

Audited Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2022

(₹ in Crore)

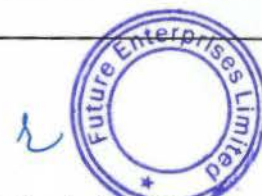
Sr. No.	Particulars	Quarter ended			Year Ended	
		31-03-2022	31-12-2021	31-03-2021	31-03-2022	31-03-2021
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	a) Revenue from operations	321.52	388.15	378.68	1,513.62	886.93
	b) Other Income	3.01	4.65	0.21	19.76	132.87
	Total Income	324.53	392.80	378.89	1,533.38	1,019.80
2	Expenses					
	a) Cost of materials consumed	17.45	17.80	15.04	60.44	26.86
	b) Purchases of stock-in-trade	371.46	279.18	177.03	1,236.81	508.57
	c) Changes in inventories of finished goods, work-in-progress, and stock-in-trade - (Increase) / Decrease	197.57	33.92	95.35	309.37	116.50
	d) Employee benefits expense	12.10	23.35	12.07	74.52	58.06
	e) Finance costs	177.42	171.50	182.73	682.23	717.00
	f) Depreciation and amortisation expense	126.88	131.44	129.74	524.42	609.74
	g) Other Expenses	72.81	15.18	18.78	111.21	50.86
	Total Expenses	975.69	672.37	630.74	2,999.00	2,087.59
3	Profit / (Loss) Before Exceptional Items and Tax (1-2)	(651.16)	(279.57)	(251.85)	(1,465.62)	(1,067.79)
4	Exceptional Items	858.95	-	-	858.95	-
5	Profit / (Loss) Before Tax (3-4)	(1,510.11)	(279.57)	(251.85)	(2,324.57)	(1,067.79)
6	Tax Expense	-	-	(17.89)	-	(17.89)
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-
	(c) Earlier Years Tax	-	-	(17.89)	-	(17.89)
7	Profit/(Loss) for the period (5-6)	(1,510.11)	(279.57)	(233.96)	(2,324.57)	(1,049.90)
8	Other Comprehensive Income (Net of Taxes)	(4.53)	8.29	(4.08)	6.83	(6.16)
9	Total Comprehensive Income (Net of Taxes) (7+8)	(1,514.64)	(271.28)	(238.04)	(2,317.74)	(1,056.06)
10	Paid up equity share capital (Face value of ₹ 2/- per share)	98.86	98.86	98.86	98.86	98.86
11	Other Equity				151.61	2,474.55
12	Basic EPS : a) Equity Shares (in ₹)	(30.55)	(5.66)	(4.73)	(47.03)	(21.24)
	b) Class B Shares(Series 1) (in ₹)	(30.55)	(5.66)	(4.73)	(47.03)	(21.24)
13	Diluted EPS: a) Equity Shares (in ₹)	(30.55)	(5.66)	(4.73)	(47.03)	(21.24)
	b) Class B Shares(Series 1) (in ₹)	(30.55)	(5.66)	(4.73)	(47.03)	(21.24)

Notes:

- The above financial results were reviewed and approved by the Board of Directors of the Company at its meeting held on September 14, 2022.



- 2 The outbreak of Covid-19 pandemic has created economic disruption throughout the world including India since FY 20-21 and continued its impact for current financial year as well. Consequently the revenue and profitability for the year ended March, 2022 has also been adversely impacted. The second wave across India has raised concern over economic growth and business conditions, while the restrictions were more localized and for shorter duration as compared to the previous year. Moreover, increasing pace of inoculation and efforts by the government had helped to mitigate some of the adverse impact. In assessing the recoverability of the Receivables, Inventories and other financial and non-financial assets, the Company was closely monitoring the development and possible effects on the financial condition, liquidity, operations, and was actively working to minimize the impact of this unprecedented situations. However, with the Company's financial condition itself taking serious downturn due to events such as cancellation of scheme of amalgamation, huge attrition of employees, financial instability, litigations faced by related party, non-functioning of production units which coupled with covid impacted the Company severely. Therefore, due to unavailability of required resources the management was unable to conduct and assess the fair value of major assets and hence impairment testing has not been performed while preparing these results. Accordingly the company is not able to estimate the realisable value of it various assets. However the accounts have been prepared on a going concern basis pending the resolution of Insolvency and Bankruptcy Code proceedings of major customer and other restructuring matters pertaining to the Company.
- 3 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 between the companies involved and their respective Shareholders and Creditors, mainly comprising of : (i) merger of 19 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company"); (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from Resultant FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from Resultant 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 (iv) Preferential allotment of equity shares and warrants of Resultant FEL to RRVL WOS ("The Composite Scheme of Arrangement"/ Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The Company has disclosed to the stock exchanges on April 22, 2022, after the secured creditors of various companies involved in the Scheme has voted against the resolution for approval of the said Scheme in meetings of secured creditors of respective companies.
- 4 Exceptional Item for the quarter and year end is in view of the significant reduction in the operation of the company. The fair value of the current & non-current Assets cant not be ascertained in view of the issues stated in point 2 above. The company has made estimated impairment of ₹ 858.95 Crore towards above referred assets.
- 5 Pursuant to RBI guidelines vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on 'Resolution Framework for COVID-19-related Stress', the lenders of the Company has invoked One Time Restructuring (OTR) with regard to credit facilities availed by the Company from Banks and other Institutions on October 27, 2020. The aforesaid OTR has been implemented by execution of the documents by the Company and eligible lenders on April 23, 2021. Accordingly as per the agreed terms of OTR the repayment of Long Term and Short Term obligation is extended, overdue working capital limits is converted in Working Capital Term Loan (WCTL), and interest due till September, 2021 on various credit facilities has been converted into Funded Interest Term Loan (FITL).
Under the OTR arrangements, the company has debt servicing obligation aggregating to the Lenders before March 31, 2022. As the Company could not meet its debt servicing obligations, it has intimated about the non-payment of such obligations to the stock exchanges on April 23, 2022 and further on many more occasions as and when there was a default. Accordingly the Company's accounts have been classified as NPA by the banks.
- 6 The Company has been regular in repayment of public deposits, except a small delay in repayment of matured deposits in the month of March 2022. The Company has been able to complete payment of these outstanding deposits of March 2022 by April/May /June/August 2022 except for an amount of ₹0.23 Crore due to 21 number of depositors, whose updated bank details were not available with the Company. The Company has been clearing out the same as and when any information is received in respect of such deposits from the respective deposit holders either upon follow up of the Company or upon receipt of necessary information from such deposit holders.
- 7 The Company has informed the stock exchanges about two separate applications submitted by the Operational Creditors under section 9 of the Insolvency and Bankruptcy Code, 2016 for initiation of the Corporate Insolvency Resolution Process against the Company. The said applications are still on admission stage.
- 8 The Central Bank of India (Lead Bank) has intimated to the Company that bankers have appointed their empanelled auditors to carry out forensic audit of the accounts of the Company for the period 01-04-2017 to 31-07-2022 in compliance with the extant Guidelines issued by the Reserve Bank of India.
- 9 Figures for the corresponding previous period/ year have been re-arranged and re-grouped wherever necessary. Figures for the quarter ended March 31,2022 and March 31, 2021 are the balancing figures between audited figures in respect of full financial years ended on those dates and the published reviewed year-to-date figures up to the third quarter of the respective financial year.
- 10 The Non Convertible Debentures (NCDs) issued by the Company are secured by the way of First Pari Passu charge on entire tangible assets of the company. Asset cover available to discharge the principal amount of NCDs as on March 31, 2022 is 1.13x
- 11 Historically, the Company has been operating its business under two main segments, viz. Manufacturing & Trading and Leasing & Others. However, during the current year the operations under the segment of Leasing and Others business has reduced significantly and accordingly, now entire business is being reviewed by the management as single segment operations. Accordingly, no separate segment reporting has been prepared as contemplated under the IND AS 108 since same is not applicable.



12 Additional disclosure as per clause 52 (4) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 :

Particulars	Quarter Ended	Quarter Ended	Year Ended
	31-03-2022	31-12-2021	31-03-2022
	Audited	Unaudited	Audited
Net Worth (Excluding Capital Reserve and DRR) (₹ in Crore)	(41.67)	1,477.03	(41.67)
Debenture Redemption Reserve (DRR) (₹ in Crore)	292.15	292.15	292.15
Debt Service Coverage Ratio	(1.86)	0.09	(0.33)
Interest Service Coverage Ratio	(1.96)	0.14	(0.38)
Debt Equity Ratio	27.55	3.77	27.55
Current Ratio	0.36	0.76	0.36
Long Term Debt to Working Capital	(0.04)	5.80	(0.04)
Bad debts to account receivable ratio (%)	-	-	-
Current Liability Ratio (%)	95.49	53.21	95.49
Total Debts to Total Assets(%)	86.28	68.22	86.28
Debtors Turnover	0.84	0.90	0.86
Inventory Turnover	3.49	1.34	2.21
Operating Margin (%)	(108.82)	4.82	(18.42)
Net Profit Margin (%)	(469.68)	(50.31)	(153.58)

13 Standalone Assets and Liabilities for the year Ended March 31, 2022 is annexed to the financial results.



By Order of Board of Directors

Vijay Biyani

Vijay Biyani
Managing Director

Place : Mumbai

Date : September 14, 2022

AUDITED STANDALONE STATEMENT OF ASSETS & LIABILITIES

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
	Audited	Audited
ASSETS		
1. Non-Current Assets		
Property, Plant and Equipment	2,792.34	3,276.53
Capital Work-in-Progress	-	92.14
Intangible Assets	659.74	745.14
Right-of-Use-Assets	4.77	5.70
Financial Assets		
Investment	1,027.57	1,180.52
Net Investment on Sublease	-	22.56
Other Financial Assets	-	0.57
Other Non-Current Assets	735.66	742.50
Total Non-Current Assets	5,220.08	6,065.66
2. Current Assets		
Inventories	373.51	1,083.53
Financial Assets		
Trade Receivables	1,452.80	2,062.44
Cash and Cash Equivalents	2.04	30.70
Bank Balances Other Than The Above	7.51	18.71
Other Current Assets	941.40	930.37
Total Current Assets	2,777.26	4,125.75
Total Assets	7,997.34	10,191.41
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	98.86	98.86
Other Equity	151.61	2,474.55
Total Equity	250.47	2,573.41
Liabilities		
1. Non-Current Liabilities		
Financial Liabilities		
Borrowings	1.27	3,508.61
Lease Liability	5.59	17.61
Other Financial Liabilities	99.15	96.24
Provisions	4.21	6.32
Total Non-Current Liabilities	110.22	3,628.78
2. Current Liabilities		
Financial Liabilities		
Borrowings	6,898.71	2,981.68
Lease Liability	0.90	7.74
Trade Payables due to :		
Micro and Small Enterprises	30.61	26.23
Others	655.58	708.30
Other Financial Liabilities	33.81	231.03
Provisions	1.14	1.33
Other Current Liabilities	15.90	32.91
Total Current Liabilities	7,636.65	3,989.22
Total Equity and Liabilities	7,997.34	10,191.41


Future Enterprises Limited

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CIN L52399MH1987PLC044954



FUTURE ENTERPRISES LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Crore)

	Year Ended March 31, 2022	Year Ended March 31, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	(2,324.57)	(1,067.79)
Adjusted for:		
Depreciation and Amortization Expense	524.42	609.74
Finance Costs	682.23	717.00
(Profit) /Loss on Sale of Investments	0.01	9.60
Expense on Employee Stock Option Scheme	(5.20)	(0.88)
(Profit) /Loss on Disposal/Discard of Fixed Assets (Net)	55.03	(101.79)
Unwinding of ROU and Lease Liability	3.02	(3.91)
Loss on impairment of assets	858.95	-
Allowance for Credit Loss / Bad Debts	-	4.34
Dividend Income	(2.47)	-
Interest Income	(17.08)	(27.12)
Operating Profit Before Working Capital Changes	(225.66)	139.19
Adjusted for:		
Trade Receivables	609.63	(546.68)
Other Financial Assets and Other Assets	(207.16)	(96.58)
Inventories	308.91	119.10
Trade Payables	(48.34)	(206.86)
Financial Liabilities, Other Liabilities and Provisions	(202.54)	(2,831.67)
Cash Generated From Operations	234.84	(3,423.50)
Taxes Paid	(2.39)	55.29
Net Cash Flows From Operating Activities	232.45	(3,368.21)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Property, Plant and Equipment	(9.28)	3,602.52
Sale/(Purchase) of Intangible Assets	(0.00)	(109.86)
Sale/(Purchase) of Investments	10.73	36.21
Dividend Income	2.47	-
Interest Income	15.25	27.12
Net Cash Used In Investing Activities	19.17	3,555.99
C CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(9.89)	8.63
Proceeds from Borrowings	409.69	492.09
Interest Paid	(680.08)	(660.91)
Net Cash Used In Financing Activities	(280.28)	(160.19)
Net (Decrease)/Increase In Cash and Cash Equivalents	(28.66)	27.58
Net (Decrease)/Increase In Cash and Cash Equivalents	(28.66)	27.58
Cash and Cash Equivalents (Opening Balance)	30.70	3.12
Cash and Cash Equivalents (Closing Balance)	2.04	30.70


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Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
**THE BOARD OF DIRECTORS OF
FUTURE ENTERPRISES LIMITED**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **FUTURE ENTERPRISES LIMITED** (the "Company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Except for the possible effects of the matters described in the basis for qualified opinion para, In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income/(Loss) and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

Basis of Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. Except for the possible effects of the matters described below, we believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



i. Going Concern Assumption – Material Uncertainty

We draw attention to Note 2 to the Statements, which describes the Company's financial condition as of March 31, 2022 and its debt obligations due for the next 12 months. The company is unable to determine the fair value of various assets due to business uncertainties., the Company incurred a total comprehensive loss of Rs.2317.74 crore during the year ended March 31, 2022 and, as of that date, the Company's current liabilities exceeded its current assets by Rs 4859.39 crore and the accumulated losses of the company is Rs. 3085.35 crore and the equity capital is Rs.98.86 crore.

However, the accounts continue to be prepared on a going concern basis pending the final resolution of continued IBC proceedings of major customer and other restructuring matters pertaining to the company. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities as they fall due. The Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and resolution of IBC proceedings of major customer for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Hence, we are unable to express opinion in this regard.

ii. Non receipt of Confirmations/Reconciliations for Balances in books

Confirmations/ Reconciliation of certain payables, receivables, and Loans receivables have not been received and further bank deposit amounting to Rs 0.20 Crore could not be confirm due to no response from bank. As a result of which, we are not able to determine the impact of the same on the statement as on March 31,2022, (loss) for the year and comprehensive (loss) for the year ended March 31,2022.

iii. Physical Verification of Inventory not performed

The management could not perform physical verification of inventory as at March 31, 2022 and upto the date of approval of these statement. Accordingly, we were unable to verify the existence/condition of inventories amounting to Rs. 373.51 crore, and further to determine adjustments that may be required to be made in the realisable value of inventory and consequential effect thereof on the financial statements as at March 31,2022.

iv. Physical verification of the Property Plant and Equipment not performed

The Management was not able to conduct physical verification of the Property Plant and Equipment amounting to Rs. 2792.34 crore in the Statement, therefore we are unable to comment upon the existence and valuation of Property Plant & Equipment and consequential effect thereof on the statement as on March 31, 2022, (loss) for the year and comprehensive (loss) for the year ended March 31, 2022.

v. Non provision of Expected credit loss

No additional provision has been made towards expected credit loss during the year for trade receivables amounting to Rs.1,452.80 crore and Other business Advances amounting to Rs. 359.38 crores in view of its major customer which have been admitted under Insolvency and Bankruptcy and other major customer also unable to meet financial obligation.



vi. Internal audit not conducted

The company did not have an effective internal audit system during the year to commensurate with the size, nature and complexities of the business.

vii. Internal control

As per explanations & Information from Management, there was heavy attrition of the staff during the financial year 2021-22 and till the date of the consideration of the Statement by the Board of Directors of the Company, there was huge shortage of the experienced and trained staff to handle Internal Control System. Consequently, for many of the critical and material operations of the Company, we could not test the effectiveness of the internal controls, thus we are unable to express our opinion on the effectiveness of the internal control.

Emphasis of Matter

- i. We draw attention to Note No. 4 to Statements, which states recognition of exceptional item in the statement of profit and loss amounting to Rs 858.95 crore on account of impairment of non-current assets and current assets for the year ended March 31, 2022.
- ii. We draw attention to Note No.7 to the Statement which describes the status of corporate insolvency resolution process that the company underwent with the Hon'ble National Company Law Tribunal (NCLT), the matter is yet to be decided on the date of signing the statement.
- iii. We draw attention to Note No.11, to the Statements in respect of no separate segment reporting in the financial results of the Company.
- iv. The company has not identified deferred tax asset in view of losses before tax in current financial year 2021-22, and accumulated losses of previous financial years and unabsorbed depreciation of the current year's as well as previous year's accumulated depreciation. The management is of the opinion that due to current business scenario, there is no certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised and any gain arriving due to deferred tax will be adjusted in subsequent years.

v. Non-compliance of filings under the Companies Act.

The company has not filed the following forms:

- a. MSME form 1 - to be filed half yearly for the period April 2021 to September 2021 and October 2021 to March 2022.
- b. DPT 3 form for the period April 2021 to March 2022.
- c. The company did not comply with the below requirements from April 5, 2022.
 - I. Non-composition of Audit Committee under Section 177.
 - II. Not having minimum number of Independent Directors under Section 149(1).



vi. Non-compliance under SEBI Act, Regulations and Rules framed thereunder.

The Company did not comply with the Regulations from April 5, 2022 in the followings:

- a. As required by Regulation 17(1)(b) of LODR, Independent Director should be at least 50% of the total strength of the board of the company, which in case of the company, should be 2 (being 50% of total strength rounded off). The company had only one Independent Director.
- b. Non Composition of Audit Committee as required under Regulation 18 of LODR.

vii. Non-compliance with the provisions of Section 73 & 76 of the Companies Act 2013

As mentioned in Note No. 6 to the Statement, the Company has delayed in repayment of principal amounting to Rs 9.84 crore and interest on the public deposits amounting to Rs 2.75 crore due in March 2022, this amounts to non-compliance with the provisions of S 73 & 76 of the Companies Act 2013. As stated in the above referred note, the company has paid the said delayed principal and interest amount subsequently except Rs 0.23 crore, which is pending on account of non-availability correct bank details from the respective public deposit holders.

viii. Defaults in payment to Banks

As mentioned in Note No. 5, to the Statement, to address the liquidity crunch and to maintain the sufficient working capital, the Company has adopted several measures including the invoking One Time Restructuring (OTR) of the loans of the Company on October 27, 2020 as per the RBI guidelines, which has been implemented by all the lenders of the Company on April 23, 2021. Accordingly, as per the agreed terms of OTR the repayment of NCDs, Long Term and Short-Term obligation, overdue working capital limits and interest due thereon was restructured and extended.

Subsequently, the Company has been unable to service the aforesaid obligations towards the repayment of the amount of the principal and interest due on such restructured NCDs/Loans/ Working Capital facilities availed by the Company from the banks as agreed under the OTR, to the tune of principal amounting to Rs 2,867.51 crore and interest amounting to Rs 44 crore. Consequently, the Banks have classified the accounts of the Company in the system as Non-Performing Assets (NPAs) on April 20, 2022.

ix. Defaults in Statutory payments

Statutory dues of Provident Fund amounting to Rs 0.46 crore, Profession Tax amounting to Rs 0.04 crore, Tax deducted at source amounting to Rs 1.89 Crore, ESIC amounting to Rs 0.07 crore, dues have not been paid for the Month of March 2022. The Company has managed to make payment of Rs 1.55 crore of TDS obligation after the due date.

Our opinion is not modified in respect of the above matters.



Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive (Loss) of the Company and other financial information in accordance with the applicable accounting standards the Companies (Indian Accounting Standards) Rules 2015, as amended, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with Standards of Auditing (SA), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the Statement; whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published audited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For DMKH & Co.

Chartered Accountants

Firm Registration Number: 116886W

ms Lokeshwar

Malavika Lokeshwar

Partner

Membership Number: 108628

UDIN:

Place: Mumbai



Date: 14th September, 2022



Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) on Standalone Audited Financial Results for the year ended March 31, 2022

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 and Regulation 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1	Turnover / Total income	There is no change in the Audited Figures of the Standalone financials statement as reported before adjusting for qualifications and audited figures after adjusting for qualifications. There would no impact on the Total Assets and Liabilities and Net-worth and any other financial items.	
	2	Total Expenditure		
	3	Net Profit/(Loss)		
	4	Earnings Per Share		
	5	Total Assets		
	6	Total Liabilities		
	7	Net Worth		
	8	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: Refer to Exhibit A		
	b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		
	c.	Frequency of qualification: appeared first time / repetitive / since how long continuing		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: Refer Exhibit A		
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:		
		(iii) Auditors' Comments on (i) or (ii) above:		

III	Signatories:	
	Managing Director	
	Chief Financial Officer	Company do not have CFO/ Dy. CFO after resignation of Mr. Bhagchand Baser with effect from August 5, 2022
	Chairman of the Audit Committee	At present composition of the Audit Committee is not in order and hence no Audit Committee Meeting could have been held to consider the standalone and consolidated Financial Statements and Auditors Report thereon
	Statutory Auditor	
	Place: Mumbai	
	Date: September 14, 2022	

Future Enterprises Limited

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Exhibit A - The Statement on Impact of Audit Qualifications (for audit report with modified opinion) on Standalone Audited Financial Results for the year ended March 31, 2022

Sr No.	Audit Qualification for the Company	Management response	Auditors remarks / comment
1.	Going Concern Assumption – Material Uncertainty		
	<p>We draw attention to Note 2 to the Statements, which describes the Company's financial condition as of March 31, 2022 and its debt obligations due for the next 12 months. The company is unable to determine the fair value of various assets due to business uncertainties., the Company incurred a total comprehensive loss of Rs.2317.74 crore during the year ended March 31, 2022 and, as of that date, the Company's current liabilities exceeded its current assets by Rs 4859.39 crore and the accumulated losses of the company is Rs. 3085.35 crore and the equity capital is Rs.98.86 crore.</p> <p>However, the accounts continue to be prepared on a going concern basis pending the final resolution of continued IBC proceedings of major customer and other restructuring matters pertaining to the company. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities as they fall due. The Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and resolution of IBC proceedings of major customer for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Hence, we are unable to express opinion in this regard.</p>	<p>The accounts have been prepared on a going concern basis pending the final resolution of continued IBC proceedings of major customer and other restructuring matters pertaining to the Company.</p> <p>The Company's relying on possibility of revival of the operations of the major customer as well as the restructuring proposal it is discussing with the lenders, which will give its ability to continue as a going concern for continued business operations and generation of cash flow from its operations that will be utilised to settle its liabilities as well.</p>	N.A.

Sr No.	Audit Qualification for the Company	Management response	Auditors remarks / comment
2.	Non receipt of Confirmations/Reconciliations for Balances in books		
	Confirmations/ Reconciliation of certain payables, receivables, and Loans receivables have not been received and further bank deposit amounting to Rs 0.20 Crore could not be confirm due to no response from bank. As a result of which, we are not able to determine the impact of the same on the statement of financial statements as on March 31,2022, (loss) for the year and comprehensive (loss) for the year ended March 31, 2022.	The Company has provided the relevant details of payables and receivables and other receivables to the Auditors. Further with respect to the Bank deposits, which has been provided as security to various regulatory authorities as per their requirements, the Company has requested the relevant issuing banks to confirm the balances. However, some of the relevant vendors and banks had not responded to the auditors / company to confirm the balances. The Company is accordingly continuing to record the same as per its books of accounts in absence of any dispute from respective parties.	Impact cannot be ascertained for non-recoverable balances as on the date of signing of this report.
3.	Physical Verification of Inventory not performed		
	The management could not perform physical verification of inventory as at 31st March 2022 and upto the date of approval of these financial statements. Accordingly, we were unable to verify the existence/condition of inventories amounting to Rs. 373.51 crore, and further to determine adjustments that may be required to be made in the realisable value of inventory and consequential effect thereof on the financial statements as at 31st March 2022.	The management has constraints to perform the physical verification of inventory due to restrictions imposed by the various authorities during lockdown period and further after release of lockdown it was still unable to perform physical verification due to heavy rate of attrition of the staff from the Company during this period. The management would be taking call for any adjustments to be made based on the ultimate realisation of the inventory during the current financial period.	In absence of further details and physical verification exact impact cannot be ascertained.
4	Physical verification of the Property Plant and Equipment not performed		
	The Management was not able to conduct physical verification of the Property Plant and Equipment (PPE) amounting to Rs. 2792.34 crore in the Statements, therefore we are unable to comment upon the existence and valuation of Property Plant & Equipment and consequential effect thereof on the financial statements as on March 31,2022, (loss) for the year and comprehensive (loss) for the year ended March 31,2022 is not ascertainable.	The management has constraints to perform the physical verification of PPE due to restrictions imposed by the various authorities during lockdown period and further after release of lockdown it was still unable to perform physical verification due to heavy rate of attrition of the staff from the Company during this period. The management is assuming that assets which are already in use would continue to have the value as considered in the financial statements.	In absence of further details and physical verification of assets, exact impact cannot be ascertained.

Sr No.	Audit Qualification for the Company	Management response	Auditors remarks / comment
5.	Non provision of Expected credit loss		
	No additional provision has been made towards expected credit loss during the year for trade receivables amounting to Rs.1452.80 crore and Loans amounting to Rs. 339.38 crores in view of its major customer which have been admitted under Insolvency and Bankruptcy and other major customer also unable to meet financial obligation.	One of the major customer of the Company has been admitted for the Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, however the process is yet to be completed and the appointed Resolution Professional would be working for finding out the appropriate resolution for the said entity. In view of any such resolution, the Company might be able to recover some part of its receivables. The Company has also submitted its claim with the Resolution Professional for the receivable amount from the said customer. Further in respect of other customers as well, there had been payment issues due to liquidity crunch faced by such respective parties. The management has therefor has not made any additional provision for the expected credit loss.	At present no impact can be ascertained, however in case of non-recoverability, the Company's losses would be higher by the amount which becomes not recoverable.
6.	Internal audit not conducted		
	The company did not have an effective internal audit system during the year to commensurate with the size, nature and complexities of the business.	Due to high attrition of employees during the financial year and post completion of the financial year, it was not possible to ensure an effective internal audit system. The management is making all efforts to restore the internal audit systems.	Impact cannot be ascertained on the financial statements for the period under review.

Sr No.	Audit Qualification for the Company	Management response	Auditors remarks / comment
7.	Internal control		
	As per explanations & Information from Management, there was heavy attrition of the staff during the financial year 2021-22 and till the date of the consideration of the Standalone Financial Statements by the Board of Directors of the Company, there was huge shortage of the experienced and trained staff to handle Internal Control System. Consequently, for many of the critical and material operations of the Company, we could not test the effectiveness of the internal controls, thus we are unable to express our opinion on the effectiveness of the internal control.	The Company had a well established internal control framework and same was being followed for all critical and material operations and as per established SOPs set for various operational and administrative matters. However, due to high attrition of employees during the financial year and post completion of the financial year, it became difficult to continue various controls and systems set by the various SOPs to ensure proper internal control framework. The management is making all efforts to restore the internal control framework commensurate to its reduced scale of operations.	Impact cannot be ascertained on the financial statements for the period under review, unless the revised controls are tested by the Auditors.