

Future Consumer Limited

March 22, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	311.50	CARE D (Single D)	Reaffirmed
Long Term / Short Term Bank Facilities	109.00	CARE D (Single D)	Reaffirmed
Short Term Bank Facilities	95.00	CARE D (Single D)	Reaffirmed
Total Bank Facilities	515.50 (Rs. Five Hundred Fifteen Crore and Fifty Lakhs Only)		
Non-Convertible Debentures	20.00	CARE D (Single D)	Reaffirmed
Total Long Term Instruments	20.00 (Rs. Twenty Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities and instruments of Future Consumer Limited (FCL) continue to factor in delays in debt servicing by the company due to its weak financial performance and stretched liquidity position.

Detailed description of the key rating drivers

Weak financial performance and stretched liquidity position

The liquidity position of the company continues to remain weak on account of weak financial performance, leading to ongoing delays in debt servicing. CARE takes cognizance of the fact that company is currently undergoing restructuring and a resolution plan.

Analytical approach: Standalone

Applicable criteria:

[CARE's Policy on Default Recognition](#)

[Analytical Treatment for one-time restructuring \(OTR\) due to Covid-19 related stress](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology - Manufacturing Companies](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the Company

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.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Brief Financials (Rs. crore) (Standalone)	FY19 (A)	FY20 (A)
Total operating income	3048.77	3091.35
PBILDT	161.06	198.70
PAT	60.53	(305.65)
Overall gearing (times)	0.62	0.94
Interest coverage (times)	2.44	6.43

A: Audited;

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: Not Applicable

Complexity level of various instruments rated for this company: Annexure-3

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT/ ST-Bills discounting/ Bills purchasing	-	-	-	109.00	CARE D
Fund-based - LT-Cash Credit	-	-	-	266.00	CARE D
Fund-based - ST-Term loan	-	-	-	70.00	CARE D
Non-fund-based - ST-BG/LC	-	-	-	25.00	CARE D
Fund-based - LT-Term Loan	-	-	Feb-25	45.50	CARE D
Debentures-Non Convertible Debentures INE220J07113	March 16, 2017	9.95-11%	05-Sep-20	20.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT/ST-Bills discounting/ Bills purchasing	LT/ST	109.00	CARE D	1)CARE D (06-Oct-20) 2)CARE C / CARE A4 (08-Sep-20) 3)CARE BB / CARE A4 (CWD) (27-Jul-20) 4)CARE A- / CARE A2+ (CWN) (15-May-20)	1)CARE A / CARE A1 (26-Mar-20) 2)CARE A; Stable / CARE A1 (20-Sep-19)	1)CARE A; Stable / CARE A1 (11-Feb-19) 2)CARE A; Stable / CARE A1 (03-Oct-18) 3)CARE A; Stable / CARE A1 (19-Apr-18)	1)CARE A; Stable / CARE A1 (04-Oct-17)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (03-Oct-18)	1)CARE A; Stable (04-Oct-17)
3.	Fund-based - LT-Cash Credit	LT	266.00	CARE D	1)CARE D (06-Oct-20) 2)CARE C (08-Sep-20) 3)CARE BB (CWD) (27-Jul-20) 4)CARE A- (CWN) (15-May-20)	1)CARE A (CWN) (26-Mar-20) 2)CARE A; Stable (20-Sep-19)	1)CARE A; Stable (11-Feb-19) 2)CARE A; Stable (03-Oct-18) 3)CARE A; Stable (19-Apr-18)	1)CARE A; Stable (04-Oct-17)
4.	Fund-based - ST-Term loan	ST	70.00	CARE D	1)CARE D (06-Oct-20) 2)CARE A4 (08-Sep-20) 3)CARE A4 (CWD) (27-Jul-20) 4)CARE A2+ (CWN) (15-May-20)	1)CARE A1 (CWN) (26-Mar-20) 2)CARE A1 (20-Sep-19)	1)CARE A1 (11-Feb-19) 2)CARE A1 (03-Oct-18) 3)CARE A1 (19-Apr-18)	1)CARE A1 (04-Oct-17)
5.	Non-fund-based - ST-BG/LC	ST	25.00	CARE D	1)CARE D (06-Oct-20)	1)CARE A1 (CWN)	1)CARE A1 (11-Feb-19)	1)CARE A1

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
					2)CARE A4 (08-Sep-20) 3)CARE A4 (CWD) (27-Jul-20) 4)CARE A2+ (CWN) (15-May-20)	(26-Mar-20) 2)CARE A1 (20-Sep-19)	2)CARE A1 (03-Oct-18) 3)CARE A1 (19-Apr-18)	(04-Oct-17)
6.	Commercial Paper	ST	-	-	1)Withdrawn (04-Sep-20) 2)CARE A4 (CWD) (27-Jul-20) 3)CARE A2+ (CWN) (15-May-20)	1)CARE A1 (CWN) (26-Mar-20) 2)CARE A1 (20-Sep-19)	1)CARE A1 (03-Oct-18)	1)CARE A1 (04-Oct-17) 2)CARE A1 (10-Jul-17)
7.	Fund-based - LT-Term Loan	LT	45.50	CARE D	1)CARE D (06-Oct-20) 2)CARE C (08-Sep-20) 3)CARE BB (CWD) (27-Jul-20) 4)CARE A- (CWN) (15-May-20)	1)CARE A (CWN) (26-Mar-20) 2)CARE A; Stable (20-Sep-19)	1)CARE A; Stable (11-Feb-19) 2)CARE A; Stable (03-Oct-18) 3)CARE A; Stable (19-Apr-18)	1)CARE A; Stable (04-Oct-17)
8.	Debentures-Non Convertible Debentures	LT	20.00	CARE D	1)CARE D (06-Oct-20) 2)CARE D (08-Sep-20) 3)CARE BB (CWD) (27-Jul-20) 4)CARE A- (CWN) (15-May-20)	1)CARE A (CWN) (26-Mar-20) 2)CARE A; Stable (20-Sep-19)	1)CARE A; Stable (03-Oct-18)	1)CARE A; Stable (04-Oct-17)

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: NA

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Fund-based - LT-Cash Credit	Simple
3.	Fund-based - LT-Term Loan	Simple
4.	Fund-based - LT/ ST-Bills discounting/ Bills purchasing	Simple
5.	Fund-based - ST-Term loan	Simple
6.	Non-fund-based - ST-BG/LC	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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