Sale of Investments	-	(30.00)
Net unrealised exchange (gain)/ loss	(1.50)	2.06
Expected Credit Loss on trade and other receivables	-	3,201.11
Amortisation of intangible assets	549.45	730.70
Depreciation and Impairment of Property, Plant & Equipment & Right-of-Use Assets	1,375.42	1,405.49
Share-based payment expenses	13.85	69.19
Net gain on financial guarantees contract	(2.95)	(3.64)
Gain on termination of Lease Asset	(262.95)	(364.39)
	2,093.91	9,540.39
	184.83	(5,897.44)
Working capital adjustments:		
(Increase) / decrease in trade and other receivables	18,327.63	(3,158.12)
(Increase) / decrease in inventories	(2,271.53)	11,522.94
(Increase) / decrease other assets	(564.77)	716.74
Decrease in trade payables	(1,486.21)	(3,715.99)
Decrease in provisions	(81.00)	(53.98)
Decrease in other liabilities	(8,295.69)	(534.72)
	5,628.43	4,776.87
Cash flow from operations	5,813.26	(1,120.57)
Income taxes refund	924.26	98.71
Net cash flow from/ (used in) operating activities	6,737.52	(1,021.86)
Cash flows from investing activities		
Investment in Subsidiaries/Joint Ventures	(550.00)	(300.50)
Proceeds on Sale of Investment	-	30.00
Loans given	(10.00)	(1,154.95)
Loans refunded (net of exchange gains and losses)	203.22	977.98
Interest received	163.19	364.99
Purchase of property, plant and equipment including CWIP	(631.81)	-
Proceeds from sale of property, plant and equipment	1.29	111.15
Net cash flow from/(used in) investing activities	(824.11)	28.67
Cash flows from financing activities		
Purchase of treasury shares	-	(0.01)
Repayment of long term borrowings	(2,320.71)	(227.34)
Repayment of Lease Liabilities	(263.93)	(329.10)
Proceeds from short term borrowings (net)	(2,077.13)	3,576.16
Interest paid	(1,828.89)	(2,471.97)
Net cash flow (used in)/from financing activities	(6,490.66)	547.74
Net increase / (decrease) in cash and cash equivalents	(577.25)	(445.45)
Cash and cash equivalents at the beginning of the period	2,439.32	2,982.54
Cash and cash equivalents at the end of the period	1,862.07	2,537.09

SIGNED FOR IDENTIFICATION
BY



S R B C & CO LLP
MUMBAI

- 3 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'.
- 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 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 and six months ended September 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 CDC Emerging Markets on May 04, 2021, for deferment of repayments of Non-Convertible Debentures.
- 6 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.
- 7 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 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 Ventures Limited ("RRVL"); (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.
- 8 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.
- 9 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. 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 the SIAC has passed a partial award on October 20, 2021 dismissing section 16 application of FRL and concluded that FRL is a party to the arbitration agreement. Further the SIAC also passed an order in the matter of second application under Rule 10 of Schedule I of SIA Rules for vacation of the EA order and dismissed that application as well.
- 10 Immediately thereafter, Amazon filed an Interim Application in Special Leave Petition filed by FRL before the Hon'ble Supreme Court of India and seeking relief to set aside the order passed by NCLT on 28 September 2021 directing convening of meetings of shareholders and creditors and in the meantime granting stay on the operation of the said order of the NCLT as well as the operation of the notice of meetings dated 11 October 2021 issued by FRL, concerning and conducting of any meeting pertaining to FRL.
- 11 FRL has separately filed an appeal before Hon'ble High Court of Delhi against the impugned order dated 21 October, 2021 passed by SIAC Tribunal in SIAC Arbitration No. 960 of 2020 on the Application of the Company to vacate the Interim Award of the Emergency Arbitrator dated 25 October 2020 and sought relief for staying and setting aside the operation of the Impugned order dated 21 October 2021 and alternatively, allowing the Company to conduct the meeting of the Shareholders and Creditors as directed by the Hon'ble NCLT Mumbai vide order dated 28 September, 2021.
- 12 The NCLT on September 28, 2021 passed an order directing all Transferee Companies and Transferee Company involved in the Scheme to convene and hold the meetings of their respective shareholders, secured creditors and unsecured creditors as per the schedule given by the NCLT. According to such directions of NCLT, the Company had convened the meeting of its shareholders on November 10, 2021 and its Secured and Unsecured Creditors on November 11, 2021 to seek their approvals on the Scheme. In view of the request received from the secured lenders seeking additional time to obtain their internal approvals in respect of the consent to be granted at the NCLT convened meeting, an application was moved by the companies involved in the Scheme before the Hon'ble NCLT seeking extension of time to hold these meetings. At such hearing application, Amazon has intervened and objected to the holding of these meetings. The Hon'ble NCLT has stayed the holding of such meetings reserved further orders and directed both the parties to make their written submission to enable the NCLT to take a final call on directions to be given to conduct these meetings.
- 13 The Scheme of Arrangement between Athena Life Sciences Private Limited ("Athena") and the Company and their respective Shareholders and Creditors ("Scheme") was sanctioned in terms of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 by Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated 15th July 2021, electronic copy of which was received by the Company on September 7th, 2021. The scheme was filed with Registrar of Companies on 6th October 2021 which is considered to be the effective date on which the control is transferred to the Company.
- 14 On 6th October 2021, the Company has completed the transfer of identified undertaking of Athena via an all-equity consideration under which 13 shares of the Company were allotted for 83 shares of Athena. Pursuant to the Scheme, the Company has, on 6th October 2021, approved allotment of 99,93,764 equity shares of Rs. 6/- each to the equity shareholders of Athena as provided under the Scheme. With this transfer, the Company acquired the marketing selling and distribution business of Athena in relation to the portfolio products/brands namely, D'Free, Hair for Sure, Iraya and Safe & Sure.
- 15 The Board of Directors of the Company has on October 28, 2021 considered and approved entering into a joint venture arrangement by and between Griffith Foods Worldwide INC ("Griffith Foods") and Sublime Foods Limited ("Sublime"), a joint venture of a wholly owned subsidiary of the Company, subject to compliance with the applicable laws and obtaining of necessary consents and approvals as may be required. Griffith Foods and Sublime shall hold shares in the joint venture entity in the ratio of 51:49 respectively.
- 16 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.
- 17 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
- 18 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 12, 2021.
- 19 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
Managing Director



Place: Mumbai
Date: November 12, 2021

Corporate Identity Number of Future Consumer Limited is L52602MH1999PT.C192090