

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

**Review Report to
The Board of Directors
Future Consumer Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Future Consumer Limited (the "Company") for the quarter ended December 31, 2021 and year to date from April 01, 2021 to December 31, 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. 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 6 to the financial results, 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 at December 31, 2021. In absence of sufficient and appropriate evidence, we are unable to comment on the carrying value of above investments (including investments, loans and other assets) amounting to Rs. 9,126 lakhs and the consequent impact thereof.
5. Based on our review conducted as above, except for the possible effects of our observations in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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6. Emphasis of Matter

We draw attention to Note 3 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 SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Pramod Kumar Bapna
Partner

Membership No.: 105497

UDIN: 22105497AAAAAH9319



Place: Mumbai

Date: February 2, 2022

Future Consumer Limited

Regd. Office : Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Rd., Jogeshwari (E.), Mumbai-60.

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021


(Rs. in lakhs except per share data)

PARTICULARS (Refer Notes below)	For the Quarter ended December 31, 2021	For the Quarter ended September 30, 2021	For the Quarter ended December 31, 2020	For the Nine Months ended December 31, 2021	For the Nine Months ended December 31, 2020	For the Year ended March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations	31,482.09	31,777.77	4,413.47	80,793.82	32,147.87	58,743.60
(b) Other Income	1,340.00	1,415.33	1,439.83	4,556.36	4,681.58	6,177.88
Total Income	32,822.09	33,193.10	5,853.30	85,350.18	36,829.45	64,921.48
2 Expenses						
(a) Cost of materials consumed	2,544.54	2,563.00	235.12	6,574.61	1,179.99	2,658.01
(b) Purchases of Stock in Trade	26,633.46	25,121.33	4,939.55	66,983.78	19,058.48	41,082.59
(c) Changes in inventories of finished goods and stock-in-trade	(2,476.71)	(340.23)	(454.87)	(4,770.54)	10,567.72	9,659.70
(d) Employee benefits expense	1,038.75	1,057.92	1,174.10	3,248.03	3,473.43	4,736.23
(e) Finance Costs	1,465.87	1,607.53	1,808.02	4,693.66	5,490.45	7,001.98
(f) Depreciation and Amortisation expense	919.19	960.67	929.57	2,844.05	2,865.76	4,094.94
(g) Other expenses	5,544.13	2,869.56	6,302.53	10,532.82	14,963.37	26,170.49
Total Expenses	35,669.23	33,839.78	14,934.02	90,106.41	57,789.20	95,403.94
3 Profit / (Loss) before Exceptional items (1-2)	(2,847.14)	(646.68)	(9,080.72)	(4,756.23)	(20,959.75)	(30,482.46)
4 Exceptional items (Refer Note 7)	(2,796.20)	-	-	(2,796.20)	(3,558.80)	(8,494.25)
5 Profit / (Loss) before tax (3+4)	(5,643.34)	(646.68)	(9,080.72)	(7,552.43)	(24,518.55)	(38,976.71)
6 Tax expense / (benefit)						
Current Tax	-	-	-	-	-	-
Tax relating to prior years	-	-	-	-	-	(139.96)
Deferred Tax	-	-	(1,099.50)	-	(1,798.58)	2,239.27
7 Profit / (Loss) for the period (5-6)	(5,643.34)	(646.68)	(7,981.22)	(7,552.43)	(22,719.97)	(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	-	-	-	-	-	(37.87)
B (i) Items that will be reclassified to statement of profit or loss	-	(0.04)	0.74	(1.50)	2.80	2.65
9 Total comprehensive income (7+8)	(5,643.34)	(646.72)	(7,980.48)	(7,553.93)	(22,717.17)	(40,960.76)
10 Paid-up equity share capital (Face Value of Rs.6/- per share)	1,19,014.91	1,18,415.29	1,18,415.29	1,19,014.91	1,18,415.29	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.)	(0.28)	(0.03)	(0.40)	(0.38)	(1.15)	(2.08)
b) Diluted (Rs.)	(0.28)	(0.03)	(0.40)	(0.38)	(1.15)	(2.08)
Earnings per share (EPS) before exceptional item (of Rs.6/- each) (not annualised for interim periods) :						
a) Basic (Rs.)	(0.14)	(0.03)	(0.40)	(0.24)	(0.97)	(1.65)
b) Diluted (Rs.)	(0.14)	(0.03)	(0.40)	(0.24)	(0.97)	(1.65)

Notes:

- 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'.
- During the period there was no acquisition of treasury shares by the ESOP trust or issue of shares due to exercise of stock options.
- 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 nine months ended December 31, 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 December 15, 2021 for deferment of repayments of Non-Convertible Debentures.
- The Company, 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.

SIGNED
BY



SRBC & CO LLP
MUMBAI

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 Limited ("the Company"), and other 18 Transferor 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 and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iii) Transfer and vesting of Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iv) Transfer and vesting of Retail & Wholesale Undertaking from 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.

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.

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.

Thereafter, between November 01, 2021 to November 05, 2021 the Arbitral Tribunal concluded the hearing on evidence and scheduled the hearing on the determination of the quantum of damages on January 05, 2022 to January 08, 2022.

In a parallel proceeding filed by Future Coupons Pvt Ltd. (FCPL) before the Competition Commission of India ("CCI") alleging misrepresentation on the part of Amazon, the CCI on December 17, 2021 passed an order inter alia keeping the approval granted by it to Amazon for its investment in FCPL in abeyance ("CCI Order").

Considering the legal effect and implication of the CCI Order on the arbitration proceedings, FRL filed a Writ Petition before the Single Judge of the Delhi High Court, which was dismissed by order dated January 04, 2022. Being aggrieved by the said order dated January 04, 2022, FRL filed an Appeal (LPA 06 of 2022) before the Division Bench of the Delhi High Court, who by order dated January 05, 2022 stayed further proceedings before the arbitral tribunal till the next date of hearing, i.e. February 01, 2022 (which now stands extended till March 21, 2022).

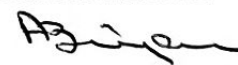
Amazon has also filed a Special Leave Petition against the said Order dated January 05, 2022 which will be listed on February 08, 2022. In the Special Leave Petitions filed by FRL (impugning the Status Quo Order; Detailed Order and S.37 Order) the Supreme Court of India on February 01, 2022 has passed its judgement inter alia:

- Setting aside the Status Quo Order dated February 02, 2021 and Detailed Order dated March 18, 2021, passed by the learned Single Judge of Hon'ble Delhi High Court in the Enforcement Petition filed by Amazon for enforcement of EA order; and
- Setting aside the S.37 Order dated October 29, 2021 passed by the Hon'ble Delhi High Court and directed the Single Judge of the Delhi High Court to reconsider all issues and pass appropriate orders on its own merits.

The Appeal filed by FRL against the Tribunal's Decision will be listed on March 22, 2022.

- 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. 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. 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.
- Note on Qualification in Auditor's 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. 9,126 Lakhs (including investments, loans and other assets). There is a dispute between the Company and said JV partners and due to non-availability of financial results for the period July 01, 2021 to December 31, 2021, the Company is unable to determine the fair value of Company's investments in JV as at December 31, 2021 and consequent impact thereof. However, the Management believe that it will not have a material impact on the financial results for the period and quarter ended December 31, 2021.
- During the quarter, FCL Tradevest Private Limited (FTPL), the wholly owned subsidiary of the Company, has recorded impairment loss of Rs 2,796.2 lakhs relating to its investments in subsidiaries viz. Future Food & Products Limited (FFPL) and Future Food Processing Limited (FFPRL) based on the recoverable value of net assets of said subsidiaries considering the Final Term Sheets for sale of their respective immovable assets (land) on November 11, 2021 entered by them. Accordingly, the Company has recorded the consequential impairment loss relating to its investment in FTPL and disclosed as exceptional items during the quarter and nine months ended December 31, 2021.
- 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.
- The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 2, 2022.
- 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: February 2, 2022

SIGNED FOR IDENTIFICATION

BY



Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

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