

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 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, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 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 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

5. Emphasis of Matter

We draw attention to Note 8 of the Statement, 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 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: 20105497AAAACW8518

Place: Mumbai

Date: November 10, 2020

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, 2020

(Rs. in lakhs except per share data)


PARTICULARS (Refer Notes below)	For the Quarter ended September 30, 2020 (Unaudited)	For the Quarter ended June 30, 2020 (Unaudited)	For the Quarter ended September 30, 2019 (Unaudited)	For the Six Months ended September 30, 2020 (Unaudited)	For the Six Months ended September 30, 2019 (Unaudited)	For the Year ended March 31, 2020 (Audited)
1 Income						
(a) Revenue from operations	7,540.79	20,193.61	87,799.78	27,734.40	1,66,235.60	3,02,608.82
(b) Other Income	1,683.78	1,557.97	1,655.31	3,241.75	3,066.16	6,624.68
Total Income	9,224.57	21,751.58	89,455.09	30,976.15	1,69,301.76	3,09,233.50
2 Expenses						
(a) Cost of materials consumed	112.42	832.45	4,518.33	944.87	8,443.47	16,157.22
(b) Purchases of Stock in Trade	4,989.32	9,129.61	63,698.84	14,118.93	1,28,044.14	2,34,545.77
(c) Changes in inventories of finished goods and stock-in-trade	2,648.32	8,364.27	6,266.70	11,012.59	4,425.68	7,803.99
(d) Employee benefits expense	1,110.69	1,188.64	3,028.02	2,299.33	5,809.59	9,457.10
(e) Finance Costs	1,849.12	1,833.31	1,961.26	3,682.43	4,020.20	7,993.45
(f) Depreciation and Amortisation expense	997.52	1,138.67	1,283.99	2,136.19	2,531.58	5,112.59
(g) Other expenses (Refer note 8)	5,721.14	2,939.70	6,167.04	8,660.84	11,755.13	29,217.58
Total Expenses	17,428.53	25,426.65	86,924.18	42,855.18	1,65,029.79	3,10,287.70
3 Profit / (Loss) before Exceptional items (1-2)	(8,203.96)	(3,675.07)	2,530.91	(11,879.03)	4,271.97	(1,054.20)
4 Exceptional items (Refer note 8)	(3,558.80)	-	-	(3,558.80)	-	(29,162.74)
5 Profit / (Loss) before tax (3+4)	(11,762.76)	(3,675.07)	2,530.91	(15,437.83)	4,271.97	(30,216.94)
6 Tax expense / (benefit)						
Current Tax	-	-	(49.14)	-	-	-
Tax relating to prior years	-	-	76.17	-	76.17	76.17
Deferred Tax	(709.18)	10.10	1,093.33	(699.08)	1,611.24	272.31
7 Profit / (Loss) for the period (5-6)	(11,053.58)	(3,685.17)	1,410.55	(14,738.75)	2,584.56	(30,565.42)
8 Other comprehensive income (OCI)						
A (i) Items that will not be reclassified to statement of profit or loss	-	-	-	-	-	2.88
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss	-	-	-	-	-	(0.72)
B (i) Items that will be reclassified to statement of profit or loss	2.23	(0.17)	(0.43)	2.06	(0.20)	(5.52)
9 Total comprehensive income (7+8)	(11,051.35)	(3,685.34)	1,410.12	(14,736.69)	2,584.36	(30,568.78)
10 Paid-up equity share capital (Face Value of Rs.6/- per share)	1,14,459.41	1,14,459.41	1,14,476.30	1,14,459.41	1,14,476.30	1,14,459.41
11 Reserves excluding Revaluation Reserves						19,821.04
12 Earnings per share (EPS) after exceptional item (of Rs.6/- each) (not annualised for interim periods) :						
a) Basic (Rs.)	(0.58)	(0.19)	0.07	(0.77)	0.13	(1.60)
b) Diluted (Rs.)	(0.58)	(0.19)	0.07	(0.77)	0.13	(1.60)
Earnings per share (EPS) before exceptional item (of Rs.6/- each) (not annualised for interim periods) :						
a) Basic (Rs.)	(0.39)	(0.19)	0.07	(0.59)	0.13	(0.07)
b) Diluted (Rs.)	(0.39)	(0.19)	0.07	(0.59)	0.13	(0.07)
13 Paid up Debt Capital				64,566.52	71,979.18	64,666.52
14 Debenture Redemption Reserve				-	-	-
15 Networth				1,19,713.05	1,67,433.11	1,34,280.45
16 Debt Equity Ratio (no. of times)				0.54	0.43	0.48
17 Debt Service Coverage Ratio after exceptional Items (no. of times)				(5.57)	1.53	(2.76)
Debt Service Coverage Ratio before exceptional Items (no. of times)				(4.11)	1.53	0.36
18 Interest Service Coverage Ratio after exceptional Items (no. of times)				(7.21)	2.86	(5.87)
Interest Service Coverage Ratio before exceptional Items (no. of times)				(5.32)	2.86	0.76

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	As at
		September 30, 2020	March 31, 2020
		(Unaudited)	(Audited)
A	ASSETS		
	Non-Current Assets		
(a)	Property, Plant and Equipment	13,818.97	14,926.05
(b)	Capital Work-in-progress	641.15	654.19
(c)	Goodwill	2,951.82	2,951.82
(d)	Other Intangible Assets	11,427.31	12,158.00
(e)	Right-of-use assets	3,305.22	6,678.53
(f)	Financial Assets		
(i)	Investments	48,502.27	48,024.81
(ii)	Loans	42,454.48	452.29
(iii)	Other Financial Assets	5,626.92	573.42
(g)	Deferred Tax Assets (net)	2,976.22	2,277.14
(h)	Other Assets	1,688.62	1,790.34
	Total non-current assets	1,33,392.98	90,486.59
	Current Assets		
(a)	Inventories	2,758.75	14,281.68
(b)	Financial Assets		
(i)	Trade Receivables	64,391.01	67,567.49
(ii)	Cash and cash equivalents	2,537.09	2,982.54
(iii)	Bank Balances other than (ii) above	1,033.65	1,067.58
(iv)	Loans	-	41,825.22
(v)	Other Financial Assets	4,396.36	7,503.11
(c)	Other Assets	1,077.07	1,729.18
	Total current assets	76,193.93	1,36,956.80
	Assets held for Sale	2,035.08	2,035.08
	Total current assets	78,229.01	1,38,991.88
	TOTAL ASSETS	2,11,621.99	2,29,478.47
B	EQUITY AND LIABILITY		
	Equity		
(a)	Equity Share Capital	1,14,459.41	1,14,459.41
(b)	Other Equity	5,253.64	19,821.04
	Total Equity	1,19,713.05	1,34,280.45
	LIABILITY		
	Non-current liabilities		
(a)	Financial Liabilities		
(i)	Borrowings	19,761.80	22,320.13
(ii)	Lease Liabilities	3,336.45	6,351.61
(iii)	Other financial liabilities	877.92	831.15
(b)	Provisions	654.71	705.04
	Total non-current liabilities	24,630.88	30,207.93
	Current liabilities		
(a)	Financial Liabilities		
(i)	Borrowings	32,624.20	29,048.04
(ii)	Lease Liabilities	706.52	1,261.81
(iii)	Trade Payables		
(a)	Total outstanding dues of micro enterprises and small enterprises	1,894.20	2,881.96
(b)	Total outstanding dues of trade payables other than micro enterprises and small enterprises	21,339.69	24,067.91
(iv)	Other Financial Liabilities	9,868.65	6,344.28
(b)	Provisions	590.58	594.22
(c)	Other Current Liabilities	254.22	791.87
	Total current liabilities	67,278.06	64,990.09
	TOTAL EQUITY AND LIABILITY	2,11,621.99	2,29,478.47

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

2. Statement of Standalone Cash flows for the period ended 30th September 2020

(Rs. in lakhs)

Particulars	Period ended 30th September 2020 (Unaudited)	Period ended 30th September 2019 (Unaudited)
Cash flows from operating activities		
Net (loss) / profit before tax as per the Statement of Profit and Loss	(15,437.83)	4,271.97
Adjustments to reconcile profit before tax to net cash flows:		
Exceptional items (Refer note 8)	3,558.80	-
Finance costs (including fair value change in financial instruments)	3,682.43	4,020.20
Finance income (including fair value change in financial instruments)	(2,703.14)	(2,518.64)
Net loss / (gain) on disposal of property, plant and equipment	127.16	11.88
Net loss/ (gain) on financial assets measured at fair value through profit or loss	(135.38)	(117.68)
Gain on Sale of Investments	(30.00)	-
Net unrealised exchange (gain)/loss	2.06	(0.20)
Impairment on Inter Corporate Deposits	-	424.11
Impairment allowance on trade and other receivables	3,201.11	14.30
Amortisation of intangible assets	730.70	728.76
Depreciation and Impairment of Property, Plant & Equipment & Right-of-Use Assets	1,405.49	1,802.82
Share-based payment expenses	69.19	33.99
Net gain on financial guarantees contract	(3.64)	(17.55)
Gain on termination of Lease Asset	(364.39)	-
	9,540.39	4,381.99
	(5,897.44)	8,653.96
Working capital adjustments:		
(Increase) / decrease in trade and other receivables	(3,158.12)	(32,265.49)
(Increase) / decrease in inventories	11,522.94	3,438.55
(Increase) / decrease other assets	716.74	152.78
Increase / (Decrease) in trade payables	(3,715.99)	9,240.78
Increase / (Decrease) in provisions	(53.98)	511.43
Increase / (Decrease) in other liabilities	(534.72)	1,373.11
	4,776.87	(17,548.84)
Cash flow used in operations	(1,120.57)	(8,894.88)
Income taxes (paid)/refund	98.71	(182.75)
Net cash flow used in operating activities	(1,021.86)	(9,077.63)
Cash flows from investing activities		
Investment in Subsidiaries/Joint Ventures	(300.50)	(400.01)
Proceeds on sale of Investment	30.00	-
Loans given	(1,154.95)	(23,483.10)
Loans refunded	977.98	18,512.08
Interest received	364.99	2,667.43
Purchase of property, plant and equipment including CWIP	-	(1,665.81)
Proceeds from sale of property, plant and equipment	111.15	4.07
Purchase of intangible assets	-	(43.04)
Net cash flow from / (used in) investing activities	28.67	(4,408.38)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	95.89
Proceeds from issue of share warrants	-	1,750.00
Purchase of treasury shares	(0.01)	(118.00)
Proceeds on exercise of ESOP out of treasury shares	-	102.33
Proceeds from issue of convertible debentures (Equity Component)	-	26,451.87
Proceeds from issue of convertible debentures (Debt Component)	-	1,464.61
Repayment of long term borrowings	(227.34)	(1,500.00)
Repayment of Lease Liabilities	(329.10)	(499.77)
Proceeds from short term borrowings (net)	3,576.16	(8,653.97)
Interest paid	(2,471.97)	(3,865.44)
Net cash flow from financing activities	547.74	15,227.52
Net increase / (decrease) in cash and cash equivalents	(445.45)	1,741.51
Cash and cash equivalents at the beginning of the year	2,982.54	913.45
Cash and cash equivalents at the end of the period	2,537.09	2,654.96

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 quarter, the Company has infused debenture investment of Rs. 300.50 lakhs in Hain Future Natural Products Private Limited, its joint venture.
- 5 Disclosures under regulation 52(4) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures are as follows :

Sr No	Particulars	Series	ISIN	Security ID	Previous Due Date (From 01-April-2020 to 30-September-2020)	Next Due Date (From 01-October-2020 to 31-March-2021)	Rating Assigned by Rating Agency
					Principal and Interest	Principal and Interest	
A	Non Convertible Debentures Series III	STRPP 3	INE220J07113	995FCL20	5-Sep-2020	-	CARE D
B	Non Convertible Debentures Series	1	INE220J07121	-	15-May-2020 15-Aug-2020	15-Nov-2020 15-Feb-2021	Unrated
C	Non Convertible Debentures Series	1	INE220J07139	-	15-May-2020 15-Aug-2020	15-Nov-2020 15-Feb-2021	Unrated

- 6 The Listed Secured Non-Convertible Debentures of the Company aggregating to Rs. 20 crores as on September 30, 2020 are secured by way of exclusive charge on specific fixed assets of the Company and / or its subsidiaries, post-dated cheques covering Interest as well as principal in favour of Debenture Trustee and unconditional and irrevocable guarantee of Mr Kishore Biyani, Director of the Company, for principal and its interest thereon. The asset cover in respect of Non-Convertible Debentures of the Company as on September 30, 2020 exceeds 100% of the principal amount of the said listed Non-Convertible Debentures.
- 7 Formula for computation of ratios are as follows :
 (a) Paid up Debt Capital = (Long term borrowings + Short term borrowings + Current maturities of Long term borrowings + Short term Lease liabilities + Long term Lease liabilities).
 (b) Debt Equity Ratio = (Long term borrowings + Short term borrowings + Current maturities of Long term borrowings + Short term Lease liabilities + Long term Lease liabilities) / (Equity).
 (c) Debt Service Coverage Ratio = (Profit before tax + Interest on long-term borrowings + Interest on Lease Liabilities) / (Interest on long-term borrowings + Interest on Lease Liabilities + Repayment of long-term borrowings + Repayment of lease liabilities during the period).
 (d) Interest Service Coverage Ratio = (Profit before tax + Interest on long-term borrowings + Interest on Lease Liabilities) / (Interest on long-term borrowings + Interest on Lease Liabilities).
 For the purpose of calculation, loans having original maturity of more than 365 days are considered as long-term borrowings.
- 8 The COVID 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 impacted 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 six-month ended September 30, 2020 primarily owing to the lower volumes, finance costs, depreciation and ECL provision. The Company has a positive net worth of Rs. 1,19,713.05 lakhs, a net current asset position of Rs. 41,540.10 lakhs and outstanding borrowings of Rs. 60,523.56 lakhs (including short term borrowing of Rs. 32,624.20 lakhs) as at September 30, 2020, out of which Rs. 8,137.56 lakhs (excluding short term loan) is due for repayment in next one year. Further, the Company has defaulted in repayment of principal instalment on Non-Convertible Debentures of Rs. 2,000 lakhs, working capital demand loan of Rs. 7,500 lakhs, along with Interest of Rs. 300.35 lakhs which was due during the quarter ended September 30, 2020. The Company is adopting several cost reductions measures to address the liquidity crunch to maintain sufficient operational cash flows. The Company has sought deferment period for repayment of loans and interest from lenders and is also in discussions with lenders for restructuring of loans.
- Further, in light of the of the ongoing economic scenario and downgrade in credit ratings of our major customers, the Company has recorded an additional provision of Rs. 3,201.11 lakhs on Trade and Other Receivables which is included in other expenses for the quarter and period ended September 2020. Also, due to Covid-19 pandemic and resulting lockdowns, one of the Company's major customers has invoked force majeure clause and claimed losses on inventory due to expiry / deterioration in quality of the goods as either the stores were closed or experiencing very low footfalls. Pursuant to the same, the Company has recognised a loss of Rs.3,558.80 lakhs which is included in exceptional items for the quarter and period ended September 30, 2020.
- 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.



9 The Board of Directors of the Company at its meeting held on August 29, 2020 has inter-alia, considered and approved the Composite Scheme of Arrangement ("the Scheme") for amalgamation of Future Consumer Limited ("FCL" or "the Company") along with other Transferor Companies with Future Enterprises Limited (FEL) and their respective Shareholders and Creditors pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, subject to requisite regulatory approvals and consent of shareholders and lenders. FEL will subsequently sell, by way of a slump sale, the retail and wholesale business and logistics and warehouse business to Reliance Group entities (Reliance).

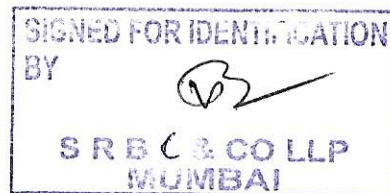
On 5th October, 2020, Amazon.com NV Investment Holdings LLC (Amazon) filed a Notice of Arbitration against the promoters of Future Retail Limited (FRL) and FRL (one of the transferor companies to the Scheme) and also made an Application for Emergency Interim Relief under Singapore International Arbitration Centre ("SIAC") Rules. Amazon has received an interim arbitration order from SIAC in its favour inter alia injuncting the Respondents from giving effect to the Scheme.

The Company is of the view that the Interim Order unlikely to have an impact either on the FRL or the Company and accordingly the same will not affect the Composite Scheme of arrangement.

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

11 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 10, 2020. The above results have been subjected to Limited Review by the statutory auditors.

12 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, 2020

By Order of the Board
For Future Consumer Limited


Ashni Biyani
Managing Director

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090