

Future Consumer Limited

June 30, 2023

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	102.20	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	305.75	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.70	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Detailed rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated June 26, 2023, has placed the ratings of Future Consumer Limited (FCL) under the 'issuer non-cooperating' category as FCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The company continues to be non-cooperative despite repeated requests for submission of information through e-mails dated June 19, 2023, June 16, 2023, June 06, 2023 and May 23, 2023 etc. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s). At the time of last rating on June 10, 2022 the following was the rating weakness (updated for the information available from stock exchange):

Weak financial profile

FCL reported Total Operating Income (TOI) of Rs.100.48 crore and net loss of Rs.547.25 crore in FY23. The Company has defaulted on payment of interest/repayment of principal amount on loans from banks/ financial institution and unlisted debts securities as on March 31, 2023.

Non-Implementation of Reliance-Future deal

As per the direction of the Honorable court, FCL has scheduled meeting with equity shareholders, secured creditors, and unsecured creditors for voting on the implementation of RIL-FRL Deal. However, 100% of the secured creditors voted against the deal which led to the non-implementation of composite scheme of arrangement between Future Group entities and Reliance Group entities.

Analytical Approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy On Curing Period](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Retail](#)

[Policy on Withdrawal of Ratings](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Future Consumer Ltd. (FCL, erstwhile known as Future Consumer Enterprise Ltd.) is a part of the Future Group and operates as a food company. The company's line of business include branding, marketing, sourcing, manufacturing, and distribution of basic foods, ready to eat meals, snacks, beverages, dairy, personal hygiene and home care products of private label brands of the Future Group (such as Premium Harvest, Golden Harvest, Ektaa, Clean mate, Caremate, Tasty Treat, Fresh & Pure, Voom etc.) and other brands like Sunkist and Sach, primarily through Future group formats and outlets in urban and rural areas across India.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (Published Result)
Total operating income	648.28	970.09	100.48
PBILDT	-25.51	-238.59	-18.12
PAT	-410.76	-546.87	-547.25
Overall gearing (times)	0.73	1.86	-3.07
Interest coverage (times)	-0.36	-3.89	-0.36

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure 4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	16.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Funded Interest term Loan		-	-	Mar 2023	31.06	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	Feb 2025	55.14	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Working Capital Limits		-	-	-	305.75	CARE D / CARE D; ISSUER NOT COOPERATING*

Non-fund-based - ST-BG/LC		-	-	-	1.70	CARE D; ISSUER NOT COOPERATING*
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*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT/ST-Working Capital Limits	LT/ST *	305.75	CARE D / CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (10-Jun-22) 2)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Feb-22)	1)CARE D (22-Mar-21) 2)CARE D (06-Oct-20) 3)CARE C / CARE A4 (08-Sep-20) 4)CARE BB / CARE A4 (CW with Developing Implications) (27-Jul-20) 5)CARE A- / CARE A2+ (CW with Negative Implications) (15-May-20)
2	Fund-based - LT-Cash Credit	LT	16.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (10-Jun-22) 2)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Feb-22)	1)CARE D (22-Mar-21) 2)CARE D (06-Oct-20) 3)CARE C (08-Sep-20) 4)CARE BB (CW with Developing Implications)

) (27-Jul-20) 5)CARE A- (CW with Negative Implications) (15-May- 20)
3	Fund-based - LT- Funded Interest term Loan	LT	31.06	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (10-Jun-22) 2)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Feb-22)	1)CARE D (22-Mar- 21) 2)CARE D (06-Oct-20) 3)CARE A4 (08-Sep-20) 4)CARE A4 (CW with Developing Implications) (27-Jul-20) 5)CARE A2+ (CW with Negative Implications) (15-May- 20)
4	Non-fund-based - ST-BG/LC	ST	1.70	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (10-Jun-22) 2)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Feb-22)	1)CARE D (22-Mar- 21) 2)CARE D (06-Oct-20) 3)CARE A4 (08-Sep-20) 4)CARE A4 (CW with Developing Implications) (27-Jul-20) 5)CARE A2+ (CW with Negative

								Implications) (15-May-20)
5	Commercial Paper	ST	-	-	-	-	-	1)Withdrawn (04-Sep-20) 2)CARE A4 (CW with Developing Implications) (27-Jul-20) 3)CARE A2+ (CW with Negative Implications) (15-May-20)
6	Fund-based - LT-Term Loan	LT	55.14	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (10-Jun-22) 2)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Feb-22)	1)CARE D (22-Mar-21) 2)CARE D (06-Oct-20) 3)CARE C (08-Sep-20) 4)CARE BB (CW with Developing Implications) (27-Jul-20) 5)CARE A- (CW with Negative Implications) (15-May-20)
7	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (03-Feb-22)	1)CARE D (22-Mar-21) 2)CARE D (06-Oct-20) 3)CARE D (08-Sep-20)

								4)CARE BB (CW with Developing Implications) (27-Jul-20) 5)CARE A- (CW with Negative Implications) (15-May- 20)
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*Issuer did not cooperate; based on best available information.

*Long term/short term

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Funded Interest term Loan	Simple
3	Fund-based - LT-Term Loan	Simple
4	Fund-based - LT/ ST-Working Capital Limits	Simple
5	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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