

Independent Auditor's Review Report on the Unaudited Standalone Financial Results of the Company for Quarter and Year to date September 30, 2023 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, 2023 and year to date from April 01, 2023 to September 30, 2023 (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 5 to the Statement, due to non-availability of financial information and ongoing dispute with the JV partner, 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 September 30, 2023. 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. 9,364.42 lakhs and the consequent impact thereof. The Conclusion was also modified in respect of this matter by the predecessor auditor vide their report for the quarter and year ended March 31, 2023 and quarter ended June 30, 2023.
5. **Material Uncertainty Related to Going Concern**

We refer to Note 8 to the Statement, the Company has incurred loss before tax during the quarter and period ended September 30, 2023 amounting to Rs. 8,776.47 lakhs and Rs. 11,341.56 lakhs respectively (including exceptional item) and has a net capital deficiency of Rs. 24,575.18 lakhs as at September 30, 2023. The Company has also suffered consistent downgrades in its credit ratings, as a result of which the Company's ability to raise funds has been significantly impaired, with normal business operations being substantially curtailed. In addition, the Company has defaulted in repayment of loans and interest thereon to banks and debenture holders and consequently the lenders have classified the Company's account as non-performing asset. The Company has been unable to conclude re-negotiations or obtain replacement financing or monetise its assets as agreed with the lenders. These conditions, along with other matters, set forth in said Note, indicate the existence of a material uncertainty that may



cast significant doubt about the Company's ability to continue as a going concern. As explained in aforesaid note, management is of the view that the appropriateness of going concern assumption is dependent upon Company's ability to arrange sufficient liquidity by monetisation of its assets and other strategic initiatives and banks approval for monetisation plan submitted for sale of assets including transfer of business of subsidiaries companies. Our conclusion is not modified with respect to this matter.

6. Emphasis of Matter

We draw attention to Note 6 to the Statement, which more fully describes certain forensic audits that have been initiated on the Company, by SEBI and by lenders, which are currently in progress. Our conclusion is not modified in respect of the above matter.

7. Based on our review conducted as above, except for the possible effects of our observations in para 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.

Other Matter

8. The comparative Ind AS financial information of the company for the immediately preceding quarter ended June 30, 2023 and corresponding quarter and period ended September 30, 2022 were reviewed by the predecessor auditors i.e. S R B C & CO LLP, Chartered Accountants who expresses modified conclusion on those financial information on August 14, 2023 and November 10, 2022 respectively and the Ind AS Financial Statements of the company for the year ended March 31, 2023 were audited by predecessor auditors S R B C & CO LLP, Chartered Accountants who expresses qualified opinion on the financial statement on May 30, 2023.

For and on behalf of
Borkar & Muzumdar
Chartered Accountants
FRN: 101569W



Deepak Kumar Jain
Partner
Membership No.: 154390
UDIN: 23154390BGXYP57760



Date: November 09, 2023
Place: Mumbai

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023

PARTICULARS (Refer Notes below)	For the Quarter ended September 30, 2023	For the Quarter ended June 30, 2023	For the Quarter ended September 30, 2022	For the Six Months ended September 30, 2023	For the Six Months ended September 30, 2022	For the Year ended March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations	72.01	101.50	1,773.06	173.51	4,008.37	5,173.26
(b) Other Income	247.67	245.33	1,458.10	493.00	2,794.85	4,874.38
Total Income	319.68	346.83	3,231.16	666.51	6,803.22	10,047.64
2 Expenses						
(a) Cost of materials consumed	-	-	97.01	-	350.29	649.13
(b) Purchases of Stock in Trade	1.98	1.89	847.98	3.87	1,866.97	2,176.47
(c) Changes in inventories of finished goods and stock-in-trade	42.31	66.66	612.61	106.97	2,725.75	3,381.49
(d) Employee benefits expense	142.28	226.96	453.63	369.24	1,049.48	1,779.15
(e) Finance Costs	1,304.65	1,255.36	1,257.97	2,560.01	2,520.75	5,000.05
(f) Depreciation and Amortisation expense	35.25	158.67	570.57	193.92	1,292.12	1,769.99
(g) Other expenses	1,157.57	742.00	1,001.22	1,899.57	2,234.90	3,873.59
Total Expenses	2,684.04	2,451.54	4,840.99	5,135.58	12,040.26	18,629.87
3 Profit / (Loss) before exceptional items and tax (1-2)	(2,364.36)	(2,104.71)	(1,609.83)	(4,469.07)	(5,237.04)	(8,582.23)
4 Exceptional items (Refer Note 7)	(6,412.11)	(460.38)	(15,180.61)	(6,872.49)	(19,367.57)	(46,188.17)
5 Profit / (Loss) before tax (3+4)	(8,776.47)	(2,565.09)	(16,790.44)	(11,341.56)	(24,604.61)	(54,770.40)
6 Tax expense / (benefit)						
Current Tax	-	-	-	-	-	-
Tax relating to prior years	-	-	-	-	-	(45.77)
Deferred Tax	-	-	-	-	-	-
7 Profit / (Loss) for the period (5-6)	(8,776.47)	(2,565.09)	(16,790.44)	(11,341.56)	(24,604.61)	(54,724.63)
8 Other comprehensive income (OCI)						
(i) Items that will not be reclassified to statement of profit or loss	-	-	-	-	-	81.89
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss	-	-	-	-	-	-
(i) Items that will be reclassified to statement of profit or loss	-	-	-	-	-	-
Total Other comprehensive income (OCI)	-	-	-	-	-	81.89
9 Total comprehensive income (7+8)	(8,776.47)	(2,565.09)	(16,790.44)	(11,341.56)	(24,604.61)	(54,642.74)
10 Paid-up equity share capital (Face Value of Rs.6/- per share)						1,19,192.24
11 Reserves excluding Revaluation Reserves						(1,32,426.98)
12 Earnings per share (EPS) after exceptional item						
(of Rs.6/- each) (not annualised for interim periods):						
a) Basic (Rs.)	(0.44)	(0.13)	(0.85)	(0.57)	(1.24)	(2.76)
b) Diluted (Rs.)	(0.44)	(0.13)	(0.85)	(0.57)	(1.24)	(2.76)
Earnings per share (EPS) before exceptional item						
(of Rs.6/- each) (not annualised for interim periods):						
a) Basic (Rs.)	(0.12)	(0.11)	(0.08)	(0.22)	(0.26)	(0.43)
b) Diluted (Rs.)	(0.12)	(0.11)	(0.08)	(0.22)	(0.26)	(0.43)



Notes:

1. STATEMENT OF STANDALONE ASSETS AND LIABILITIES

PARTICULARS	(Rs. in lakhs)	
	As at September 30, 2023	As at March 31, 2023
	(Unaudited)	(Audited)
A ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	438.48	1,552.02
(b) Goodwill	-	-
(c) Other Intangible Assets	2.07	161.00
(d) Right-of-use assets	107.50	250.70
(e) Financial Assets		
(i) Investments	7,530.43	6,968.26
(ii) Loans	17,794.32	22,551.53
(iii) Other Financial Assets	2,662.93	4,522.80
(f) Other Assets	505.70	500.51
Total non-current assets	29,041.43	36,506.82
Current Assets		
(a) Inventories	9.11	118.08
(b) Financial Assets		
(i) Trade Receivables	1,273.69	2,823.59
(ii) Cash and cash equivalents	1,187.50	891.54
(iii) Bank Balances other than (ii) above	112.85	151.74
(iv) Loans	-	122.84
(v) Other Financial Assets	92.41	131.88
(c) Other Assets	609.81	544.34
	3,285.37	4,784.01
Assets held for Sale	4,243.85	4,780.57
Total current assets	7,529.22	9,564.58
TOTAL ASSETS	36,570.65	46,071.40
B EQUITY AND LIABILITY		
Equity		
(a) Equity Share Capital	1,19,192.24	1,19,192.24
(b) Other Equity	(1,43,767.42)	(1,32,426.98)
Total Equity	(24,575.18)	(13,234.74)
LIABILITY		
Non-current liabilities		
(a) Financial Liabilities		
(i) Lease Liabilities	80.78	208.58
(b) Provisions	77.43	77.43
Total non-current liabilities	158.21	286.01
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	41,055.53	40,859.25
(ii) Lease Liabilities	64.67	91.60
(iii) Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises	584.92	397.37
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,890.38	2,886.67
(iv) Other Financial Liabilities	6,522.73	4,893.55
(b) Provisions	198.63	239.69
(c) Other Current Liabilities	9,670.76	9,652.00
Total current liabilities	60,987.62	59,020.13
TOTAL EQUITY AND LIABILITY	36,570.65	46,071.40



2. Statement of Standalone Cash flows for the six months September 30, 2023		(Rs. in lakhs)	
Particulars	Six Months ended September 30, 2023 (Unaudited)	Six Months ended September 30, 2022 (Unaudited)	
Cash flows from operating activities			
Net loss before tax as per the Statement of Profit and Loss		(11,341.56)	(24,604.61)
Adjustments to reconcile profit before tax to net cash flows:			
Exceptional items (Refer note 7)	6,872.49		19,367.57
Finance costs (including fair value change in financial instruments)	2,560.01		2,520.76
Finance income (including fair value change in financial instruments)	(197.15)		(1,913.35)
Net loss on disposal of property, plant and equipment	29.03		177.66
Net gain on financial assets measured at fair value through profit or loss	(205.95)		(179.04)
Net unrealised exchange (gain)/ loss	(47.97)		(457.62)
Impairment loss recognised on trade receivables or reversal thereof	1,441.23		(1.03)
Amortisation of intangible assets	121.33		536.15
Depreciation and Impairment of Property, Plant & Equipment & Right-of-Use Assets	72.60		755.97
Share-based payment expenses	1.11		9.59
Impairment of Interest on Intercompany Deposits	17.33		-
Gain on termination of Lease Asset	(8.13)		(209.27)
	10,655.93		20,607.39
	(685.63)		(3,997.22)
Working capital adjustments:			
(Increase) / decrease in trade and other receivables	128.72		12,990.64
(Increase) / decrease in inventories	108.97		2,961.34
(Increase) / decrease other assets	(65.49)		53.42
Increase/ (decrease) in trade payables	191.27		207.37
Decrease in provisions	(41.06)		(252.24)
Decrease in other liabilities	84.29		(9,214.71)
	406.70		6,745.82
Cash flow from operations	(278.93)		2,748.60
Income taxes (paid)/refund	(5.19)		(92.56)
Net cash flow from operating activities	(284.12)		2,656.04
Cash flows from investing activities			
Proceeds on sale of financial assets	1,087.01		300.00
Loans refunded (net of exchange gains and losses)	163.94		5,503.57
Interest received	62.72		2,178.62
Purchase of property, plant and equipment including CWIP	2.97		(21.29)
Proceeds from sale of property, plant and equipment	121.39		196.27
Net cash flow from/(used in) investing activities	1,438.03		8,157.18
Cash flows from financing activities			
Repayment of long term borrowings	-		(2,350.00)
Repayment of Lease Liabilities	(29.87)		(150.40)
Repayment from short term borrowings (net)	-		(7,999.45)
Interest paid	(828.08)		(2,116.86)
Net cash flow used in financing activities	(857.95)		(12,616.71)
Net decrease in cash and cash equivalents	295.96		(1,803.49)
Cash and cash equivalents at the beginning of the period	891.54		1,989.57
Cash and cash equivalents at the end of the period	1,187.50		186.08



Notes:

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

5 Note on Qualification in Review Report

The Company has investments in Aussee Oats Milling Private Limited (joint venture) and Aussee Oats India Private Limited (step down joint venture) (together referred to as 'JV') of Rs. 9,364.42 lakhs including investments, loans and other assets (as on March 31, 2023: Rs. 9,164.90 lakhs). There is a dispute between the Company and said JV partners and due to non-availability of financial results for the quarter/period ended September 30, 2023, 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 quarter end date and consequent impact thereof on the financial results. However, the Management believe that it will not have a material impact on the standalone financial results for the quarter/period ended September 30, 2023.

6 a) 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 account of the Company and some other entities for review period being the financial year ended March 31, 2020, March 31, 2021, and March 31, 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 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. Forensic audit is currently in progress.

b) During the previous year, bank borrowing accounts of the Company have been classified as Non Performing Asset (NPA) by all banks and as per the extant guidelines of Reserve Bank of India (RBI), account need to be reviewed for conducting Forensic Audit. Accordingly, the lead bank (State Bank of India) had appointed a firm of Chartered Accountants, to carry out forensic audit of the books of account of the Company for the period April 01, 2018 to September 30, 2022, inter-alia in relation to specific transactions provided in the scope. The above forensic audit is currently in progress.

7 Exceptional Items include the following:

Particulars	(Rs. in lakhs)					
	For the quarter ended September 30, 2023	For the quarter ended June 30, 2023	For the quarter ended September 30, 2022	For the Six Months ended September 30, 2023	For the Six Months ended September 30, 2022	For the year ended March 31, 2023
Impairment of Property, Plant and Equipments and Intangibles assets	2.81	439.42	9,900.80	442.23	13,397.80	16,028.43
Impairment of Investments, Intercompany deposits including interest thereon	6,422.11	20.96	3,669.40	6,443.07	4,359.36	28,513.19
Gain on sale of property, plant and equipments	-	-	-	-	-	-
Impairment of Assets Held for Sale	(12.81)	-	-	(12.81)	-	-
Provisions/Payables written back	-	-	-	-	-	4,233.03
Others	-	-	1,610.41	-	1,610.41	(4,241.19)
Total	6,412.11	460.38	15,180.61	6,872.49	19,367.57	46,188.17

8 The Company is currently facing significant liquidity crunch which has impacted the operations of the Company during the quarter and period ended September 30, 2023. The Company has incurred loss before tax during the quarter and period ended September 30, 2023 amounting to Rs. 8,776.47 lakhs and Rs. 11,341.56 lakhs respectively (including exceptional items, refer note 7 above) primarily owing to the exceptional items, lower volumes, finance costs and depreciation and also has accumulated losses as at September 30, 2023 of Rs. 1,84,340.89 lakhs. Company's current liabilities exceeded its current assets by Rs. 53,458.40 lakhs as at the quarter and period end. The Company has also suffered consistent downgrades in its credit ratings, as a result of which the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. Further, the Company has defaulted on payment of interest/repayment of principal amount on loans from banks/financial institution and unlisted debt securities as a result the banks have classified the loans given to the Company as non-performing assets (NPA). The Company has total debt servicing obligations due (including interest accrued) aggregating to Rs. 47,074.87 lakhs as at September 30, 2023.

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 customer of the Company, Future Retail Limited. The Company has significant amount of receivables from the said customer amounting to Rs. 37,819.43 lakhs and had recorded an expected credit loss on the entirety of the receivable from the said customer in earlier year(s).



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 conclude re-negotiations or obtain replacement financing or monetise its assets as agreed with the lenders during the said period. On February 9, 2023, March 21, 2023, June 12, 2023 and September 14, 2023 the Company held meetings with JLM and updated them about the status and likely timelines for assets monetisation and /or fresh investments. 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. Currently, ILM has restricted the banking transactions of the Company. ILM has also indicated initiation of legal action for recovery of dues.

These events/conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. The financial results do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

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 for 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 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 7 above). The management has initiated the plan to locate the prospective buyers of these assets.

During the quarter ended September 30, 2023 the Board of "The Nilgiri Dairy Farm Private Limited (NDFPL)" and "Aadhaar Wholesale Trading and Distribution Limited (AWTDL)" material wholly owned subsidiaries of the Company has approved transfer of business undertaking to 'AVA Cholayil Hoildsare Private Limited' (Purchaser) and 'Brescon CAT-1 (AIF) Special Situation Fund' (Purchaser) respectively by way of slump sale for an aggregate consideration of Rs. 6,700 lakhs and Rs. 2,000 lakhs respectively and other terms as agreed by and between the subsidiary companies and the said Purchasers.

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 and / or fresh investments 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 and /or fresh investments, increase in operations and other strategic initiatives. Accordingly, the financial results are prepared on a going concern basis.

- 9 On July 20, 2022, the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") has ordered commencement of the corporate insolvency resolution process of Future Retail Limited, one of the major customer of the Company (Corporate Debtor) in terms of the provisions of Insolvency and Bankruptcy Code, 2016 (the "Code").

During May 2023, an interlocutory application has been filed against the Company in Hon'ble National Company Law Tribunal (NCLT) wherein the resolution professional being Applicant has prayed to declare payments made by the Corporate Debtor to the Company during FY 2020-21 and FY 2021-22 towards supply of goods to be preferential in nature and accordingly direct the Company to refund monies to the tune of Rs. 83,918 lakhs to the Corporate Debtor, in accordance with Section 44 of the Code.

The Company is of the view that all payments received from Future Retail Limited were in the ordinary course of business and there were no preferential payments received. The Company is in the process of filing response in this regard.

10 Business Combination

- a) The Scheme of Amalgamation between Future Food and Products Limited and Future Food Processing Limited and the Future Consumer Limited ("The Company") and their respective shareholders under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter "the Scheme") was filed in the year 2021. The Scheme shall be effective from the date of Court order with the appointed date i.e. April 01, 2021. The last meeting in Hon'ble National Company Law Tribunal was conducted on November 1, 2023 where the court has reserved the order of merger on the subsequent meeting date on November 10, 2023.
- b) The Company has filed Scheme of Amalgamation between the Company, Bloom Foods And Beverages Private Limited and Nilgiris Franchise Limited and Nilgiri's Mechanised Bakery Private Limited and their respective shareholders under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter "the Scheme"). The Board has approved amendment to the said scheme by changing the appointed date of the scheme from April 01, 2022 to April 01, 2023 and filing of the same is in process.
- 11 The vice chairman and non-executive director of the Company, Mr. Kishore Biyani, informed the Company that he has incurred disqualification in terms of the provisions of Section 164(2) of the Companies Act, 2013 and stands vacated the office w.e.f. October 21, 2023.
- 12 The figures for the corresponding previous period have been regrouped/ reclassified wherever necessary, to make them comparable.
- 13 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 09, 2023.
- 14 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 9, 2023

By Order of the Board
For Future Consumer Limited

Samson Samsuel
Managing Director
DIN : 07523995



Corporate Identity Number of Future Consumer Limited is U74699MH1996PLC192090

