

5 September 2021

To,  
Dept. of Corporate Services (CRD)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Scrip Code: 536507  
Scrip Code of Debt : 957150

To,  
Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra - Kurla Complex, Bandra (East),  
Mumbai - 400 051.

NSE Symbol: FLFL

Dear Sir / Madam

**Ref.: Regulations 30 and 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Annual Report for the financial year 2020-21 alongwith Notice of Annual General Meeting**

This is to inform that the Ninth (9<sup>th</sup>) Annual General Meeting of the Company (AGM) will be held on Wednesday, 29 September 2021 at 2:00 pm (IST) through Video Conferencing / Other Audio-Visual Means.

We enclose herewith the Notice convening the said AGM alongwith Annual Report of the Company for the financial year 2020-21.

The copies of the aforesaid Notice and the Annual Report are also available on the website of the Company at [www.futurelifestyle.in](http://www.futurelifestyle.in)

This is for your information and records.

Thanking you,

Yours faithfully,

for **Future Lifestyle Fashions Limited**



**Sanjay Kumar Mutha**  
**Chief Legal & Company Secretary**

Encl: as above

## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting (AGM) of the Members of Future Lifestyle Fashions Limited ("the Company") will be held on Wednesday, September 29, 2021 at 02:00 pm through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS:

**1. To receive, consider and adopt:**

- a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the reports of Auditors thereon.

**2. To appoint a Director in place of Mr. C P Toshniwal (DIN: 00036303), who retires by rotation and being eligible, offers himself for re-appointment.**

### SPECIAL BUSINESS:

**3. Re-appointment of Mr. Vishnuprasad M as the Managing Director**

To consider and if thought fit to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder read with Schedule V to the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded to the reappointment of Mr. Vishnuprasad M (DIN: 07189877) as the Managing Director of the Company for a period of three years with effect from December 20, 2021 on such terms and conditions, as set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee thereof)

be and is hereby authorised to vary, amend, modify and revise from time to time the terms of appointment of the Managing Director, as may be desired appropriate by the Board and to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and to seek necessary approvals or settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company."

**4. Approval for remuneration payable to Mr. Vishnuprasad M as the Managing Director**

To consider and if thought fit to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with Schedule V of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Vishnuprasad M (DIN: 07189877) as the Managing Director of the Company for a period of three years with effect from December 20, 2021 on such terms and conditions and remuneration, as set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 197 of the Act read with Schedule V to the Act, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above Remuneration, excluding commission, as the minimum remuneration for the tenure, by way of salary, perquisites and other

## Notice (contd.)

allowances and benefits, subject to receipt of the requisite approvals, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee thereof) be and is hereby authorised to vary, amend, modify and revise from time to time the terms of Remuneration payable to the Managing Director, within the above overall limit, as may be desired appropriate by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and to seek necessary approvals or settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company.”

### 5. Appointment of Mr. Himanshu Dodeja as a Nominee Director

To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 152 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the provisions of Articles of Association of the Company and the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Himanshu Dodeja (07624809), who was appointed by the Board of Directors, as an Additional Director of the Company (being a Nominee Director representing Vistra ITCL (India) Limited (the “Trustee”)) with effect from May 28, 2021 and who holds office upto the date of the ensuing Annual General Meeting in terms of section 161(1) of the Act, and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Nominee Director on the Board of the Company, not liable to retire by rotation.”

### 6. Appointment of Ms. Sharada Sunder as an Independent Director

To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and Rules made thereunder and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Sharada Sunder (DIN 07599164), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from June 22, 2021 and who holds office upto the date of the ensuing Annual General Meeting in terms of section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from June 22, 2021, not liable to retire by rotation.”

### NOTES:

#### 1. Holding of the Annual General Meeting (“AGM”) through Video Conferencing/Other Audio-Visual Means

The Members of the Company is hereby informed that, due to the massive outbreak of COVID-19 pandemic, social distancing norms is being followed and the continuing restriction on movement of persons at several places in the Country, the AGM of the Company is being held through Video Conferencing / Other Audio Visual Means (VC / OAVM) without the physical presence of the Members at a common venue, pursuant to the provisions of circular No. 14/2020 dated April 08, 2020, circular No.17/2020 dated April 13, 2020 followed by circular No. 20/2020 dated May 05, 2020 and clarification circular No. 02/2021 dated January 13, 2021 (hereinafter collectively referred to as “MCA Circular(s)”) issued by the Ministry of Corporate Affairs (“MCA”) and the circular(s) issued by Securities and Exchange Board of India (“SEBI”) from time to time and in compliance with the provisions of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), physical attendance of the Members at the AGM is not required. Members can attend and participate at the ensuing AGM only through VC/OAVM.

## Notice (contd.)

Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter, authorising their representatives to attend and vote on their behalf in the AGM, by email to the Company.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").

2. The Statement pursuant to section 102 of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the AGM is annexed hereto. Additional information with respect to Item No. 2 is also annexed hereto.
3. Details as required pursuant to regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial

Standard on General Meeting (SS-2) of the Institute of Company Secretaries of India ("ICSI"), in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations / disclosures have been received from the Directors for seeking appointment/re-appointment.

#### 4. Ratification of appointment of auditors

The Members of the Company at their Fifth Annual General Meeting held on August 29, 2017 re-appointed M/s. NGS & Co., LLP, Chartered Accountants (Registration number 119850W) as Statutory Auditors of the Company for a second term of five consecutive years from the conclusion of Fifth Annual General Meeting till the conclusion of the Tenth Annual General Meeting, subject to the ratification by the Members at the every Annual General Meeting held during the said term, in terms of the proviso under section 139 (1) of the Act. The mandatory requirement of ratification of appointment of auditors by the Members at every Annual General Meeting has been omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs.

Accordingly, no resolution is being proposed for ratification of appointment of the Statutory Auditors at this AGM. The Company has received a letter from Statutory Auditors confirming that they are eligible to continue as Statutory Auditors of the Company under section 141 of the Act. The details of remuneration paid to Auditors is provided in the notes to standalone Financial Statements for the financial year ended March 31, 2021.

5. Pursuant to section 124 of the Act, Dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF). Members who have not encashed the Dividend Warrants so far, are requested to make their claim to the Company's Registrar & Transfer Agents (R & T Agents).

During the year under review, the Company has transferred an amount of ₹ 1,55,945 pertaining to unpaid/unclaimed sale proceeds of fractional shares arising out of issuance of shares under Composite Scheme of Arrangement to IEPF in accordance with the provisions of the IEPF Rules.

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The details of unpaid / unclaimed dividends, lying with the Company are as under:

Particulars	Date of declaration	Last date for claiming unpaid/unclaimed dividend
Dividend 2013-14	August 08, 2014	September 13, 2021
Dividend 2014-15	August 26, 2015	October 01, 2022
Dividend 2015-16	August 29, 2016	October 04, 2023
Dividend 2016-17	August 29, 2017	October 04, 2024
Dividend 2017-18	August 29, 2018	October 04, 2025
Dividend 2018-19	July 30, 2019	September 04, 2026

6. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled into the Company's R & T Agents. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
7. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ("ECS") to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R&T Agents.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and to the Company's R & T Agents in case the shares are held in physical form.
9. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialize shares held by them in physical form.
10. In compliance with the aforesaid MCA Circulars, electronic copy of the Annual Report for the financial year 2020-21 and the Notice of this AGM inter-alia indicating the process and manner of remote e-voting, is being sent only through electronic mode to all the Members whose e-mail id are registered with the Company/ Depository Participants.
11. Members may note that the Notice and Annual Report for the financial year 2020-21 will also be available on the Company's website i.e. [www.futurelifestyle.in](http://www.futurelifestyle.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. The requisite Statutory Registers maintained under sections 170 and 189 of the Act and certificate(s) will be available electronically for inspection by the members during the AGM.
13. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 29, 2021. Members seeking to inspect such documents can send an email to [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in).
14. Members who have not registered their e-mail id so far are requested to register their e-mail id, for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company in electronic copy.
15. Pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and AGM Notice (including remote e-voting instructions) electronically, the members may temporarily update their email address by accessing the following link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html)
16. **Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**
  - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning the folio number, complete address, e-mail address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by e-mail to the Company's Registrar & Transfer Agents ("R&T Agents") or at the Company's e-mail address at [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in)

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- b. For Members holding shares in demat form, please update your e-mail address through your respective Depository Participant/s.
- 17. Members are requested to send their queries with regard to the Accounts at least 7 (Seven) days in advance to the Company through e-mail at investorrelations@futurelifestyle.in.
- 18. **The instructions for Members for remote e-voting are as under:**
  - I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI Listing Regulations (as amended), Secretarial Standard on General Meetings (“SS-2”) issued by The Institute of Company Secretaries of India (“ICSI”) as amended and the MCA Circular(s), the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting at the AGM will be provided by NSDL.
  - II. Members will be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote at the end of discussion on the resolution(s) on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-voting

prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote again on such resolution(s).

- III. The remote e-voting period commences on Saturday, September 25, 2021 (9:00 AM) and ends on Tuesday, September 28, 2021 (5:00 PM). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 22, 2021, may cast their vote through remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- IV. The details of the process and manner for remote e-voting is explained herein below:

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-voting system:**





**A. Login method for e-voting and joining virtual meeting for Individual Shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ul style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> </ul>

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Type of Shareholders	Login Method
	<p>3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>       <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of <b>e-voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Notice (contd.)**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 or 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B. Login Method for e-voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

**c) How to retrieve your ‘initial password’?**

- (i) If your e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the e-mail sent to you from NSDL from your



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mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those Shareholders whose e-mail ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/ Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Members**

- Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution / authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [sanjayrd65@yahoo.com](mailto:sanjayrd65@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website

## Notice (contd.)

will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

- In case of any queries, you may refer the frequently asked questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022-2499 4890. Alternatively, Members can contact Ms. Sarita Mote on e-mail ID [saritam@nsdl.co.in](mailto:saritam@nsdl.co.in), of National Securities Depository Limited, Trade World, 'A' Wing, Fourth Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. The Members may note that the designated e-mail address for the grievances connected with the remote e-voting is [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Members may also write to the Company Secretary at the e-mail address: [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in).

**Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:**

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining

virtual meeting for Individual Shareholders holding securities in demat mode.

3. Alternatively Shareholder/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.
- V. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. September 22, 2021.
- VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.
- VII. Mr. Sanjay Dholakia (Membership No. 2655 / Certificate of Practice No. 1798), Proprietor - M/s. Sanjay Dholakia & Associates, Practising Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting process and voting conducted during the AGM through e-voting in a fair and transparent manner.
- VIII. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall issue within two working days from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him/her in writing, who shall countersign the same and declare the result of the voting within permitted time.

**Notice (contd.)**

- IX. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company and on the website of NSDL after the declaration of result by the Chairperson or a person authorised by him/her in writing. The Results shall also be forwarded to Stock Exchanges.
19. **Instructions for the Members for e-voting on the day of the AGM are as under:**
- A. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - B. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
  - C. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  - D. For any grievances connected with the facility for e-voting on the day of the AGM, the contact details shall be same as mentioned for remote e-voting.
20. **Instructions for the Members for attending the AGM through VC/OAVM are as under:**
- A. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
- B. Members are encouraged to join the Meeting through Laptop / Desktop for better experience.
  - C. Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the AGM.
  - D. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
  - E. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email address, mobile number at investorrelations@futurelifestyle.in. The same will be replied by the Company suitably.
21. **Speaker Registration for the AGM**
- Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request atleast 7 (Seven) days prior to AGM mentioning their name, demat account number/folio number, e-mail address, mobile number at investorrelations@futurelifestyle.in.
  - Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.
  - Members will get confirmation on first cum first served basis.
  - Members who are registered as speakers for the event are requested to download and install necessary software as required for attending AGM.
  - Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.
  - Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

**Notice (contd.)**

The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to the AGM mentioning their name, demat account number/folio number, e-mail address, mobile number at investorrelations@futurelifestyle.in. These queries will be replied to by the Company suitably by e-mail.

**22. Members are requested to send all communications to our R&T Agents at the following address:**

Link Intime India Private Limited  
 C-101, Embassy 247, L.B.S. Marg,  
 Vikhroli (West), Mumbai - 400 083  
 Tel. No.: +91 22 4918 6270;  
 Fax No.: +91 22 4918 6060.  
 E-mail ID: rnt.helpdesk@linkintime.co.in

**23. In compliance with applicable provisions of the Act read with above mentioned MCA Circular(s), SEBI Listing Regulations and SEBI Circulars, the AGM is**

being conducted through VC/OAVM. In accordance with the Secretarial Standard-2 on General Meetings issued by ICSI read with clarification/ guidance on applicability of Secretarial Standards-1 & 2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since AGM will be held through VC/OAVM, the Route Map for the venue of the AGM, is not annexed to the Notice.

By order of the Board of Directors  
**For Future Lifestyle Fashions Limited**

Place : Mumbai  
 Date : September 02, 2021

**Sanjay Kumar Mutha**  
 Company Secretary

**Registered Office:**  
 Future Lifestyle Fashions Limited  
 CIN: L52100MH2012PLC231654  
 Knowledge House, Shyam Nagar,  
 Off. Jogeshwari - Vikhroli Link Road,  
 Jogeshwari (East), Mumbai - 400 060

**ADDITIONAL INFORMATION RELATING TO THE ORDINARY BUSINESS:**

**Item No. 2**

Mr. C P Toshniwal, Non-executive Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr. Toshniwal, aged 54 years, is qualified Chartered Accountant and Company Secretary. Mr. Toshniwal started his journey with Future Group in May 1997 and has over 30 years of rich managerial experience. Prior to his association with Future Group, he worked with other corporate houses viz. Donear Synthetics Limited, Orient Vegetexpo Limited and Control Print India Limited. Mr. Toshniwal has strong domain knowledge of the Indian Retail Industry, Information Technology Systems and a proven ability in setting up systems and procedures for Robust Management Accounting. He has rich experience in the field of Corporate and Strategic Planning, Financial Planning & Restructuring, Risk Management System and Process Implementation, Mergers, Amalgamations, Takeover of Business Enterprises, Raising Capital through innovative financial products etc. He was awarded the Best CFO Award-2011 in the Service Sector Category by The Institute of Chartered Accountants of India.

He was also awarded 'CFO100 Roll of Honour' by CFO India for his extraordinary performance as senior finance leader in Retail Industry.

Mr. Toshniwal was first appointed as a Director on the Board of the Company on March 02, 2013.

He is also on the board of other companies in India viz. Future Enterprises Limited, Future Brands Limited, FDRT Consultancy Services Limited (formerly known as Future Digital Payment Systems Limited), Future Supply Chain Solutions Limited, Nufuture Digital (India) Limited, Future 7-India Convenience Limited, Shendra Advisory Services Private Limited, Sprint Advisory Services Private Limited and Sun City Properties Private Limited.

He holds membership/chairpersonship of Committees of the Company and other public companies as under:

<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Chairperson/Member</b>
Future Lifestyle Fashions Limited	Committee of Directors	Member
	Risk Management Committee	Member
	Share Transfer Committee	Member
	Corporate Social Responsibility Committee	Member

**Notice (contd.)**

<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Chairperson/ Member</b>
Future Brands Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	Committee of Directors	Member
Future Supply Chain Solutions Limited	Corporate Social Responsibility Committee	Chairman
	Stakeholders Relationship Committee	Chairman
	Committee of Directors	Member
Future Retail Limited	Risk Management Committee	Member
Future Enterprises Limited	Committee of Directors	Member

Mr. Toshniwal had attended seven Board Meetings held during the financial year 2020-21. Mr. Toshniwal would be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as may be determined for each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The sitting fees paid to Mr. Toshniwal during the financial year 2020-21 was ₹ 3.50 Lakhs.

Mr. Toshniwal doesn't hold Equity Shares in the Company and is not related to any other Directors and Key Managerial Personnel of the Company.

Your Directors recommend Resolution at Item No. 2 as an Ordinary Resolution for approval by the Members.

Save and except Mr. C P Toshniwal (being an appointee) and his relatives to the extent of their shareholding interest, if any in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No.2 of this Notice.

**STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 ("THE ACT")**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanied Notice:

**Item No. 3 and 4**

The Members of the Company at the Annual General Meeting held on December 29, 2020, based on the recommendation of the Nomination and Remuneration

Committee (NRC) and the Board, had appointed Mr. Vishnuprasad M as the Managing Director of the Company for a period effective from April 30, 2020 till December 19, 2021. Accordingly, the present tenure of Mr. Vishnuprasad M as the Managing Director of the Company would come to an end on December 19, 2021. The Board had also approved the extension of superannuation period of Mr. Vishnuprasad M by an aggregate period of 7(seven) years i.e. upto December 19, 2026.

Mr. Vishnuprasad, aged 59 years, holds MBA in retail management and has over three decades of sales and retail experience. He joined the Future Group in 2001 and set up the Big Bazaar stores in the South, before moving on to head the Company's Retail format "Central" and Fashion Brands. Prior to joining the Future Group, he has worked with Arvind Mills for 13 years.

Mr. Vishnuprasad M has given a declaration that he is not disqualified from being appointed as a Director in terms of section 164 of the Act and has also given a consent to act as a Managing Director of the Company. He also affirmed that he is not related to any Director of the Company and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

He was first appointed as Chief Executive Officer of the Company with effect from November 14, 2019 and subsequently, elevated and appointed as Managing Director of the Company on April 30, 2020. He is also Director on the board of Future Style Lab Limited. He does not hold membership/chairpersonship of Committees of the Company and other public companies. He had attended seven Board meetings of the Company held during the financial year 2020-21.

Mr. Vishnuprasad M does not holds Equity Shares in the Company and is not related to any other Directors and Key Managerial Personnel of the Company. He holds 1,46,000 Vested Stock Options of the Company.

The terms and conditions of the appointment and the proposed remuneration payable to him as the Managing Director of the Company would be as follows:

**Remuneration:**

Total Remuneration during the tenure shall be in the scale of ₹ 4.08 crore to ₹ 5.50 crore per annum which includes basic salary (in the range of ₹ 8.40 lakh to ₹ 11.50 lakh per month), performance bonus and taxable perquisites and other allowance but excluding perquisites to the extent exempted under the Income-tax Act, 1961.

## Notice (contd.)

### Other terms of re-appointment:

- a. Perquisites: Subject to overall ceiling as aforesaid, the Managing Director shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including house rent allowance, medical reimbursement, leave travel concession for self and family, club fees, use of Company cars and such other allowances, benefits, amenities and facilities, etc., as per the Company's Rules or as may be agreed to between the Board of Directors and the Managing Director.
- b. Performance bonus: The amount of performance bonus would be determined based on the net profits of the Company in a particular year and shall be subject to the overall ceiling laid down under the Act.
- c. The Managing Director will also be a member of the Group Medical / Health insurance and Personal Accident Insurance policies of the Company.
- d. Exempted perquisite: in addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration:
  - Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961;
  - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
  - Encashment of leave at the end of the tenure; and
  - Reimbursement of expenses incurred for the business of the Company.
- e. Subject to the applicable provisions of the Act, perquisites and allowances shall be evaluated as per Income Tax Rules, 1962 wherever applicable, and at cost, in the absence of any such Rule.
- f. Subject to the superintendence, control and direction of the Board of Directors, the Managing Director shall manage and conduct the business and affairs of the Company.
- g. The appointment can be terminated by giving 6(Six) calendar months' notice in writing by either party.

### Specific Information as required under Schedule V of the Act:

#### I. GENERAL INFORMATION:

##### 1. Nature of Industry

The Company is engaged in the business of lifestyle fashion. The Company has reinforced its position as a leading fashion retailer in the Country and has derived its strengths in three integrated areas: fashion brands, fashion retail and distribution and investments in fast growing fashion companies.

##### 2. Date or expected date of commencement of Commercial Production

The Company has obtained Certificate for Commencement of Business issued by Registrar of Companies, Maharashtra, Mumbai on June 15, 2012.

Further, pursuant to the Composite Scheme of Arrangement and Amalgamation as sanctioned vide its Order dated May 10, 2013 by High Court of Bombay, the fashion retail undertakings of Future Enterprises Limited (earlier known as Future Retail Limited) and Future Consumer Limited (earlier known as Future Consumer Enterprise Limited) were demerged to and vested in the Company on a going concern basis with effect from January 1, 2013 i.e., Appointed date under the said Scheme.

##### 3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

##### 4. Financial performance of the Company based on the given indicators

(₹ In crore)

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Paid-up capital	40.35	40.35
Total Turnover	2,210.50	6,050.40
Profit/ (Loss) before tax	(870.75)	(65.53)
Profit/ (Loss) after tax	(871.57)	(73.41)

##### 5. Foreign investment or collaborations, if any

Joint Ventures (JV) with foreign companies:

Sl. No.	Name of JV Company	Name of JV Partner	% holding
1	Clarks Future Footwear Private Limited	C & J Clark International Limited	1.00
2	Celio Future Fashion Private Limited	Celio International SA	Nil

## Notice (contd.)

### Foreign investments in the Company

Foreign Investors deal in the Equity Shares of the Company, at the stock exchanges under the foreign portfolio investment scheme (FPIS). As on March 31, 2021, total foreign holding under FPIS was 20.15% of the Equity Capital of the Company.

## II. INFORMATION ABOUT THE APPOINTEE:

Background details	A brief profile of the appointee is mentioned herein above.
Past Remuneration	During the year under review, Mr. Vishnuprasad M has received remuneration of ₹ 2.09 crore from the Company.
Background details	A brief profile of the appointee is mentioned herein above.
Recognition and Awards	-
Job profile and his Suitability	Subject to the superintendence, control and direction of the Board of Directors, the Managing Director shall manage and conduct the business and affairs of the Company.
Remuneration proposed	As set out herein above
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Besides the present and proposed remuneration, he does not have any other pecuniary relationship with the Company.
Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Fashion Retail industry in India, which is the second largest contributor in the retail industry after food and grocery, is seeing some major shifts. India has the world's largest youth population, which is becoming fashion conscious owing to e-tail and social media penetration. This has opened unprecedented retail market opportunities for the organized retailer, in order to meet the consumer demand and business competition. It is also imperative for any retail company to have highly experienced professionals having specialised knowledge and skills to understand and project the market trend, consumer behavior, consumption pattern and many relevant indicators for better product mix Mr. Vishnuprasad M has successfully proven his expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considered that the remuneration proposed to him is justified and commensurate with other organisations of the similar type, size and nature in the retail industry.

## III. OTHER INFORMATION:

- Reasons of loss or inadequate profits: The Company has posted a net loss after tax of ₹ 871.57 crore during the year ended March 31, 2021, due to impact of COVID-19 pandemic and subsequent lockdown to contain the spread of COVID-19.
- Steps taken or proposed to be taken for improvement: The fashion retail business of the Company was significantly affected by temporarily shut down of Company's fashion retail stores, drops in footfalls, de-growth of revenue, lack of disposable income and discretionary spending by the Customer. Your Company continued to assess the downturn in demand, liquidity profile, rightsizing cost and re-calibrate its operations for business continuity and sustainability post Covid-19 and extensively worked towards the re-opening of business and carrying out operation post COVID-19 lockdown as "New Normal" criteria. Various initiatives have been taken towards making the stores 'Consumer Ready' for the New Normal while assuring Health & Safety of the customer and stakeholders. Company experimented with New Sales channels such as store @ door / online push and assured availability of merchandise at the stores.
- Expected increase in productivity and profits in measurable terms: Your Company believes that the business of the Company would be gradually picked up and reach to normal in due course of time.

## IV. DISCLOSURES:

The details of remuneration paid to all Directors are set out in the Corporate Governance Report which forms part of the Annual Report.

During the year review, the Lenders (including Banks and secured creditors) and the Company had agreed and implemented One-time Resolution (OTR) Plan to restructure its financial debt, in line with the Resolution Framework issued by Reserve Bank of India. Further, the terms of Non-Convertible Debentures issued by the Company under Series IV ("NCDs") were also restructured, pursuant to the requisite consents obtained from NCDs holders and Debenture Trustee on April 27, 2021.

Hence, there were no default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, in terms of the restructured terms, as agreed with the Lenders and NCDs holders.

**Notice (contd.)**

As required under the provisions of the Act, approval of the Members is being sought for appointment of Mr. Vishnuprasad M as the Managing Director of the Company and remuneration payable to him as the Managing Director of the Company.

Your Directors recommend Resolution at Item No. 3 and 4 as a Special Resolutions for approval of the Members.

Save and except Mr. Vishnuprasad M (being an appointee) and his relatives to the extent of their shareholding interest, if any in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolutions set out at Item 3 and 4 of this Notice.

**Item No. 5**

Based on the recommendation of the Nomination and Remuneration Committee and nomination received from Vistra ITCL (India) Ltd. (the Trustee), the Board vide circular resolution dated May 28, 2021 has appointed Mr. Himanshu Dodeja, as an Additional Director of the Company (being a Nominee Director representing the Trustee) in place of Mr. Luv Parikh, with effect from May 28, 2021. In terms of section 161 of the Companies Act, 2013 (“the Act”), Mr. Dodeja holds office up to the date of the forthcoming Annual General Meeting (AGM) of the Company.

Mr. Dodeja, aged 39 years, is having almost two decades of work experience, he regularly provides strategic advice to Blackstone on some of the largest and most complex, mergers and acquisitions in India, including multiple takeover offers. Mr. Dodeja is currently a Managing Director at Blackstone India. Mr. Dodeja also played a critical role in the acquisition of listed entities such as Mphasis Limited and EPL Limited. in his position as General Counsel of Blackstone, he regularly advises Blackstone portfolio companies on complex governance issues and has had extensive experience dealing with boards of directors, various regulators and government agencies across the country.

Before joining Blackstone, Mr. Dodeja was a partner at Cyril Amarchand Mangaldas in Mumbai, where he focused on private equity, mergers and acquisitions transactions, special situations, and advised many other marquee financial investors.

Mr. Dodeja is also a member of the FICCI Capital Markets Committee and FICCI Committee on Private Equity and has been instrumental in providing policy related inputs to Indian regulators. Mr. Dodeja has won many awards for his deal making ability and is listed as a top category legal professional in the country.

Mr. Dodeja completed his graduate studies in corporate law, from the New York University.

He is also on the board of other company in India viz., Blackstone Advisors India Private Limited.

Except in the Company as under, he does not hold membership/ chairpersonship of committees in other companies in India.

<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Chairperson/ Member</b>
Future Lifestyle Fashions Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member

Mr. Dodeja, was first appointed as a Nominee Director (Additional Director) on the Board of the Company with effect from May 28, 2021. He had attended two Board meetings of the Company which were held since his appointment.

Mr. Dodeja would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as may be determined for each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

Mr. Dodeja has voluntarily waived to receive the sitting fees and commission during his tenure as Nominee Director of the Company. He does not hold any Shares in the Company and is not related to any other Directors and Key Managerial Personnel of the Company.

The Company has received a notice from a Member proposing candidature of Mr. Dodeja for the office of Director of the Company at the AGM. The Company has also received from Mr. Dodeja a declaration that he is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given consent to act as a Director of the Company.



**Notice (contd.)**

He has also confirmed that he was not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The Board considered that his expertise and enrich experience would be immense beneficial to the Company and therefore recommended the appointment of Mr. Dodeja as a Director on the Board.

Your Directors recommend Resolution at Item No. 5 as an Ordinary Resolution for approval of the Members.

Save and except Mr. Dodeja (being an appointee) and his relatives to the extent of their shareholding interest, if any in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No. 5 of this Notice.

**Item No. 6**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Ms. Sharada Sunder as an Additional Director and also as an Independent Director of the Company for a term of five consecutive years with effect from June 22, 2021, subject to approval of the Members at the forthcoming Annual General Meeting (AGM).

In terms of section 161 of the Companies Act, 2013 ('the Act'), Ms. Sunder holds office up to the date of the AGM of the Company. The Company has received a notice from a Member signifying its intention to propose Ms. Sunder as candidate for the office of Director of the Company at the AGM.

The Company has received from Ms. Sunder a declaration that She is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given consent to act as an Independent Director of the Company. The Company has also received a declaration from Ms. Sunder that she meets the criteria of independence as prescribed both under section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is also of the opinion that Ms. Sunder is independent of the management of the Company.

She has also confirmed that she was not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Ms. Sunder, aged 54 years, is having around three decades of experience in senior leadership roles. She has an expertise in span Business Strategy, Consumer Insight & Engagement, Goal Setting and Execution, Financial Management, Business fortification, Team building & Coaching, Creativity & Innovation and has core competencies in Consumer centricity, Strategic planning Effective collaboration & communication, Corporate governance, Performance analysis, Team management and leadership, Decision making.

At present, she is founder of Saralife Consulting and serving as an Executive Coach & Mentor, Leadership & Management Trainer. She has also worked with Welingkar Institute of Management, Zee Entertainment Enterprises Ltd, Bennett Coleman & Company (The Times Group) & A. F. Ferguson & Co.

She is qualified Chartered Accountant and Certified Corporate Director from Institute of Directors, 2016, Certified Corporate Trainer from Indian Academy of Training and Development, Mumbai, 2018, Certified Independent Director from MCA-Indian Institute of Corporate Affairs, 2020.

She has been awarded and honored by 'Impact's '50 Most Influential Women' in Marketing, Media and Advertising, 2015' and 'Exemplary Women Leadership Achievement Award from World Women leadership Congress, 2016.'

She doesn't hold directorship in any other companies.

She holds membership/chairpersonship of Committees of the Company as under:

<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Chairperson/ Member</b>
Future Lifestyle Fashions Limited	Audit Committee	Chairperson
	Risk Management Committee	Member

Ms. Sunder, was first appointed as an Additional (Independent) Director of the Company with effect from June 22, 2021. She had attended two Board meetings of the Company which were held since her appointment.

**Notice (contd.)**

Ms. Sunder would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, she would be entitled to commission as may be determined for each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

She does not hold any Shares in the Company and she is not related to any other Directors and Key Managerial Personnel of the Company.

The Board considered that her expertise and enrich experience would be immense beneficial to the Company and therefore recommended the appointment of Ms. Sharada Sunder as an Independent Director on the Board of the Company.

Your Directors recommend Resolution at Item No. 6 as an Ordinary Resolution for approval of the Members.

Save and except Ms. Sharada Sunder (being an appointee) and her relatives to the extent of their shareholding interest, if any in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item 6 of this Notice.

By order of the Board of Directors  
For **Future Lifestyle Fashions Limited**

Place : Mumbai  
Date : September 02, 2021

**Sanjay Kumar Mutha**  
Company Secretary

**Registered Office:**  
Future Lifestyle Fashions Limited  
CIN: L52100MH2012PLC231654  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060



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## Disclaimer

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements

are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Mr. Shailesh Haribhakti**

Chairperson and Independent Director

### **Mr. Kishore Biyani**

Vice Chairperson

### **Mr. Vishnuprasad M**

Managing Director

### **Dr. Darlie Koshy**

Independent Director

### **Ms. Sharada Sunder**

Independent Director

### **Mr. Chintamani Bhagat**

Nominee Director

### **Mr. Himanshu Dodeja**

Nominee Director

### **Mr. Rahul Garg**

Non-Executive Director

### **Mr. C. P. Toshniwal**

Non-Executive Director

### **Mr. Saurabh Mehta**

Alternate Director

## CHIEF FINANCIAL OFFICER

### **Mr. Dharmesh Jain**

## COMPANY SECRETARY

### **Mr. Sanjay Kumar Mutha**

## STATUTORY AUDITOR

### **NGS & Co. LLP**

## INTERNAL AUDITORS

### **Ernst & Young LLP**

### **S Tandon & Associates**

## BANKERS

### **Axis Bank**

### **Bank of Baroda**

### **Bank of India**

### **Canara Bank**

### **HDFC Bank**

### **HSBC Bank**

### **IDBI Bank**

### **IDFC First Bank**

### **IndusInd Bank**

### **Jammu & Kashmir Bank**

### **State Bank of India**

## SHARE TRANSFER AGENTS

### **Link Intime India Private Limited**

C-101, 247 Park, L B S Marg,  
Vikhroli (West), Mumbai - 400083

Tel: +91 22 4918 6270

Fax: +91 22 4918 6060

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## DEBENTURE TRUSTEE

### **Centbank Financial Services Limited**

Central Bank of India - MMO Building,  
3rd Floor (East Wing), 55 MG Road,  
Fort, Mumbai, 400 001

Tel: (022) 2261 6217

Fax: (022) 2261 6208

Website: [www.cfsl.in](http://www.cfsl.in)

## REGISTERED OFFICE AND CORPORATE OFFICE

### **Future Lifestyle Fashions Limited**

CIN: L52100MH2012PLC231654

Knowledge House, Shyam Nagar,  
Off Jogeshwari-Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400060

Tel: +91 22 4055 2200

Fax: +91 22 4055 2201

Website: [www.futurelifestyle.in](http://www.futurelifestyle.in)

# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY

According to the International Monetary Fund (IMF), global economy contracted by 4.4% in CY 2020 vis-à-vis growth of 2.8% in CY 2019. The World economy witnessed one of the worst Recession since the Great Depression in 1930. Many economies gradually reopened from the Great Lockdown in phased manner during May and June 2020, which started showing signs of economic pickup. But with the pandemic spreading and accelerating in places again, countries slowed reopening, and reinstated partial lockdowns.

The global economy is expected to rebound in 2021 by 6%, moderating to 4.4% in 2022. The growth is expected to pick up from the second quarter of 2021 with increased roll out of vaccine distribution and thereby lifting of restrictions on economic activities in the US, Europe, and the Emerging markets. Continued fiscal and monetary policy support in many economies will provide additional tailwinds.

## INDIAN ECONOMY

COVID-19 has adversely impacted India's economic growth in the first two quarters of FY 2021. India went into a complete nation-wide lockdown since mid-March, 2020 and then economy unlocked in phases from June 2020 onwards. Mobility restrictions and social distancing led to unparalleled supply-chain disruptions and consumer demand fallout. However, after a decline of 24.4% in Q1 FY 2021 over Q1 FY 2020, the economy contracted by 7.3% in Q2, indicating revival of operations. In Q3 FY 2021 and Q4 FY 2021, economy expanded by 0.4% and 1.6% respectively. Overall, the economy contracted by 7.3% in FY 2021 vis-à-vis 4.2% growth in FY 2020.

In order to protect the vulnerable sections of the society, the Central Government announced three relief packages, cumulatively worth ₹ 24.35 lakh crore, between March and November 2020. The objectives ranged from ensuring food security for millions to making India 'Atma Nirbhar' to face the challenges of COVID times.

First one was announced on March 26, 2020 amounting to ₹ 1.7 lakh crore relief package under Pradhan Mantri Garib Kalyan Yojana. The package was meant to help the poor fight COVID-19 by providing them with essential supplies and financial security. On May 15, 2020, the Prime Minister of India declared a COVID relief package of ₹ 20 lakh crore under 'Atma Nirbhar Bharat'. On November 14, 2020, ₹ 2.65 lakh crore comprehensive stimulus package was announced with emphasis on employment generation.

During the initial lockdown, Government also announced various economic policy measures to inject liquidity into the system (March 27, 2020 to April 17, 2020). Policy repo rate was reduced by 75 basis points (from 5.15% to 4.40%). Liquidity coverage ratio for banks reduced from 100% to 80% likely to release liquidity. CRR of all banks was reduced by 100 basis points to 3% beginning March 28, 2020 for 1 year.

In order to make India a self-sufficient economy, Government announced various measures under relief package. Production Linked Incentive (PLI) scheme worth up to ₹ 1.46 lakh crore for 10 key sectors was announced in a bid to boost India's manufacturing capabilities and enhancing exports. Incentives were offered for the sectors such as white goods manufacturing, pharmaceutical, specialized steel, automobiles, telecom, textile, food products, solar photovoltaic and cell battery. R&D grant of ₹ 900 crore was provided to the biotechnology sector for the development of Covid-19 vaccine.

## Outlook

India's long-term fundamentals continue to be robust with predominantly young aspirational population, huge untapped potential in the sub-urban and rural economy, reform-focused governance and ease of doing business across all sectors of the economy. The government's continued focus on infrastructure creation and enhancing indigenous expertise are other big positives. Notwithstanding headwinds, the country continues to be a preferred destination for foreign capital.

The key challenges that the country is facing right now to revive the economy and return back to normalcy are to flatten the COVID-19 curve by ramping up vaccination roll-out, restore employment as soon as possible, revive consumer demand and confidence, rebuild supply chains, In FY 2021-22, the economy is expected to bounce back from second half of the year and grow by 8.3% as per latest projections by World Bank.

## INDIAN RETAIL AND FASHION INDUSTRY

Indian retail sector contracted from USD 686 Bn in FY 2020 to USD 664 Bn in FY 2021, thereby registering a 3% decline. The retail sector witnessed de-growth for the first time ever in decades.

India's fashion market is one of the worst hit sectors from Covid pandemic. The sector de-grew by 27%, contracting from USD 60 Bn in FY 20 to USD 43 Bn in FY 21. India's fashion market is the sixth largest of its kind in the world and one of the key sectors for Indian

## Management Discussion and Analysis (contd.)

market. The country's textiles and apparels industry contribute nearly 4% to the global pie. It employs over 45 million people and contributes 15% to India's total export bill.

In the wake of the pandemic, a large-scale cut in discretionary spending, reduced income levels and restricted people movement caused demand to dip significantly. Since fashion is a discretionary spend for consumers, the industry has taken a large-scale fallout, with significant headwinds left to navigate. This has resulted in revenue loss and cash flow issues for both organised and unorganised players in the sector.

### Emerging Trends in Fashion Retailing

The fashion industry went through several changes in terms of structural, strategic or operational changes to adapt to the new working environment and survive and thrive in the new normal. Here are a few focus areas:

#### Social distancing within retail spaces

To ensure the safety of both customers and employees, social-distancing norms were observed and adhered to. There was stringent surveillance of people count inside a closed space to provide customers a safer and comfortable shopping experience. This also led to the rise of Shopping by appointment across retailers.

#### Sanitation and disinfecting of clothes

Fashion retailing invariably requires 'touch, feel and fit' to enable customers to make the right choice of purchase. However, in the wake of pandemic, fashion retailers adopted right processes and technology to ensure that products on display are well-sanitised and do not pose the risk of an infection. The same was communicated to consumers to provide assurance and gain their confidence.

#### New-age payments and queue management

'Contactless' is emerging as a key theme in the new normal. This extends to the way people shop and pay as well, using new-age payment systems such as e-wallets, tap and pay, and Unified Payments Interface (UPI), among others. Further, social distancing also extends to billing counters, where queues need to be managed better, with the customers maintaining adequate distance between one another.

#### Employee safety and training

To alter customer behaviour and adapt their shopping journey to the new norm, employees at the retailer

end were adequately trained. The right practices were emphasised, mock sessions were conducted and the employees were empowered to correctly guide the shoppers. Since they spend over eight hours (on an average), SOPs on employee safety were established and their implementation was closely monitored.

#### Product level changes

Since most of the people stayed indoors during pandemic, the clothing needs also changed. There was more demand for comfort and casual wear as against formals. Retailers adapted their product mix accordingly to meet the evolved needs of consumers.

#### E-commerce push

Since consumers were wary of stepping out and shop in malls/markets, e-commerce got significant traction during this pandemic. Most of the brands and offline retailers also launched / strengthened their e-commerce availability to drive sales during this period.

#### Direct-to-Consumer or D2C brands

D2C brands have grown exponentially in every category and every market in the past two years. These are new brands for a new generation of customers and developed with a Digital-First approach. The brand, product, packaging, sourcing, and fulfillment are all designed keeping in mind the customer will buy these brands only on digital platforms. In India, D2C brands are now expected to garner over USD 100 billion in sales in India by 2025. Globally, D2C brands have attracted over USD 31 billion in funding.

#### Outlook

The fashion and apparel industry witnessed signs of recovery since Q3, FY 21 during the festive period. The sector continued to improve since festive period until it got hit by second covid wave in March. The sector is expected to rebound from second half of the year, as India's consumption patterns are expected to revive. The priorities of industry players will be that stores remain operational, manage cash flows tightly, leverage digital platforms and ensure customer and employee safety by following all protocols and ensure faster vaccination for all their employees.

### COMPANY OVERVIEW

Future Lifestyle Fashions Limited (FLFL) is a leading integrated fashion business, home to distinguished fashion labels and well-established retail destinations. FLFL, the flagship fashion company of Future Group

## Management Discussion and Analysis (contd.)

strives to bring contemporary and branded fashion to the discerning and aspiring citizens of India.

FLFL is led by veterans in the fashion and retail spaces, and manages ~30 power brands in addition to many other brands and operates 332 retail stores (across Central, Brand Factory and Exclusive Brand Outlets) spread over 7.6 Million sq ft. It straddles both the premium end and the affordable branded end of the fashion ecosystem. FLFL's integrated business model of retailing own brands as well as third-party brands have become its key differentiator over the years.

### Business Performance

FY 2021 was challenging year for the business. Revenues declined sharply due to lockdowns and closures. FLFL's focus was to conserve cash, rationalize its cost base aggressively and limit store openings. FLFL managed to reduce its cost base by ₹ 678 cr in FY 2021.

FLFL rationalized its existing store network with limited new store openings. FLFL opened only one new Central store (Siliguri) and one Brand Factory store (Gandhidham) in Q4 FY 2021.

### Key Events and campaigns

#### 1. Central

**3 Days Free Shopping:** Under this programme, customers could shop for ₹ 6,000 and get a discount of ₹3,000 on the purchase. Further, ₹3,000 worth of cashback was also offered, effectively providing customers an amazing 'free shopping' experience. Central tied up with SBI for this campaign.

**Truly Madly Happily with Central:** The campaign was focused around spreading love and happiness with over 300 brands. Celebration with brands by hosting live sessions around Valentines Day looks, ideal gifting for Valentines etc. Live sessions were hosted on @Centralandme Instagram handle. Live sessions were also broadcasted live inside stores for customers near beauty category.

**Women Wear it Better:** Women's Day campaign to celebrate the day and use it as an opportunity to connect with women stakeholders and establish a strong connect. Launch of Central's first interactive Insta Web-Series. Launched Levis –Deepika Padukone collection across all Central assets. The campaign was rated as one of the Best Women's Day Campaign By Mad Over Marketing.

#### 2. Brand Factory

**Biggest Fashion Unlock Sale:** With Unlock 5.0 & peak festive season, the market was slowly sensing the festive sentiments & people were stepping out to shop (for themselves & gifting purpose). Brand Factory launched this campaign to generate excitement and traction into the stores. Shop for ₹ 3500 & Pay only ₹ 1499, Buy 2 Get 3 Free.

**Be the First Registered Member:** Brand Factory launched members only offer, to entice consumers to register and become a member. Get ₹ 250 off on min shopping of ₹ 999. Offer not valid on accessories and red zone. Members only offer.

#### 3. Exclusive Brand Outlets (EBOs)

- **Lee Cooper:** Roadshow of Autumn Wear was conducted digitally, which was appreciated by trade partners. New imagery for Spring Summer Wear was launched and executed across formats. Lee Cooper was also frequently covered on social media. The brand's engagement-led campaign helped it connect better with the young target audience.

- **aLL:** aLL executed a discount drive as part of its end of season sale for online and offline platforms for new collections, aLL has explored new imagery and novel ways of showcasing the merchandise, with more focus on the brand and the styles.

Further, the #SIZEHAPPY campaign, complemented with a body positivity video, was very well received.

### RISKS AND OPPORTUNITIES

During the year under review, external environmental factors like Interest rates, Inflation, Quick changes in fashion, Growth in economic activity, Job creation, Emerging compliances, Consumer sentiments and consumption including Demand Forecasting, Changing government policies, Information/cyber security including Data Governance/Security, Environment and Sustainability (Depleting/extinct categories, alternate categories, alternate energy, alternate processes, alternate materials, distribution channels, alternate packaging, etc.) and Competition have been identified as key threats as well as opportunities for the Company.



## Management Discussion and Analysis (contd.)

Emerging Compliances in the area of Data Privacy/Protection, Cyber world, Digital Transformations, Consumer Protection, will further enable Consumer Protection and help us winning their confidence.

### RISK MITIGATION

The Covid pandemic has impacted the way fashion business works. The Company has amid Covid-19 pandemic, reviewed the major risks including risks on account of business continuity, supply chain management, third party risks, legal compliance and other risks which may affect or has affected its operations, employees, customers, vendors and all other stakeholders from both the external and the internal environment perspective. Basis this review, appropriate actions have been initiated to mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor such risks on a regular basis. On the consumer side, we believe, many consumer habits may have permanently changed due to Covid and the prolonged lockdowns. Many emerging trends that may have taken years to become mainstream, has accelerated at a steady pace and disrupted existing rules or strategies in business.

The Company has constituted a Risk Management Committee, which is tasked with the responsibility to frame, implement and monitor the risk management plan for the Company. It is responsible for reviewing the risk management plan and ensuring its effectiveness. The Company has adopted a Risk Management Policy to identify and evaluate business risks and opportunities for mitigation on a continual basis. The Risk Management framework seeks to create transparency, minimise adverse impact on business objectives and enhance the Company's competitive advantage. It defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Company is faced with risks of different types, each of which need varying approaches for mitigation. It has identified each of the risks and implemented measures to mitigate such risks with the help of competent senior management and outside specialist consultants. The mitigation measures include:

- Accelerated digital and omni-channel outreach through initiatives such as 'Shop at your Door', recently launched mycentral.in for Central and strengthened its BrandFactoryOnline.in and aLLOnlineStore.in

- Operating Stores at heightened intensity on safety and hygiene for employees, customers and the community it serves
- Ongoing focus on technology risk, assurance maturity and roll-out of a structured IT control methodology.
- Dedicated Information Security function supported by a 24-hour Security Operation Centre and mature Incident Management.
- Newer Brands developed based on new trends, new customers, and social changes.
- Improving supply chain technology, brand management (with partner brands), promotions and customer loyalty programs, and customer service
- Deploying dedicated teams to capture trends/moods/aspirations / new behaviours of customers
- Widening the customer base by way of geographical spread to ensure consumption even in the case of slowdown of economic environment or disruptive events
- Sustaining a multi-format approach to help the Company remain in business even with changes in policies, etc.

In addition to the above, the management's efforts in increasing per store efficiency and improving product margins will deliver better profitability for the Company and enable it to sustain it in adverse scenarios. The management team has set standards and policies for each of the identified risks. Technology is extensively used to minimise risk from execution. The risk register is reviewed periodically and appropriate risk mitigating measures are implemented for the new risks identified in the review.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairperson of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of

## Management Discussion and Analysis (contd.)

the Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal financial controls as laid down are adequate and were operating effectively during the year.

The Company has identified key external and internal risks associated with the operations as well as control process to mitigate such risks. Further, regular review of identification of risks and control process to mitigate such identified risks ensures new evolved risks are identified well within time and appropriate control process to counter such risks is established. The Company also makes appropriate use of its ERP system (SAP) and various applications to put checks and controls to strengthen the internal control framework for financial reporting, organisational structure, authorities and procedures, which are also reviewed and validated by the external experts.

All such internal controls and their adequacy, financial and risk management policies, significant audit findings, compliance with accounting and or other standards are regularly reviewed by the Audit Committee.

### HUMAN RESOURCES

The Company valued human capital as its most treasured capital and constantly invest in them to create a distinct advantage for their careers and for us as an organisation. The Company focus on creating a workplace that fosters thought leadership, innovation and a culture of involvement, participation and transparency and strive to provide employees opportunities to collaborate, learn and grow within the organisation. There were 6,663 permanent employees of the Company as on March 31, 2021.

### Support through the pandemic

The outbreak of COVID-19 pandemic and the subsequent lockdowns created a lot of disruption, panic and uncertainty. The pandemic has disrupted organizations and led everyone to think differently about their role in a new work environment while ensuring health, safety and well-being of the employees and their families. We have taken certain initiatives to help our employees and their families including organising COVID-19 vaccination for employees and providing them access to medical care facilities.

### Store-level training and skill development

The transition to the New Normal required both leaders and teams to develop new capabilities. The Company leveraged number of learning platforms and programmes available at virtual learning and development, webinars with industry experts, online sessions, online study courses and e-learning modules etc. to upskill its employees.

Store-level job analysis is conducted to ensure employees are well equipped in terms of functional, as well as skill-based competencies required for the job. Technical training forms the core interface for customer service excellence. The HR conducts various training modules at stores including in-store training, brand sensitisation and new store training. There are various customised online training modules designed for constant knowledge and skill upgradation of the employees.

### Digital human resource management

As an organisation, we also believe in driving our objectives using technology and data that help us take real-time decisions and make our execution extremely agile. To enable this, we moved to a forward-looking, agile and data-driven human resource management system called 'Future360'. A mobile-first system, it uses Artificial Intelligence (AI) and Machine Learning (ML) to cater to all human resource needs.

With Future360 implemented, HR functions have become much more streamlined, considering the high employee strength. For example, employees have moved from biometric to an app to record their attendance. A GPS-embedded system, it enables log-in and log-out when employees walk in and out of the offices, providing a seamless experience. Other activities such as leave applications and approvals, expense claims etc. are also fully digital now.

### Digital Learning Initiatives

We also encouraged employees to focus on self-development, by providing them with a gamut of learning opportunities. An entire catalogue of self-learning courses was made available to all our employees on our e-learning platform ALT Learning, including courses on post-COVID guidelines. We rolled out a Leadership Learning Series in which industry Subject Matter Experts (SMEs) were invited to speak to and enlighten our managers and leaders.

## Management Discussion and Analysis (contd.)

### FINANCIAL PERFORMANCE

#### KEY RATIOS\*

Particulars	FY 20-21	FY 19-20
Debtors Turnover (times)	5.53	16.59
Inventory Turnover (times)	1.17	2.52
Interest Coverage Ratio (times)	(1.89)	3.20
Current Ratio (times)	0.92	0.80
Debt-Equity Ratio (times)	1.05	0.80
Gross Margin (%)	27.50%	33.90%
Net Margin (%)	(40.00%)	(0.60%)
Return on Net Worth (%)	(133.00%)	(4.70%)

\*Ratios are computed as per GAAP financials.

#### Details of significant changes in the key financial ratios:

1. Interest coverage ratio: It has been adversely affected due to decline in profitability on account of COVID-19.
2. Current ratio: Ratio has been adversely affected on account of impact of Ind AS 116 implementation, due to which current liability has increased.
3. Debt\*\*-Equity ratio and Return on Net Worth: Ratios have been adversely impacted due to decline in profitability on account of COVID-19 and increase in borrowings.
4. Gross Margin and Net Profit Margin: It has been adversely affected due to decline in profitability on account of COVID-19.

\*\* Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116)

# BOARD'S REPORT

## Dear Members,

Your Directors present the Ninth Annual Report of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2021.

## FINANCIAL PERFORMANCE

The financial performance of the Company is as follows:

(All amounts in INR crore, unless otherwise stated)

Particulars	Consolidated		Standalone	
	Financial Year 2020-21	Financial Year 2019-20	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operations	2,276.72	6297.30	2,160.51	5985.78
Other Income	50.36	64.27	49.99	64.62
Total Revenue	2,327.08	6361.57	2,210.50	6050.40
Profit before Depreciation and Amortisation expense, Finance Costs and Tax expense	29.75	971.54	49.75	917.97
Less: Depreciation and Amortisation expense	598.41	701.53	581.88	682.17
Less: Finance Costs	349.68	305.54	338.62	301.33
Profit/(Loss) before Tax	(918.34)	(35.53)	(870.75)	(65.53)
Less: Tax expense	(7.01)	17.80	0.82	7.88
Share of Profit/(Loss) in Associates and Joint Ventures (Net)	(22.02)	0.29	-	-
Profit/(Loss) after Tax	(933.35)	(53.04)	(871.57)	(73.41)
Non-controlling interests	0.00	0.00	-	-
Other Comprehensive Income	(0.44)	8.95	(0.64)	9.04
Total Comprehensive Income	(933.79)	(44.09)	(872.21)	(64.37)
Earnings Per Equity Share of Face Value of ₹ 2/- each				
- Basic (in ₹)	(46.28)	(2.22)	(43.23)	(3.25)
- Diluted (in ₹)	(46.28)	(2.22)	(43.23)	(3.24)

## OPERATIONAL PERFORMANCE

India's fashion market is one of the worst hit sectors amid Covid-19 pandemic, owing to complete lockdown for long period resulting in disruption in entire eco-system. The Consumption patterns changed during this period shaping up New behaviours and New routines, which necessitates that Retailers adapt their strategy for the New Normal. In the wake of pandemic, a large-scale cut in discretionary spending, reduced income levels and restricted people movement caused demand to dip significantly.

During the year under review, the Company's operations was significantly affected by temporary shut down of the Company's fashion retail stores ("Central", "Brand Factory", "aLL" and other exclusive brand stores) during lockdown for almost two quarters of the year under review. Your Company has recorded a decrease of 64% in Consolidated Revenue from operations at ₹2,276.72

crore as compared to ₹6,297.30 crore in the previous financial year and reported an increase of 1660% in the Consolidated (Loss) after Tax of ₹(933.35) crore for the year under review as compared to ₹(53.04) crore for the previous financial year.

During the year under review, your Company on standalone basis recorded an decrease of 64% in Revenue from operations at ₹ 2,160.51 crore as compared to ₹5,985.78 crore in the previous financial year and an increase of 1087% in (Loss) after Tax of ₹(871.57) crore for the year under review as compared to ₹(73.41) crore for the previous financial year.

Your Company continued to assess the downturn in demand which may continue for a prolonged period of time and affect liquidity profile of the Company. The Company adapted new ways of working, rightsizing its cost, conserve cash and re-calibrate its operations for

## Board's Report (contd.)

business continuity and sustainability post COVID-19 and extensively worked towards the re-opening of business and carrying out operation post COVID-19 lockdown as "New Normal" criteria. Various initiatives have been taken towards making the stores 'Consumer Ready' for the New Normal while assuring Health & Safety of the customer and stakeholders. Company experimented with New Sales channels such as store @ door / online push and assured availability of merchandise at the stores.

The Indian apparel market still promises to be one of the fastest growing apparel markets in the world. As the market evolves, it will see the emergence of new categories, which will rapidly gain prominence. The Company continues to identify emerging trends and offer a comprehensive portfolio of brands to its customers. The Company, with its multi format stores and omni-channel is well placed to leverage this opportunity.

During year under review, athleisure segment that combines sport and comfort has also seen rise in popularity. Technology has emerged as a key differentiator among participants in the industry, bringing customers closer to brands. The Company is building strong foundation to leverage all these trends.

The present status update, as given above, is based on the current analysis of the situation by the Management. However, the uncertainty created by this pandemic and consequent lockdown and disruption were unforeseen and beyond the control of the Company.

A detailed analysis of the Company's performance and outlook is included in the Management Discussion and Analysis Report, which forms part of this Annual Report.

### DIVIDEND AND RESERVES

The Board, considering the Company's dividend distribution policy and the uncertainties created by COVID-19 pandemic on the business operations of the Company and in view of the losses for the year under review, has not recommended any dividend for the financial year ended March 31, 2021.

Further, no amount was transferred to the General Reserve for the year under review.

### DIVIDEND DISTRIBUTION POLICY

As per regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"),

the Company has a Dividend Distribution Policy, which endeavours for fairness, consistency and sustainability while distributing profits to the Members of the Company. It is given as Annexure A, which forms part of this Report and has also been disclosed on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in)

### SIGNIFICANT EVENTS OCCURRED DURING THE CURRENT YEAR

#### Composite Scheme of Arrangement

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 which involves: (i) merger of Future Lifestyle Fashions Limited ("the Company" or Transferor Company 2"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from 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 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 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.

Pursuant to the Scheme, FEL will issue 116 (One Hundred and Sixteen) fully paid up equity shares of ₹ 2/- each to the equity shareholders of the Company as on the Record Date (as may be determined in terms of the Scheme) for every 10 (Ten) fully paid up equity share of ₹ 2/- each held in the Company. The said Scheme would be subject to requisite approvals of the National Company Law Tribunal, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India, Competition Commission of India and other statutory / regulatory authorities, including those from the shareholders and creditors of the Transferor Companies and Transferee Company and other applicable contractual approvals.

The combination contemplated under the Scheme has been approved by Competition Commission of India on November 20, 2020. Further, Stock Exchanges have issued observation letters without any adverse observation on January 20, 2021. Subsequently, the Scheme application has been filed with National Company Law

## Board's Report (contd.)

Tribunal Mumbai (NCLT) on January 26, 2021 for seeking directions from NCLT for convening the meeting of the Shareholders and Creditors of the Transferor Companies and Transferee Company. NCLT has heard this application and the intervention application filed by Amazon.com Investment Holdings LLC. (Amazon) and has reserved the order on the above applications.

### One Time Restructuring of Debt

The COVID-19 pandemic had deeply impacted the long-term business viability and led to significant financial stress on the business of the Company. The debt burden had become disproportionate relative to the cash flow generated by the Company owing to the multiple and prolonged lockdowns since pandemic surfaced, posing significant financial stability risks to the business.

In order to facilitate revival of business and mitigate the impact of COVID-19 related stress, the Reserve Bank of India ("RBI") had provided Resolution Framework for COVID-19 related stress vide its circular dated 06 August, 2020 to enable the lenders to implement a resolution plan in respect of corporate exposures without change in ownership, subject to specified conditions. The Company opted to avail the relaxations so proposed by the RBI by restructuring its financial debt so as to manage the cash flow and ensure the business continuity.

During the financial year, the lenders and the Company had agreed to restructure its financial debt and implemented One-time Resolution (OTR) Plan and executed Framework Agreement and other additional financing and security documents on April 30, 2021 in relation to the financial assistance restructured/availed by the Company. The said OTR plan inter-alia included extension of the residual tenor of term loan, conversion of fund base limits into working capital term loan, funded interest term loan, in line with the Resolution Framework issued by RBI.

### DEBENTURES

Due to uncertainty created by pandemic COVID-19 and consequent lockdown and disruption on the Retail Industry, revenue of the Company was adversely impacted. Consequently, the Company was unable to servicing of annual interest and repayment of principal (to the extent of exercise of put option by one Debenture holder) on the aforesaid NCDs, due and payable on November 09, 2020.

Subsequent to the year under review, the terms of 3,500 8.70% Non-Convertible Debentures of face value of ₹10.00 lakh each issued by the Company under Series

IV ("NCDs") were restructured, pursuant to the requisite consents obtained from NCDs holders and Debenture Trustee on April 27, 2021, in line with the One-time Resolution plan approved by other lenders of the Company. The revised terms of NCDs inter-alia provided extension of repayment of NCDs by 24 months i.e. upto November 09, 2024 and deferment of interest due since November 09, 2020 and falling due in November 09, 2021 to be paid in phased manner upto March 31, 2024. The Company has also obtained requisite approval from the Stock Exchange (BSE Limited), where the NCDs are listed, on June 21, 2021.

### ISSUE OF EQUITY SHARES

During the year under review, the Company has not issued any equity shares, sweat equity shares or bonus shares or equity shares with differential rights.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, ("the Act"), your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c. they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down Internal Financial Controls, which are adequate and are operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## Board's Report (contd.)

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following changes took place in the Board of Directors and Key Managerial Personnel of the Company.

#### Retirement by rotation

Mr. C P Toshniwal and Mr. Rakesh Biyani, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

#### Nominee Directors

During the year under review, Mr. Ravinder Singh Thakran has resigned as a Nominee Director from the Board of the Company with effect from May 26, 2020. Consequently, Mr. Chintamani Aniruddha Bhagat, an Alternate Director to Mr. Ravinder Singh Thakran has also ceased to be an Alternate Director with effect from May 26, 2020.

Mr. Chintamani Aniruddha Bhagat, pursuant to nomination letter received from Spectacular Investments Pte. Ltd., was appointed as Nominee Director (Additional Director) by the Board w.e.f. May 26, 2020 and the same was approved by the Members of the Company at their Annual General Meeting held on December 29, 2020.

The Board, based on the request received from Mr. Bhagat, appointed Ms. Ketki Bapat as an Alternate Director for Mr. Bhagat w.e.f. July 31, 2020.

Mr. Luv Parikh was appointed as Nominee Director (Additional Director) of the Company w.e.f. November 14, 2019, pursuant to the Nomination letter received from the Vistra ITCL (India) Ltd (Trustee). The same was approved by the Members of the Company at their Annual General Meeting held on December 29, 2020.

Subsequent to the year under review, the Company has further received a Nomination letter from the Trustee for appointment of Mr. Himanshu Dodeja as Nominee Director in place of Mr. Luv Parikh.

The Board, pursuant to the Nomination letter received from the Trustee and based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Himanshu Dodeja as a Nominee Director (Additional Director) on the Board of the Company with effect from close of the business hours on May 28, 2021, who shall hold office up to the date of the ensuing Annual General Meeting of the Company.

Consequently, Mr. Luv Parikh ceased to be a Nominee Director from the Board of the Company, with effect from the close of business hours on May 28, 2021.

### Non-Executive Director

Mr. Rahul Garg was appointed as an Additional Director of the Company with effect from July 31, 2020, the same was approved by the Members of the Company at their Annual General Meeting held on December 29, 2020.

Subsequent to the year under review, Ms. Avni Biyani has resigned from the position of Non-Executive Director of the Company with effect from June 28, 2021.

### Independent Directors

Ms. Sharda Agarwal was appointed as an Independent Director of the Company for the second term of five consecutive years with effect from March 27, 2020 to March 26, 2025 by the Members of the Company at their Annual General Meeting held on December 29, 2020.

Subsequent to the year under review, Ms. Sharda Agarwal has resigned from the position of the Independent Director of the Company with effect from May 29, 2021.

Subsequent to the year under review, Mr. Bijou Kurien, who was appointed as an Independent Director of the Company for a period of five years with effect from May 26, 2016, has ceased to be an Independent Director of the Company with effect from close of business hours on May 25, 2021, after completion of his first term as an Independent Director.

The Board recorded its appreciation on behalf of the Company for the valuable services rendered by Mr. Ravinder Singh Thakran, Mr. Bijou Kurien, Ms. Sharda Agarwal, Mr. Luv Parikh and Ms. Avni Biyani during their tenure as Directors of the Company.

Subsequent to the year under review, the Board based on the recommendations of the Nomination and Remuneration Committee, appointed Ms. Sharada Sunder as an Additional (Independent) Director of the Company for a term for five consecutive years with effect from June 22, 2021, subject to the approval of Members of the Company at the ensuing Annual General Meeting.

The Company has also received requisite declarations/disclosures from the Directors seeking appointment/reappointment. Additional information as required pursuant to regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meeting (SS-2), in respect of the Directors seeking appointment/

## Board's Report (contd.)

re-appointment at the forthcoming AGM, are given in the Notice convening the AGM.

### Key Managerial Personnel

The Board based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Vishnuprasad M as Managing Director (Additional Director) of the Company for a period effective from April 30, 2020 upto December 19, 2021, subject to the approval of the Members of the Company at the General Meeting of the Company. The Members of the Company at their Annual General Meeting held on December 29, 2020, have approved the appointment of Mr. Vishnuprasad M and payment of remuneration to him as Managing Director of the Company.

Mr. Kaleeswaran Arunachalam has resigned as Chief Financial Officer and Key Managerial Personnel of the Company with effect from the closure of the business hours on April 30, 2020.

Mr. Saurabh Bhudolia was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. May 1, 2020. Subsequently, he resigned from the office of Chief Financial Officer and Key Managerial Personnel of the Company with effect from the closure of the business hours on January 02, 2021.

Mr. Dharmesh Jain was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. February 11, 2021.

### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that each of them meet the criteria of independence as provided in section 149(6) of the Act along with Rules framed thereunder and regulation 16(1)(b) of the Listing Regulations. They have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the Management.

### BOARD EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual

evaluation of performance of its own, the Committees thereof and the Directors.

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the evaluation criteria and approved specific evaluation templates. These templates were circulated to each of the Director, as applicable, to provide feedbacks and onward submission to the Chairperson of the Board or Chairperson of separate meeting of Independent Directors.

The Directors were requested to provide their valuable feedbacks and suggestions on the overall functioning of the Board and its Committees and the areas of improvement for a higher degree of engagement with the management. Accordingly, Directors submitted their feedbacks on various parameters such as composition, meetings, dynamics, participations, oversight on functioning, risk management, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting, value addition, independence of judgement, decision making, management actions, etc.

The performance evaluation of individual Directors was reviewed on parameters such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

The Independent Directors at their separate meeting held on June 28, 2021 based on the feedbacks received from the Directors, reviewed the performance evaluation of Directors, the Board as a whole, the Chairperson of the Board after taking into account the views of executive directors and nonexecutive directors of the Company and also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

The Independent Directors expressed their satisfaction with the performance evaluation process and the overall functioning of the Board, its various Committees and with the performance of other Non-Independent Directors. Based on the outcome of the evaluation and considering the volatility of business environment due to COVID-19,



## Board's Report (contd.)

the Management has agreed on an action plan to further improve the timelines of flow of information to the Board.

The Board expressed its satisfaction with the overall evaluation results.

### POLICY ON DIRECTORS' REMUNERATION

The Company's remuneration policy for Directors, Key Managerial Personnel and other employees of the Company, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report and also available at the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

### NUMBER OF MEETINGS OF THE BOARD

During the year under review, seven Board meetings were held on April 30, 2020 July 31, 2020, August 29, 2020, September 07, 2020, November 09, 2020, February 11, 2021, and March 30, 2021.

### AUDIT COMMITTEE

During the year under review, the Committee was comprised of Ms. Sharda Agarwal – Chairperson, Mr. Shailesh Haribhakti, Dr. Darlie Koshy and Mr. Luv Parikh, as other Members of the Committee.

Subsequent to the year under review, Mr. Luv Parikh has ceased to be a Member of the Audit Committee w.e.f. May 28, 2021 and Ms. Sharda Agarwal has ceased to be the Chairperson and Member of the Committee w.e.f. May 29, 2021.

The Board has re-constituted the Committee and appointed Mr. Himanshu Dodeja as Member of the Committee w.e.f. May 28, 2021 and Ms. Sharada Sunder as the Chairperson and Member of the Committee w.e.f. June 22, 2021.

The present composition of the Audit Committee of the Company is four Directors, (out of whom three are Independent Directors) viz., Ms. Sharada Sunder, Chairperson of the Committee, Mr. Shailesh Haribhakti, Dr. Darlie Koshy and Mr. Himanshu Dodeja, Members of the Committee. All Members of the Committee possess accounting and financial management expertise. The Company Secretary of the Company is the Secretary of the Committee.

There were no instances where the Board had not accepted any of the recommendations of the Audit Committee.

## SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

### Subsidiary Companies

#### Future Trendz Limited (FTL)

FTL is holding company of Future Speciality Retail Limited. Presently, your Company holds 100.00% of the paid-up equity capital of FTL.

#### Future Speciality Retail Limited (FSRL)

FSRL is carrying on fashion retail business of the Brand 'Lee Cooper'. FSRL is continuously striving towards its vision of being in the top 3 Jeans wear brands in the country by leveraging the proposition of our vital spark – Denim and creating a repository of innovation and design every year. FSRL believes in taking the in-trend fashion to the masses and is dedicated to service its customers with unique products and services.

#### FLFL Athleisure Limited (FAL)

FAL is engaged in retail business including sportswear, athleisure wear, apparels, consumer products and general merchandise and accessories and providing related services, which is in line with the business of the Company. Presently, your Company holds 100.00% of the paid-up equity capital of FAL.

#### FLFL Travel Retail West Private Limited (FTRWPL)

FTRWPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Goa airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRWPL.

#### FLFL Travel Retail Lucknow Private Limited (FTRLPL)

FTRLPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Lucknow airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRLPL.

#### FLFL Travel Retail Guwahati Private Limited (FTRGPL)

FTRGPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Guwahati airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRGPL.

#### FLFL Travel Retail Bhubaneswar Private Limited (FTRBPL)

FTRBPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Bhubaneswar airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRBPL.

## Board's Report (contd.)

### Associate Companies

#### FLFL Lifestyle Brands Limited (FLBL)

FLBL is inter-alia, engaged in the business of making investment in fast growing fashion companies and fashion brands such as Turtle, Clarks, Cover Story, Ancestry, Mineral, Celio, Holii, Tresmode, Giovanni, Mother Earth, etc. FLBL believes in nurturing the brands value by making them recognisable and competitive in the fashion industry. Presently, your Company holds 49.02% of the paid-up equity capital of FLBL.

### Joint Ventures

#### Clarks Future Footwear Private Limited (Clarks)

Clarks, joint venture between the Company, C&J Clark International Limited and FLBL, is engaged in the business of single brand wholesale and retailing of footwear and accessories under the brand CLARKS which is world's largest casual and smart shoe brand. Presently, your Company holds 1.00% of the paid-up equity capital of Clarks and 49.00% of the paid-up equity capital of Clarks is held by FLBL, an associate company of the Company.

#### Celio Future Fashion Private Limited (Celio)

Celio deals in the retail trading and distribution of men's ready to wear garments under single brand "celio\*". Decoding trends to offer smart and contemporary menswear is the brand's forte. Presently, FLBL, an associate company of the Company holds 1.98% of the paid-up equity capital of Celio.

### CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2021, the Company has six direct subsidiaries, one step down subsidiary and one associate company.

FLFL Business Services Limited, subsidiary of the Company was under process of striking off. Koovs plc., an associate company of the Company was under administration. The necessary effect has already been accounted for in the books of accounts of the Company in the previous year.

The Consolidated Financial Statements of the Company and its subsidiaries, associate and joint venture companies, prepared in accordance with the Act and applicable Indian Accounting Standards (Ind AS) along with all relevant documents and the Auditors' Report thereon, which forms part of this Annual Report.

Pursuant to the provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries, associates and Joint Venture companies as on March 31, 2021 in the prescribed Form AOC-1 is attached to the Financial Statements of the Company, which forms part of this Annual Report.

In accordance with the provisions of section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated Financial Statements of the Company and the audited financial statements of each of the subsidiary companies have been placed on the website of the Company at [www.futurelifestyle.in](http://www.futurelifestyle.in). The audited financial statements in respect of each subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of forthcoming Annual General Meeting. The aforesaid documents relating to subsidiary companies would be made available to any Member interested in obtaining the same upon a request made to the Company.

### AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

Pursuant to the provisions of section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No.119850W) has been appointed as the Statutory Auditors of the Company to hold office for a term of five years from the conclusion of the Fifth Annual General Meeting of the Company held on August 29, 2017 until the conclusion of the Tenth Annual General Meeting of the Company to be held in the year 2022. The Company has received a certificate from the Statutory Auditors confirming that they are eligible to continue as Statutory Auditors of the Company under section 141 of the Act.

#### Auditors' Report

The Auditors' Reports on the Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2021 are issued with unmodified opinion.

#### Secretarial Auditor

M/s. Sanjay Dholakia & Associates, Practicing Company Secretary (Membership No. 2655 / Certificate of Practice No.1798) were appointed as Secretarial Auditor to conduct the secretarial audit of the Company for the

## Board's Report (contd.)

financial year 2020-21, as required under section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2020-21 is given as Annexure B, which forms part of this Report. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to section 204 of the Act and Regulation 24A of the Listing Regulations, Mr. Anant Gude, Practising Company Secretary has been appointed Secretarial Auditor of Future Speciality Retail Limited ("FSRL"), an unlisted material subsidiary of the Company to carry out the Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report of FSRL to be issued by Mr. Anant Gude, Practising Company Secretary would be annexed to the Annual Report.

### RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company.

A systematic risk culture has been evolved in the Organisation by following various standard operating processes and corporate policies for mapping, assessing and monitoring of various risks and their mitigation measures.

During the year under review, the fashion business in India and across the world was adversely impacted by the COVID-19 pandemic. The Company has amid Covid-19 pandemic, reviewed the major risks including risks on account of business continuity, supply chain management, third party risks, legal compliance and other risks which affected or may affect its operations, employees, customers, vendors and all other stakeholders from both the external and the internal environment perspective. Based on the risk identification, appropriate actions have been initiated to mitigate and/or monitor such risks on a regular basis.

Other Risks associated to the business of the Company including cyber risk and cyber security such as prevention measures taken on threats, Malware, Virus and web application threats, were being periodically reviewed by the Management at 'Samiksha' meetings

and updates on risk management were presented to the Risk Management Committee.

The Audit Committee and the Board periodically reviewed the risk assessment and minimisation procedures.

The Company has in place adequate internal financial controls with reference to Financial Statements. Key risks and threats to the Company and internal controls and their adequacy are analysed in the Management Discussion and Analysis, which forms part of this Report.

### SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable provision of Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India in terms of section 118(10) of the Act.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The composition of the Committee, brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure C of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the Corporate Social Responsibility ("CSR") Committee is provided in the Corporate Governance Report, which forms part of this Annual Report.

### CORPORATE GOVERNANCE

The Company's Corporate Governance Report for the year under review, forms part of this Annual Report. A certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of the Listing Regulations, is annexed to Corporate Governance Report and forms part of this Report.

### BUSINESS RESPONSIBILITY REPORT

Pursuant to regulation 34(2)(f) of the Listing Regulations, a Business Responsibility Report forms part of this Annual Report.

## Board's Report (contd.)

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required under regulation 34 read with Schedule V of the Listing Regulations, forms part of this Annual Report.

### EMPLOYEES STOCK OPTIONS

The Company has in force Future Lifestyle Fashions Limited Employee Stock Options Scheme – 2013 (FLFL ESOS-2013) and Future Lifestyle Fashions Limited Employee Stock Options Plan – 2015 (FLFL ESOP-2015).

During the year under review, the Nomination and Remuneration Committee has cancelled 2,42,250 vested Stock Options under the FLFL ESOP-2015.

The disclosures as required under the Act and SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to the FLFL ESOS-2013 and FLFL ESOP-2015 are given in Annexure D to this Report and also available on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in)

### PARTICULARS OF EMPLOYEES

The information pertaining to remuneration and other details as required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure E, which forms part of this Report.

In terms of the provisions of section 197(12) of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement of particulars of the employees as required under the said Rules is provided in a separate Annexure forming part of this Report. In accordance with the provisions of the second proviso to section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of forthcoming Annual General Meeting.

The aforesaid information would be made available to any Member interested in obtaining the same upon a request made to the Company.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always endeavoured to provide a safe, secured and harassment free workplace for every individual working in the Company and to create an environment that is free from any discrimination and sexual harassment.

The Company has in place a policy on prevention of sexual harassment at workplace which lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has an Internal Complaints Committee (ICC), in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at the Company's offices and stores.

During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company and also available on the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

### ANNUAL RETURN

In accordance with section 134(3)(a) and section 92(3) of the Act, the annual return as on March 31, 2021, in prescribed format is available on the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees, investments and security, as required under the provisions of section 186 of the Act and as required under regulation 34(3) of the Listing Regulations, are provided in the note no. 37 in Notes forming part of the Standalone Financial Statements, which forms part of this Annual Report.

## Board's Report (contd.)

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties as required under section 134(3)(h) of the Act, in the prescribed Form AOC-2 is given in Annexure F, which forms part of this Report.

Disclosure of transactions with related parties as required under Listing Regulations and the applicable Accounting Standards is given in the note no. 33 in the Notes forming part of the Standalone Financial Statements, which forms part of this Annual Report.

### PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in Annexure G, which forms part of this Report.

### DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2021.

### INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to section 124 of the Act, dividends that are unclaimed for a period of seven years are required to be transferred to the IEPF, established by the Government of India.

During the year under review, the Company has transferred an amount of ₹ 1,55,945 pertaining to unpaid / unclaimed sale proceeds of fractional shares arising out of issuance of shares under the Composite Scheme of Arrangement, to IEPF, in accordance with the provisions of the IEPF Rules.

The details of unpaid / unclaimed dividends lying with the Company are as under:

Particulars	Date of declaration	Last date for claiming due amount
Dividend 2013-14	August 08, 2014	September 13, 2021
Dividend 2014-15	August 26, 2015	October 01, 2022
Dividend 2015-16	August 29, 2016	October 04, 2023
Dividend 2016-17	August 29, 2017	October 04, 2024
Dividend 2017-18	August 29, 2018	October 04, 2025
Dividend 2018-19	July 30, 2019	September 04, 2026

### CREDIT RATINGS

Your Company has obtained ratings from CRISIL Limited (CRISIL) and CARE Ratings Limited (formerly known as Credit Analysis & Research Limited) (CARE) for the Company's long-term credit facility, short term credit facility, and Non- Convertible Debentures. For more details, please refer to the Corporate Governance Report, which forms part of this Annual Report.

### DISCLOSURE REQUIREMENTS

- Details of familiarisation programs imparted to Independent Directors are available on the website of the Company at the link: [https://futurelifestyle.in/corporate\\_governance.aspx](https://futurelifestyle.in/corporate_governance.aspx)
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link: [https://futurelifestyle.in/statutory\\_documents.aspx](https://futurelifestyle.in/statutory_documents.aspx)
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link: [https://futurelifestyle.in/statutory\\_documents.aspx](https://futurelifestyle.in/statutory_documents.aspx)
- Policy for archival of documents of the Company is available on the website of the Company at the link: [https://futurelifestyle.in/statutory\\_documents.aspx](https://futurelifestyle.in/statutory_documents.aspx)
- The code of conduct for Directors and senior management of the Company is available on the website of the Company at the link: [https://futurelifestyle.in/corporate\\_governance.aspx](https://futurelifestyle.in/corporate_governance.aspx)
- Policy on dealing with related party transactions is available on the website of the Company at the link: [https://futurelifestyle.in/corporate\\_governance.aspx](https://futurelifestyle.in/corporate_governance.aspx)
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are not

## Board's Report (contd.)

- applicable for the business activities carried out by the Company.
- Except as disclosed elsewhere in this Report, there are no material changes affecting the financial position of the Company, subsequent to the end of the financial year 2020-21 till the date of this Report.
- During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.
- The Managing Director of the Company did not receive any remuneration or commission from any of the subsidiary of the Company.
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014.

- There has been no change in the nature of business of the Company.

### **SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.

### **ACKNOWLEDGEMENT**

The Board thanks our customers, bankers, investors, shareholders, vendors and other stakeholders for their continued support and patronage, extended to the Company and places on records its sincere appreciation of the wholehearted contribution made by our employees, for business continuity and sustainability amid Covid-19 pandemic.

For and on behalf of the Board of Directors

Mumbai  
June 28, 2021

**Shailesh Haribhakti**  
Chairperson

## Board's Report (contd.)

# ANNEXURE A

## DIVIDEND DISTRIBUTION POLICY

### a) Company's Philosophy :

Future Lifestyle Fashions Limited (FLFL or the 'Company'), strives to ensure and preserve stakeholders' value and work towards enhancing net worth of the Company as well as overall stakeholders' value. While achieving the above objective, the Company also ensures protecting the interest of all stakeholders, including the society at large.

FLFL looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. Good Corporate Governance practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximise long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our dividend philosophy is in line with the above principles.

Our dividend payout ratio would be ranging from 25% to 60% of the earned profits for the year, after adjusting any carried forward losses. Dividend payout ratio would be reviewed every three year and would be based upon profitability and retained earnings and would be further subject to business requirements and general economic conditions. The Company will attempt to maintain a consistent dividend record to reward shareholders.

### b) Declaration of Dividend:

In line with the philosophy described above, the Board reviews the operating performance every quarter and shall strive to distribute optimum and appropriate level of profits in the form of interim / final dividends, from time to time. All dividends are subject to statutory regulations

and approvals, as applicable. Overall, the dividend payout in each year will depend upon business performance, investment requirements of the annual operating plan for the year and any other strategic priorities identified by the Company.

### c) Per share basis:

The dividend will be declared on per share basis only.

### d) Circumstances under which the shareholders of the listed entities may not expect dividend:

The Board may choose not to recommend a dividend, if there are important strategic priorities which require large investments that would deplete

the Company's cash reserves or uncertainties in the business performance in the near to medium term.

### e) Financial parameters considered while declaring dividend:

The financial parameters that may be considered before declaring dividend are profitability, cash flow, obligations, taxation policy, past dividend rates and future growth and profitability outlook of the Company.

### f) Internal and external factors considered while declaring dividend:

The Board leads the strategic management of the Company on behalf of the Shareholders, exercise supervision through direction and control and appoints various committees to handle specific areas of responsibilities. In this endeavour, the Board reviews various types of information provided to it which has a bearing on declaring dividend. Key internal and external factors are listed below (not exhaustive):

#### Internal:

- Annual operating plans, budget, updates
- Capital budgets
- Quarterly and Annual results
- Investments including Merger and Acquisitions (M&A)
- Strategic updates / financial decisions
- Any other matter / risks
- Funding arrangements

#### External:

- Macro – economic environment
- Competition
- Legislations impacting business
- Statutory restriction
- Changes in accounting policies and applicable standards
- Any other matter /risks appended by the Board
- Client related risks

### g) Usage of retained earnings:

Retained earnings would be used to further the Company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via dividends or other means as permitted by applicable regulations.

### h) Parameters that are adopted with regard to various classes of shares:

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors.

**Board's Report (contd.)**

# ANNEXURE B

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**FUTURE LIFESTYLE FASHIONS LIMITED**  
CIN L52100MH2012PLC231654  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Lifestyle Fashions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period); and
  - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting



## Board's Report (contd.)

of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors/Committees of Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for such meetings other than those meetings which were held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

### ANNEXURE I TO SECRETARIAL AUDIT REPORT

To,  
The Members  
Future Lifestyle Fashions Limited  
Mumbai

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further, we have to state that we have not carried out the physical inspection of any records maintained by the Company due to prevailing lockdown conditions owing to COVID-19 across the country. We have relied on the records as made available by the Company by digital mode and also on the management Representation Letter issued by the Company.

This Report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**

Practicing Company secretary

Proprietor

Membership No. 2655

C P No.: 1798

Place: Mumbai

Date: June 28, 2021

UDIN: F002655C000524539

- Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
- The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**

Practicing Company secretary

Proprietor

Membership No. 2655

C P No.: 1798

Place: Mumbai

Date: June 28, 2021

UDIN: F002655C000524539

## Board's Report (contd.)

# ANNEXURE C

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

### 1. Brief outline on CSR Policy of the Company:

The Company believes that its business is built around strong social relevance of inclusive growth and creation of large societal capital would be as important as wealth creation for our stakeholders. As a responsible organisation, the Company is committed towards the above objective and is keen on developing a sustainable business model to ensure and activate our future growth drivers. The Company has been contributing to the societal wealth creation as a realisation of our above belief.

The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act"), read with applicable rules thereto.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kishore Biyani	Chairperson	2	1
2	Dr. Darlie Koshy	Member	2	2
3	Mr. C. P. Toshniwal	Member	2	2
4	Ms. Sharda Agarwal*	Member	2	2

\*ceased to be member of the Committee w.e.f. May 29, 2021.

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- Web-link Composition of CSR committee: [https://futurelifestyle.in/committee\\_of\\_directors.html](https://futurelifestyle.in/committee_of_directors.html)
- Web-link CSR Policy: [https://futurelifestyle.in/Admin/pdf/FLFL\\_CSR\\_Policy.pdf](https://futurelifestyle.in/Admin/pdf/FLFL_CSR_Policy.pdf)
- Web-link CSR projects approved by the board: <https://futurelifestyle.in/investors.html>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A.

### 6. Average net profit of the Company as per section 135(5) : ₹ 158.83 crore

### 7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 3.18 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL

(c) Amount required to be set off for the financial year: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 3.18 crore

**Board's Report (contd.)****8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ in crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
4.48	NIL	NIL	NIL	NIL	NIL

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District			Name	CSR Registration number	
Not Applicable										

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (₹ in crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency		
				State	District	Name	CSR registration number		
1	Promoting employment and enhancing vocational skills	Item (ii) schedule VII to the Act	Yes	Pan India	Pan India	4.48	Yes	N.A.	N.A.
Total					4.48				

**(d) Amount spent in Administrative Overheads: NIL****(e) Amount spent on Impact Assessment, if applicable: NIL****(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 4.48 crore**

**Board's Report (contd.)**
**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 3.18
(ii)	Total amount spent for the Financial Year	₹ 4.48
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1.30
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 1.30

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

- Date of creation or acquisition of the capital asset(s): N.A.
- Amount of CSR spent for creation or acquisition of capital asset. : N.A.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : N.A.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : N.A.

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : N.A.**

Mumbai  
June 28, 2021

**Vishnuprasad M**  
Managing Director

**Kishore Biyani**  
Chairperson CSR Committee

## Board's Report (contd.)

**ANNEXURE D****DISCLOSURE WITH RESPECT TO FLFL EMPLOYEES STOCK OPTIONS SCHEME – 2013 (FLFL ESOS – 2013) AND FLFL EMPLOYEES STOCK OPTIONS PLAN – 2015 (FLFL ESOP – 2015) OF THE COMPANY AS AT MARCH 31, 2021**

Sl. No.	Particulars	FLFL ESOS - 2013	FLFL ESOP - 2015
A.	Disclosures in terms of the relevant Indian Accounting Standards, as prescribed from time to time	Refer note. no. 36 in Notes forming part of the Standalone Financial Statements.	
B.	Diluted Earnings Per Share (EPS) on issue of Shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard 33, as prescribed from time to time	Refer note. no. 31 in Notes forming part of the Standalone Financial Statements.	
C.	Description and general terms and conditions of ESOSs	<b>FLFL ESOS - 2013</b>	<b>FLFL ESOP - 2015</b>
I.	Date of Shareholders' approval	December 16, 2013	August 26, 2016
II.	Total number of Options approved	15,00,000 (Fifteen Lakh only)	35,00,000 (Thirty - Five Lakh only)
III.	Vesting requirements	Options granted under FLFL ESOS - 2013 would vest not less than 1 year and not more than 3 years from the Grant Date of such Options. The Options granted to employees pursuant to the Composite Scheme of Arrangement and Amalgamation, had been vested as per the original vesting period in the respective companies.	Options granted under FLFL ESOS - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Options.
IV.	Exercise price or pricing formula	Exercise price for Options granted under the Scheme was ₹10/- per Option.	Exercise price for Options granted under the Scheme was ₹10/- per Option for Grant – I & II and ₹189/- per Option for Grant –III.
V.	Maximum term of Options granted	Three years from the respective date of vesting of Options.	Three years from the respective date of vesting of Options.
VI.	Source of shares (primary, secondary or combination)	Primary	Primary and Secondary
VII.	Variation in terms of Options	None	None
VIII.	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method	Fair Value Method

**Board's Report (contd.)**

Sl. No.	Particulars	FLFL ESOS - 2013	FLFL ESOP - 2015
IX.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.	N.A.
X.	Option movement during the financial year ended on March 31, 2021		
	Number of Options outstanding at the beginning of the year	88,059	7,68,500
	Number of Options granted during the year	NIL	NIL
	Number of Options forfeited / lapsed / cancelled during the year	NIL	2,42,250
	Number of Options vested during the year	NIL	NIL
	Number of Options exercised during the year	NIL	NIL
	Number of shares arising as a result of exercise of Options	NIL	NIL
	Money realised by exercise of Options, if scheme is implemented directly by the Company	NIL	NIL
	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
	Number of Options outstanding (in force) at the end of the year	88,059	5,26,250
	Number of Options exercisable at the end of the year	29,353	5,26,250

## Board's Report (contd.)

### Details of the Company's Employees' Welfare Trust:

The following details inter-alia, in connection with transactions made by the Trust meant for the purpose of administering the FLFL ESOP - 2015 are as under:

<b>I. General Information of Trust</b>	
Name of the Trust	Future Lifestyle Fashions Limited Employees' Welfare Trust
Details of the Trustee(s)	Milestone Trusteeship Services Private Limited
Amount of loan disbursed by Company / any company in the group, during the year	NIL
Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 12.12 crore
Amount of loan, if any, taken from any other source for which company/ any company in the group has provided any security or guarantee.	NIL
Any other contribution made to the Trust during the year	NIL
<b>II. Brief details of transactions in Shares by the Trust</b>	
a. Number of shares held at the beginning of the year	3,63,864
b. Number of shares acquired during the year through:	
primary issuance	NIL
secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	NIL
c. Number of shares transferred to the employees / sold along with the purpose thereof	NIL
d. Number of shares held at the end of the year	3,63,864
<b>III. In case of secondary acquisition of Shares by the Trust</b>	
Held at the beginning of the year	3,63,864
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employees during the year	NIL
Held at the end of the year	3,63,864

## Board's Report (contd.)

# ANNEXURE E

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. The ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company and the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP), for the financial year 2020-21 are as under:

Name and Designation	Remuneration paid (₹ in crore)	Increase / (Decrease) in Remuneration (%)	Ratio of remuneration of each Director to MRE
<b>Managing Director:</b>			
Mr. Vishnuprasad M	2.09	-	99
<b>Key Managerial Personnel:</b>			
<b>Chief Financial Officer</b>			
Mr. Kaleeswaran Arunachalam	0.09	N.A.	N.A.
Mr. Saurabh Bhudolia	0.36	N.A.	N.A.
Mr. Dharmesh Jain	0.10	-	N.A.
<b>Company Secretary</b>			
Mr. Sanjay Kumar Mutha	0.29	-	N.A.

**Note:**

- No commission for the previous financial year 2019-20 was paid to the Independent / Non-Executive Directors and no commission would be payable for the financial year 2020-21.
  - Independent / Non-Executive Directors was paid sitting fees for attending meetings of the Board or Committee thereof (unless voluntarily waived by directors), during the year under review. The remuneration excludes sitting fees paid to the directors. Hence, no remuneration was paid to Independent / Non-Executive Directors, during the year under review.
  - Mr. Vishnuprasad M, Chief Executive Officer of the Company was elevated and appointed as Managing Director w.e.f. April 30, 2020.
  - Mr. Kaleeswaran Arunachalam resigned as Chief Financial Officer w.e.f. April 30, 2020.
  - Mr. Saurabh Bhudolia was appointed as Chief Financial Officer w.e.f. May 01, 2020 and resigned w.e.f. January 02, 2021.
  - Mr. Dharmesh Jain was appointed as Chief Financial Officer w.e.f. February 11, 2021.
- II. The increase in MRE in the financial year 2020-21, as compared to the financial year 2019-20 was (1.18) %;
- III. There were 6,663 permanent employees on the rolls of the Company as on March 31, 2021;
- IV. Average percentage increase in the salaries of employees other than the managerial personnel for the financial year 2020-21 was NIL. There was an increase of NIL in the remuneration to Managing Director for the same period; and
- V. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Mumbai  
June 28, 2021

**Shailesh Haribhakti**  
Chairperson



## Board's Report (contd.)

## ANNEXURE F

## FORM NO. AOC. 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act, including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis entered into during the year ended March 31, 2021 are as follows:

Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ₹ in core)	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
1. Future Consumer Limited; 2. Future Supply Chain Solutions Limited; 3. Future Market Network Limited; 4. Future Retail Limited; 5. Futurebazaar India Limited; 6. Acute Retail Infra Private Limited; 7. Basuti Sales & Trading Private Limited; 8. Brattle Foods Private Limited; 9. Chirag Operating Lease Company Private Limited; 10. Hare Krishna Operating Lease Private Limited; 11. Nice Texcot Trading & Agency Private Limited; 12. Nishta Mall Management Company Private Limited; 13. Ojas Tradelease Mall Management Private Limited; 14. Precision Realty Developers Private Limited; 15. Rivaaz Trade Ventures Private Limited; 16. Syntex Trading & Agency Private Limited; 17. Taquito Lease Operators Private Limited; 18. Unique Malls Private Limited; 19. Future Enterprises Limited (Group entities)	Composite Scheme of Arrangement u/s. 230-232 of the Companies Act, 2013	N.A.	An arrangement under a Composite Scheme of Arrangement, inter alia, provides for Amalgamation of the Company (alongwith other Transferor Companies) with Future Enterprises Limited	Date of Approval of the Board - August 29, 2020	NIL

For and on behalf of the Board of Directors

**Shailesh Haribhakti**  
Chairperson

Mumbai  
June 28, 2021

## Board's Report (contd.)

# ANNEXURE G

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo, pursuant to the provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is provided as under:

<b>(A) Conservation of Energy:</b>	
i. the steps taken or impact on conservation of energy	The operations of FLFL are not energy intensive; however adequate measures have been taken to reduce energy consumption, wherever possible through consumption of renewable energy, installation of temperature-controlled air conditioners, replacement of old lighting fixtures with LED lights, use of natural lights in offices/stores premises. Display of signages have also been created to promote awareness on conservation of energy.
ii. the steps taken by the Company for utilising alternate sources of energy	
iii. the capital investment on energy conservation equipment's	
<b>(B) Technology absorption:</b>	N.A.
i. the efforts made towards technology absorption	N.A.
ii. the benefits derived like product improvement, cost reduction, product development or import substitution	
iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of.	
iv. the expenditure incurred on Research and Development.	NIL

### (C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings and outgo during the year under review are as follows:

Particulars	(₹ in crore)	
	Financial Year 2020-21	Financial Year 2019-20
Foreign Exchange Earnings*	2.28	30.01
Foreign Exchange Outgo	23.36	94.30

\* Included ₹ 2.28 crore (FY 2019-20: ₹ 28.78 crore) being indirect foreign exchange earnings during the year through credit cards, as certified by the bankers.

For and on behalf of the Board of Directors

**Shailesh Haribhakti**  
Chairperson

Mumbai  
June 28, 2021

# Corporate Governance Report

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is based on the Future Group's vision, to help every Indian to realise their dreams and aspirations of living a better life, with pride in Indianness and inclusive development at the core. At Future Group, the Company believes that success requires the highest standards of corporate ethics towards everyone we work with, the communities we serve, and the environment we impact. The Company is committed to uphold its core values of Indianness, Leadership, Respect & Humility, Introspection, Openness & Adaptability, Valuing and Nurturing Relationships, Simplicity & Positivity and Flow.

The Company has laid down a Code of Conduct ("Code") for Directors and Senior Management Personnel of the Company. The Company has also adopted Code of Conduct for Independent Directors as prescribed under Schedule IV of Companies Act, 2013 ("the Act"). The Code aims to ensure consistent standards of conduct and ethical business practices across the Company.

The Company has complied with all the provisions as stipulated in regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), for the financial year ended March 31, 2021.

## BOARD OF DIRECTORS

The composition of the Board of Directors of the Company ("the Board") is in conformity with the requirement of regulation 17 of the Listing Regulations read with section 149 of the Act. As on March 31, 2021, the Board of Directors of the Company comprises of twelve Directors including one alternate director.

The Board consists of a balanced combination of Executive Directors, Independent Directors, Nominee Directors, Non- Executive Directors and Independent Woman Directors. The Chairperson of the Board is Non-Executive Independent Director and the number of Independent Directors are one third of the total number of Directors. The number of Non- Executive Directors (NEDs) are more than one-half of the total number of Directors.

None of the Directors on the Board are serving as an Independent Director in more than seven / three listed entities, as specified in regulation 17A of the Listing Regulations.

None of the Director on the Board is a Member of more than ten Committees or Chairperson of more than five Committees, as specified in regulation 26 of Listing Regulations, across all the public companies in which he/she is a Director. Further, the maximum tenure of Independent Directors is in line with the provisions of sections 149(10) and 149(11) of the Act and Rules made thereunder.

The information on composition of the Board, Category and their Directorships and Committees' Membership / Chairpersonship across all the companies in which they are Directors, as on March 31, 2021 is as under:

Name of Director	DIN	Category	No. of Directorships*		**No. of Memberships / Chairpersonships of Committees in public companies	
			Public	Private / Non profit	Memberships	Chairpersonships
Mr. Shailesh Haribhakti	00007347	Chairperson-Independent	10	9	10	3
Mr. Kishore Biyani	00005740	Vice-Chairperson (Non-Executive) (Promoter Group)	7	1	2	1
Mr. Vishnuprasad M	07189877	Managing Director	2	1	-	-
Dr. Darlie Koshy	00023527	Independent	1	-	2	1
Mr. Bijou Kurien	01802995	Independent	6	6	6	2
Ms. Sharda Agarwal	00022814	Independent	3	1	1	1
Mr. Luv Parikh	01538519	Nominee Director	1	2	1	-
Mr. Chintamani Aniruddha Bhagat <sup>§</sup>	07282200	Nominee Director	1	1	-	-

**Corporate Governance Report (contd.)**

Name of Director	DIN	Category	No. of Directorships*		**No. of Memberships / Chairpersonships of Committees in public companies	
			Public	Private / Non profit	Memberships	Chairpersonships
Mr. Rakesh Biyani	00005806	Non-Executive (Promoter Group)	5	5	3	-
Mr. C. P. Toshniwal	00036303	Non-Executive	7	3	2	1
Ms. Avni Biyani	02177900	Non-Executive (Promoter Group)	2	4	-	-
Mr. Rahul Garg <sup>@</sup>	06939695	Non-Executive	3	4	2	-
Ms. Ketki Bapat <sup>@@</sup>	06501326	Alternate Director	1	2	-	-

\* No. of directorships held by the Directors does not include directorships in foreign companies.

\*\* In accordance with regulation 26 of the Listing Regulations, Memberships / Chairpersonships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

\$ Mr. Chintamani Aniruddha Bhagat was appointed as Nominee Director with effect from May 26, 2020.

@ Mr. Rahul Garg was appointed as Non-executive Director with effect from July 31, 2020.

@@ Ms. Ketki Bapat was appointed as an Alternate Director to Mr. Chintamani Aniruddha Bhagat with effect from July 31, 2020.

The details of directorships held by Directors in other listed entities as on March 31, 2021 are as under:

Name of Director	Name of the other listed entities where he/ she is a director	Category of directorship
Mr. Shailesh Haribhakti	Torrent Pharmaceuticals Limited	Independent
	ACC Limited	Independent
	Ambuja Cements Limited	Independent
	Blue Star Limited	Independent
	Bajaj Electricals Limited	Independent
	L&T Finance Holdings Limited	Independent - Chairman
Mr. Kishore Biyani	Future Retail Limited	Executive - Chairman
	Future Enterprises Limited	Non-executive - Vice Chairman
	Future Consumer Limited	Non-executive
Mr. Rakesh Biyani	Future Retail Limited	Managing Director
	Future Supply Chain Solutions Limited	Non-executive - Chairman
Mr. C. P. Toshniwal	Future Supply Chain Solutions Limited	Non-executive
	Future Enterprises Limited	Non-executive
Mr. Bijou Kurien	Timex Group India Limited	Independent
	Mindtree Limited	Independent
	Brigade Enterprises Limited	Independent
Mr. Rahul Garg	Future Retail Limited	Non-executive
Ms. Avni Biyani	Praxis Home Retail Limited	Non-executive

## Corporate Governance Report (contd.)

The details of Shares held by the Directors in the Company as on March 31, 2021 are as follows:

Name of Director	Number of Shares held
Mr. Kishore Biyani	333
Mr. Rakesh Biyani	333
Ms. Avni Biyani	19,499
Ms. Ketki Bapat	600

Note:

1. Mr. C. P. Toshniwal holds 84,592 shares in the capacity of a Trustee of Chandra Prakash Toshniwal Family Trust.
2. Except Shares held by the Directors as above, and 1,46,000 vested employee stock options held by Mr. Vishnuprasad M, none of the directors holds shares/ convertible instruments in the Company.

The details of the familiarisation program of the Independent Directors are available on the website of the Company at the link [http://futurelifestyle.in/corporate\\_governance.aspx#parentHorizontalTab4](http://futurelifestyle.in/corporate_governance.aspx#parentHorizontalTab4)

In terms of regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation

which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors, based on the declarations received from the Independent Directors, have confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act along with rules framed thereunder and that they are independent of the management.

### BOARD MEETINGS

During the year under review, seven Board meetings were held on April 30, 2020, July 31, 2020, August 29, 2020, September 07, 2020, November 09, 2020, February 11, 2021, and March 30, 2021.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in the Listing Regulations. Eighth Annual General Meeting (AGM) of the Company was held on December 29, 2020.

The attendance of Directors at the above Board Meetings and AGM is as under:

Name of Director	No. of Board Meetings		AGM
	Held	Attended	
Mr. Shailesh Haribhakti	7	7	Yes
Mr. Kishore Biyani	7	6	Yes
Mr. Vishnuprasad M*	7	7	Yes
Dr. Darlie Koshy	7	7	Yes
Mr. Bijou Kurien	7	7	Yes
Ms. Sharda Agarwal	7	6	Yes
Mr. Rakesh Biyani	7	7	Yes
Mr. C. P. Toshniwal	7	7	Yes
Ms. Avni Biyani	7	7	Yes
Mr. Ravinder Singh Thakran**	1	-	N.A.
Mr. Luv Parikh	7	6	Yes
Mr. Chintamani Aniruddha Bhagat@	7	7	Yes
Mr. Rahul Garg\$	6	6	Yes
Ms. Ketki Bapat#	6	6	Yes

\* Appointed as Managing Director w.e.f. April 30, 2020.

\*\* Resigned with effect from May 26, 2020.

@ Appointed as Nominee Director with effect from May 26, 2020.

\$ Appointed as Non-executive Director with effect from July 31, 2020.

# Appointed as an Alternate Director to Mr. Chintamani Aniruddha Bhagat with effect from July 31, 2020.

## Corporate Governance Report (contd.)

### Matrix setting out Skills/ Expertise/ Competence as Identified by the Board

The Company's Board is diversified and well constituted and having qualified, experienced, competent and highly renowned persons from diverse fields. The Board evaluate its composition and effectiveness to identify not only the individual capabilities across the Board members, but also to review the qualitative aspects of effectiveness, the dynamics, relationship and overall success of the Board as a team.

The Board has identified the core skills/ expertise/ competence matrix which provides a guide as to the skills, knowledge, experience and other criteria appropriate in the context of its business(es) and sector(s), for the Board to function effectively. The table below summarises the key skills and area of expertise of each directors:

Name of Directors	Strategy	Financial	Technology	Leadership	Industry experience	Business Development	Risk & compliance oversight
Mr. Shailesh Haribhakti	✓	✓	-	✓	✓	-	✓
Mr. Kishore Biyani	✓	✓	✓	✓	✓	✓	✓
Mr. Vishnuprasad M	✓	-	✓	✓	✓	✓	-
Dr. Darlie Koshy	✓	✓	-	-	✓	✓	-
Mr. Bijou Kurien	✓	✓	-	-	✓	✓	-
Ms. Sharda Agarwal	✓	✓	-	✓	✓	✓	✓
Mr. Rakesh Biyani	✓	✓	✓	✓	✓	✓	✓
Mr. C. P. Toshniwal	✓	✓	✓	-	✓	✓	✓
Ms. Avni Biyani	✓	-	-	-	✓	✓	✓
Mr. Ravinder Singh Thakran	✓	✓	-	✓	✓	-	✓
Mr. Luv Parikh	✓	✓	-	✓	✓	-	✓
Mr. Chintamani Aniruddha Bhagat	✓	✓	-	-	✓	✓	✓
Mr. Rahul Garg	✓	✓	-	-	✓	✓	✓
Ms. Ketki Bapat	✓	✓	-	-	✓	-	✓

### BOARD EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, the Board carry out an annual assessment of its own performance, including with respect to their composition, diversity and how effectively their members work together, with the aim of helping to improve the effectiveness of both the Board and the Committees.

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the evaluation criteria and approved specific evaluation templates. These templates are circulated to each of the Director, as applicable, to provide feedbacks and onward submission to the Chairperson of the Board or Chairperson of separate meeting of Independent Directors.

The Directors provide their valuable feedbacks and suggestions on the overall functioning of the Board and its Committees and the areas of improvement for a higher degree of engagement with the management including various parameters such as composition, meetings, dynamics, participations, oversight on functioning, risk management, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at

the meeting, value addition, independence of judgment, decision making, management actions, etc.

The performance evaluation of individual Directors are reviewed on parameters such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

The Independent Directors at their separate meeting review the performance evaluation of Directors, the Board as a whole, the Chairperson of the Board after taking into account the views of executive directors and non-executive directors of the Company and also assess the quality, quantity and timelines of flow of information between the Company Management and the Board.

### AUDIT COMMITTEE

The Audit Committee of the Company comprises of four Directors, out of whom three are Independent Directors. Ms. Sharda Agarwal, Chairperson of the Committee is an Independent Director. All Members of the Committee possess accounting and financial management expertise.

## Corporate Governance Report (contd.)

The Chairperson of the Committee was present at the Eighth Annual General Meeting of the Company held on December 29, 2020.

The Company Secretary functions as Secretary to the Committee.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Ms. Sharda Agarwal	Chairperson	6	6
Mr. Shailesh Haribhakti	Member	6	6
Dr. Darlie Koshy	Member	6	6
Mr. Luv Parikh	Member	6	5

The Committee's composition meets with the requirements of section 177 of the Act and regulation 18 of the Listing Regulations.

### Terms of Reference

The Committee has been mandated to comply with the terms of reference as specified in Part C of Schedule II of the Listing Regulations, section 177 of the Act and other terms of reference, as may be assigned to the Committee from time to time by the Board. Brief terms of reference of the Committee are as under:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examine, review and recommend the financial results, financial statements and the auditors' report thereon;
- approval or any subsequent modification of transactions of the Company with related parties

During the year under review, six meetings of the Committee were held on July 31, 2020, August 29, 2020, September 07, 2020, November 09, 2020, February 11, 2021, and March 30, 2021. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

including granting of omnibus approval for related party transactions;

- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- review of compliances under Code for prevention of insider trading, Whistle blower policy, etc.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of five Non-Executive Directors, out of whom three are Independent Directors. Dr. Darlie Koshy, Chairperson of the Committee is an Independent Director.

During the year under review, three meetings of the Committee were held on April 30, 2020, July 31, 2020, and February 11, 2021.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy	Chairperson	3	3
Mr. Shailesh Haribhakti	Member	3	3
Mr. Rakesh Biyani	Member	3	2
Ms. Sharda Agarwal	Member	3	3
Mr. Luv Parikh	Member	3	3

The Committee's composition meets with the requirements of section 178(1) of the Act and regulation 19 of the Listing Regulations.

## Corporate Governance Report (contd.)

### Terms of Reference

The Committee has been mandated to comply with the terms of reference as specified in Part D of the Schedule II of the Listing Regulations, section 178 of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) regulation, 2014 and as may be assigned by the Board from time to time.

The role of the Committee inter-alia includes the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of Independent directors;
- To establish and from time to time review the policy for ESOP and ESOS as well as issuance of SWEAT equity shares and recommend the grants to be made under ESOP / ESOS;
- To review Company's remuneration and human resources policy; and
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

### REMUNERATION TO DIRECTORS

#### Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retrial benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in

the overall corporate growth, profitability and financial success of the organisation. The remuneration policy is in consonance with the existing industry practice.

#### Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to the Managing Director and/or the Executive Director, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee (NRC) evaluates experience, qualification, positive attributes and the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Managing Director and the Executive Director as per terms of appointment and based on the performance of the individual as well as the Company. Performance criteria for Managing Director and Executive Director, entitled for Commission or Performance Bonus are determined by NRC.

#### Criteria of making payments to Non-Executive Directors

The eligible Non-Executive Directors may be paid commission upto an maximum limit of 1% of the net profits of the Company as specifically computed for this purpose and as may be approved by Board of Directors of the Company. The criteria of making payments to Non-Executive Directors cover, inter-alia, number of meetings attended, Chairpersonship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/ Committee(s) levels. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Non-Executive Directors are paid sitting fees for attending any Meeting of the Board and Committee of the Board including meeting of Independent Directors, as decided from time to time by the Board. The Members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the meeting of the Committee.



**Corporate Governance Report (contd.)**

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

**Remuneration paid to Directors****a. Managing Director**

The remuneration paid to the Managing Director for the year under review is given below:

(₹ in crore)								
Name	Salary and Allowances	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Vishnuprasad M	2.02	-	0.07	-	2.09	April 30, 2020 to December 19, 2021	6	N.A.

**Notes:**

- All the above components of remuneration, except performance bonus / commission, are fixed in nature.
- There is no separate provision for payment of severance fees.
- Mr. Vishnuprasad M holds 1,46,000 vested Employee Stock Options to be exercisable at a price of Rs. 189 per Option over a period of three years from the date of vesting.

**b. Non-Executive Directors**

The details of sitting fees to Non-Executive Directors are as under:

(₹ in crore)		
Name of Director	Category	Sitting Fees
		Paid for FY 2020-21
Mr. Shailesh Haribhakti	Chairperson - Independent	0.07
Mr. Kishore Biyani	Vice-Chairperson (Non-Executive) (Promoter Group)	0.03
Dr. Darlie Koshy	Independent	0.08
Ms. Sharda Agarwal	Independent	0.07
Mr. Bijou Kurien	Independent	0.04
Mr. Rakesh Biyani	Non-Executive (Promoter Group)	0.04
Mr. C. P. Toshniwal	Non-Executive	0.04
Ms. Avni Biyani	Non-Executive (Promoter Group)	0.04
Mr. Ravinder Singh Thakran*	Nominee Director	NIL
Mr. Luv Parikh*	Nominee Director	NIL
Mr. Chintamani Aniruddha Bhagat*	Nominee Director	NIL
Mr. Rahul Garg*	Non-Executive	NIL
Ms. Ketki Bapat*	Alternate Director	NIL

\* voluntarily waived to receive the sitting fees.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for Non-Executive Directors as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence.

## Corporate Governance Report (contd.)

Ms. Avni Biyani is daughter of Mr. Kishore Biyani. Except them, none of the Directors of the Company is inter-se related to each other.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company comprises of Dr. Darlie Koshy, Chairperson of the Committee, Mr. Kishore Biyani and Mr. Rakesh Biyani as the other Members of the Committee.

Mr. Sanjay Kumar Mutha, Company Secretary of the Company is the Compliance Officer of the Company.

During the year under review, one meeting of the Committee were held on July 31, 2020.

The attendance of the Members at the above meetings is as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy	Chairperson	1	1
Mr. Kishore Biyani	Member	1	1
Mr. Rakesh Biyani	Member	1	1

The Committee's composition is in line with the provisions of section 178(5) of the Act and regulation 20 of the Listing Regulations.

### Terms of reference

During the year under review, the role of the Stakeholders Relationship Committee inter-alia included the following:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc; and other allied matters;
- To review of measures taken for effective exercise of voting rights by shareholders;
- To review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- To review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- To determine on behalf of the Board the Company's policy on serving the stakeholders in line with best corporate governance norms;
- To periodically review stakeholders' grievance mechanism of the Company;

### SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. C. P. Toshniwal. The Committee meets as and when required to consider and attend Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares. During the year under review, three meetings of the Committee were held.

### Investors' Grievance Redressal

Details of investor grievances received and resolved during the year under review are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	4	4	NIL

### Code of Conduct for Prevention of Insider Trading

The Company's Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons as adopted by the Company, inter-alia, prohibits dealing in the securities of the Company by Designated Persons while in possession of unpublished price sensitive information in relation to the Company. This Code has been revised in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

### Code of Fair Disclosure of Unpublished Price Sensitive Information

The Board has also laid down the Code of Practices and Procedure for Fair Disclosure of Unpublished

## Corporate Governance Report (contd.)

Price Sensitive Information ('Fair Disclosure Code') in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate communication of unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Fair Disclosure Code. The Fair Disclosure Code is posted on Company's website at the weblink - [https://futurelifestyle.in/corporate\\_governance.aspx](https://futurelifestyle.in/corporate_governance.aspx)

### INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors of the Company was held on June 28, 2021. The said meeting was attended by all the Independent Directors of the Company.

The Independent Directors at the said meeting, based on the feedbacks received from the Directors, reviewed the performance evaluation of directors, the Board as a whole, the Chairperson of the Board after taking into account the views of executive directors and non-executive directors of the Company and also assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company constituted under the provisions of section 135 of the Act, comprises of Mr. Kishore Biyani as a Chairperson, Dr. Darlie Koshy, Mr. C. P. Toshniwal and Ms. Sharda Agarwal as the other Members of the Committee. During the year under review, two meetings of the Committee were held on July 31, 2020 and March 30, 2021.

The Committee functions in accordance with the terms of reference as specified under the Act and as may be specified by the Board from time to time, which inter-alia includes:

- a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

- c. monitor the Corporate Social Responsibility Policy of the Company from time to time.

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Rakesh Biyani, Mr. C. P. Toshniwal and Mr. Dharmesh Jain.

During the year under review, Mr. Kaleeswaran Arunachalam ceased to be a Member of the Committee w.e.f. April 30, 2020. Subsequently, Mr. Saurabh Bhudolia was appointed as Member of the Committee on April 30, 2020, who ceased to be a Member of the Committee w.e.f. January 02, 2021. Subsequently, Mr. Dharmesh Jain was appointed as Member of the Committee with effect from February 11, 2021.

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which inter-alia includes implementing and monitoring of risk management plan and policy of the Company.

During the year under review, two meetings of the Committees were held i.e. on June 23, 2020 and on March 22, 2021.

The Audit Committee and Board of Directors periodically review the risk assessment and minimisation procedures and ensures that executive management controls risk through means of a properly defined framework.

The risk management framework adopted by the Company is discussed in detail in the Board report and Management Discussion and Analysis forming part of the Annual Report.

### COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. C. P. Toshniwal. The Board has delegated powers to the Committee of Directors to carry out various activities for day to day operations of the Company and other specific activities as may be assigned by the Board of Directors from time to time. Nineteen meetings of the Committee were held during the year under review.

## Corporate Governance Report (contd.)

### GENERAL BODY MEETINGS

#### Annual General Meeting

The details of the last three Annual General Meetings (AGM) of the Company are as follows:

Year	Date and Time of AGM	Venue	Special Resolutions passed
2020	December 29, 2020 at 10:00 am	Through video conferencing ("VC") / other audio-visual means ("OAVM").	<ul style="list-style-type: none"> <li>Re-appointment of Ms. Sharda Agarwal as an Independent Director for the second term of 5 years;</li> <li>Appointment of Mr. Vishnuprasad M as the Managing Director;</li> </ul>
2019	July 30, 2019 at 02:30 pm	Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400021.	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Shailesh Haribhakti (DIN: 00007347) as an Independent Director of the Company.</li> <li>Re-appointment of Dr. Darlie Koshy (DIN: 00023527) as an Independent Director of the Company.</li> <li>Re-appointment of Mr. Kishore Biyani (DIN: 00005740) as the Managing Director of the Company.</li> </ul>
2018	August 29, 2018 at 02:30 pm	- Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400021.	<ul style="list-style-type: none"> <li>Adoption of new set of Articles of Association.</li> <li>Approval for revision in remuneration payable to Mr. Kishore Biyani as the Managing Director.</li> </ul>

#### Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting (EGM) was held.

#### Postal Ballot

During the year under review, no business was carried out through postal ballot.

### MEANS OF COMMUNICATION

The Company regularly submits quarterly / half yearly / annual Financial Results to the Stock Exchanges, as soon as these are approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. 'The Free Press Journal' (English Daily) and 'Nav Shakti' (Marathi Newspaper).

The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in) and also posted by the Stock Exchanges on their website. The Company's presentations to institutional investors and analysts are posted on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in)

The Company sends Annual Report, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot to shareholders in permitted mode.

All filing, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information generally available.

### GENERAL SHAREHOLDERS INFORMATION

The Ninth Annual General Meeting of the Company will be held on September 29, 2021 at 2:00 p.m. IST through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.

#### Financial Year

The financial year covers the period from April 1 of every year to March 31 of the next year.

#### Dividend Payment Date

No Dividend was recommended by the Board of Directors of the Company for the financial year 2020-21.

#### Listing on Stock Exchanges

##### Equity Shares

The Equity Shares of the Company are listed on the following Stock Exchanges:

- BSE Limited (BSE)

Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai - 400 001.

## Corporate Governance Report (contd.)

- National Stock Exchange of India Limited (NSE)  
Exchange Plaza, C - 1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

### Debt Securities

8.70% rated, listed, senior, secured redeemable Non-Convertible Debentures (Series IV) of the Company is listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

### Listing Fees

Listing Fees, as prescribed, has been paid to both the Stock Exchanges where the securities of the Company are listed.

### Debenture Trustee

Centbank Financial Services Limited  
Central Bank – MMO Building, 3rd Floor (East Wing), 55, M. G. Road, Fort, Mumbai – 400 001.  
Tel No: +91 22 2261 6217, Fax No: +91 22 2261 6208

### Securities Code

Security	ISIN	Stock Code	
		BSE	NSE
Equity	INE452O01016	536507	FLFL
Non-Convertible Debentures (Series IV)	INE452O07047	957150	-

### Credit ratings

During the year under review, CRISIL Limited (“CRISIL”) and Credit Analysis & Research Limited (“CARE”) have revised their ratings assigned to the Company’s Long term Bank facilities, Short term Bank facilities and other instruments. The Rating assigned to the Company’s bank facilities / instruments as on March 31, 2021 are as under:

#### CRISIL

Sl. No.	Type / Facility	As on 01.04.2020	Rating revised w.e.f. 21.04.2020	Rating revised w.e.f. 05.10.2020	Rating revised w.e.f. 27.10.2020	Rating revised w.e.f. 09.11.2020	Rating revised w.e.f. 12.11.2020
1.	Long Term Bank Facilities	CRISIL AA-	CRISIL A+	CRISIL BBB-	CRISIL BB	CRISIL B	CRISIL C
2.	Short Term Bank Facilities	CRISIL A1+	CRISIL A1	CRISIL A3	CRISIL A4+	CRISIL A4	CRISIL A4
3.	Non-Convertible Debentures	CRISIL AA-	CRISIL A+	CRISIL BBB-	CRISIL BB	CRISIL B	CRISIL D

#### CARE

Sl. No.	Type / Facility	As on 01.04.2020	Rating revised w.e.f. 12.05.2020	Rating revised w.e.f. 12.08.2020	Rating revised w.e.f. 15.10.2020	Rating revised w.e.f. 11.11.2020
1.	Long Term Bank Facilities	CARE AA-	CARE A+	CARE BBB	CARE BB	CARE C
2.	Short Term Bank Facilities	CARE A1+	CARE A1	CARE A3	CARE A4	CARE A4
3.	Non-Convertible Debentures	CARE AA-	CARE A+	CARE BBB'	CARE BB	CARE D

### Corporate Identification Number (CIN)

The Company’s CIN as allotted by the Ministry of Corporate Affairs is L52100MH2012PLC231654.

## Corporate Governance Report (contd.)

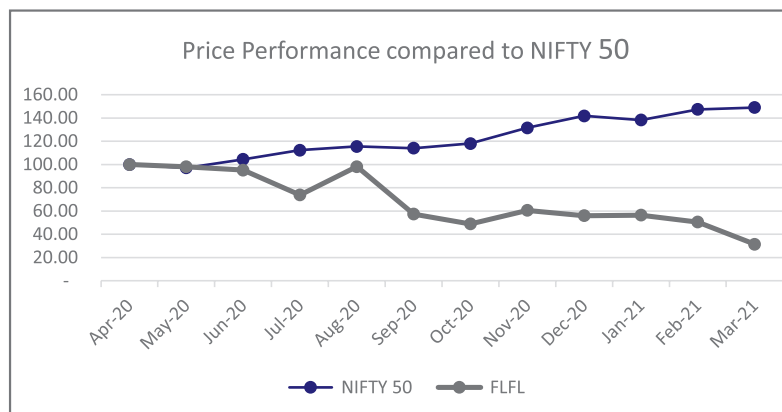
### Stock Performance

The performance of the Equity Shares of the Company at the Stock Exchanges during the year under review is as follows:

Months	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
Apr-20	163.90	91.40	163.80	91.35
May-20	163.70	129.25	161.55	128.90
Jun-20	162.40	135.55	162.00	133.45
Jul-20	169.80	101.85	169.50	102.10
Aug-20	152.35	105.25	152.80	105.10
Sep-20	159.95	81.25	160.40	81.25
Oct-20	92.95	67.45	92.90	67.25
Nov-20	105.00	71.80	104.40	72.00
Dec-20	92.55	79.65	92.70	79.80
Jan-21	99.30	82.00	99.25	81.50
Feb-21	97.00	78.00	95.55	77.75
Mar-21	80.90	48.90	80.90	48.90

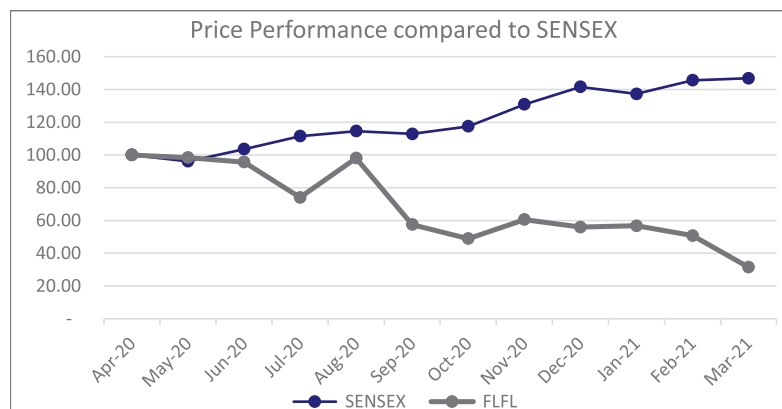
[Source: This information is compiled from the data available on the websites of BSE and NSE]

### PRICE PERFORMANCE COMPARED TO NIFTY 50



**Note:** Base 100 = Closing price of Equity Share and Value of Nifty 50 on the last trading day of April, 2020.

### PRICE PERFORMANCE COMPARED TO SENSEX



**Note:** Base 100 = Closing price of Equity Share and Value of SENSEX on the last trading day of April, 2020.

## Corporate Governance Report (contd.)

### Share Transfer System

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2020, except in case of transmission or transposition of securities. Transfers of equity shares in dematerialised form are effected through the depositories with no involvement of the Company. In case of other matters relating to Shares, the Share Transfer Committee and Stakeholders' Relationship Committee meet as and when required to consider and attend Investors' grievances and request for transmission

of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares, etc.

### De-materialisation of Shares

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their Shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares as on March 31, 2021 is as under:

Particulars	No. of Shares	% of total Shares
NSDL	18,59,23,395	92.14
CDSL	1,55,30,109	7.70
<b>Dematerialised</b>	<b>20,14,53,504</b>	<b>99.84</b>
Physical	3,21,370	0.16
<b>Total</b>	<b>20,17,74,874</b>	<b>100.00</b>

### Distribution of Shareholding as on March 31, 2021

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-500	65,174	90.41	56,02,224	2.78
501-1000	3,370	4.68	25,94,401	1.29
1001-2000	1,666	2.31	24,70,408	1.22
2001-3000	600	0.83	15,19,736	0.75
3001-4000	301	0.42	10,60,470	0.52
4001-5000	213	0.30	9,82,974	0.49
5001-10000	420	0.58	30,27,701	1.50
10000 and above	339	0.47	18,45,16,960	91.45
<b>Total</b>	<b>72,083</b>	<b>100.00</b>	<b>20,17,74,874</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2021

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	4,11,51,230	20.40
Mutual Funds	183	0.00
Banks, Financial Institutions	521	0.00
Venture Capital Funds	62,00,000	3.07
Alternate Investment Funds	77,37,079	3.83
Insurance Companies	1,42,66,949	7.07
Foreign Portfolio Investors	4,02,97,917	19.97
Non-Resident Indians	4,92,155	0.24
Bodies Corporate	6,17,78,550	30.62
Indian Public (Individual)	2,73,50,778	13.56
Directors and their Relatives	86,615	0.04
Clearing Members	5,60,905	0.28
Trust	1	0.00
FLFL Employee Benefit Trust	3,63,864	0.18
Hindu Undivided Family	14,88,127	0.74
<b>Total</b>	<b>20,17,74,874</b>	<b>100.00</b>

## Corporate Governance Report (contd.)

### Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2021.

### Unclaimed Shares

In accordance with the requirement of regulation 34(3) and Part F of Schedule V of Listing Regulations, the Company reports the following details in respect of Equity Shares lying in the suspense account:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding Shares in the suspense account lying as on April 01, 2020	186	34,170
Number of shareholders who approached the Company for transfer of Shares from suspense account during the year	NIL	NIL
Shareholders to whom Shares were transferred from the suspense account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding Shares in the suspense account lying as on March 31, 2021	186	34,170

The voting rights on the Shares outstanding in the suspense account as on March 31, 2021, shall remain frozen till the rightful owner of such Shares claims the Shares.

### Plant Locations

In view of the nature of the Company's business i.e. lifestyle fashion retail, the Company operates through various stores in India.

### Address for Correspondence Registrar and Transfer Agents

Link Intime India Private Limited  
 C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083  
 Tel. No.: +91 22 4918 6270, Fax No.: +91 22 4918 6060  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
 Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### For securities held in demat form

The investors may write to the concerned Depository Participant(s) of the Investors or the Registrar and Transfer Agents of the Company.

### Registered Office of the Company:

The Company Secretary  
 Future Lifestyle Fashions Limited  
 Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.  
 Tel. No.: +91 22 4055 2200, Fax No.: +91 22 4055 2201  
 Email: [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in)  
 Website: [www.futurelifestyle.in](http://www.futurelifestyle.in)

### Commodity price risk or Foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be disclosed.

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods and capital goods. The Company hedges its foreign exchange risk using foreign exchange forward contracts as per guidelines laid down by Risk Management Policy of the Company.

The details of foreign currency exposure are disclosed in note no. 38 in the Notes forming part of the Financial Statements.

## DISCLOSURES

### Related Party Transactions

During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. All related party transactions were reviewed and approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. Disclosure of transactions with related parties (including entity belonging to the



## Corporate Governance Report (contd.)

Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI Listing Regulations and the applicable Accounting Standards have been given in the note no. 33 in the Notes forming part of the Financial Statements. Policy on dealing with related party transactions is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/RPT\\_Policy.pdf](https://www.futurelifestyle.in/Admin/pdf/RPT_Policy.pdf)

### Disclosure of Accounting Treatment

During the year under review, the Company followed the Accounting Standards as specified under section 133 of the Act, in the preparation of its financial statements.

### Management

Management Discussion and Analysis (MDA) forms part of the Board's Report.

All Members of the Senior Management have confirmed to the Board that there are no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

### CEO/CFO Certification

The Managing Director and the Chief Financial Officer of the Company have furnished their Certificate to the Board of Directors of the Company, regarding financial statements and the cash flow statement for the financial year ended March 31, 2021 as required under regulation 17(8) of Listing Regulations.

### Code of Conduct for Directors and Senior Management Personnel

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in).

### Subsidiary Company

The Company has one material unlisted Indian subsidiary. The Company's policy for determining material subsidiaries of the Company is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/Mat\\_Sub\\_Policy.pdf](https://www.futurelifestyle.in/Admin/pdf/Mat_Sub_Policy.pdf)

### Details of non-compliance

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

### Vigil Mechanism and Whistle Blower Policy

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy inter-alia provides to a Whistle Blower a direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel have been denied access to the Audit Committee.

### Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the Listing Regulations

During the year under review, the Company has not raised any funds through preferential issue.

### Certificate on Non-disqualification of Directors

The Company has received a certificate from a M/s. Sanjay Dholakia & Associates, Company Secretary in practice, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

### Recommendations of the Committees of the Board

During the year under review, there was no such instances, where the Board has not accepted any recommendations of any Committee of the Board, which is mandatorily required.

### Total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditors is a part, is given below:

## Corporate Governance Report (contd.)

Particulars	(₹ in crore)
Audit fees (includes audit related services)	0.84
Tax audit and other services	0.12
<b>Total</b>	<b>0.96</b>

### Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year.
NIL	NIL	NIL

#### Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

#### Compliance with discretionary requirements

The Board: The Chairperson of the Board is an Independent Director. The Company did not maintain a Chairperson's

office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review.

Shareholders' Rights: Quarterly, half yearly and annual financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events / Investors' Presentations are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders.

Modified opinion(s) in audit report: During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion.

Reporting of Internal Auditor: Internal Auditors report to Audit Committee and present their Internal Audit Report and their observations at the meeting of the Audit Committee.

## Corporate Governance Report (contd.)

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**Future Lifestyle Fashions Limited**

We have examined the compliance of conditions of Corporate Governance by Future Lifestyle Fashions Limited ('the Company') for the financial year ended on March 31, 2021 as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions relating to Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable, for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 21042472AAAAED4505

Mumbai  
June 28, 2021

### DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,  
The Members,  
**Future Lifestyle Fashions Limited**

I hereby declare that the Directors and Senior Management of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, for Directors and Senior Management during the year ended March 31, 2021.

For Future Lifestyle Fashions Limited

Mumbai  
June 28, 2021

**Vishnuprasad M**  
Managing Director

# BUSINESS RESPONSIBILITY REPORT

## OVERVIEW

Your Directors present the Business Responsibility Report (“BRR”) of the Company for the financial year ended March 31, 2021, pursuant to regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). This BRR delineates the Company’s endeavours to conduct business with responsibility and accountability towards all its stakeholders and focus on creating environmental, social and economic value.

The Company embraces the Group’s sustainability vision “Striving to grow responsibly and achieve our dual goal of a happy environment and society, both of which are necessary ingredients for business continuity and growth.”

### Part A: General Information about the Company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52100MH2012PLC231654
2	Name of the Company	Future Lifestyle Fashions Limited
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.
4	Website	www.futurelifestyle.in
5	E-mail id	investorrelations@futurelifestyle.in
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Fashion Retail Business NIC Code: 477
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Retailing of: (i) Apparels / Garments (ii) Footwear (iii) Other fashion goods / accessories
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	The Company does not have any stores in International markets as on March 31, 2021
	(b) Number of National Locations	As on March 31, 2021, the Company has a pan India presence with 332 stores across pan India covering various formats of the Company
10	Markets served by the Company - Local/State/ National/ International	National

## Business Responsibility Report (contd.)

### Part B: Financial details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 40.35 crore
2	Total Turnover (INR)	₹ 2210.50 crore (standalone)
3	Total profit/(loss) after taxes (INR)	₹ (871.57) crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year under review, the Company has spent ₹ 3.18 Crore on CSR activities (equivalent to 2% of the average net profits of the Company made during the three immediately preceding financial years), as calculated under section 198 of the Companies Act, 2013 ("the Act")
5	List of activities in which expenditure in 4 above has been incurred	During the financial year 2020-21, the Company has extensively worked on enhancing vocation skills and skills development and contributed by imparting training to the Apprentices and Students under the National Employability Enhancement Mission (NEEM) and National Apprenticeship Promotion Scheme (NAPS), schemes launched by Ministry of Skill Development and Entrepreneurship, Government of India. The Company has spent its entire CSR contribution towards the above activities. (For further details please refer Principle 8 given herein)

### Part C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has six subsidiaries and one step down subsidiary as on March 31, 2021.
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Subsidiary companies define their own initiatives, specific to their business context whilst having access to information and expertise residing with the Parent Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The Company encourages adoption of BR initiatives by its business partners.

### Part D: BR Information

#### 1. Details of Director and BR Head responsible for implementation of the BR policy / policies (DIN, Name, Designation):

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	07189877
2	Name	Mr. Vishnuprasad M
3	Designation	Managing Director
4	Telephone number	022-4055 2200
5	E-mail ID	investorrelations@futurelifestyle.in

## Business Responsibility Report (contd.)

### 2. Principle-wise BR Policy / Policies (as per NVGs) (Reply in Y/N):

NVGs released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### sl. Questions no.

		Business Ethics	Product Responsibility	Well-being of Employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes, the policies have been approved by the Board and signed by the Managing Director.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes, the Company's officials / respective departments are authorized to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	<a href="http://www.futurelifestyle.in/statutory_documents.aspx">http://www.futurelifestyle.in/statutory_documents.aspx</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been disseminated to all relevant internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	During the year under review, amid COVID-19 pandemic, the Company has not carried out any independent audit/evaluation of the working of this policy by an internal or external agency.								

## Business Responsibility Report (contd.)

### 3. Governance related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Managing Director of the Company periodically reviews the BR performance. The Board of Directors of the Company and its Committees assess BR initiatives undertaken by the Company annually.
b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This Report is forming part of the Annual Report for the financial year 2020-21 and is also available on website of the Company at <a href="http://www.futurelifestyle.in">www.futurelifestyle.in</a>

### Part E: Principle-wise Performance

#### Principle 1: Ethics, Transparency and Accountability Business should conduct and govern themselves with ethics, transparency and accountability

The Company's compliance framework stands on the foundation of integrity and stewardship and consistently follows the principles of good corporate governance.

#### Governance

The Company's governance structure comprising of the Board of Directors and various Committee of the Board viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee, which address the concerns with respect to policies and procedures enforced across the Company's business.

The Company has adopted policies and guidelines including the Anti-Bribery and Anti-Corruption Policy, Code of Fair Disclosure of Unpublished Price Sensitive Information, Code for Prevention of Insider Trading, Intellectual Property Rights, Conflict of Interest, Sexual Harassment and Sustainability Policies including Health & Safety provide necessary guidelines to manage business risks.

The Code of Conduct affirmed by the Director and Senior Management personnel ensures that the directors and employees adhere to the highest standards of corporate ethics.

The Company's ongoing efforts encompass financial stewardship in strategic and daily business decisions to ensure accurate financial reporting and effective controls. The Company discloses all necessary legal and financial disclosures to its stakeholders through the Stock Exchanges, Company's website, Annual Report, Newspapers and other media as required.

The Company endeavours to integrate its sustainability framework with business and will endeavour to extend the same to its value chain stakeholders in the upcoming reporting period.

#### Vigil Mechanism and Whistle Blower Policy

The Company's Vigil Mechanism and Whistle Blower Policy provides stringent processes that treat any suspected actions of fraud, misconduct, unethical behaviour, bribery and corruption or any violation of the Code of Conduct or ethics policy with seriousness and expects its business partners to adopt the same approach. The Company's Whistle Blower Policy protects the identity of the whistle blower and their rights to raise concerns on any such suspicious behaviour that undermines the Company's policies.

The Company's vigil mechanism empowers employees to bring to the attention of the management, any concerns about suspected misconduct, unethical behaviour, suspected fraud or violations without fear of punishment or unfair treatment by reporting at email details / [aapkiaawaaz@futuregroup.in](mailto:aapkiaawaaz@futuregroup.in) or 022 6199 4735 / 619 95510.

#### Loss Prevention & Control

The Loss Prevention & Control (LPC) vertical of the Company undertakes regular training to sensitize employees with regards to LPC activities awareness, recognition and understanding of potential corruption risks, outcomes of risk assessment studies conducted, root cause analysis, fraud & theft investigations, shrink analysis, video surveillance, store audits, online threats, on-ground checks, SOP adherence and improvement measures.

Suspicious incidents are analyzed and corrective actions taken to strengthen the process & reduce the losses. Formal investigations are undertaken as required by the Loss Prevention & Control team in above such cases. During the financial year 2021, a total of 30 investigation & audit reports were initiated and have been successfully resolved with due corrective and remedial measures.

## Business Responsibility Report (contd.)

### Customer Privacy

The Company values the personal information of its customers, employees and partners and understands the need to protect information appropriately in order to build trust between the Company and its stakeholders. Conscious efforts are in place to ensure sound privacy management that ensure compliance with privacy laws.

The Company's privacy policy provides appropriate information about data collection, storage and processing practices and security measures to protect against unauthorised access, alteration, disclosure or destruction of user's personal information and data stored on online platform. Sensitive and private data exchange between the platform and its user happens over an encryption-based internet security protocol.

### Grievance Redressal Mechanism

The Company values relations with all its stakeholders and employs grievance mechanisms to solicit, assess and address concerns of employees, customers, investors and other stakeholders through online and offline channels. All grievances and inquires received are routed through specific teams for formal investigation depending on the nature of the complaint.

Stakeholder complaints, concerns and queries are monitored, which helps the Company strengthen its policies and procedures. The Company addresses stakeholders' grievances / queries vide redressal mechanisms and ensure that the Company resolves these satisfactorily, thus improving its relationship with its stakeholders.

### Investors

The Stakeholders' Relationship Committee regularly meets, inter-alia, to review the grievances of security holders of the Company and implement the Company's policy on serving the stakeholders in line with best corporate governance practices.

The Company has designated e-mail id investorrelations@futurelifestyle.in for receiving and addressing investor grievances.

Details of investor grievances received and resolved during the year under review are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	4	4	NIL

### Employees

The Company listens to its employees and creates channels for the employee to report grievances anonymously on issues that negatively impact the wellbeing of the employees. To enable easy resolution of issues, a grievance box is made accessible to employees at all operating sites.

### Prevention of Sexual Harassment ("POSH") at workplace.

The Company has in place a Policy on Prevention of Sexual Harassment ("POSH") at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment and the reporting and resolution procedure of such complaints.

Issues involving sexual harassment can be addressed by writing to the Internal Complaints Committee (ICC) at - posh@futuregroup.in. The POSH policy is also available on the intranet for easy access to all employees.

The ICC which is responsible for redressal of complaints follows the redressal guidelines provided in the policy. The ICC once received the complaints, investigates the issue and resolves the grievance. The grievance box made available at most of the locations. Such grievances are reviewed and resolved by the local management at the location itself.

Periodic trainings, inductions, monthly meets, day briefs and communications via notice boards and internal communication mails familiarise the employee to the policies and procedures to report grievances. Changes in policies are reflected on the intranet and communicated through mailers.

Awareness of the Code of Conduct and the sexual harassment policy is also provided to all new employees during induction.

In each store attractive posters showcasing the POSH mechanism is displayed in local languages at fun zones, pantry and rest rooms. List of ICC with their contact details are displayed at entrances and noticeable places. An exclusive land line number is also made available for continuous monitoring.

During the year under review, awareness raising trainings on POSH and the complaints resolution process were organised by the store's training team and the respective format's Learning and Development team. The training



## Business Responsibility Report (contd.)

undertaken was of two types – an intensive workshop for the senior management for the deployment of the policy and mechanism; and a basic awareness training for employees was conducted online. (For details on the training content refer to Principle 3)

Training Programme	Male	Female
Number of Participants	60	70
Training Man Hours	60	70

The ICC meet regularly to review the effectiveness of the training programs, assess the ongoing enquiries, suggest disciplinary actions and undertake corrective actions to meet statutory compliance.

Efforts are made by the ICC to resolve grievances within 90 days, during the reporting period, no grievances were received by the ICC.

### Customers

The Company has a well deployed grievance redressal mechanism for its customers to raise complaint regarding a product or service. Customers can raise a complaint vide the following communication channels, the same is also available on the product packaging.

- Electronic mail at email id.: sharewithus@futuregroup.in
- Telephone Number.: 18002666888

The service or product complaints obtained through offline and online interfaces are mapped on the CRM database. On receipt of complaint the customer service manager connects with the concerned team to investigate the complaint. Customers are updated about the actions taken and the customer service team ensures that necessary actions are being taken. The Company endeavours to resolve complaints within 24 hours.

There were 627 consumer cases which were pending at the beginning of the reporting year. 803 cases were filed and 328 cases were resolved during the reporting year. There were 1102 consumer cases pending at the end of the reporting year.

### Principle 2: Product Stewardship / Products contributing to Sustainability

**Business should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.**

The Company operates through its retail formats viz., 'Central' which operates in 46 Stores, 'Brand Factory' which operates in 105 Stores and 181 Exclusive Brand Outlets (EBOs), across India.

The Company provides products that fulfill the aspirational needs of its customers, at the same time is also aware of the environmental impacts of the fashion industry especially with respect to greenhouse gas emissions and hence seek to procure sustainable materials such as certified viscose fibre having low environmental and social impact across its lifecycle from procurement to disposal.

### Responsible Suppliers

The Company has a portfolio of fashion brands that covers the entire gamut of fashion categories including formal menswear, casual wear, active or sportswear, ethnic wear, denim wear, footwear and accessories for men and women that are present across various price points.

The Company remains committed towards sourcing garments from responsible suppliers, compliant with the local laws. The Company sources apparel from mills having environmental and social certifications and meeting necessary compliances. The apparel sourcing team conducts technical and environmental assessments of all factories before on-boarding of these apparel suppliers.

### Capacity building

The Company's sourcing team conducts a mill week on every 6 monthly basis, before the season commences. During this mill week, suppliers present their collections of fabric and apparel and the procurement teams have one on one discussions with regards to new product developments and expectations from the mills.

The Company also interacts with its suppliers to build transparency and traceability within the supply chain, ensure that quality considerations are met and there is a constant up-gradation in knowledge with respect to latest technologies, trends and sampling. (For further details refer to Principles 4 and 5).

The Company prefers sourcing from SA 8000 (Social Accountability Certificate) certified facilities which ensure customers that the products are sourced from entities which are compliant with labour laws and regulations.

### Footwear

90% of all leather used for Clarks footwear is sourced from its tanneries that have received a gold, silver or bronze rating of the Leather Working Group, they have been proactively reducing their environment footprint by integrating renewables, decreasing their energy and water use, finding more markets for waste products and improving their traceability.

## Business Responsibility Report (contd.)

### Sustainable Sourcing

The Company endeavours to retail fashion apparel from renewable materials sourced from certified sources. The brands DJ&C (ladies western), Shrishti (ladies ethnic) and Shyla (night wear), retailed at Brand Factory source fabric from EU Ecolabel certified viscose fibres.

The Company through its associate company holds majority equity stake approx. 72% stake in ethnic products firm Indus Tree Crafts Limited, which designs, exports, retails and distributes a range of environmentally and socially sustainable products under the Brand 'Mother Earth'.

### Local Procurement

Your Company strives to promote social enterprise networks and sourcing from local suppliers. The Ethnic lines brand promotes the traditional Bagru and Sangner prints in their product line by sourcing such printed textiles from small scale units run by local women.

Local (state region) vendors comprise approx. 30% of the total vendors of your Company.

In compliance with the recent ban on plastic in the state of Maharashtra, your Company substituted all plastic carry bags with paper bags. In this process, the Company has provided livelihood earning opportunities to small and medium enterprises including local vendors.

### Product labelling

The Company practices responsible messaging and does not use any graphic or message that is objectionable. The Company endeavours to provide necessary information related to type of fabric, content, country of origin and other applicable statutory information on product labels.

The product label provides information with regards to use and wash care of garments, customer feedback, email id and contact point in addition to the labelling requirements as per the Legal Metrology Act, 2009.

### Principle 3: Welfare of employees

#### Businesses should promote the well-being of all employees

The Company is committed to providing its employees safe and healthy working environments, work-life balance and professional development.

The Future Group's values are the guiding principles to growth and development within the organisation (for more details refer to <https://www.Futuregroup.in/aboutus>).

### Employee safety and well-being through the COVID-19 pandemic

The outbreak of COVID-19 pandemic and the subsequent lockdowns created a lot of disruption, panic and uncertainty. The pandemic has disrupted organizations and led everyone to think differently about their role in a new work environment. All safety measures were being taken in order to ensure organisation preparedness to prevent the spread of COVID-19 and to provide a safe and secure environment to our people.

As an immediate response to the situation, the Company undertake to look at everything through the employees' lens and first and foremost is the health and well-being of the employees and their families.

There was an immediate need to:

- Protect and ensure the safety of our employees
- Ensure business continuity
- Drive productivity with the necessary safety measures in place

### Protect and ensure the safety of our employees

The Company focused on regular sanitization and periodic deep cleaning of the office, organised Covid Test for employees, offered financial support to the employees and their families during their tough times and ensured that every question and query from the employees were addressed. The Company constantly connected with our employees, kept them informed about the safety norms and regulations, the measures implemented by the organization to ensure how the organization intended to protect its employees.

### Ensure business continuity

Though our work culture was not designed to work remotely, our technology teams worked quickly to create solutions and the organization swiftly implemented to its remote work policy.

Keeping in mind the various movement, timing and other restrictions as applicable during the pandemic, the team initiated 'Brand on Wheels' concept and visited the Villas, Apartments, Housing Colonies and Communities to serve the Customers at their premises and carry

## Business Responsibility Report (contd.)

the brands to their doorstep. Online business website www.mycentral.in was initiated. To bring in freshness in creativity and fashion quotient, the Company have hired 25 best and bright Interns for our Design Team from NIFT and Pearl Academy through Online Internships.

### Drive productivity with the necessary safety measures in place

Reorienting Learning & Development initiatives:

- a) The transition to the new normal required both leaders and teams to develop new capabilities and the Company leveraged a number of learning platforms and programmes available, whether it was virtual learning and development, webinars with industry experts, online sessions, online study courses and e-learning modules etc to upskill our employees.
- b) To align our learning strategy with the business strategy, a robust training program was rolled out for our frontend employees to develop the competencies of our employees whether it is new joinee, low performer or an excellent performer. Trainings were split into 3 buckets based on the learning needs - Technical, Soft skills and Process Orientation.
- c) In order to facilitate the self-development and capability building, necessary access was given to our employees for 30 online courses from our learning partner 'One Hour Learning' available on our LMS (Learning Management System) Platform - 'Alt Learning'. These courses covered four main categories.
  - (i) Leadership & Management Skills
  - (ii) Behavioural & Workplace Skills
  - (iii) Functional Skills
  - (iv) Quick 25 Minute Courses
- d) We also initiated 'FG Leadership Learning Series-Webinar Sessions' - Session 1: Building Social Capital for Personal Effectiveness / Session 2: Leading in Uncertain Times

### Employee Health and Safety

The Company recognises that the health and safety of employees is integral to productivity, happiness and quality of life. The health and safety policy extends to the supply chain members and the public whose presence at the stores and offices is intrinsic to conducting business.

The Company has a dedicated person at store level who is responsible for inspection of safety concerns. The Store

People Officer along with the store operations manager or the admin manager reviews the safety actions at facilities on a weekly basis.

While there is no designated safety committee at stores, these managers evaluate the employee touch points and infrastructure through the PAZO application. The operations team member shares the checklist and photographs for assessments with expense statement for improvements that the store team has initiated.

Most of the stores have 'Doctor on Call' facility. Under this, a registered doctor visits the store once or twice on a weekly basis or as required, to ensure good health of its employees. Employees use the services of the doctor for treatment or counselling.

The Company undertakes health camps, eye check-up, dental check-up and counselling for its employees.

### Fire Safety

In compliance to Fire Safety Act and Rules, fire safety classes are conducted, a male and female employee are designated Fire Marshals at the store. A facility emergency drill is conducted once every six months at its offices and stores through the local firefighting department or the security agency.

In keeping with the guidelines and Code of Practices for provision and maintenance of water supplies for fire-fighting purposes, every store has a storage system with capacity for holding emergency water supply for fire-fighting purposes and maintains the water level in the cisterns. Functioning of all equipment such as sprinklers and fire hydrants are also checked at regular intervals. Emergency exits remain unblocked and can be easily identified through appropriate signage.

### First Aid

A minimum of three first aid stations are available at each store. One male and female store employee is also designated as a First Aid Champions

### Access to safe drinking water, sanitation and hygiene

Potable drinking water access is provided to all store employees in the Employee 'Fun zone', recreation room and lunch room. An annual maintenance contract exists for recharging of water storage facilities, cleaning and disinfection once every two months.

## Business Responsibility Report (contd.)

The Company ensures access to safe drinking water and sanitary facilities that are adequate based on the working population at its stores and offices and maintains a hygienic work environment. Employees of all levels have equal access to the facilities without restrictions in movement while at work. Potable drinking water dispensers and coolers are also available at the food gully and customer service desk in-store. The Company helps employees distinguish between portable and non-portable water through signages in local language.

Washrooms are separate for men and women at all stores. A dedicated resource ensures washrooms and all sanitary installations are cleaned at regular intervals during the day, with the supervisor maintaining the checklist of activities undertaken.

### Non-Discrimination in recruitment and employment

The Company does not discriminate while with respect to recruitment and promotion of its employees. The Company's recruitment process employs gender neutral job descriptions and removes potential biases in screening, shortlisting and sourcing of candidate which is also consistent with the Group's Values.

In order to build a pro-inclusion mind-set and create a positive environment amongst stakeholders, the Company has designed appropriate communication and training programs.

The Company strives to create a working environment that focuses on equality, acceptance and understanding, where people are free to voice their ideas and are listened to.

### Employee strength\* as on March 31, 2021:

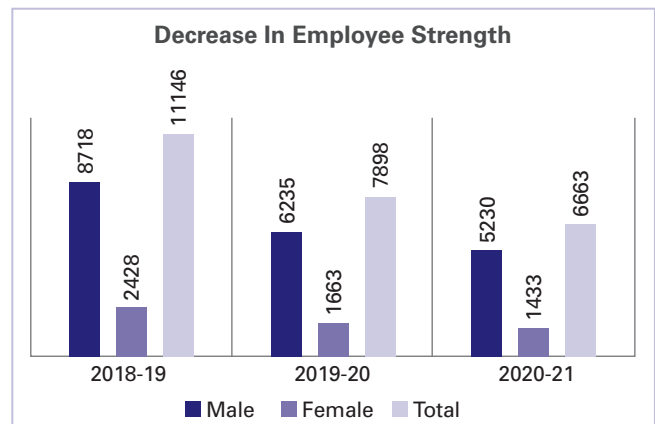
Employee Type	Stores/ Warehouses		Offices		Total	
	Male	Female	Male	Female	Male	Female
	Permanent Employees	4779	1331	451	102	5230
Apprentices/ Contract Workers/NEEM	688	262	0	0	688	262
Differently abled Employees (Permanent)	6	0	3	0	9	0

\*National Employability enhancement scheme (NEEM) workers on contract and apprentices accounted for 13.44% of employees at stores as on March 31, 2021.

The permanent employees of the Company are classified as under:

Level (Band)	Head Office		Store		Grand Total
	Male	Female	Male	Female	
1	10	4	3698	1237	4949
2	128	44	886	84	1142
3	190	38	156	9	393
4	94	14	36	1	145
5	29	2	3	0	34
Grand Total	451	102	4779	1331	6663

The Company strives towards increasing the efficiency of its operations by optimizing its resources, with the motto "Doing more with less". During the reporting period the Company optimized it's manpower by over 15.63%



### Diversity and Inclusion

The Company is striving to improve diversity in the workplace by increasing women's representation in the workforce. The Company currently employs around 21.50% women in their workforce at Company level and women represent 9.5% of the senior management.

The Company provides several benefits for young women through tie-ups with organisations providing healthcare and crèche facilities under the Khushali program.

### Internships and Graduation Projects

Young interns are provided summer internships for a period of 2 months and graduation project for a period of 4 months. They are mentored by Department Heads and gain hands on experience. Based on the project evaluation of the interns, the Company issues pre-placement offers to exceptional candidates. In the reporting year, the Company had 3 Management Trainee.

## Business Responsibility Report (contd.)

During the reporting period 1,769 employees were hired 26.68% of which were female employees

Level (Band)	Head Office		Store		Grand Total
	Male	Female	Male	Female	
1	1	-	1,198	456	1,655
2	-	-	87	13	100
3	1	2	7	1	11
4	1	-	1	-	2
5	1	-	-	-	1
<b>Grand Total</b>	<b>4</b>	<b>2</b>	<b>1,293</b>	<b>470</b>	<b>1,769</b>

### Promotions and Recognitions:

The Company's promotion process evaluates candidates through their journey on a values based assessment process. Employees are assessed on fair and equal basis through an integrated appraisal system and are rated by their reporting manager against the person's alignment to the Future Group values and set goals and targets for the reporting period.

### Long Stay Recognition:

Rewards in the form of gold and silver coins minted with the Company's logo and a certificate of appreciation were awarded for 21 employees, 17 employees received silver coins and 4 employees received gold coins minted with the Company logo for completing five years and ten years Service milestones.

### Employee incentives

The Company incentivises various products across daily and aspirational categories dependents food, bakery, fashion, homecare, electronics and personal care products categories.

The Company provides additional benefits and incentives to its employees and dependents that can be availed at any stores operated by the entities under the Future Group including Big Bazaar, fbb, Central, Brand Factory, Foodhall, Hometown, Easyday, Hypercity, Nilgiris to name a few.

### Flexi Time Benefits

The Company's flexi time policy also provides employees to maintain a healthy work life balance which also takes care of emergency situations faced by the employee through options of regularisation of biometric attendance log effected by their respective reporting managers.

During the reporting year amid pandemic, the Company came out with the work from home guidelines which allowed employees to work from home, except employees engaged in the essential / necessary services, keeping in mind the safety of employees and their family members, mode of transportation, their working days, their age and health condition etc. In order to facilitate attendance, punching from any location geo-tagging was enabled for all employees.

The Company is aware of occupational stresses of employees working at stores and have also provided a dedicated fun zone for employee rest hours including tea and lunch break. Facilities for employees with special needs in the Company's endeavour to create an inclusive growth, the Company invests in creating access to people with disability.

Individuals with locomotor disabilities visiting or employed at the Company have access to facilities such as ramps and wheelchairs.

### Employee Retention

An employee assistance plan nurtures employees and assists in adapting to and achieving both personal and professional goals. The Company also encourages employees seeking a change in job role by inviting applications through an Internal Job Postings in other business verticals within the Future Group so as to create new experiences and learnings.

### Employee growth, training and development and overall well-being

the Company provides its employees an assistance plan to help address personal and professional challenges and situations that might be hindering employee growth and well-being. The Company is providing access to necessary learning opportunities, on an equal and non-discriminatory basis.

The training needs are mapped and such trainings are imparted accordingly based on an annual training calendar. The annual appraisal process helps the Company identify limitations of the employee and nominate them to undertake specific trainings detailed below:

## Business Responsibility Report (contd.)

### Training Performance

The Company has invested a total of 4,948 man hours through these trainings.

Training Programme	Duration	Participants		Man Hours	
		Male	Female	Male	Female
aLL Grooming Module	0.5 Hour	117	78	58.5	39
Lee Cooper Grooming Module	0.5 Hour	71	47	35.5	23.5
Work Culture Post Covid	0.5 Hour	435	290	217.5	145
Role Of HR in Changing Times	1 Hour	27	62	27	62
Online Learning	1.5 Hours	1500	1000	2250	1500
Post Covid Guidelines	1 Hour	354	236	354	236

### POSH Training

The Company sensitises new joiners during induction about the policy and procedures in place. The training session conducted create basic awareness on the employer's responsibilities, aspects of safe working culture, illustrative examples on acts of sexual harassment, fundamental rights of female employees, code of conduct, policy, current scenarios, working etiquette, and disciplinary actions taken against the person found guilty.

Basic Training program on POSH was provided to employees online.

### Employee Engagement

The Company respects and relies on the experience and expertise of its employees to contribute to and deliver on the strategic objectives of the organisation. The culture of openness and inclusivity resulting from various engagement programs ensure retention of key resources that are pivotal to a happy community.

These engagements are summarized below:

Event Name	Location	Date/Frequency	Activities Undertaken
Independence Day	Offices	Annually	Flag hoisting and snacks distribution.
Diwali Celebrations	online	Annually	Contest to share your favourite lockdown Diwali picture with your loved ones.
Dussehra Celebration	online	Annually	Selfie Contest to share your picture wearing the Navratri Colours.
Retail Employee's Day (RED celebration)	Stores – BF, Central on Pan India Basis	Annually	Appreciation of employees by the store karta and the department managers. Refreshments are also organised.
Financial Wellness Workshop	online	Annually	Investment awareness and tips for tax saving in partnership with external financial experts Cleartax
Republic Day	Offices	Annually	Flag hoisting and snacks distribution.
Women's Day Celebration	Offices	Annually	Nail Art, Dance Workshop.
	Stores	Annually	Cake cutting, interactive games like musical chair
Meditation Session By Sahaj Yoga	Online	Annually	Meditation Techniques to overcome stress during the lockdown
Don't Panic : Boost Your Immunity	Online	Annually	Talk by Doctors on boosting your immunity during the pandemic situation

### Principle 4: Stakeholder Engagement

**Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

Proactive engagement with stakeholders allow the Company to identify, prioritise, address and communicate sustainability impacts and opportunities. The Company engages with a wide range of stakeholders including the investors, employees, customers, suppliers, community and media personnel with the purpose of collectively resolving challenges that arise due to its operations.

### Engaging with Government and Regulators

The Company interacts with various statutory bodies as and when required, during the course of its business and maintains statutory records and ensure compliances to applicable laws.

### Investor Engagement

The Chief Financial Officer and the Investor Relations team attend Investors' query. The Annual General Meeting gives the shareholders an opportunity to engage directly with the Board of Directors and the Management.

The Company announces financial results and other material events, through statutory filings with the Stock Exchanges, media releases, and also uploaded on the Company's website.

## Business Responsibility Report (contd.)

### Customer Engagement

The Company in its effort to create positive experiences engages with its customers through various online and offline platforms including promotional offers, events, in store activities like competitions on a daily basis social media interactions and hallmark customer service. (For more details refer to Principle 9)

Some of its campaigns include 'Surprise of the Day', 'Brand of the Week', 'Ladies Day Out', 'Red Haute Saturday', 'Truly Madly Happily', 'Women Wear it Better', 'Be the First', 'One Day Sale', 'Madness Sale', 'Weekend Sale' and 'Happiness Sale' days.

### Supplier / Vendor Engagement

The Company understands that building a trusted partnership with its suppliers is critical in delivering quality products in a timely manner and at best prices to the customers, which allow mutual growth opportunities for itself and the supplier.

The Company continuously works closely with its suppliers with the objective of establishing stable and lasting relationships, building transparency and traceability and ensure that quality considerations are met.

These interactions encourage knowledge sharing and updates on various technologies, trends and sampling.

Despite lockdowns in the current year, the Company ensured that the teams were in constant touch with suppliers/vendors network and continuously deliberated on the situation and the plan going forward.

In order to institute responsible sourcing practices in its supply chain the Group endeavours to build capabilities of its suppliers through engagements that sensitise them to the challenges, help set goals, targets and raise standards. The Supplier Code of Conduct to be implemented in the course of the upcoming reporting period defines the Group's commitment to human rights, labour practices, environmental management and worker safety, these are based on:

- The United Nations Universal Declaration of Human Rights
- United Nations Convention on the Rights of the Child
- United Nations Convention on the Elimination of All Forms of Discrimination against Women

- The International Labour Organisation (ILO) Conventions
- The OECD Guidelines for Multinational Enterprises.

The Supplier code of conduct parallels the supplier audit requirements.

On deployment, the Company seeks to source products that have also been produced efficiently, responsibly and under environment friendly conditions, where labour and social compliances for employees and workers particularly contract, migrant and women workers are met.

### Media Engagement

The Company collaborates with both offline and online media channels to bring its stakeholders up to speed on key partnerships, associations, product offerings, activities thus increasing brand credibility and awareness.

The Company and its formats have received coverage in major publications such as national and regional publications including Times of India publications, Lokmat editions, Sakal editions, Bhaskar Group, Amar Ujala, Prameya, Sambad, Mathrubhumi and electronic coverage in leading news channels like TV9 Network, News 18 Network, TV 5, Public News and local cable news channel.

### Principle 5: Human Rights

#### Business should respect and promote human rights

The Company understands its fundamental obligations to respect and protect human rights. This expectation of the Company is being communicated to all stakeholders through its human rights policy.

Legally binding work orders, employee contracts, labour contracts or service provider's agreements embrace the human right's policy that recognises the compliances with reference to the applicable labour laws, this is signed by both parties on initiating an engagement. The service conditions and remuneration as part of the agreement are briefed to all employees- permanent and contractual.

#### No Child Labour

The Company's policy shows zero tolerance towards child labour in its operations. The minimum age as per standard is 18 years. the Company verifies the age of all candidates hired or contracted through scrutiny of essential documents before offering employment.

## Business Responsibility Report (contd.)

### No Forced Labour

The Company prohibits forced labour in its operations and ensures no candidate is hired by its third-party contractors based on an individual bond, debt or obligations towards the facility or any representative of the Company. The Company does not charge deposits or a recruitment fee from the candidate to secure employment. The Company does not restrict the freedom of the individual to resign from employment at any time without penalty giving reasonable notice.

### Non-Discrimination

The Company is committed to fair and equal treatment for all. The Company conducts all recruitment activities through a gender neutral job description, with an evaluation process that is consistent, transparent and unbiased towards caste, race, religion or gender.

A sound appraisal process (Refer to Principle 3) determines the need for training of an individual through nominations with the purpose of improving individual skills and adding value to the organisation.

The Company continues to strengthen their approach by ensuring mandatory 16 hours training of managers as part of Assessor's Certification to minimise such risks in evaluation processes.

### Working Hours and Fair Wages

The Company is committed to timely provision of wages that meet employees needs and economic security and in adherence to local state laws. The Company remunerates its employees based on skills and experience. The Company additionally rewards employees with target-based incentives and festive bonuses. Eligible employees are benefitted with PF, ESIC, and EPS schemes.

The Company does not encourage employees to work overtime beyond the prescribed working hours as per the Future Group policy. All workers are entitled to weekly off on completing 6 days of work. The Company provides the employee with a compensatory day off for services provided on the entitled rest day. All holidays are pre decided based on local customs, national and international importance.

A wage documentation explicitly mentions wage calculations on basis of hours of work with transparency on all bonuses, incentives and deductions. A biometric

attendance system maintains records of the shift schedules for all employees.

### Freedom of Speech

The Company deploys an open door policy to allow employees to voice their ideas and concerns. A well-defined grievance redressal system (refer to Principle 1) allows concerns to be escalated and resolved through a designated channel. The Aap ki Awaaz web-based application supports employees to independently register complaints. The Whistle Blower Policy details out the procedures, confidentiality and the actions to be undertaken while registering the complaint.

### Principle 6: Environment

#### Business should respect, protect and make efforts to restore the environment

Improving resource efficiency whilst making a positive environmental impact is aligned with the business approach and in adherence to the Group's sustainability guidelines on key environmental aspects. During the reporting period the Company has initiated measures to understand its environmental impact, create awareness and identify solutions by partnering with technology service providers and not for profits.

### Energy Efficiency

Low-impact use of energy through the business is in keeping with the Group's Energy and Carbon Policy, the Company is committed to actively contributing to the protection of the environment, reducing its greenhouse gas (GHG) emissions and mitigating of climate change impacts.

The Energy and Carbon Policy is one of the cornerstones of the commitment to environmental sustainability for promoting rational and efficient use of energy throughout the entire value chain, while at the same time reducing GHG emissions and helping to mitigate the risks associated with climate change.

Particular	FY 20-21	FY 19-20
Number of standalone stores	92	95
Total Electricity Consumed (Kwh)	3,32,72,244	6,77,00,400
<b>Consumption Type (Share)</b>		
Electricity Purchased	87.00%	98.60%
Electricity generated from Diesel	1.50%	0.10%
Renewable energy	11.50%	1.30%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>



## Business Responsibility Report (contd.)

The Company works in a complex environment and maximises utilisation from its existing facilities to create the right ambience for its customers. The Company invests in retrofits where support release clauses with landlords allow for assets to remain with the Company.

The Company is focussing on increasing the number of stores connected to this centralised consumption management platform and which is capable of monitoring the energy consumption the network of connected stores so that they can adapt to the energy consumption reduction objectives.

### Climate Steward

In keeping with the Paris Climate Agreement and limit the global temperature rise by 1.5oC, the Company endeavours to become a climate steward and take necessary actions within operations to reduce energy consumption, the Company has also increased reliance on green energy sources.

During the financial year the Company commenced the process of capacity building, setting the scope and boundary for the business in the first phase. The boundary includes all standalone stores, cut-in stores and offices of both Brand Factory and Central formats Pan India.

### Next Steps

In the upcoming year the Company shall improve upon the data collection processes and achieve robustness in disclosing emissions in its entirety across all offices and stores in PAN India.

### Emissions Monitoring

The Company audits its emissions and conducts B checks in order to comply with emission norms from DG sets wherever applicable as defined by concerned Pollution Control Boards (PCBs) at periodic intervals.

### Materials and Packaging

The Company endeavours to address use of plastic packaging in value chain based on a Reduce- Recycle-Reuse strategy. The Company is sensitive towards pollution caused by consumption of materials especially due to packaging waste, disposable plastics and its negative impacts on ecosystems. As a responsible retailer, the Company is committed to addressing these challenges and shall endeavour to identify and eliminate all single use plastics utilised in packaging.

The Company is committed to creating awareness and engaging with stakeholders to reduce use of plastic and paper in its operations. The Company has moved away from use of plastic carry bags and is using paper/cloth bags.

#### Central & Brand Factory

Material	Packaging Item	FY 19-20	FY 20-21
		Total Weight (KG)	Total Weight (KG)
Cloth	Cloth Bag	20,672	6,898
Paper	Carry Bag	6,75,474	2,98,634

The coming years will examine the back-end plastic footprint and adopt strategies to reduce use of plastic where feasible, explore use of recycled, eco-friendly content in secondary and tertiary packaging and logistics of products.

The upcoming reporting period will measure, monitor and report progress against commitments and evaluate feasibility, review continual improvement on a periodic basis.

### Accept the Challenge Go Paperless

The Company had initiated this programme in FY 2018-19 and have extended the challenge to reduce paper footprint across operations.

The Company has also undertaken the following initiatives to achieve its paper consumption targets across formats:

- National rollout of e-receipts across all formats and encouraging customers to not opt for physical bills.
- National rollout of printer server software across all offices to ensure duplex printing and reduce wastage due to unattended prints through pin-based printing.

### Waste to Wealth – the circular loop

The Company recognises that every material has value not only at production and use but also at the end of life, the generation of any waste materials is the significant under utilisation of resources and products.

Waste generated at its offices and stores is managed as per applicable norms, is segregated at source and handed over to waste handlers.

### Environmental Compliance

The Company received no cautionary/show-cause notices of non-compliance with regulations or penalties

## Business Responsibility Report (contd.)

or fines from State Pollution Control Board (SPCB)/ Central Pollution Control Board (CPCB) concerning the activities undertaken at the Company's stores during the reporting period.

### Principle 7: Public Advocacy

#### Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company focuses on building excellence in fashion and retail, while interacting with key stakeholders. The senior leadership team continue to share invaluable experience to provide incisive insights at various round tables and conferences.

The Company is committed to public good, however the Company has not actively advocated or lobbied directly with government officials or institutions. The Company actively participates in industry events and is a member of the Retailers Association of India (RAI) and The Clothing Manufacturers Association of India.

Management and the senior leadership team interacts with various professional bodies and organisations to anticipate and understand the government regulations, economic scenario, industrial environment and advancement of public goods and services.

### Principle 8: Inclusive Growth

#### Business should support inclusive growth and equitable development

##### Social Responsibility Programs

The Company believes that its business is built around strong social relevance of inclusive growth and creation of large societal capital would be as important as wealth creation for our stakeholders. The Company has been contributing to the societal wealth creation as a realisation of our above belief.

During the year under review, the Company has intensively worked on enhancing vocation skills and skills development and contributed by imparting training to the Apprentices and Students under the National Employability Enhancement Mission (NEEM) and National Apprenticeship Promotion Scheme (NAPS), schemes launched by Ministry of Skill Development and Entrepreneurship, Government of India.

The objective of the NEEM is to "offer on the job practical training to enhance employability of a person either pursuing his or her post-graduation/graduation/

diploma in any technical or non-technical stream or has discontinued studies after Class 10th to enhance his/her employability and to provide financial incentives, technology and advocacy support.

During the year under review, the Company has spent an amount of ₹ 4.48 crore towards stipend / administrative fee and/or working capital spent on the aforesaid activity, which was in excess of mandatory CSR obligation of ₹ 3.18 crore required to be spent by the Company during the financial year 2020-21.

### Principle 9: Value to customers and consumers

#### Business should engage with and provide value to their customers and consumers in a responsible manner

Creating customer value is primary, the Company consistently works to fulfil basic and aspirational needs of its customers, thereby increasing customer loyalty and satisfaction.

The Company is committed to build trust by disclosing information truthfully and factually including the use of cautionary statements and through transparent communication. The Company ensures that its marketing and advertising campaigns and communications do not confuse or mislead consumers or violate any of the principles in these Guidelines. (For more details please refer to Principle 2 Product labelling section)

Customer privacy is zealously guarded – customers who choose to take a membership in programs offered by the Company are informed at the time of enrolment for communication from the Company about offerings and promotional events. If they choose not to receive any communication from the Company then the same is honoured.

Regular trainings are conducted by Learning and Development Teams across Pan India stores for employees including Customer Service Teams to ensure that the customer service level is improved. These include improving product knowledge, focusing on enhancing the salesmanship skills, enhancing the soft skills required to have a polite and confident conversation with customers. During COVID times, a lot of training and emphasis was given on new safety protocols to ensure safe and hygiene shopping environment for the customers.

The Company requests customer feedback post campaign promotions. The learnings and feedback forms become a key resource for creating a better customer experience.

## Business Responsibility Report (contd.)

The Company has integrated Microsoft CRM with Field Partner CRM for complete transparency and visibility of field service. Training is conducted to improve knowledge of technology especially the CRM which handles customer grievances and feedback.

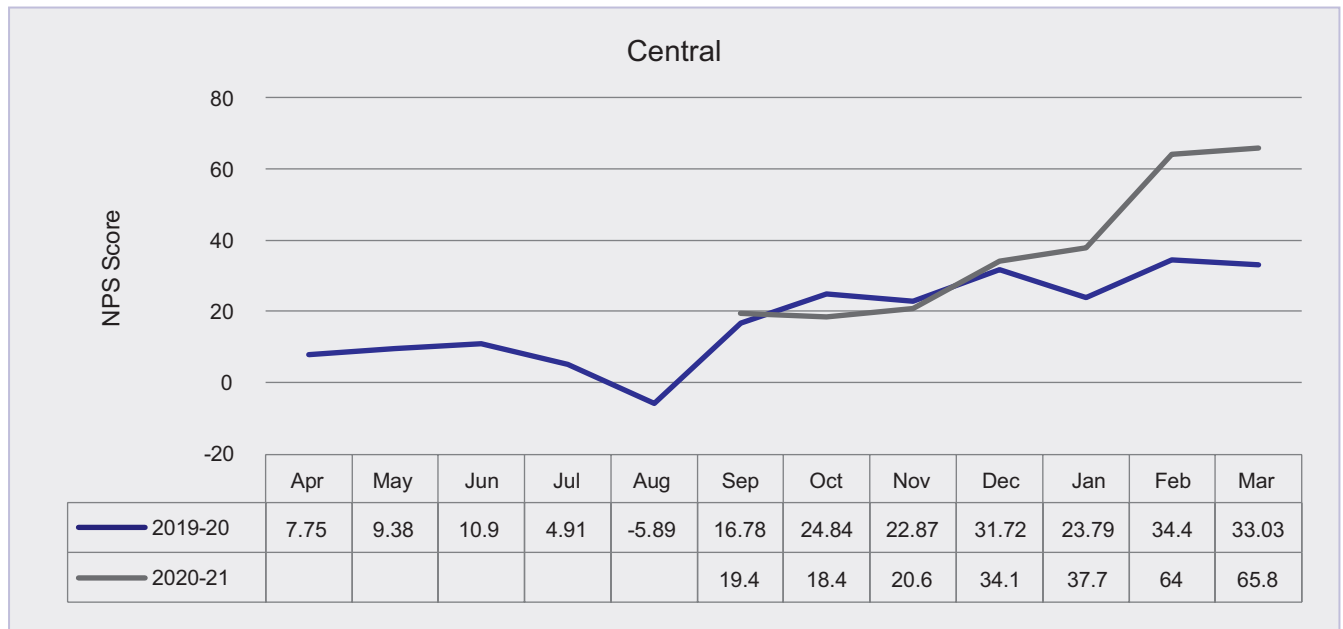
### Net Promoter Score

The customer-based survey, internally branded as Voice of Customer (VOC) runs on the Net Promoter Score (NPS) platform. The parameters that measure NPS include product quality and availability, store helpfulness and service quality, billing experience, store ambience and

services, overall membership program experience. A customer receives an SMS post billing and is requested to provide feedback.

Parameters	Rating Scale
We request your valuable rating of the overall shopping experience. It will help us work to delight also your family & friends when they visit us	0-10
Product quality and availability	1 - 5
Store helpfulness & service quality	1 - 5
Billing experience	1 - 5
Store ambience & services	1 - 5
Overall membership program experience	1 - 5

During the reporting period, the Central format saw a marked improvement in the NPS score December onwards while the Company sets out internal targets going forward.



Due to COVID pandemic, stores were closed during first half of the year under review. Hence, consumer surveys couldn't be conducted during that period.

The Google Ratings as an internal standard rating is 4.0 and the same is being tracked store-wise. For stores having a rating below 4.0, store managers are empowered to engage and resolve the issues promptly with the concerned customers.

### Customer Grievances

The Company proactively interacts with customers for higher customer centricity and better response (Please refer to Principle 4 for more details related to customers) and have set in place a strong grievance mechanism, where the complaints are registered on the CRM software.

## Business Responsibility Report (contd.)

The customer grievance redressal mechanism is as follows:

- All complaints are tagged in e-CRM.
- Contact centre calls customers and confirms the resolution.
- Store calls customer to address the issue and resolution is provided as per nature of complaint.
- If customer is satisfied with resolution, then the case is closed.
- If the customer is not satisfied with resolution, then the case is re-opened and escalated for priority resolution.

Brand Factory ensures loyalty towards the brand is retained by providing better shopping experiences to customers and inviting detractors to revisit Brand Factory @ Free Shopping Weekend campaign with an assured "Free Pass Entry" for the preview.

There have been no cases filed by any stakeholder against the Company regarding irresponsible advertising and/or anti-competitive behavior during the last five years.

# Independent Auditor's Report

To,  
The Members of  
**Future Lifestyle Fashions Limited**

## **REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying standalone financial statements of Future Lifestyle Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone financial statements 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 (ICAI) together with

the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Emphasis of Matter:**

We draw attention to note no 40 the statement, which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the company.

Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements

Sr No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with new revenue accounting standard.</p> <p>Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system.</p> <p>We performed substantive testing by selecting samples of rebate and discount transactions recorded during the year and comparing the parameters used in the calculation of the rebate and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the rebates and discounts was in accordance with the terms and conditions defined in the corresponding schemes.</p> <p>Performed analytical procedures for reasonableness of revenues.</p>
2	<p><b>Valuation of Inventory</b></p> <p>We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.</p>	<p><b>Principal Audit Procedures</b></p> <p>Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</p> <p>Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</p> <p>Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</p> <p>Obtained an understanding of management's estimate of business impact of COVID 19 pandemic on provision on inventories.</p> <p>Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</p> <p>Verification of the determination of net realisable value on a representative sample basis.</p>
3	<p><b>Accounting for Lease Concessions under Ind AS 116</b></p> <p>The Company has renegotiated future lease rentals and escalations, thereby remeasuring the lease liability using the revised lease payments resulting in a decrease in the lease liability and a corresponding adjustment to the Right-of-use asset. The large volume of leases, the diverse nature thereof and the significance and impact of the estimates made led us to consider this matter to be a key matter to this audit.</p>	<p><b>Principal Audit Procedures</b></p> <ol style="list-style-type: none"> <li>1. Assessing the design and implementation of the key controls established by the Company on significant estimates such as the revised lease term, lease payments and the discount rates.</li> <li>2. Our procedures to assess management's key modelling estimates and the completeness/accuracy of the underlying lease data included:                         <ul style="list-style-type: none"> <li>- assessing the discount rates used to calculate the lease obligation,</li> <li>- assessing the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation;</li> <li>- assessing the completeness of the commercial arrangements for the waivers by testing lease payments and comparing the same with the original agreements with revised negotiations and</li> </ul> </li> </ol>

Sr No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>- For a representative sample of rent concessions received as a consequence of covid-19 related renegotiations, verification of the correct accounting in accordance with the regulation in force.</li> </ul>
3.	Evaluating whether the disclosures included in the notes to the financial statements are in conformity with the applicable standard	

### Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as whole are 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 these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, 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 financial 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 system 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 management.
- Conclude on the appropriateness of management's 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and



operating effectiveness of the Company's internal financial controls over financial reporting on the Company's internal financial controls over financial reporting for the reasons stated therein.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 21042472AAAADZ1889

Mumbai  
June 28, 2021

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the FUTURE LIFESTYLE FASHIONS LIMITED on the standalone financial statements for the year ended March 31, 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does hold any immovable properties of freehold or leasehold land and building as at March 31, 2021. Therefore, paragraph 3(i) (c) of the Order is not applicable.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits as during the year from the public as mentioned in the provision of Section 73 to 76 and any other relevant provisions of the Act and rules framed there under apply. Therefore Paragraph 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues were in arrears as at March 31,2021, for a period of more than six months from the date they became payable.

However, according to information and explanations given to us, value added tax, entry tax, Service Tax, income tax and stamp duty which have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ In crore)	Period to which the amount relates	Forum where dispute is pending
Orissa Entry Tax	Entry Tax	0.12	2015-2016	Deputy Commissioner Commercial Tax
Maharashtra VAT	VAT	2.28	2015-2016	Deputy Commissioner of Sales Tax (Appeals)
Service Tax Act, 1994	Service Tax	16.60	2007-2011	Hon'ble Supreme Court of India
The Income Tax Act, 1961	TDS	13.40	2013-2014	Commissioner of Income Tax (Appeals)
The Indian Stamp Act	Stamp Duty	1.55	2008-2009	Upper Collector, Gaziabad

- viii. Based on our audit procedures and on the basis information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The company has not taken any loans from Government or any Financial Institution.
- ix. Based on our audit procedure and on the basis information and explanation given by the management, we are of the opinion that money raised by company by way of term loan have been applied for the purpose for which they were raised. The company did not raise any money by way of Initial Public offer or further public offer.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares during the year in compliance with the requirement of section 42 of the Act and amount raised has been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 21042472AAAADZ1889

Mumbai  
June 28, 2021

## Annexure - B to the Auditor's Report

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of FUTURE LIFESTYLE FASHIONS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 21042472AAAADZ1889

Mumbai  
June 28, 2021

# Balance Sheet

as at March 31, 2021

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	1,233.30	1,367.20
Capital work-in-progress		60.83	178.47
Other Intangible assets	3	12.53	13.68
Right-of-use assets	28	916.39	1,103.34
Net investment in sublease	28	5.80	13.83
<b>Financial Assets</b>			
Investments	4	498.09	497.66
Security Deposits	5	101.95	140.26
Others financial assets	7	0.40	0.38
Deferred tax assets (net)		156.09	156.09
Non-current tax assets (net)		10.37	10.53
Other non-current assets	8	56.53	95.38
<b>Total Non - Current Assets</b>		<b>3,052.28</b>	<b>3,576.82</b>
<b>Current Assets</b>			
Inventories	9	1,877.50	2,401.55
<b>Financial Assets</b>			
Investments	4	39.90	40.38
Trade receivables	10	213.82	168.69
Cash and cash equivalents	11	40.63	11.56
Bank balances other than the above	12	5.24	10.72
Security Deposits	5	78.52	35.67
Loans	6	237.30	239.15
Others financial assets	7	36.62	18.93
Other current assets	8	490.16	554.06
<b>Total Current Assets</b>		<b>3,019.69</b>	<b>3,480.71</b>
<b>Total Assets</b>		<b>6,071.97</b>	<b>7,057.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	40.35	40.35
Other Equity	14	697.78	1,572.58
<b>Total Equity</b>		<b>738.13</b>	<b>1,612.93</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	1,067.33	190.08
Other financial liabilities	16	7.56	7.56
Lease liabilities	28	874.88	957.08
Provisions	17	10.68	10.95
<b>Total Non - Current Liabilities</b>		<b>1,960.45</b>	<b>1,165.67</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	564.13	697.60
Trade payables	35		
Dues of micro enterprises and small enterprises		80.45	70.71
Dues of creditors other than micro enterprises and small enterprises		1,911.55	2,235.18
Other financial liabilities	16	361.13	784.81
Lease liabilities	28	359.12	408.62
Provisions	17	50.43	59.70
Other current liabilities	18	46.58	22.31
<b>Total Current Liabilities</b>		<b>3,373.39</b>	<b>4,278.93</b>
<b>Total Equity and Liabilities</b>		<b>6,071.97</b>	<b>7,057.53</b>
The accompanying notes are forming part of the financial statements	1-44		

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
Membership No.04272

Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director

**Sanjay Kumar Mutha**  
Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2021

(All amounts in INR crore, unless otherwise stated)

	Note	2020-2021	2019-2020
<b>REVENUE</b>			
Revenue from operations	19	2,160.51	5,985.78
Other Income	20	49.99	64.62
<b>Total Revenue</b>		<b>2,210.50</b>	<b>6,050.40</b>
<b>EXPENSES</b>			
Purchases of Stock-in-trade		1,031.37	4,390.56
Changes in inventories of stock-in-trade	21	524.05	(424.95)
Employee benefits expense	22	173.14	314.75
Finance costs	23	338.62	301.33
Depreciation and amortisation expense	3	581.88	682.17
Other expenses	24	432.19	764.90
<b>Total Expenses</b>		<b>3,081.25</b>	<b>6,028.76</b>
<b>Profit/(Loss) Before Exceptional Item and Tax</b>		<b>(870.75)</b>	<b>21.64</b>
Exceptional Item (Loss)		-	(87.17)
<b>Loss before tax</b>		<b>(870.75)</b>	<b>(65.53)</b>
Tax Expense	25	0.82	7.88
<b>Loss for the Year</b>		<b>(871.57)</b>	<b>(73.41)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans	32	1.24	(1.79)
(b) Equity Instrument at fair value through OCI		(1.88)	13.32
Income tax relating to items that will not be reclassified to profit or loss		-	(2.49)
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>(0.64)</b>	<b>9.04</b>
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>(872.21)</b>	<b>(64.37)</b>
<b>Earnings per equity share of Face Value of ₹ 2 each</b>			
Basic (₹)		(43.23)	(3.25)
Diluted (₹)		(43.23)	(3.24)
The accompanying notes are forming part of the financial statements	1-44		

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
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Mumbai  
June 28, 2021

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Managing Director

**Sanjay Kumar Mutha**  
Company Secretary

# Statement of Changes in Equity

for the year ended March 31, 2021

(All amounts in INR crore, unless otherwise stated)

## A) EQUITY SHARE CAPITAL

Balances as at March 31, 2019	38.91
Issue of Equity shares under employee share option plan (ESOP)	0.14
Issue on preferential basis	1.30
Balances as at March 31, 2020	40.35
Issue during the year	-
<b>Balances as at March 31, 2021</b>	<b>40.35</b>

## B) OTHER EQUITY

	Reserve & Surplus							Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earning	Equity instruments through Other Comprehensive Income	
Balance as at March 31, 2019	426.99	476.90	50.00	20.64	88.04	539.90	6.27	1,608.72
Profit for the Year						(73.41)		(73.41)
Other Comprehensive income for the year, Net of Income tax						(4.29)	13.32	9.03
Total Comprehensive income for the year						(77.70)	13.32	(64.38)
Transfer to Securities premium on exercise of ESOP		11.64		(11.64)				-
Received on Issue of Equity shares		308.78						308.78
Impact of Ind AS 116						(226.29)		(226.29)
Impact of Change in Tax rate as per Section 115BAA						(27.95)		(27.95)
Recogniton of Share-based payments				6.53				6.53
Payment of Dividend on Equity Shares						(27.26)		(27.26)
Payment of tax on Dividend on Equity Shares						(5.60)		(5.60)
Balance as at March 31, 2020	426.99	797.31	50.00	15.53	88.04	175.12	19.59	1,572.58
Profit for the Year						(871.57)		(871.57)
Other Comprehensive income for the year, Net of Income tax						1.24	(1.88)	(0.63)
Total Comprehensive income for the year						(870.33)	(1.88)	(872.20)
Recognition of Share-based payments				(2.58)				(2.58)
<b>Balance as at March 31, 2021</b>	<b>426.99</b>	<b>797.31</b>	<b>50.00</b>	<b>12.94</b>	<b>88.04</b>	<b>(695.21)</b>	<b>17.71</b>	<b>697.78</b>

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
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Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

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Managing Director

**Sanjay Kumar Mutha**  
Company Secretary



# Statement of Cash Flows

for the year ended March 31, 2021

(All amounts in INR crore, unless otherwise stated)

	2020-2021	2019-2020
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the year	(871.57)	(73.41)
<b>Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities</b>		
Income tax expense	0.82	7.88
Finance costs	338.62	301.33
Interest income	(41.97)	(42.27)
Loss on disposal/discard of property, plant and equipment	41.47	35.72
Provision for Diminution/Striking of Investment	-	87.32
(Gain) on derecognition and remeasurement of lease	(10.34)	(2.63)
Expected credit loss allowance (for doubtful debts)	0.27	1.50
Depreciation and amortisation of property, plant and equipment and intangible assets	581.88	682.17
Expense recognised in respect of equity-settled share-based payments	(2.58)	6.53
Bad Debts	0.74	0.35
<b>Cash Generated from operations before working capital changes</b>	<b>37.34</b>	<b>1,004.49</b>
<b>Movements in working capital:</b>		
(Increase)/ Decrease in trade and other receivables	0.06	(296.32)
(Increase)/ Decrease in inventories	524.05	(424.95)
(Increase)/ Decrease in other assets	35.32	(15.30)
Increase/ (Decrease) in trade payables	(313.89)	636.69
Increase/ (Decrease) in provisions	(8.31)	7.58
Increase/ (Decrease) in other liabilities	39.49	(59.46)
<b>Cash generated from operations</b>	<b>314.06</b>	<b>852.73</b>
Direct Taxes paid	(0.65)	(25.67)
<b>Net cash generated from operating activities</b>	<b>313.41</b>	<b>827.06</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Inter corporate deposit (Given)/refunded (Net)	0.85	(58.77)
Interest received	41.03	40.28
Payments for property, plant and equipment and intangible assets	(68.67)	(483.30)
Proceeds from disposal of property, plant and equipment	1.00	2.36
Payment to acquire financial assets - Investment	(1.83)	(428.42)
Rent receipt	8.96	13.14
Realisation of deposits/restricted deposits with banks	5.45	(1.95)
<b>Net cash (used in) investing activities</b>	<b>(13.21)</b>	<b>(916.66)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	310.22
Proceeds from Borrowings	304.87	506.74
Interest paid	(209.88)	(147.84)
Payment of Lease liability and other incidental expenses	(366.12)	(625.85)
Dividend Paid (Including Dividend Distribution Tax)	-	(32.87)
<b>Net cash (used in)/generated by financing activities</b>	<b>(271.13)</b>	<b>10.40</b>
<b>Net increase in cash and cash equivalents</b>	<b>29.07</b>	<b>(79.20)</b>
Cash and cash equivalents at the beginning of the year	11.56	90.76
<b>Cash and cash equivalents at the end of the year (Refer Note 11)</b>	<b>40.63</b>	<b>11.56</b>

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
Membership No.04272

Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director

**Sanjay Kumar Mutha**  
Company Secretary

# Notes

Forming Part of the Financial Statements

## 1) CORPORATE INFORMATION ABOUT THE COMPANY

Future Lifestyle Fashions Ltd (“The Company”) is a company incorporated in India under the provisions of Companies Act, 1956 on May 30, 2012. The registered address of the Company is located at knowledge House, Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060. The Company is engaged in the business of Retailing of Fashion products through Departmental and neighbourhood stores under various formats across the country. The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited. The Financial Statements were approved for issue by the Board of Directors on June 28, 2021. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crore except where otherwise indicated.

## 2) SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliances with Indian Accounting Standards (Ind AS)

The financial statements of the Company comply in all material aspects with IND AS notified under Section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other applicable laws.

### 2.2 Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

### 2.3 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the business. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised

at their fair value, except deferred tax assets or liabilities. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

### 2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on De-recognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

Depreciation on property, plant and equipment has been provided on Straight Line Method over their useful lives. Estimated useful lives of the assets are as below:

Property, Plant and Equipment	Number of Years
Plant and Equipment	15 years
Office Equipment	5 years
Furniture, Fixture and other Fittings*	7 years
Leasehold Improvement*	Lease term or 7 years, whichever is lower
Vehicle	8 years
Computers (End User Device)	3 years
Computers (Other than End User Device)	6 years

*\*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

# Notes

Forming Part of the Financial Statements

The residual values, estimated useful lives and methods of depreciation are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

## 2.5 Intangible Assets

Intangible Assets are carried at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Acquisition cost includes Information system related Costs as well as costs incurred for enhancement and improvements. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in estimates is accounted for prospectively.

Estimated useful lives of the Intangible assets are as follows:

Intangible Assets	Useful lives
Computer Software	6 years
License Rights	Over the period of License

## 2.6 Impairment of non-financial assets (including investment in subsidiary, associate and joint venture)

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (including investment in subsidiary, associates and joint venture) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its

carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

## 2.7 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

### Sale of Goods

The Company deals in fashion products including apparel, footwear and accessories to both the large format stores and directly to customers through its own retail outlets.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For sales of fashion products, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

### Rendering of services

Revenue from a contract to provide services is recognised as they are rendered based on arrangements with the customers.

### Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can

# Notes

## Forming Part of the Financial Statements

be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.8 Leases

#### The Company as a lessee

The Company's Lease assets classes primarily consist of leases for Buildings (Leased Stores). The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU" and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

# Notes

Forming Part of the Financial Statements

## 2.9 Taxation

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference rises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 2.10 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.11 Borrowing costs

Borrowing costs that is directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

## 2.12 Employee benefits

### Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

# Notes

Forming Part of the Financial Statements

## Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

## Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

## Other long term employee benefit

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Cost of other long term benefits are determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period and the cost (including re-measurement) is recognised in statement of profit and loss.

## 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprise of cost of purchase, cost of conversion and other related cost incurred in bringing the inventories to their present location and condition.

## 2.14 Foreign currencies

Indian rupees (₹) is the functional currency of the Company. In preparing these financial statements, transactions in currencies other than the functional currency (foreign currencies) are recognised at the

rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for exchange differences which are regarded as an adjustment to interest cost as per policy on borrowing cost.

## 2.15 Provisions, contingent liability and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting (when the effect of the time value of money is material) the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or it is probable but no reliable estimate is possible. Contingent liabilities are not recognised in financial statements however disclosed. Similarly, contingent assets are not recognised however disclosed.

## 2.16 Financial instruments

### Classification as financial liability or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments

# Notes

Forming Part of the Financial Statements

issued by the Company are recognised at the proceeds received, net of direct issue costs.

## Financial assets and financial liabilities- Initial recognition.

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of investments, loans, deposits, trade receivables and cash and bank balances. Financial liabilities primarily comprise of borrowings, trade and other payables and financial guarantee contracts.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets/ issue of financial liabilities are added to the fair value of the financial assets/ subtracted from fair value of financial liabilities on initial recognition, except for financial asset/ liability is subsequently measured at fair value through profit or loss.

## Subsequent measurement

### Financial assets and financial liabilities at amortised cost

After initial recognition all financial assets (other than investment in equity instruments and derivative instruments) are subsequently measured at amortised cost using the effective interest method. All financial liabilities (other than derivative liabilities), subsequently after initial recognition, are measured at amortised cost using effective interest method. The Company has not designated any financial asset or financial liability as fair value through profit or loss ("FVTPL").

### Financial assets and financial liabilities at FVTPL

All derivative assets and derivative liabilities are always measured at FVTPL with fair value changes is being recognised in statement of profit and loss.

### Investment in equity instruments either at FVTPL or FVTOCI

Investment in equity instruments are measured at FVTPL with fair value changes is being recognised in statement of profit and loss. However, on initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading.

These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### Financial guarantee obligation

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

After initial recognition of financial guarantee obligation at fair value, the Company subsequently measured it at the higher of:

- Amount of loss determined in accordance with impairment requirement under Ind AS 109 (see policy on impairment of financial asset); and
- The amount initially recognised less, when appropriate, the cumulative income recognised.

### Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that

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## Forming Part of the Financial Statements

financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

### De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### 2.17 Share-based payment arrangement

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/ option at the grant date.

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

### 2.18 Operating segment

The management views the Company's operation as a single segment engaged in business of Branding, Processing, Selling and Distribution of 'Fashion Products'. Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

### 2.19 Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

### Key sources of estimation uncertainty

#### Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property, plant and equipment, investment in subsidiaries, joint ventures and associates

Determining whether the assets are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

#### Provisions, liabilities and contingencies

The timing of recognition of provision requires application of judgement to existing facts and circumstances which may be subject to change

#### Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of estimate is required in establishing fair values.



## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 3) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Descriptions of Assets	Gross Block (At cost / deemed cost)		Depreciation / Amortisation		Net Block	
	As at April 01, 2020	As at March 31, 2021	As at April 01, 2020	For the Year	As at March 31, 2021	As at March 31, 2020
<b>A. Property, plant and equipment</b>						
Leasehold Improvements	378.60	55.69	21.17	21.17	378.60	266.02
Plant & Equipments	216.33	9.35	7.43	7.43	216.33	167.54
Office Equipments	40.26	0.34	0.46	0.46	40.26	22.46
Computer & IT Equipment	68.37	0.62	1.38	1.38	68.37	30.24
Furniture, Fixtures and Other Fittings	1,274.89	118.62	55.23	55.23	1,274.89	880.41
Vehicles	0.85	-	0.39	0.39	0.85	0.53
<b>Total</b>	<b>1,979.30</b>	<b>184.62</b>	<b>86.06</b>	<b>86.06</b>	<b>1,979.30</b>	<b>1,367.20</b>
<b>B. Other Intangible Assets</b>						
Computer Software	25.14	1.69	0.03	0.03	25.14	13.34
Trademarks, Copyrights & Patents	0.54	-	-	-	0.54	0.34
<b>Total</b>	<b>25.68</b>	<b>1.69</b>	<b>0.03</b>	<b>0.03</b>	<b>25.68</b>	<b>13.68</b>
<b>Grand Total</b>	<b>2,004.98</b>	<b>186.31</b>	<b>86.09</b>	<b>86.09</b>	<b>2,004.98</b>	<b>1,380.88</b>
Previous Year	1,606.89	462.63	64.54	272.19	1,380.88	1,228.53

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 4) INVESTMENTS

	Number of Units		Amount	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Investment</b>				
<b>Trade Investments fully paid up of ₹ 10 each unless otherwise stated</b>				
<b>Quoted</b>				
KOOVS PLC (₹ 0.01 per ordinary share)	10,37,15,663	10,37,15,663	84.96	84.96
KOOVS PLC - CCPS (₹ 0.01 per share)	8,81,523	8,81,523	2.21	2.21
Less :- Provision for Diminution of Investment			(87.17)	(87.17)
<b>Aggregate book value of quoted</b>			-	-
<b>Non-Current Investments</b>				
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Subsidiaries (At cost)</b>				
Future Trendz Limited	5,50,000	5,50,000	2.05	1.55
FLFL Athleisure Limited	50,000	50,000	0.05	0.05
<b>Joint Venture (At cost)</b>				
FLFL Lifestyle Brands Limited	50,000	50,000	1.93	1.54
FLFL Travel Retail Bhubaneswar Private Limited	5,100	5,100	0.01	0.01
FLFL Travel Retail Guwahati Private Limited	5,100	5,100	0.01	0.01
FLFL Travel Retail West Private Limited	5,100	5,100	0.01	0.01
FLFL Travel Retail Lucknow Private Limited	5,100	5,100	0.01	0.01
<b>Others (at fair value through other comprehensive income)</b>				
DSK Media Private Limited	10,000	10,000	18.02	18.42
Renew Wind Power Karnataka Private Limited	3,100	6,400	0.03	0.06
<b>Investment in Optionally Convertible Debentures</b>				
<b>Subsidiaries (At cost)</b>				
Future Trendz Limited	35,78,170	35,78,170	357.82	357.82
<b>Joint Venture (At cost)</b>				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	11,16,80,000	11,16,80,000	111.68	111.68
<b>Aggregate book value of unquoted</b>			<b>498.09</b>	<b>497.66</b>
<b>Non-Current Investments</b>				
<b>Current Investment</b>				
<b>Trade Investments fully paid up of ₹10 each unless otherwise stated</b>				
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Ventures (At cost)</b>				
Clarks Future Footwear Private Limited	9,80,000	9,80,000	5.63	4.63
Holii Accessories Limited	1,90,000	1,90,000	0.24	0.24
<b>Others (at fair value through OCI)</b>				
SSIPL Retail Limited	6,09,197	6,09,197	34.03	35.51
<b>Aggregate book value of unquoted</b>			<b>39.90</b>	<b>40.38</b>
<b>Current Investments</b>				

## Notes

Forming Part of the Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

### 5) SECURITY DEPOSIT

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current (Unsecured)</b>		
Considered good	101.95	140.26
	<b>101.95</b>	140.26
<b>Current (Unsecured)</b>		
Considered good	78.52	35.67
	<b>78.52</b>	35.67

### 6) LOANS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Inter Corporate Deposits	225.18	226.03
Loan given to Other	12.12	13.12
	<b>237.30</b>	239.15

### 7) OTHERS FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Bank deposits more than 12 months maturity	0.40	0.38
	<b>0.40</b>	0.38
<b>Current</b>		
Insurance Claim Receivable	0.87	4.06
Other Receivables	35.75	14.87
	<b>36.62</b>	18.93

### 8) OTHER ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Capital Advances	0.75	3.31
Prepaid Expenses	55.78	92.07
	<b>56.53</b>	95.38
<b>Current</b>		
Balance with Government authorities	153.30	161.32
Advance to suppliers	313.92	358.63
Prepaid Expenses	10.83	17.48
Others	12.11	16.63
	<b>490.16</b>	554.06

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 9) INVENTORIES

	As at March 31, 2021	As at March 31, 2020
Stock-in-Trade (Goods-in-Transit of ₹ 17.22 crore, 2019-20 : ₹22.42 crore)	1,875.91	2,399.75
Packing Material	1.59	1.80
	<b>1,877.50</b>	<b>2,401.55</b>

### 10) TRADE RECEIVABLES (UNSECURED)

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Considered Good	213.82	168.69
Considered Doubtful	2.32	2.05
	<b>216.14</b>	<b>170.74</b>
Less :- Expected credit loss allowance (for doubtful receivables)	2.32	2.05
	<b>213.82</b>	<b>168.69</b>

### 11) CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Cash on Hand	3.01	1.35
In Current Accounts	25.31	1.15
Balance with credit card and e-wallet companies	12.31	9.06
	<b>40.63</b>	<b>11.56</b>

### 12) BANK BALANCES OTHER THAN THE ABOVE

	As at March 31, 2021	As at March 31, 2020
Bank deposits* (with maturity less than 12 months)	5.06	10.52
Earmarked Accounts (for unpaid dividend)	0.18	0.20
	<b>5.24</b>	<b>10.72</b>

\* Held as margin money or security against the borrowings, guarantees and other commitments.

### 13) EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	<b>25,00,00,000</b>	<b>50.00</b>	25,00,00,000	50.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 2/- each	20,17,74,874	40.35	20,17,74,874	40.35
	<b>20,17,74,874</b>	<b>40.35</b>	20,17,74,874	40.35

## Notes

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(All amounts in INR crore, unless otherwise stated)

### Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2021	As at March 31, 2020
	No. of Shares	No. of Shares
At the beginning of the year	20,17,74,874	19,45,68,077
Add : Shares issued on exercise of employee stock option	-	7,27,316
Add : Issued during the year	-	64,79,481
At the end of the year	<b>20,17,74,874</b>	20,17,74,874

### Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

### Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited	3,71,04,265	18.39	7,54,41,490	37.39
RSCL Trading Private Limited	38,12,924	1.89	1,45,38,559	7.21
Spectacular Investments PTE Limited	1,94,04,207	9.62	1,94,04,207	9.62
BTO FPI III Pte. Ltd.	1,16,84,716	5.79	1,16,84,716	5.79
Life Insurance Corporation of India	1,42,67,272	7.07	1,41,72,733	7.02
Vistra ITCL India Limited	5,12,45,095	25.40	-	-

### Share options granted under the Company's employee share option plan

Share options granted under the company's employee share option plan carry no right to dividends and no voting rights. Further details of the employee share option plan are provided in Note 36.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 14) OTHER EQUITY

	As at March 31, 2021	As at March 31, 2020
Capital Reserve	426.99	426.99
Securities Premium	797.31	797.31
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	12.94	15.53
General Reserve	88.04	88.04
Retained Earning	(695.21)	175.12
Equity instruments through Other Comprehensive Income	17.71	19.59
	<b>697.78</b>	<b>1,572.58</b>

For addition and deduction under each of the above heads refer statement of change in Equity

### NATURE OF RESERVES

#### Capital Reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

#### Securities Premium

Securities premium is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act 2013.

#### Debenture Redemption Reserve

Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company.

#### Share Options Outstanding Account

This reserve relates to share option granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 36

#### General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

#### Retained Earnings

This represents the surplus/(deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

#### Equity instruments through other comprehensive income

Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 15) BORROWINGS

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
8.70% Redeemable Non Convertible Debentures (NCD)	350.00	-
Term Loans from Banks	565.98	190.08
Funded Interest Term Loans	80.62	-
<b>Un-Secured</b>		
Term Loans from Banks	70.07	-
Funded Interest Term Loans	0.66	-
	<b>1,067.33</b>	<b>190.08</b>
<b>Current</b>		
<b>Secured</b>		
Working Capital Loans from Banks	564.13	547.60
<b>Un-Secured</b>		
Term Loans from Banks	-	150.00
	<b>564.13</b>	<b>697.60</b>

Note :- Please refer detailed Note 44 on One Time Restructuring (OTR) of Credit Facilities.

#### Details of Security and Repayment Terms for Secured Non Current Borrowings :-

S.No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2021	As at March 31, 2020
1	<b>8.70 % NCD Series IV</b>			
	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	<p>Redeemable at the end of 84 months from the deemed date of allotment falling due on November 09, 2024 basis the extension by 24 months from the original redemption date of November 09, 2022.</p> <p>Interest of 8.70% p.a payable annually from the deemed date of allotment. Moratorium on Interest up to December 31, 2021.</p> <p>Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.</p>	350.00	349.65

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Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

S.No.	Nature of Security	Terms of Interest and Repayment	As at	As at
			March 31, 2021	March 31, 2020
<b>2</b>	<b>Term Loans from bank:</b>			
(i)	a) Secured By First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company. b) Personal Guarantee of promoters	The Outstanding Loan is repayable in 5 Step up Quarterly installments. (Next installment due in Sept. 2022) Interest :- 10.25% p.a. (as on March 31, 2021)*	56.08	55.93
(ii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company. b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 20 quartely Installments. (Next installment due in June 2022) Interest :- 9.90% p.a (as on March 31, 2021)*	123.37	129.58
(iii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company. b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 20 quartely Installments. (Next installment due in June 2022) Interest :- 9.90% p.a (as on March 31, 2021)*	136.08	134.84
(iv)	a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company. b) Personal Guarantee of promoters	The Outstanding Loan is repayable as bullet repayment in the Quarter ended on March 2023.*	75.00	-
<b>3</b>	<b>Working Capital Term Loans (WCTL) from Banks :-</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company, b) Secured By Second Pari- Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 4 quartely Installments. (Next Installment due in December 2021) Interest :- 8.30% p.a.*	206.41	-



## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

S.No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2021	As at March 31, 2020
<b>4</b>	<b>Existing Funded Interest Term Loans (FITL) from Banks :-</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company,	The Outstanding Loan is repayable in 2 Structured Quartely Installments. (Next Installment due in March 2022) Interest :- 10.75 % p.a. The Interest is paid as and when due.	25.65	-
	b) Secured By Second Pari- Passu Charge on moveable Fixed Assets			
	c) Personal Guarantee of promoters			
<b>5</b>	<b>New Funded Interest Term Loans (FITL) from Banks :-</b>			
<b>(A)</b>	<b>FITL against Working Capital Limits/ WCTL Limits</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company,	The Outstanding Loan is repayable in 3 Structured Quartely Installments. (Next Installment due in March 2022) Interest :- 8.30 % p.a. The Interest is paid as and when due.	39.68	-
	b) Secured By Second Pari- Passu Charge on moveable Fixed Assets			
	c) Personal Guarantee of promoters			
<b>(B)</b>	<b>FITL against Short Term Loans</b>			
(i)	a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company.	The Outstanding Loan is repayable in 3 Structured Quartely Installments. (Next Installment due in March 2022) Interest :- 8.30 % p.a. The Interest is paid as and when due.	1.52	-
	b) Personal Guarantee of promoters			
<b>(C)</b>	<b>FITL against Term Loans</b>			
(i)	a) Secured By First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company.	The Outstanding Loan is repayable in 5 Structured Quartely Installments. (Next Installment due in September 2022) Interest :- 8.30 % p.a. The Interest is paid as and when due.	6.58	-
	b) Personal Guarantee of promoters			
(ii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 20 Structured Quartely Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a. The Interest is paid as and when due.	4.81	-
	b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company.			
	c) Personal Guarantee of promoters			

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

S.No.	Nature of Security	Terms of Interest and Repayment	As at	As at
			March 31, 2021	March 31, 2020
<b>(D)</b>	<b>FITL against Non-Convertible Debentures</b>			
(i)	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	The Outstanding Loan is repayable in 9 Structured Quartely Installments. (Next Installment due in March 2022)  Interest :- 8.30 % p.a. The Interest is paid as and when due.	11.18	-
			<b>1,036.36</b>	670.00
	Less : Current Maturities of Long Term Borrowing (excluding unsecured loan)		39.76	479.92
	<b>Total</b>		<b>996.60</b>	190.08

### Details of Security and Repayment Terms for Secured Current Borrowings :-

Nature of Security	Terms of Interest & Repayment
<b>Working Capital Loans from Banks</b>	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the Working Capital Loan is 10.20 % in the Financial Year 2021.
Loans are secured by	
a) First pari-passu charge on Current Assets (excluding credit / debit card receivables), both present & future of the company	
b) Second pari-passu Charge on the Moveable Fixed Assets of the company	

Note:- Working Capital Term Loans (WCTL), Funded Interest term Loans (FITL) against working capital and WCTL limits and Working capital limits are also secured by Term Deposit receipt of ₹31.00 Lacs.

\* Moratorium on Interest up to December 31, 2021.

## 16) OTHER FINANCIAL LIABILITIES

	As at	As at
	March 31, 2021	March 31, 2020
<b>Non-Current</b>		
Derivative liability	7.56	7.56
	<b>7.56</b>	7.56
<b>Current</b>		
Current Maturities of Long-Term Borrowings	41.01	479.92
Interest Accrued but Not Due on Borrowings	43.83	17.31
Unclaimed Dividend	0.18	0.20
Creditors for Capital supplies/services	120.52	134.19
Payable to employees	18.46	17.27
Security Deposits	119.46	118.48
Financial guarantee obligations	1.02	1.02
Other Payables	16.65	16.42
	<b>361.13</b>	784.81

## 17) PROVISIONS

	As at	As at
	March 31, 2021	March 31, 2020
<b>Non-Current</b>		
Gratuity	10.68	10.95
	<b>10.68</b>	10.95
<b>Current</b>		
Leave encashment	8.28	9.27
Gratuity	0.61	1.42
Provision for right of return	41.54	49.01
	<b>50.43</b>	59.70

## Notes

Forming Part of the Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

### 18) OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Advance received from Customers	46.58	22.31
	<b>46.58</b>	22.31

### 19) REVENUE FROM OPERATIONS

	2020-2021	2019-2020
Sale of Products	2,348.14	6,437.44
Less: Goods and Service Tax	215.43	576.85
	2,132.71	5,860.59
Other Operating Revenue	27.80	125.19
	<b>2,160.51</b>	5,985.78

### 20) OTHER INCOME

	2020-2021	2019-2020
Interest Income	41.97	42.27
Miscellaneous Income	8.02	22.35
	<b>49.99</b>	64.62

### 21) CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	2020-2021	2019-2020
<b>Opening Inventories</b>		
Stock- in-Trade	2,401.55	1,976.60
<b>Closing Inventories</b>		
Stock- in-Trade	1,877.50	2,401.55
	<b>524.05</b>	(424.95)

### 22) EMPLOYEE BENEFITS EXPENSE

	2020-2021	2019-2020
Salaries and Wages	163.64	283.47
Share-based payment to employees (Refer Note 36)	(2.58)	6.53
Contribution to Provident and Other Funds	9.73	19.70
Staff Welfare Expenses	2.35	5.05
	<b>173.14</b>	314.75

### 23) FINANCE COSTS

	2020-2021	2019-2020
Interest Expense	172.62	109.06
Other Borrowing Costs	37.26	38.78
Interest expense on lease liabilities	128.74	153.49
	<b>338.62</b>	301.33

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 24) OTHER EXPENSES

	2020-2021	2019-2020
Power and Fuel	73.42	140.53
Repairs and Maintenance		
Buildings	8.18	18.95
Others	1.63	9.97
Insurance	7.89	7.94
Rates and Taxes	6.47	8.67
Rent	60.17	100.00
Common Area Maintenance	59.38	60.46
Advertisement and Marketing	48.39	132.46
Loss on Disposal/Discard of Fixed Assets (Net)	41.47	35.72
Expected credit loss allowance (for doubtful receivables)	0.27	1.50
Bad Debts Written Off	0.74	0.35
Corporate Social Responsibility Expenses	4.48	3.29
Miscellaneous Expenses (Refer Note 39)	119.70	245.06
	<b>432.19</b>	<b>764.90</b>

### 25) TAX EXPENSE

#### Income tax expenses recognised in statement of Profit and Loss

	2020-2021	2019-2020
Current Tax	-	22.51
Adjustment of tax relating to earlier periods	0.82	-
Deferred Tax	-	(14.63)
<b>Total</b>	<b>0.82</b>	<b>7.88</b>

#### Income Tax expense recognized in other comprehensive income

	2020-2021	2019-2020
Deferred Tax	-	2.49

### 26) CONTINGENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debt	1,002.71	28.92
Corporate Guarantees given	188.30	188.30
Guarantees given to the bank on behalf of the Company	31.14	31.97

### 27) SEGMENT INFORMATION

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of 'Fashion Products' which constitutes a single reporting Segment. Hence there is no separate reportable segment under Ind AS 108 'Operating segment.

Company does not derive its revenue of 10% or more from any of its single customer.

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 28) DISCLOSURE RELATING TO LEASES

Effective April 1, 2019, The Company adopted IND AS 116 and applied the standard to all existing Lease Contracts as on April 1, 2019 using Modified Retrospective Method and has taken Cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental Borrowing rate.

**The following is the summary of practical expedients elected on initial application:**

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
4. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 10.20%
5. Estimated Life of each leased store considered in this standard is taken as earlier of 7 years from commencement or actual lease contract end date.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	1,103.34	1,238.21
Additions During the Year	316.37	381.43
Deletions During the Year	(1.53)	(106.32)
Depreciation for the Year	(302.96)	(409.99)
Remeasurements for the Year	(198.83)	-
<b>Closing Balance</b>	<b>916.39</b>	1,103.34

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities	359.12	408.62
Non-Current Lease Liabilities	874.88	957.08
<b>Total</b>	<b>1,234.00</b>	1,365.70

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

The following is the movement in lease liabilities during the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	1,365.70	1,568.68
Additions During the Year	316.37	380.57
Finance Cost Accrued During the Year	128.74	153.49
Payment of Lease Liabilities	(366.12)	(624.99)
Deletions During the Year	(5.35)	(112.04)
Remeasurements for the Year	(205.35)	-
<b>Closing Balance</b>	<b>1,234.00</b>	1,365.70

- (a) Short-term leases have been accounted for applying Paragraph 6 of Ind AS 116-Leases and accordingly recognized as expense in the statement of profit and loss.
- (b) The total cash outflow for the year ended March 31, 2021 amounts to ₹ 366.12 crore (2019-20: ₹ 624.99 crore).
- (c) To remeasure the lease liability to reflect the modification.

The difference of ₹ 205.35 crore between the original lease liability ₹ 1,439.35 crore and the modified lease liability ₹ 1,234.00 crore on March 31, 2021 is adjusted against the ROU asset.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

	As at March 31, 2021	As at March 31, 2020
Less than One Year	111.62	182.51
One to Five Years	104.47	192.14
More than Five Years	1.72	6.68
<b>Total</b>	<b>217.81</b>	381.33

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2021:

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	13.83	28.07
Interest Income Accrued During the Year	0.94	1.99
Lease Receipts	(8.96)	(13.14)
Deletions During the Year	-	(3.09)
<b>Closing Balance</b>	<b>5.80</b>	13.83

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2021 on an undiscounted basis:

	As at March 31, 2021	As at March 31, 2020
Less than One Year	5.11	8.96
One to Five Years	1.03	6.14
More than Five Years	-	-
<b>Total</b>	<b>6.14</b>	15.10

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 29) PAYMENT TO AUDITORS

	2020-2021	2019-2020
Statutory Audit Fees	0.56	0.70
Tax Audit Fees	0.04	0.05
Other Services	0.04	0.02
Reimbursement of expenses	-	0.01
<b>Total</b>	<b>0.64</b>	<b>0.78</b>

### 30) CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with schedule VIII thereof is ₹ 3.18 crore (2019-20: ₹ 3.29 crore)

	2020-2021	2019-2020
Gross amount required to be spent by the company	3.18	3.29
<b>Details of amount spent are as under:</b>		
Reducing inequalities faced by socially and economically backward groups	-	3.29
Promoting education, including special education and employment enhancing vocation skills	3.18	-
<b>Total</b>	<b>3.18</b>	<b>3.29</b>

### 31) EARNINGS PER SHARE

The earnings and weighted average number of Equity Shares used in the calculation of Basic and Diluted Earnings per share (EPS) are as follows:

	Units	2020-2021	2019-2020
Profit attributable to Equity Share holders	₹ in crore	(872.20)	(64.37)
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in crore	20.18	19.84
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in crore	20.18	19.89
Earnings per share – Basic	₹	(43.23)	(3.25)
Earnings per share – Diluted	₹	(43.23)	(3.24)
Face value per share	₹	2.00	2.00

### 32) EMPLOYEE BENEFIT PLANS

#### a. Defined Contribution Plan

The Company operates defined contribution plan (Provident Fund) for all qualifying employees of the Company as per Ind AS 19. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### b. Defined Benefit Plans - Gratuity

The Company operates a gratuity plan covering qualifying employees as per Ind AS 19. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1975 or the Company Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded.

#### (i) The principal actuarial risk to which the Company is exposed are interest rate risk, longevity risk and salary risk.

Interest Risk	A decrease in the government bond interest rate will increase the plan liability.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### (ii) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	2020-2021	2019-2020
Discount rate	6.70%	6.46%
Salary Escalation	4.00%	0% for first year and 5% thereafter
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Withdrawal Rate	Service <5 Years: 50%	Service <5 Years: 46%
Retirement Age	Service >5 Years: 2%	Service >5 Years: 2%
	58 years	58 years

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

#### (iii) Amount recognized in the statement of Profit and Loss, other comprehensive income

	2020-2021	2019-2020
Total Service Cost	1.56	2.81
Net Interest Expenses	0.75	0.64
<b>Components of expense recognized in the statement of Profit and Loss (A)</b>	<b>2.31</b>	<b>3.45</b>
<b>Re-measurements on the net defined benefit liability:</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.62)	(0.01)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(1.73)	0.16
Actuarial (Gain)/Loss arising from experience adjustments	1.11	1.64
<b>Total Amount recognized in other comprehensive income (B)</b>	<b>(1.24)</b>	<b>1.79</b>
<b>Total cost recognized (A+B)</b>	<b>1.07</b>	<b>5.24</b>



## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

**(iv) Amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

	2020-2021	2019-2020
Present value of unfunded defined benefit obligation	11.29	12.37

**(v) Movement in present value of the defined benefit obligation.**

	2020-2021	2019-2020
Opening defined benefit obligation	12.37	9.77
Total Service Cost	1.56	2.81
Net Interest Expenses	0.75	0.64
<b>Re-measurements on the net defined benefit liability</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.62)	(0.01)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(1.73)	0.16
Actuarial (Gain)/Loss arising from experience adjustments	1.10	1.65
Benefits paid	(2.14)	(2.65)
Acquisition/Divestiture	-	-
Closing defined benefit obligation	11.29	12.37

**(vi) Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	2020-2021	2019-2020
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(9.97)	(11.02)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	12.89	14.00
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	12.77	13.73
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(10.02)	(11.20)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

### c. Other employee benefits

The Company has recognized an amount of ₹ 2.58 crore (2019-20: ₹ 5.45 crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	2020-2021	2019-2020
Discounted Rate	6.46%	6.46%
Salary Increase Rate	0% for first year and 5% thereafter	0% for first year and 5% thereafter
Attrition Rate	Service <5 Years: 46% Service >5 Years: 2%	Service <5 Years: 46% Service >5 Years: 2%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

### 33) RELATED PARTY DISCLOSURES

#### Names of Related Parties and nature of relationship

##### Subsidiaries

- FLFL Athleisure Limited (FAL)
- Future Speciality Retail Limited (FSRL)
- Future Trendz Limited (FTL)

##### Joint Ventures

- Celio Future Fashion Private Limited (CFFPL)
- Clarks Future Footwear Private Limited (CFFTPL)
- FLFL Lifestyle Brands Limited (FLBL)
- FLFL Travel Retail Bhubaneswar Private Limited (FTRBPL)
- FLFL Travel Retail Guwahati Private Limited (FTRGPL)
- FLFL Travel Retail Lucknow Private Limited (FTRLPL)
- FLFL Travel Retail West Private Limited (FTRWPL)
- Holii Accessories Limited (HAL)

##### Others

#### Entities over which Company is able to exercise significant Influence

- Excellent Lifestyle Limited (ELL)
- Future Style Lab Limited (FSLL)
- Indus Tree Producer Transform Limited (ITPTL)
- Koovs Marketing Consulting Private Limited (KMCPL)
- Mineral Fashions Limited (MFL)
- Rachika Trading Limited (RTL)

#### Entities over which KMP are able to exercise significant Influence

- Apollo Design Apparel Parks Limited (ADAPL)
- Bansi Mall Management Company Private Limited (BMMCPL)
- Future Brands Limited (FBL)
- Future Consumer Limited (FCL)
- Future Corporate Resources Private Limited (FCRPL)
- Future Coupons Private Limited (FCPL)
- Future Entertainment Private Limited (FEPL)
- Future Enterprises Limited (FEL)
- Future Generali India Insurance Company Limited (FGIICL)
- Future Generali India Life Insurance Company Limited (FGILICL)
- Future Ideas Company Limited (FICL)

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

- Future Market Networks Limited (FMNL)
- Future Media (India) Limited (FMIL)
- Future Retail Limited (FRL)
- Future Sharp Skills Limited (FSSL)
- Future Supply Chain Solutions Limited (FSCSL)
- Goldmohur Design & Apparel Park Limited (GDAPL)
- Idiom Design and Consulting Limited (IDCL)
- Iskrupa Mall Management Company Private Limited (IMMCPL)
- Kamadgiri Fashion Limited (KFL)
- KFC Shoemaker Private Limited (KSPL)
- Nufuture Digital (India) Limited (NFDIL)
- Praxis Home Retail Limited (PHRL)
- Retail Light Techniques India Limited (RLTIL)
- Suhani Mall Management Company Private Limited (SMMCPL)
- Turtle Limited (TL)
- Unico Retail Private Limited (URPL)

### Key Management Personnel(KMP):

- Kishore Biyani (Vice Chairperson)
- Vishnuprasad M (Managing Director)
- Shailesh Haribhakti (Independent Director)
- Dr. Darlie Koshy (Independent Director)
- Bijou Kurien (Independent Director)
- Sharda Agarwal (Independent Director)
- Rakesh Biyani (Non-Executive Director)
- Avni Biyani (Non-Executive Director)
- C P Toshniwal (Non-Executive Director)
- Luv Parikh (Non-Executive Director)
- Chintamani Bhagat (Non-Executive Director)
- Rahul Garg (w.e.f. July 31, 2020) (Non-Executive Director)
- Ketki Bapat (w.e.f. July 31, 2020) (Alternate Director)

### During the year, following transactions were carried out with the related parties in the ordinary course of business

Revenue from subsidiary ₹ 0.01 Crore (2019-20: ₹ 322.17 Crore), from joint venture ₹ 22.16 Crore (2019-20: ₹ 17.03 Crore) and from others ₹ 8.67 Crore (2019-20: ₹ 79.04 Crore). Purchase of goods and services from subsidiary ₹ 38.31 Crore (2019-20: ₹ 161.93 Crore), from joint venture ₹ 5.16 Crore (2019-20: ₹ 25.15 Crore) and from others ₹ 188.62 Crore (2019-20: ₹ 1,021.24 Crore). Sales of Gift vouchers from others ₹ 48.82 Crore (2019-20: ₹ 81.43 Crore). Purchase of Fixed Assets from others ₹ 0.01 Crore (2019-20: ₹ 9.84 Crore). Sale of Fixed Assets from subsidiary ₹ NIL (2019-20: ₹ 0.02 Crore) and from others ₹ 0.08 Crore (2019-20: ₹ NIL). Managerial remuneration to KMP ₹ 2.09 Crore (2019-20: ₹ 2.32 Crore). Sitting fees and commission to KMP ₹ 0.35 Crore (2019-20: ₹ 1.79 Crore). Investment made in subsidiary ₹ NIL (2019-20: ₹ 357.87 Crore) and joint venture ₹ NIL (2019-20: ₹ 33.95 Crore). Loans and advances given to joint venture ₹ NIL (2019-20: ₹ 58.77 Crore) and to others ₹ NIL (2019-20: ₹ 324.12 Crore). Loans and advances given received back from others ₹ 0.85 Crore (2019-20: ₹ 19.08 Crore). Deposit received from joint venture ₹ NIL (2019-20: ₹ 0.14 Crore) and from others ₹ 0.23 Crore (2019-20: ₹ 0.45 Crore). Payables (Net) to subsidiary ₹ 114.91 Crore (2019-20: ₹ 120.40 Crore). Receivables (Net) from joint venture ₹ 216.89 Crore (2019-20: ₹ 224.33 Crore) and from others ₹ 318.75 Crore (2019-20: ₹ 246.22 Crore).

### Break up of Material Related Party Transactions.

Revenue includes FSRL ₹ 0.01 Crore (2019-20: ₹ 3.67 Crore), FLBL ₹ 22.07 Crore (2019-20: ₹ 14.92 Crore), FEL ₹ 1.59 Crore (2019-20: ₹ 26.00 Crore), FRL ₹ 5.15 Crore (2019-20: ₹ 23.33 crore), PHRL ₹ 1.91 Crore (2019-20: ₹ 21.27 Crore).

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

Purchase of Goods and Service includes FSRL ₹ 38.10 Crore (2019-20: ₹ 158.28 Crore), FSLL ₹ 2.41 Crore (2019-20: ₹ 11.26 Crore), RTL ₹ 7.52 Crore (2019-20: ₹ 15.80 Crore), KMCPL ₹ 1.03 Crore (2019-20: ₹ 4.38 Crore), CFFPL ₹ 1.61 Crore (2019-20: ₹ 18.07 Crore), FEL ₹ 9.38 Crore (2019-20: ₹ 525.23 Crore), FRL ₹ 27.07 Crore (2019-20: ₹ 148.71 Crore), IPTPL ₹ 2.02 Crore (2019-20: ₹ 5.84 Crore). Sale of Gift Vouchers include FCPL ₹ 48.82 Crore (2019-20: ₹ 81.43 Crore). Purchase of Fixed Assets includes RLTL ₹ Nil (2019-20: ₹ 5.99 Crore), KMCPL ₹ Nil (2019-20: ₹ 3.51 crore), FRL ₹ 0.01 Crore (2019-20: ₹ Nil). Sale of Fixed Assets includes FSRL ₹ Nil (2019-20: ₹ 0.02 Crore), FEL ₹ 0.08 Crore (2019-20: ₹ Nil). Investment made includes FLBL ₹ Nil (2019-20: ₹ 33.95 Crore), FTL ₹ Nil (2019-20: ₹ 357.82 Crore). Loans and Advance given includes FLBL ₹ Nil (2019-20: ₹ 58.77 Core), FRL ₹ Nil (2019-20: ₹ 324.04 Crore). Loans and Advance given received back includes FCRPL ₹ Nil (2019-20: ₹ 17.83 Crore), IDCL ₹ 0.85 Crore (2019-20: ₹ Nil). Deposit received includes TL ₹ 0.17 Crore (2019-20: ₹ Nil).

### 34) CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2021 is ₹ 9.25 crore (2019-20: ₹ 32.63 crore)

### 35) DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	80.45	70.71
Interest due on above	4.40	1.75
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	2.65	5.37
The amount of interest accrued and remaining unpaid at the end of each accounting year	2.65	5.37
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	2.65	5.37

### 36) SHARE BASED PAYMENTS

Details of the employee share based plan of the Company

#### a) FLFL Employees Stock Options Scheme – 2013 (FLFL ESOS – 2013):

The Shareholders of the Company at their Extraordinary General Meeting held on December 16, 2013 had approved FLFL ESOS -2013 and also approved the issue of 15,00,000 Stock Options exercisable into 15,00,000 fully paid-up Equity Shares of ₹ 2 each of the Company, to the eligible employees in terms of the FLFL ESOS -2013 in one or more tranches and on such terms and conditions, as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of FLFL ESOS 2013, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) and in due compliance with other applicable laws and regulations.

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(All amounts in INR crore, unless otherwise stated)

The Stock Options granted under FLFL ESOS - 2013 would vest after 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of vested Stock Options is 3 years from the respective date of vesting of Stock Options.

### b) FLFL Employees Stock Options Plan – 2015 (FLFL ESOP – 2015):

The Shareholders of the Company at their Annual General Meeting held on August 26, 2015 had approved the FLFL ESOP - 2015 and also approved the issue of 35,00,000 Stock Options exercisable into equivalent number of Equity Shares, to be issued and allotted under primary issue or to be acquired by way of secondary acquisition, to or for the benefit of Eligible Employees under FLFL ESOP 2015, not exceeding 35,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be determined by NRC, in accordance with the provisions of this FLFL ESOP 2015, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the SEBI SBEB Regulations, the Company has set up a 'Future Lifestyle Fashions Limited Employees' Welfare Trust' ("Trust") for implementation of FLFL ESOP 2015.

Stock Options granted under FLFL ESOP - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

The following share-based payment arrangements were in existence during the current and prior years:

	Number of Stock Options Granted	Grant date	Expiry date	Exercise Price	*Share Price on Grant Date (in ₹)	Average Fair value of Option at Grant Date (in ₹)
FLFL ESOS-2013	3,01,161	17/01/2014	Note-1	10.00	69.51	82.19
FLFL ESOS-2013	4,64,622	29/10/2014	Note-1	10.00	94.14	84.21
FLFL ESOS-2013	3,95,476	31/08/2015	Note-1	10.00	70.10	60.79
FLFL ESOP-2015	5,87,086	11/11/2016	Note-1	10.00	129.67	102.77
FLFL ESOP-2015	39,428	15/12/2016	Note-1	10.00	125.26	94.56
FLFL ESOP-2015	13,54,000	16/10/2017	Note-1	189.00	337.36	191.28
FLFL ESOS-2013	88,059	12/02/2020	Note-1	2.00	395.86	389.14

\* Share Price on Grant Date considered as the Volume Weighted Average Price at NSE.

Note-1 The vested Stock Options can be exercised within a period of three years from the respective date of vesting.

Stock Options were priced using a Black Scholes option pricing model. Expected Volatility was calculated using standard deviation of daily change in stock price. The historical period for Expected Volatility taken into account to match the expected life of the option. There are no market conditions attached to grant and vest.

	FLFL ESOP – 2013		FLFL ESOP – 2015	
	2020-2021	2019-2020	2020-2021	2019-2020
Date of Grant	N.A.	12/02/2020	N.A.	N.A.
Expected volatility (%)	N.A.	27.69%	N.A.	N.A.
Option life (Years)	N.A.	3.50	N.A.	N.A.
Dividend yield (%) (As a % of FMV)	N.A.	1.40%	N.A.	N.A.
Risk-free interest rate (Average)	N.A.	5.82%	N.A.	N.A.

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(All amounts in INR crore, unless otherwise stated)

### Movement in Stock Options during the year

The following reconciles the Stock Options outstanding at the beginning and end of the period:

	2020-2021		2019-2020	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Balance at beginning of Year</b>				
FLFL ESOS – 2013	88,059	2	134,592	10
FLFL ESOP 2015-Primary	768,500	189	13,97,224	10 and 189
<b>Granted during the period</b>				
FLFL ESOS – 2013	-	-	88059	2
FLFL ESOP 2015-Primary	-	-	-	-
<b>Forfeited during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Exercised during the period</b>				
FLFL ESOS – 2013	-	-	134,592	10
FLFL ESOP 2015-Primary	-	-	592,724	189
<b>Expired during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	2,42,250	189	36,000	189
<b>Balance at the end of Year</b>				
FLFL ESOS – 2013	88,059	2	88,059	2
FLFL ESOP 2015-Primary	5,26,250	189	768,500	189
<b>Exercisable at the end of the Year</b>				
FLFL ESOS – 2013	29,353	2	-	-
FLFL ESOP 2015-Primary	5,26,250	189	262,900	189

The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS – 2013	Nil	-	-
FLFL ESOP 2015-Primary	Nil	-	-

### Stock Options outstanding at the end of the year

The Stock Options outstanding at the end of the year had a weighted average remaining contractual life as under:

	2020-2021	2019-2020
FLFL ESOS - 2013	1412 Days	1777 Days
FLFL ESOP - 2015-Primary	650 Days	1,029 Days

## Notes

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(All amounts in INR crore, unless otherwise stated)

### 37) DISCLOSURE REQUIREMENT OF LOANS, GUARANTEE AND INVESTMENT UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013 AND UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Company	Purpose of Loan	As at March 31, 2021		As at March 31, 2020	
		Outstanding Amount	Maximum Amount Outstanding	Outstanding Amount	Maximum Amount Outstanding
<b>Loans</b>					
FLFL Employee Welfare Trust	Acquisition of shares under FLFL ESOP-2015	12.12	13.12	13.12	13.12
<b>Inter Corporate Deposits</b>					
Idiom Design and Consulting Limited	Operational	-	1.65	1.54	1.54
Unico Retail Private Limited	Operational	0.39	0.39	0.36	0.36
FLFL Lifestyle Brands Limited	Operational & Investment in Fashion brands.	260.54	260.54	239.00	239.00
<b>Corporate Guarantees Given</b>					
Indus Tree Producer Transform Limited	To Secure Working Capital Facility	9.30	9.30	9.30	9.30
Rachika Trading Limited	To Secure Working Capital Facility	14.00	14.00	14.00	14.00
Clarks Future Footwear Private Limited	To Secure Working Capital Facility	100.00	100.00	100.00	100.00
Future Speciality Retail Limited	To Secure Working Capital Facility	50.00	50.00	50.00	50.00
Future Style Lab Limited	To Secure Working Capital Facility	15.00	15.00	15.00	15.00
<b>Security</b>					
The Company has created security by way of pledge on investments held in FLFL Lifestyle Brands Limited, SSIPL Retail Limited, Holii Accessories Limited, Clarks Future Footwear Private Limited and FLFL Athleisure Limited, in favour of the Debenture Trustee to secure the 4,500 Non-Convertible Debentures of ₹ 10 Lakh each, issued by FLFL Lifestyle Brands Limited.					
<b>Investments</b>					
Refer Note 4 to Notes forming part of Financial Statements					

### 38) FINANCIAL INSTRUMENTS AND RISK REVIEW

#### Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (i.e. borrowings offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings). The Company monitors capital using a ratio of 'net debt' to equity. The Company's net debt to equity ratio was as follows.

	As at March 31, 2021	As at March 31, 2020
Total debt including interest accrued	1,716.30	1,384.92
Less: cash and bank balances	45.87	22.28
Net debt	1,670.43	1,362.64
Equity	738.14	1,612.93
Net debt to equity ratio	226%	84%

## Notes

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(All amounts in INR crore, unless otherwise stated)

### Categories of financial instruments

	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>		
<b>(i) Measured at Amortized Cost</b>		
Cash and bank balances	45.87	22.28
Trade receivables	213.82	168.69
Loans –Inter corporate deposit	225.18	226.03
Security deposits	180.46	175.93
Loans Given – Others	12.12	13.12
Other financial assets	37.02	19.30
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
<b>(iii) Designated at fair value through other comprehensive income</b>		
Investment in equity shares - SSIPL Retail Limited	34.03	35.51
Investment in equity shares - DSK Media Private Limited	18.02	18.42
<b>Financial liabilities</b>		
<b>(i) Measured at Amortized Cost</b>		
Borrowing	1,672.47	1,367.60
Trade payable	1,992.00	2,305.89
Security deposit received	119.46	118.48
Other financial liabilities	200.66	186.41
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
Derivative liabilities	7.56	7.56

### Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2021	March 31, 2020	
Investments in equity instruments – SSIPL Retail limited	34.03	35.51	Level 2
Investments in equity instruments – DSK Media Private Limited	18.02	18.42	Level 2
Derivative liability – written option	7.56	7.56	Level 2

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates.

### Financial risk management objectives

The Company has a Risk Management Committee instituted by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

- **Market risk**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rate risk and other price risk. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.



## Notes

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(All amounts in INR crore, unless otherwise stated)

- **Foreign exchange risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods and capital goods. Foreign exchange risk arises recognized liabilities denominated in a currency that is not the functional currency of the Company. The Company hedges its foreign exchange risk using foreign exchange forward contracts which is within the guidelines laid down by risk management policy of the Company. Overall, Company always have a limited exposure to foreign currency risk.

Following table contains details of the carrying amounts of Company's unhedged foreign currency denominated in Indian Rupees at the end of the reporting period.

	As at March 31, 2021	As at March 31, 2020
<b>Amount Payable</b>		
US Dollar (USD)	-	0.33

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ Nil (2019-20: ₹ 0.02 crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ Nil (2019-20: ₹ 0.02 crore). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company borrows the money at variable interest rate and therefore it is exposed to interest rate risk.

The interest rate risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The company is not exposed to significant interest rate risk as at the respective reporting dates.

- **Other price risk**

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

If equity prices had been 5% higher/lower, other comprehensive income for the year would increase/decrease by ₹ 1.70 crore (2019-2020: increase/decrease by ₹ 1.78 crore) as a result of the changes in fair value of shares measured at fair value through other comprehensive income.

(i) **Credit risk**

Credit risk is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. The credit risk arises primarily on trade receivables, store deposit with landlord of stores and deposits with banks and financial institutions and other financial instruments.

Most of the Company's sales is on the counter sale i.e. cash and carry basis on which no credit risk arises, however credit risk arises to the Company on sales to institutional customers/ wholesale customers. Company manages the credit risk arising from trade receivables through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers. Company's customer base is widely spread and therefore it does not have concentration of credit risk. Company manages credit risk on store deposits by timely advance negotiation with landlord of store or through legal action.

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(All amounts in INR crore, unless otherwise stated)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that there is no substantial change in the economic environment affecting customers of the Company, the Company expects the historical trend of immaterial credit losses to continue. Following is the change in the loss allowance measured using life-time expected credit loss.

	2020-2021	2019-2020
Opening Balance	2.05	0.55
Provided during the year	0.27	1.50
<b>Closing Balance</b>	<b>2.32</b>	<b>2.05</b>

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

### (ii) Liquidity risk

Liquidity risk is the risk that the company will fail in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It includes both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2021</b>					
Borrowing including Interest accrued	1,716.30	648.97	760.79	306.54	1,716.30
Trade payable	1,992.00	1,992.00	-	-	1,992.00
Security deposit received	119.46	119.46	-	-	119.46
Other financial liabilities	156.83	156.83	-	-	156.83
Derivative liabilities (net basis)	7.56	-	7.56	-	7.56
<b>As at March 31, 2020</b>					
Borrowing including Interest accrued	1,384.92	1,194.84	190.08	-	1,384.92
Trade payable	2,305.89	2,305.89	-	-	2,305.89
Security deposit received	118.48	118.48	-	-	118.48
Other financial liabilities	169.10	169.10	-	-	169.10
Derivative liabilities (net basis)	7.56	-	7.56	-	7.56

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(All amounts in INR crore, unless otherwise stated)

### 39) MISCELLANEOUS EXPENSES

Miscellaneous expenses consist of the following:

	2020-2021	2019-2020
House Keeping and Security Expenses	23.11	57.10
Credit Card Charges	16.47	42.91
Legal and Professional Charges	16.36	21.21
Travelling and Conveyance Expenses	1.56	12.95
Other Expenses	62.20	110.89
<b>Total</b>	<b>119.70</b>	<b>245.06</b>

- 40) COVID-19 pandemic has had a significant impact on the business operations and the financial results of the Company for the quarter and for the year ended March 31, 2021. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of financial assets and non-financial assets. The impact of the current surge in COVID-19 pandemic on the overall economic environment is uncertain and may affect the underlying assumptions and estimates used to prepare the Company's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions. The Company continues to take various precautionary measures to ensure health and safety of its customers, employees and their families from COVID-19.
- 41) The Company alongwith the other parties have entered into a Put and Call Option Agreement dated March 28, 2017 (the 'Agreement') with subscribers of 4500 Non-convertible debentures each having a face value of ₹ 10 lakh issued by FLFL Lifestyle Brands Limited for an amount of ₹ 450 crore, which inter-alia defined put options obligations on the Company, to be only exercised on failure of Promoters to perform their obligations under the said Agreements.
- 42) The Company alongwith the other parties have entered into an Option cum Indemnity Agreement dated January 30, 2020 (the 'Agreement') with subscriber(s) of equity shares (equivalent to 95% of the equity capital) issued by DSK Media Private Limited for an amount of ₹ 350 crore, which inter-alia defined an option cum indemnity obligations on the Company, to be only exercised on failure of Promoters' entity to perform their obligations under the said Agreements.
- 43) 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 which involves: (i) merger of Future Lifestyle Fashions Limited ("the Company" or Transferor Company 2"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from 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 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 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 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 application has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021 for convening the meeting of the Shareholders and Creditors of the Transferor Companies and Transferee Company. NCLT has heard this Application and the intervention application

## Notes

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*(All amounts in INR crore, unless otherwise stated)*

filed by Amazon.com Investment Holdings LLC. (Amazon) and has reserved the order on the said application filed by Amazon.

Amazon has initiated arbitration against the Future Retail Limited (FRL) and its promoters on October 05, 2020 before Singapore International Arbitration Centre (SIAC). After completion of Emergency Arbitration hearing held pursuant to application of Amazon, Emergency Arbitrator has passed an interim order on October 25, 2020 (EA Order) inter alia restraining FRL and promoters to take any steps in furtherance of the resolution passed on August 29, 2020. However, based on the legal advice received by FRL, it has contended that the EA Order would not be enforceable in view of FRL being not a signatory to the arbitration agreement under which arbitration has been initiated.

In terms of the information provided by Future Retail Limited (FRL) a party to the composite scheme of arrangement, it has filed a suit before Hon'ble Delhi High Court making a prayer to injunct Amazon from tortuously interfering with the scheme. The Hon'ble Single Judge of the Delhi High Court has passed a Judgment in the Interim Application, wherein it has prima facie held that there is no arbitration agreement between Amazon and FRL; FRL's Resolution dated August 29, 2020 approving the scheme is neither void nor contrary to any statutory provision nor the Articles of Association of FRL. The said Judgement further prima facie held that Amazon's representations to various regulatory authorities amounted to unlawful interference with the Scheme and a civil wrong actionable by both FRL and Reliance in case they suffer any loss. No injunction was granted and all the Statutory Authorities were directed to take the decision on the objections in accordance with the law. The Hon'ble Court also prima facie held that conflation of the two shareholders agreements will be in violation of FEMA FDI Rules. An Appeal was preferred by Amazon against certain observations contained in this Judgment.

In another application of Amazon under section 17(2) of Arbitration & Conciliation Act, 1996 to enforce EA Order, Hon'ble Delhi High Court vide its interim order dated February 02, 2021 directed the parties to maintain status quo (Status Quo Order). FRL challenged this Order before the Hon'ble Division Bench of Delhi High Court in an appeal. The Learned Division Bench has stayed the aforesaid Status Quo Order on February 08, 2021. Amazon has preferred a Special Leave Petition before Hon'ble Supreme Court against the order of the Hon'ble Division Bench on February 13, 2021. The Hon'ble Supreme Court ruled that the proceedings before NCLT will be allowed to go on but will not culminate in any final order of sanction of the Scheme.

On March 18, 2021 a detailed order was passed by the Single Judge of the High Court ("Detailed Order") inter alia confirming the directions in the Status Quo Order passed by Hon'ble Delhi High Court in the application under section 17(2) of Arbitration & Conciliation Act, 1996, granting further reliefs in favour of Amazon, and inter alia restricting all respondents from taking any further action in violation of the EA Order. An appeal was filed by FRL, as well as other respondents, before the Hon'ble Division Bench against the Detailed Order. On March 22, 2021 the Hon'ble Division Bench was pleased to pass a common order in both the appeals, staying the Detailed Order.

Amazon filed special leave petitions before the Hon'ble Supreme Court against the order of the Hon'ble Division Bench passed on March 22, 2021. On April 19, 2021 the Hon'ble Supreme Court was pleased to stay the proceedings before the Single Judge and the Division Bench of the Delhi High Court and directed parties to complete the pleadings and listed all the three SLPs for final disposal on May 04, 2021. Due to Covid-19 related restrictions and postponement of court's summer vacation, the SLPs are now expected to be listed after June 28, 2021.

Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 05, 2021 and FRL has filed two applications before the Tribunal, first being an application under section 16 of Arbitration & Conciliation Act, 1996 ("Arbitration 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. As per the schedule finalised by the Tribunal, hearing for both the application would commence on the July 12, 2021.

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*(All amounts in INR crore, unless otherwise stated)*

### 44) ONE TIME RESTRUCTURING

- (i) The Board of Directors have approved a Resolution Plan under the 'Resolution Framework for COVID 19 Related Stress' guidelines announced by the Reserve Bank of India vide circular No. RBI/2020-21/16 DOR. No. BP.BC/3/21.04.048/2020-21, dated August 06, 2020 and subsequent circulars relating thereto, in respect of its Working Capital Facilities and Term Loans from various Banks.

The proposal for implementation of a Resolution Framework was invoked with effect from November 02, 2020 and consequently approved by all the lenders of the Company in terms of the Inter- Creditor Agreement dated November 24, 2020.

The terms of the OTR Scheme as were approved as part of the Framework Agreement between the Company and lenders, dated April 30, 2021 vide their respective sanction letters are as below, with effect from November 02, 2020 ("the invocation date"):

1. Deferment in Principal Repayment of Term Loans (TL) , Non- Convertible Debentures (NCDs), Short Term Loans (STLs) by 2 Years.
2. Sanction of Moratorium on Interest of all facilities from March 01, 2020 to December 31, 2021 and creation of Funded Interest Term Loans ( FITL).
3. The overdue portion of Working Capital limits to convert in to Working Capital Term Loan (WCTL).
4. Rate of Interest on all facilities except WCTL and FITL to continue as per the existing sanctions of the respective lenders.
5. The Rate of Interest on WCTL and FITL facilities is @ 8.30% per annum as agreed by all the Lenders.
6. The existing Security Structure of all facilities to continue post approval of OTR facilities. FITL and WCTL facilities to have the same security as the facilities from, which they will be carved out.

Since the key regulatory steps to implement the Resolution Plan for the Working Capital Loans and Term Loans and Other Loans were initiated before March 31, 2021, which is the end of the reporting period, even though the Resolution Plan was approved after the end of the reporting period but before the date of approval of the financial statements by the Board of Directors, the same is considered as an adjusting event in terms of Ind AS-10 on Events after the Reporting Period. Accordingly, the effect for the same has been given in the financial statements.

- (ii) The Company has intimated the Debenture holders on January 28, 2021 subsequent to which a letter dated April 27, 2021 was sent by Centbank Financial Services Ltd., the Debenture Trustee to Bank of India approving the revised terms of the Non-Convertible Debentures, including rescheduling the redemption timeframe.

The revised deferment terms of the Non –Convertible Debentures are as below-

- a) Waiver on all current defaults and revocation of Put Option exercised, if any;
- b) Coupons due since November, 2020 and falling due in November, 2021 to be deferred and paid in tranches by March 31, 2024

# Notes

Forming Part of the Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

- c) Interest to be paid on the above deferred coupon amount @ 8.30% p.a.;
- d) Coupons due starting November, 2022 to be paid as per current terms
- e) Redemption date of Principal amount to be deferred to November 09, 2024 (extension of 24 months from the original date of redemption i.e., November 09, 2022, in line with the OTR Plan approved by the other lenders.
- f) Waiver of Rating Action and penal interest on account of rating downgrade.
- g) Dispensing with the requirements of minimum shareholding by the Promoters /Promoter group of FLFL.

According to such mutual consent, the redemption of NCDs are proposed to be restructured as follows:

of NCDs	No. of debentures / Securities	Original Redemption date	Proposed redemption date
FLFL Series IV Non Convertible Debentures (ISIN - INE452O07047)	3,500	09/11/2022	09/11/2024

All penalties, charges, fees and penal interest on account of downgrade of ratings of NCDs have been waived off till the time of redemption.

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
Membership No.04272

Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director

**Sanjay Kumar Mutha**  
Company Secretary

# Independent Auditor's Report

To  
The Members of  
**Future Lifestyle Fashions Limited**

## **REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying consolidated financial statements of FUTURE LIFESTYLE FASHIONS LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our

report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Emphasis of Matter:**

We draw attention to Note no.38 of the statement, which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the company.

Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements

Sr No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with new revenue accounting standard.</p> <p>Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system.</p> <p>We performed substantive testing by selecting samples of rebate and discount transactions recorded during the year and comparing the parameters used in the calculation of the rebate and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the rebates and discounts was in accordance with the terms and conditions defined in the corresponding schemes.</p> <p>Performed analytical procedures for reasonableness of revenues.</p>
2	<p><b>Valuation of Inventory</b></p> <p>We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.</p>	<p><b>Principal Audit Procedures</b></p> <p>Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</p> <p>Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</p> <p>Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</p> <p>Obtained an understanding of management's estimate of business impact of COVID 19 pandemic on provision on inventories.</p> <p>Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</p> <p>Verification of the determination of net realisable value on a representative sample basis</p>
3	<p><b>Accounting for Lease Concessions under Ind AS 116</b></p> <p>The Company has renegotiated future lease rentals and escalations, thereby remeasuring the lease liability using the revised lease payments resulting in a decrease in the lease liability and a corresponding adjustment to the Right-of-use asset. The large volume of leases, the diverse nature thereof and the significance and impact of the estimates made led us to consider this matter to be a key matter to this audit.</p>	<p><b>Principal Audit Procedures</b></p> <ol style="list-style-type: none"> <li>1. Assessing the design and implementation of the key controls established by the Company on significant estimates such as the revised lease term, lease payments and the discount rates.</li> <li>2. Our procedures to assess management's key modelling estimates and the completeness/accuracy of the underlying lease data included: <ul style="list-style-type: none"> <li>- assessing the discount rates used to calculate the lease obligation,</li> <li>- assessing the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation;</li> <li>- assessing the completeness of the commercial arrangements for the waivers by testing lease payments and comparing the same with the original agreements with revised negotiations and</li> </ul> </li> </ol>



- For a representative sample of rent concessions received as a consequence of covid-19 related renegotiations, verification of the correct accounting in accordance with the regulation in force.
3. Evaluating whether the disclosures included in the notes to the financial statements are in conformity with the applicable standard.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error..

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 financial controls 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 Holding Company and its subsidiary companies and jointly controlled entities which are companies, has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's 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 ability of the Group 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 consolidated financial statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets (net) of ₹430.81 crores as at March 31, 2021, total revenues of ₹152.51 crores and net cash inflows amounting to ₹3.07 crores for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of Loss after tax of ₹ 25.14 crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of three jointly controlled entities, whose financial statements have not been audited by us. These financial statements are unaudited and have been have been furnished to us by the Management and our opinion on the consolidated financial statement in so far as it relates to the amounts and other disclosures included in respect of these subsidiary and jointly controlled entities, is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiaries and jointly controlled entities and the reports of the statutory auditors of one of its subsidiary company and two jointly controlled entities, none of the directors of the Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls,

refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies and jointly controlled entities. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entities.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 21042472AAAAEA2250

Mumbai  
June 28, 2021

## Annexure – A to the Auditor’s Report

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (1) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ART”)

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of FUTURE LIFESTYLE FASHIONS LIMITED (“the Holding Company”) and its subsidiary companies and jointly controlled entities which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and its jointly controlled entities which are companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risk of material misstatement of the Ind AS financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitation of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to explanation given and based on the consideration of report of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting

were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies and jointly controlled entities, is based on the corresponding reports of the auditors of such company.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 21042472AAAAEA2250

Mumbai  
June 28, 2021

# Consolidated Balance Sheet

as at March 31, 2021

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	1,239.10	1,374.22
Capital work-in-progress		60.84	178.50
Other Intangible assets	3	21.35	36.11
Goodwill on Consolidation		140.30	140.30
Right-of-use assets	28	923.37	1,111.02
Net investment in sublease	28	5.80	13.83
<b>Financial Assets</b>			
Investments	4	284.34	305.80
Security Deposits	5	103.02	141.31
Others financial assets	7	0.42	0.40
Deferred tax assets (net)		93.52	83.54
Non-current tax assets (net)		10.40	12.54
Other non-current assets	8	56.63	95.60
<b>Total Non - Current Assets</b>		<b>2,939.09</b>	<b>3,493.17</b>
<b>Current Assets</b>			
Inventories	9	1,942.14	2,503.79
<b>Financial Assets</b>			
Investments	4	38.21	39.44
Trade receivables	10	409.36	381.81
Cash and cash equivalents	11	44.52	12.44
Bank balances other than the above	12	5.24	10.72
Security Deposits	5	78.52	35.67
Loans	6	237.30	239.15
Others financial assets	7	36.62	18.93
Other current assets	8	495.71	562.90
<b>Total Current Assets</b>		<b>3,287.62</b>	<b>3,804.85</b>
<b>Total Assets</b>		<b>6,226.71</b>	<b>7,298.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	40.35	40.35
Convertible non-participating preference share capital	13	0.01	0.01
Other Equity	14	660.88	1,597.26
<b>Total Equity</b>		<b>701.24</b>	<b>1,637.62</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	1,067.33	190.08
Other financial liabilities	16	7.56	7.56
Lease liabilities	28	881.47	964.22
Provisions	17	11.28	11.63
<b>Total Non - Current Liabilities</b>		<b>1,967.64</b>	<b>1,173.49</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	603.94	712.50
Trade payables	34		
Dues of micro enterprises and small enterprises		149.65	75.48
Dues of creditors other than micro enterprises and small enterprises		1,902.94	2,313.79
Other financial liabilities	16	370.03	797.38
Lease liabilities	28	360.58	409.82
Provisions	17	117.06	146.98
Other current liabilities	18	53.46	30.90
Current Tax liabilities(Net)		0.17	0.06
<b>Total Current Liabilities</b>		<b>3,557.83</b>	<b>4,486.91</b>
<b>Total Equity and Liabilities</b>		<b>6,226.71</b>	<b>7,298.02</b>
The accompanying notes are forming part of the financial statements	1-42		

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
Membership No.04272

Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director

**Sanjay Kumar Mutha**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(All amounts in INR crore, unless otherwise stated)

	Note	2020-2021	2019-2020
<b>REVENUE</b>			
Revenue from operations	19	2,276.72	6,297.30
Other Income	20	50.36	64.27
<b>Total Revenue</b>		<b>2,327.08</b>	<b>6,361.57</b>
<b>EXPENSES</b>			
Purchases of Stock-in-trade		1,088.99	4,641.38
Changes in inventories of stock-in-trade	21	561.65	(472.31)
Employee benefits expense	22	190.09	348.34
Finance costs	23	349.68	305.54
Depreciation and amortisation expense	3	598.41	701.53
Other expenses	24	456.60	788.84
<b>Total Expenses</b>		<b>3,245.42</b>	<b>6,313.32</b>
<b>Profit/(Loss) Before Exceptional Item and Tax</b>		<b>(918.34)</b>	<b>48.25</b>
Exceptional Item - (Loss)		-	(83.78)
<b>(Loss) Before Tax</b>		<b>(918.34)</b>	<b>(35.53)</b>
Tax Expense	25	(7.01)	17.80
<b>(Loss) Before Non-Controlling Interests/Share in Net Loss of Associates and Joint Ventures</b>		<b>(911.33)</b>	<b>(53.33)</b>
Share in Net Profit/(Loss) of Associates and Joint Ventures		(22.02)	0.29
<b>(Loss) for the Year</b>		<b>(933.35)</b>	<b>(53.04)</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans	31	1.50	(1.91)
(b) Equity Instrument at fair value through OCI		(1.88)	13.32
Income tax relating to items that will not be reclassified to profit or loss		(0.06)	(2.46)
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>(0.44)</b>	<b>8.95</b>
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>(933.79)</b>	<b>(44.09)</b>
<b>Loss for the year Attributable to:</b>			
Owners of the Group		(933.35)	(53.04)
Non-controlling interests		-	-
<b>Total Comprehensive Income for the Year Attributable to:</b>			
Owners of the Group		(933.79)	(44.09)
Non-controlling interests		-	-
<b>Earnings per equity share of Face Value of ₹ 2 each</b>			
Basic (₹)	30	(46.28)	(2.22)
Diluted (₹)		(46.28)	(2.22)
The accompanying notes are forming part of the financial statements	1-42		

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
Membership No.04272

Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director

**Sanjay Kumar Mutha**  
Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(All amounts in INR crore, unless otherwise stated)

## A) EQUITY SHARE CAPITAL

Balances as at April 01, 2019	38.91
Issue of Equity shares under employee share option plan (ESOP)	0.14
Issue on preferential basis	1.30
Balances as at March 31, 2020	40.35
Issue during the year	-
<b>Balances as at March 31, 2021</b>	<b>40.35</b>

## B) OTHER EQUITY

	Reserve and Surplus					Equity to Owners of the group	Non-controlling Interests	Total other equity		
	Equity Component of Compound Financial instruments	Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	Share Options Outstanding Account				General Reserve	Retained Earning
Balance as at March 31, 2019	174.83	426.99	501.89	50.00	20.64	88.04	519.46	1788.12	0.01	1788.13
Profit for the Year	-	-	-	-	-	(53.04)	(53.04)	(53.04)	-	(53.04)
Other Comprehensive income for the year,	-	-	-	-	-	(4.37)	(4.37)	13.32	8.95	8.95
Net of Income tax	-	-	-	-	-	(57.41)	(57.41)	13.32	(44.09)	(44.09)
Total Comprehensive income for the year	-	-	-	-	(11.64)	-	-	-	-	-
Transfer to Securities premium on exercise of ESOP	-	-	11.64	-	-	-	-	-	-	-
Received on Issue of Equity shares	-	-	308.78	-	-	-	-	308.78	-	308.78
Impact of Ind AS 116	-	-	-	-	-	(254.39)	(254.39)	(254.39)	-	(254.39)
Transfer to Securities Premium Reserve	(174.83)	-	-	-	-	-	-	(174.83)	-	(174.83)
Non-controlling Interests	-	-	-	-	-	-	-	-	(0.01)	(0.01)
Recognition of Share-based payments	-	-	-	-	6.53	-	(27.26)	6.53	-	6.53
Payment of Dividend on Equity Shares	-	-	-	-	-	(5.60)	(5.60)	(5.60)	-	(5.60)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	174.80	174.80	19.59	-	1597.26
Balance as at March 31, 2020	-	426.99	822.31	50.00	15.53	88.04	(933.35)	1597.26	-	(933.35)
Profit for the Year	-	-	-	-	-	1.44	1.44	(1.88)	(0.44)	(0.44)
Other Comprehensive income for the year,	-	-	-	-	-	-	-	-	-	-
Net of Income tax	-	-	-	-	-	(931.91)	(931.91)	(1.88)	-	(933.80)
Total Comprehensive income for the year	-	-	-	-	(2.58)	-	-	(1.88)	-	(2.58)
Recognition of Share-based payments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	-	<b>426.99</b>	<b>822.31</b>	<b>50.00</b>	<b>12.94</b>	<b>88.04</b>	<b>(757.11)</b>	<b>17.71</b>	<b>660.88</b>	<b>660.88</b>

As per our report of even date attached

### For NGS & Co. LLP

Chartered Accountants  
Firm Registration No 1198850W

### Ashok A. Trivedi

Partner  
Membership No.04272

Mumbai  
June 28, 2021

**Kishore Bivani**  
Vice Chairperson

**Dharmesh Jain**  
Chief Financial Officer

For and on behalf of the Board of Directors

**Vishnuprasad M**  
Managing Director

**Sanjay Kumar Mutha**  
Company Secretary



# Consolidated Statement of Cash Flow

for the year ended March 31, 2021

(All amounts in INR crore, unless otherwise stated)

	2020-2021	2019-2020
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the year	(933.35)	(53.04)
<b>Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities</b>		
Income tax expense	(7.01)	17.80
Finance costs	349.68	305.54
Interest income	(42.34)	(41.77)
Loss on disposal/discard of property, plant and equipment	41.71	35.85
Provision for Diminution of Investment	-	83.78
(Gain) on derecognition and remeasurement of lease	(10.34)	(2.63)
Expected credit loss allowance (for doubtful debts)	16.26	9.52
Depreciation and amortisation of property, plant and equipment and intangible assets	598.41	701.53
Share of (Profit)/Loss of Associates and Joint Ventures	22.02	(0.29)
Expense recognised in respect of equity-settled share-based payments	(2.58)	6.53
Bad Debts	0.74	0.35
<b>Cash Generated from operations before working capital changes</b>	<b>33.20</b>	<b>1,063.17</b>
<b>Movements in working capital:</b>		
(Increase)/ Decrease in trade and other receivables	4.95	(310.43)
(Increase)/ Decrease in inventories	561.65	(472.31)
(Increase)/ Decrease in other assets	35.42	(28.90)
Increase/ (Decrease) in trade payables	(336.70)	588.66
Increase/ (Decrease) in provisions	(28.78)	40.22
Increase/(Decrease) in other liabilities	34.12	(57.67)
<b>Cash generated from operations</b>	<b>303.86</b>	<b>822.74</b>
Direct taxes Paid	(0.73)	(31.71)
<b>Net cash generated from operating activities</b>	<b>303.13</b>	<b>791.03</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Inter corporate deposit (Given)/Received back	0.85	(58.77)
Interest received	41.40	39.78
Payments for property, plant and equipment and intangible assets	(69.00)	(485.43)
Proceeds from disposal of property, plant and equipment	0.99	2.49
Payment to acquire financial assets - Investment	(1.21)	(381.49)
Rent income	8.96	13.14
Realisation of deposits/restricted deposits with banks	5.45	(1.95)
<b>Net cash (used in) investing activities</b>	<b>(12.56)</b>	<b>(872.23)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	310.22
Proceeds from Borrowings	329.78	478.95
Interest paid	(220.17)	(151.20)
Payment of Lease liability and other incidental expenses	(368.10)	(627.97)
Dividend Paid (Including Dividend Distribution Tax)	-	(32.87)
<b>Net cash (used in)/generated by financing activities</b>	<b>(258.49)</b>	<b>(22.87)</b>
<b>Net increase in cash and cash equivalents</b>	<b>32.08</b>	<b>(104.07)</b>
Cash and cash equivalents at the beginning of the year	12.44	116.51
<b>Cash and cash equivalents at the end of the year (Refer Note 11)</b>	<b>44.52</b>	<b>12.44</b>

As per our report of even date attached

For and on behalf of the Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Kishore Biyani**  
Vice Chairperson

**Vishnuprasad M**  
Managing Director

**Ashok A. Trivedi**  
Partner  
Membership No.04272

**Dharmesh Jain**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

Mumbai  
June 28, 2021

# Notes

Forming Part of the Consolidated Financial Statements

## 1) CORPORATE INFORMATION

Future Lifestyle Fashions Ltd (“The Company”) is a company incorporated in India under the provisions of Companies Act, 1956 on May 30, 2012. The registered address of the Company is Knowledge House, Shyam Nagar, off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060. The Company is engaged in the business of Retailing of Fashion through Departmental and neighbourhood stores under various formats across the country. The shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. The Financial Statements were approved for issue by the Board of Directors on June 28, 2021. The Financial Statements are presented in Indian Rupees(₹) and all values are rounded to the nearest crore except where otherwise indicated.

## 2) SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Statement of Compliances with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group (defined herein after) comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other applicable laws.

### 2.2. Basis of Preparation and Presentation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

### 2.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries (“Group”).

Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. Entities are consolidated from the date control commences until the date control ceases.

The financial statements of the Company and entities controlled by the Group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies by each entity in the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## Notes

Forming Part of the Consolidated Financial Statements

The Consolidated financial statement of the group comprises financial statement of Future Lifestyle Fashions Limited and the following Companies

Name of the Company	Relationship	Country of Incorporation	Principal Activities	Proportion of ownership interest	
				As at March 31, 2021	As at March 31, 2020
Future Trendz Limited	Subsidiary	India	Fashion Retail and investment in fashion Brand(s)	100.00%	100.00%
Future Speciality Retail Limited	Subsidiary	India	Fashion Retail	100.00%	99.96%
FLFL Travel Retail Bhubaneswar Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51%	51%
FLFL Travel Retail Guwahati Private Limited	Joint Venture	India		51%	51%
FLFL Travel Retail West Private Limited	Joint Venture	India		51%	51%
FLFL Travel Retail Lucknow Private Limited	Joint Venture	India		51%	51%
FLFL Lifestyle Brands Limited	Joint Venture	India	Fashion Retail and investment in fashion Brands	49.02%	49.02%
Clarks Future Footwear Private Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%
Holii Accessories Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%

### 2.4. Investments in Associate and Joint Venture

Associate is an entity over which the Group has significant influence but not having control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate and joint venture is accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the associate/ joint venture after the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, if any.

### 2.5. Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except deferred tax assets or liabilities. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

# Notes

Forming Part of the Consolidated Financial Statements

## 2.6. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

Depreciation on property, plant and equipment has been provided on Straight Line Method over their useful lives. Estimated useful lives of the assets are as below:

Property, Plant and Equipment	Number of Years
Plant and Equipment	15 years
Office Equipment	5 years
Furniture, Fixture and other Fittings*	7 years
Leasehold Improvement*	Lease term or 7 years, whichever is lower
Vehicle	8 years
Computers (End User Device)	3 years
Computers (Other than End User Device)	6 years

*\*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

The residual values, estimated useful lives and methods of depreciation are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

## 2.7. Intangible Assets

Intangible Assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in estimate are accounted for prospectively.

Estimated useful lives of the Intangible assets are as follows:

Intangible Assets	Useful lives
Computer Software	6 years
License Rights	Over the period of License

## 2.8. Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination (refer below policy on impairment of non-financial assets).

## 2.9. Impairment of non-financial assets (including investment in associate and joint venture)

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets (including investment in associates and joint venture) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount

# Notes

Forming Part of the Consolidated Financial Statements

rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

## 2.10. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

### Sale of Goods

The Group deals in fashion products including apparel, footwear and accessories to both the large format stores and directly to customers through its own retail outlets.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For sales of fashion products, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

## Rendering of services

Revenue from a contract to provide services is recognised as they are rendered based on arrangements with the customers.

## Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

## 2.11. Leases

### The Group as a lessee

The Group's Lease assets classes primarily consist of leases for Buildings (Leased Stores). The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU" and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

# Notes

## Forming Part of the Consolidated Financial Statements

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

## **2.12. Taxation**

### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of consolidated profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference rises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates

# Notes

Forming Part of the Consolidated Financial Statements

that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 2.13. Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity share and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.14. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

## 2.15. Employee benefits

### Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in consolidated statement of profit and loss for the period in which the related service is rendered.

### Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Group has no further payment obligations once the contributions have been paid. Amount of expenses recognised is equal to the amount of contribution made by the group.

### Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the consolidated statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in consolidated statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in consolidated statement of profit and loss.

### Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be

# Notes

## Forming Part of the Consolidated Financial Statements

made by the Group in respect of services provided by employees up to the reporting date. Cost of other long term benefits are determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period and the cost (including remeasurement) is recognised in consolidated statement of profit and loss.

### 2.16. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprise of cost of purchase, cost of conversion and other related cost incurred in bringing the inventories to their present location and condition.

### 2.17. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than that entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in consolidated statement of profit and loss in the period in which they arise except for exchange differences which are regarded as an adjustment to interest cost as per policy on borrowing cost.

### 2.18. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.19. Financial instruments

#### Classification as financial liability or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

#### Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's or a group entity's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.



## Notes

Forming Part of the Consolidated Financial Statements

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity.

### Financial assets and financial liabilities – initial recognition

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of investments, loans, deposits, trade receivables and cash and bank balances. Financial liabilities primarily comprise of borrowings, trade and other payables and financial guarantee contracts.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets/ issue of financial liabilities are added to the fair value of the financial assets/ subtracted from fair value of financial liabilities on initial recognition, except for financial asset/ liability is subsequently measured at fair value through profit or loss.

### Subsequent measurement

#### Financial assets

Financial assets are measured subsequent based on their classification. The Company classifies its financial assets in the following measurement categories:

- a. At amortised cost; - Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- b. At fair value through other comprehensive income - Assets that are held for the collection of contractual cash flows and for selling the

financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to Statement of profit and loss.

- c. At fair value through Statement of profit and loss- Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss. Dividend income from these financial assets is included in other income.

### Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### Investment in equity instruments either at FVTPL or FVTOCI

Investment in equity instruments are measured at FVTPL with fair value changes is being recognised in consolidated statement of profit and loss. However, on initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### Financial guarantee obligation

A financial guarantee contract is a contract that requires the issuer to make specified payments to

# Notes

## Forming Part of the Consolidated Financial Statements

reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

After initial recognition of financial guarantee obligation at fair value, the Group subsequently measured it at the higher of:

- amount of loss determined in accordance with impairment requirement under Ind AS 109 (see policy on impairment of financial asset); and
- the amount initially recognised less, when appropriate, the cumulative income recognised.

### Impairment of financial asset

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

### Derecognition of financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and

substantially all the risks and rewards of ownership of the asset to another party.

## 2.20. Share-based payment arrangement

### Share-based payment transactions of the Group

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/ option at the grant date.

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

## 2.21. Operating segment

The management views the Group's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Fashion Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'

## 2.22. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

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## **Key sources of estimation uncertainty**

### **Useful lives of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

### **Impairment of property, plant and equipment, investment in joint venture and associate and impairment of goodwill**

Determining whether the assets are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present

value. When the actual cash flows are less than expected, a material impairment loss may arise.

### **Provisions, liabilities and contingencies**

The timing of recognition of provision requires application of judgement to existing facts and circumstances which may be subject to change

### **Fair value measurements**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of estimate is required in establishing fair values.

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(All amounts in INR crore, unless otherwise stated)

## 3) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Descriptions of Assets	Gross Block (At cost / deemed cost)		Depreciation / Amortisation		Net Block	
	As at April 01, 2020	As at Additions Deletions March 31, 2021	As at April 01, 2020	For the Deletions Year	As at March 31, 2021	As at March 31, 2020
<b>A. Property, plant and equipment</b>						
Leasehold Improvements	379.69	55.72	21.27	55.72	10.55	266.94
Plant & Equipments	217.90	9.38	7.43	17.59	1.56	169.00
Office Equipments	41.03	0.36	0.48	7.23	0.30	23.02
Computer & IT Equipment	69.29	0.63	1.39	10.79	0.82	30.76
Furniture, Fixtures & Other Fittings	1,279.28	118.84	55.46	179.80	30.34	883.98
Vehicles	0.85	-	0.40	0.10	0.15	0.53
<b>Total</b>	<b>1,988.04</b>	<b>184.93</b>	<b>86.43</b>	<b>277.34</b>	<b>43.72</b>	<b>1,374.22</b>
<b>B. Other Intangible Assets</b>						
Computer Software	25.30	1.74	0.03	2.80	0.03	13.46
Trademarks, Copyrights & Patents	53.42	-	-	13.70	-	22.65
<b>Total</b>	<b>78.72</b>	<b>1.74</b>	<b>0.03</b>	<b>16.50</b>	<b>0.03</b>	<b>36.11</b>
<b>Grand Total</b>	<b>2,066.76</b>	<b>186.67</b>	<b>86.46</b>	<b>293.84</b>	<b>43.75</b>	<b>1,410.33</b>
Previous Year	1,666.95	464.73	64.92	289.79	26.58	1,273.73

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(All amounts in INR crore, unless otherwise stated)

### 4) INVESTMENTS

	Number of Units		Amount	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Investment</b>				
<b>Trade Investments fully paid up of ₹ 10 each unless otherwise stated</b>				
<b>Quoted</b>				
KOOVS PLC (₹ 0.01 per ordinary share)	10,37,15,663	10,37,15,663	81.56	81.56
KOOVS PLC - CCPS (₹ 0.01 per share)	8,81,523	8,81,523	2.22	2.22
Less :- Provision for Diminution of Investment			(83.78)	(83.78)
<b>Aggregate book value of quoted Non-Current Investments</b>			-	-
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Venture (accounted for using the equity method)</b>				
FLFL Lifestyle Brands Limited	50,000	50,000	141.56	165.57
FLFL Travel Retail Bhubaneswar Private Limited	5,100	5,100	0.89	0.61
FLFL Travel Retail Guwahati Private Limited	5,100	5,100	2.40	1.56
FLFL Travel Retail West Private Limited	5,100	5,100	2.32	1.40
FLFL Travel Retail Lucknow Private Limited	5,100	-	0.94	-
<b>Others (at fair value through other comprehensive income)</b>				
DSK Media Private Limited	10,000	10,000	18.02	18.42
Renew Wind Power Karnataka Private Limited	3,100	6,400	0.03	0.06
<b>Investment in Optionally Convertible Debentures</b>				
<b>Joint Venture (accounted for using the equity method)</b>				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	11,16,80,000	11,16,80,000	111.68	111.68
<b>Aggregate book value of unquoted Non-Current Investments</b>			<b>284.34</b>	<b>305.80</b>
<b>Current Investment</b>				
<b>Trade Investments fully paid up of ₹ 10 each unless otherwise stated</b>				
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Ventures (accounted for using the equity method)</b>				
Clarks Future Footwear Private Limited	9,80,000	9,80,000	4.05	3.78
Holii Accessories Limited	1,90,000	1,90,000	0.13	0.15
<b>Others (at fair value through other comprehensive income)</b>				
SSIPL Retail Limited	6,09,197	6,09,197	34.03	35.51
<b>Aggregate book value of unquoted Current Investments</b>			<b>38.21</b>	<b>39.44</b>

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*(All amounts in INR crore, unless otherwise stated)*

### 5) SECURITY DEPOSITS (UNSECURED)

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Considered good	103.02	141.31
	<b>103.02</b>	141.31
<b>Current</b>		
Considered good	78.52	35.67
	<b>78.52</b>	35.67

### 6) LOANS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Inter Corporate Deposits	225.18	226.03
Loan given to Others	12.12	13.12
	<b>237.30</b>	239.15

### 7) OTHERS FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Bank deposits more than 12 months maturity	0.42	0.40
	<b>0.42</b>	0.40
<b>Current</b>		
Insurance Claim Receivable	0.87	4.06
Other Receivables	35.75	14.87
	<b>36.62</b>	18.93

### 8) OTHER ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Capital Advances	0.75	3.38
Prepaid Expenses	55.88	92.22
	<b>56.63</b>	95.60
<b>Current</b>		
Balance with Government authorities	157.22	169.23
Advance to suppliers	314.15	358.95
Prepaid Expenses	11.69	17.87
Others	12.65	16.85
	<b>495.71</b>	562.90

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(All amounts in INR crore, unless otherwise stated)

### 9) INVENTORIES

	As at March 31, 2021	As at March 31, 2020
Stock-in-Trade (Goods-in-Transit of ₹23.08 crore, 2019-20: ₹52.58 crore)	1,940.46	2,501.88
Packing Material	1.68	1.91
	<b>1,942.14</b>	<b>2,503.79</b>

### 10) TRADE RECEIVABLES (UNSECURED)

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Considered Good	409.36	381.81
Considered Doubtful	26.33	10.07
	435.69	391.88
Less :- Expected credit loss allowance (for doubtful receivables)	26.33	10.07
	<b>409.36</b>	<b>381.81</b>

### 11) CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Cash on Hand	3.01	1.37
In Current Accounts	29.20	2.01
Balance with credit card and e-wallet companies	12.31	9.06
	<b>44.52</b>	<b>12.44</b>

### 12) BANK BALANCES OTHER THAN THE ABOVE

	As at March 31, 2021	As at March 31, 2020
Bank deposits* (with maturity less than 12 months)	5.06	10.52
Earmarked Accounts (for unpaid dividend)	0.18	0.20
	<b>5.24</b>	<b>10.72</b>

\* Held as margin money or security against the borrowings, guarantees and other commitments.

### 13) SHARE CAPITAL

#### (a) Equity Share Capital

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	<b>25,00,00,000</b>	<b>50.00</b>	<b>25,00,00,000</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 2/- each	20,17,74,874	40.35	20,17,74,874	40.35
	<b>20,17,74,874</b>	<b>40.35</b>	<b>20,17,74,874</b>	<b>40.35</b>

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(All amounts in INR crore, unless otherwise stated)

### Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2021	As at March 31, 2020
	No. of Shares	No. of Shares
At the beginning of the year	20,17,74,874	19,45,68,077
Add : Shares issued on exercise of employee stock option	-	7,27,316
Add : Issued during the year	-	64,79,481
At the end of the year	<b>20,17,74,874</b>	20,17,74,874

### Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

### Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited	3,71,04,265	18.39	7,54,41,490	37.39
Vistra ITCL India Limited	5,12,45,095	25.40	-	-
Spectacular Investments PTE Limited	1,94,04,207	9.62	1,94,04,207	9.62
BTO FPI III Pte. Ltd.	1,16,84,716	5.79	1,16,84,716.00	5.79
Life Insurance Corporation of India	1,42,67,272	7.07	1,41,72,733.00	7.02
RSCL Trading Private Limited	38,12,924	1.89	1,45,38,559.00	7.21

### Share options granted under the Company's employee share option plan

Share options granted under the company's employee share option plan carry no right to dividends and no voting rights. Further details of the employee share option plan are provided in Note 35.



## Notes

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(All amounts in INR crore, unless otherwise stated)

### (b) Compulsory Convertible Preference Shares Series II

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
<b>Authorised</b>				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	1,100	0.10	1,100	0.10
	<b>1,100</b>	<b>0.10</b>	<b>1,100</b>	<b>0.10</b>
<b>Issued, Subscribed and Paid up</b>				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	100	0.01	100	0.01
	<b>100</b>	<b>0.01</b>	<b>100</b>	<b>0.01</b>

#### Reconciliation of number of shares :

Compulsory Convertible Preference Shares Series II of ₹ 910/- each

	As at March 31, 2021	As at March 31, 2020
	No. of Shares	No. of Shares
At the beginning of the year	100	100
Add : Issued during the year	-	-
At the end of the year	<b>100</b>	<b>100</b>

#### Terms/Rights Attached to CCPS Series II

CCPS Series II: The Company has CCPS Series II having a par value of INR 910 per share. Each share is convertible into equity shares of the company such that the percentage of CCPS holder's shareholding post conversion is at least 2.5% of the equity shares of the Company on a fully diluted basis. In the event of liquidation of the Company, the holder of CCPS shall rank senior to equity shares and other classes or series of the share capital of the Company.

#### Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
India Customer Insight Fund (an alternate Investment Fund)	100	100.00	100	100.00

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(All amounts in INR crore, unless otherwise stated)

## 14) OTHER EQUITY

	As at March 31, 2021	As at March 31, 2020
Capital Reserve	426.99	426.99
Securities Premium	822.31	822.31
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	12.94	15.53
General Reserve	88.04	88.04
Retained Earning	(757.11)	174.80
Equity instruments through Other Comprehensive Income	17.71	19.59
	<b>660.88</b>	<b>1,597.26</b>

For addition and deduction under each of the above heads refer statement of change in Equity

### NATURE OF RESERVES

#### Capital Reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

#### Securities Premium

Securities premium is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act 2013.

#### Debenture Redemption Reserve

Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company.

#### Share Options Outstanding Account

This reserve relates to share option granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 35

#### General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

#### Retained Earnings

This represents the surplus/(deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

#### Equity instruments through other comprehensive income

Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

## Notes

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(All amounts in INR crore, unless otherwise stated)

### 15) BORROWINGS

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
8.70% Redeemable Non Convertible Debentures (NCD)	350.00	-
Term Loans from Banks	565.98	190.08
Funded Interest Term Loans	80.62	-
<b>Un-Secured</b>		
Term Loans from Banks	70.07	-
Funded Interest Term Loans	0.66	-
	<b>1,067.33</b>	<b>190.08</b>
<b>Current</b>		
<b>Secured</b>		
Working Capital Loans from Banks	603.94	562.50
<b>Un-Secured</b>		
Term Loans from Banks	-	150.00
	<b>603.94</b>	<b>712.50</b>

Note :- Please refer detailed Note 42 on One Time Restructuring (OTR) of Credit Facilities

#### Details of Security and Repayment Terms for Secured Non Current Borrowings :-

S.No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2021	As at March 31, 2020
1	<b>8.70 % NCD Series IV</b>			
	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	Redeemable at the end of 84 months from the deemed date of allotment falling due on November 09, 2024 basis the extension by 24 months from the original redemption date of November 09, 2022.	350.00	349.65
		Interest of 8.70% p.a payable annually from the deemed date of allotment. Moratorium on Interest up to December 31, 2021.		
		Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.		
2	<b>Term Loans from bank:</b>			
(i)	a) Secured By First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company.	The Outstanding Loan is repayable in 5 Step up Quarterly installments. (Next installment due in September. 2022)	56.08	55.93
	b) Personal Guarantee of promoters	Interest :- 10.25% p.a. (as on March 31, 2021)*		

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*(All amounts in INR crore, unless otherwise stated)*

S.No.	Nature of Security	Terms of Interest and Repayment	As at	As at
			March 31, 2021	March 31, 2020
(ii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 20 quartely Installments. (Next installment due in June 2022)  Interest :- 9.90% p.a (as on March 31, 2021)*	123.37	129.58
	b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company.			
	c) Personal Guarantee of promoters			
(iii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 20 quartely Installments. (Next installment due in June 2022)  Interest :- 9.90% p.a (as on March 31,2021)*	136.08	134.84
	b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company.			
	c) Personal Guarantee of promoters			
(iv)	a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company.	The Outstanding Loan is repayable as bullet repayment in the Quarter ended on March 2023.*	75.00	-
	b) Personal Guarantee of promoters			
<b>3</b>	<b>Working Capital Term Loans (WCTL) from Banks :-</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company,	The Outstanding Loan is repayable in 4 quartely Installments. (Next Installment due in December 2021)  Interest :- 8.30% p.a.*	206.41	-
	b) Secured By Second Pari- Passu Charge on moveable Fixed Assets			
	c) Personal Guarantee of promoters			
<b>4</b>	<b>Existing Funded Interest Term Loans (FITL) from Banks :-</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company,	The Outstanding Loan is repayable in 2 Structured Quartely Installments. (Next Installment due in March 2022)  Interest :- 10.75 % p.a. The Interest is paid as and when due.	25.65	-
	b) Secured By Second Pari- Passu Charge on moveable Fixed Assets			
	c) Personal Guarantee of promoters			

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(All amounts in INR crore, unless otherwise stated)

S.No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2021	As at March 31, 2020
<b>5</b>	<b>New Funded Interest Term Loans (FITL) from Banks :-</b>			
<b>(A)</b>	<b>FITL against Working Capital Limits/ WCTL Limits</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company, b) Secured By Second Pari- Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 3 Structured Quartely Installments. (Next Installment due in March 2022)  Interest :- 8.30 % p.a. The Interest is paid as and when due.	39.68	-
<b>(B)</b>	<b>FITL against Short Term Loans</b>			
(i)	a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company. b) Personal Guarantee of promoters	The Outstanding Loan is repayable in 3 Structured Quartely Installments. (Next Installment due in March 2022)  Interest :- 8.30 % p.a. The Interest is paid as and when due.	1.52	-
<b>(C)</b>	<b>FITL against Term Loans</b>			
(i)	a) Secured By First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company. b) Personal Guarantee of promoters	The Outstanding Loan is repayable in 5 Structured Quartely Installments. (Next Installment due in September 2022)  Interest :- 8.30 % p.a. The Interest is paid as and when due.	6.58	-
(ii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company. b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 20 Structured Quartely Installments. (Next Installment due in June 2022)  Interest :- 8.30 % p.a. The Interest is paid as and when due.	4.81	-
<b>(D)</b>	<b>FITL against Non-Convertible Debentures</b>			
(i)	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	The Outstanding Loan is repayable in 9 Structured Quartely Installments. (Next Installment due in March 2022)  Interest :- 8.30 % p.a. The Interest is paid as and when due.	11.18	-
			<b>1,036.36</b>	<b>670.00</b>
	Less : Current Maturities of Long Term Borrowings (excluding unsecured loan)		39.76	479.92
	<b>Total</b>		<b>996.60</b>	<b>190.08</b>

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### Details of Security and Repayment Terms for Secured Current Borrowings :-

Nature of Security	Terms of Interest & Repayment
<b>Working Capital Loans from Banks</b> Loans are secured by <ol style="list-style-type: none"> <li>First pari-passu charge on Current Assets (excluding credit / debit card receivables), both present &amp; future of the company</li> <li>Second pari-passu Charge on the Moveable Fixed Assets of the company.</li> </ol>	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the Working Capital Loan is 10.20 % in the Financial Year 2021.

Note:- Working Capital Term Loans (WCTL), Funded Interest term Loans (FITL) against working capital and WCTL limits and Working capital limits are also secured by Term Deposit receipt of ₹31.00 Lacs.

\* Moratorium on Interest up to December 31, 2021.

### 16) OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Derivative liability	7.56	7.56
	<b>7.56</b>	<b>7.56</b>
<b>Current</b>		
Current Maturities of Long-Term Borrowings	41.01	479.92
Interest Accrued but Not Due on Borrowings	43.83	17.44
Unclaimed Dividend	0.18	0.20
Creditors for Capital supplies/services	121.45	135.60
Payable to employees	20.28	19.20
Security Deposits	120.65	119.69
Financial guarantee obligations	0.84	0.84
Other Payables	21.79	24.49
	<b>370.03</b>	<b>797.38</b>

### 17) PROVISIONS

	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Gratuity	11.28	11.63
	<b>11.28</b>	<b>11.63</b>
<b>Current</b>		
Leave encashment	8.94	9.93
Gratuity	0.63	1.44
Provision for right of return	107.49	135.61
	<b>117.06</b>	<b>146.98</b>

## Notes

Forming Part of the Consolidated Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

### 18) OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Advance received from Customers	46.59	22.42
Other Current Liabilities	6.87	8.48
	<b>53.46</b>	<b>30.90</b>

### 19) REVENUE FROM OPERATIONS

	2020-2021	2019-2020
Sale of Products	2,480.21	6,804.78
Less: Goods and Service Tax	231.30	622.95
	<b>2,248.91</b>	<b>6,181.83</b>
Other Operating Revenue	27.81	115.47
	<b>2,276.72</b>	<b>6,297.30</b>

### 20) OTHER INCOME

	2020-2021	2019-2020
Interest Income	42.34	41.77
Miscellaneous Income	8.02	22.50
	<b>50.36</b>	<b>64.27</b>

### 21) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2020-2021	2019-2020
<b>Opening Inventories</b>		
Stock- in-Trade	2,503.79	2,031.48
<b>Closing Inventories</b>		
Stock- in-Trade	1,942.14	2,503.79
	<b>561.65</b>	<b>(472.31)</b>

### 22) EMPLOYEE BENEFITS EXPENSE

	2020-2021	2019-2020
Salaries and Wages	179.78	314.61
Share-based payment to employees (Refer Note 35)	(2.58)	6.53
Contribution to Provident and Other Funds	10.45	22.05
Staff Welfare Expenses	2.44	5.15
	<b>190.09</b>	<b>348.34</b>

### 23) FINANCE COSTS

	2020-2021	2019-2020
Interest Expense	182.35	111.53
Other Borrowing Costs	37.82	39.67
Interest expense on lease liabilities	129.51	154.34
	<b>349.68</b>	<b>305.54</b>

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 24) OTHER EXPENSES

	2020-2021	2019-2020
Power and Fuel	73.42	140.53
Repairs and Maintenance		
Buildings	8.18	18.95
Others	1.67	10.01
Insurance	8.19	8.28
Rates and Taxes	6.47	8.73
Rent	60.95	102.91
Common Area Maintenance	59.58	60.73
Advertisement and Marketing	50.43	140.72
Loss on Disposal/Discard of Fixed Assets (Net)	41.71	35.85
Expected credit loss allowance (for doubtful receivables)	16.26	9.52
Bad Debts Written Off	0.74	0.35
Corporate Social Responsibility Expenses	4.70	3.60
Miscellaneous Expenses(Refer Note 37)	124.30	248.66
	<b>456.60</b>	<b>788.84</b>

### 25) TAX EXPENSE

#### Income tax expenses recognised in statement of Profit and Loss

	2020-2021	2019-2020
Current Tax	0.14	26.67
Adjustment of tax relating to earlier periods	2.84	-
Deferred Tax	(9.99)	(8.87)
<b>Total</b>	<b>(7.01)</b>	<b>17.80</b>

#### Income Tax expense recognized in other comprehensive income

	2020-2021	2019-2020
Deferred Tax	(0.06)	2.46

### 26) CONTINGENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Claims against the Group not acknowledged as debt	1,002.71	28.92
Corporate Guarantees given	188.30	188.30
Guarantees given by the bank on behalf of the Group	31.14	31.97

### 27) SEGMENT INFORMATION

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of 'Fashion Products' which constitutes a single reporting Segment. Hence there is no separate reportable segment under Ind AS 108 Operating segment.



## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 28) DISCLOSURE RELATING TO LEASES

Effective April 1, 2019, The Group adopted IND AS 116 and applied the standard to all existing Lease Contracts as on April 1, 2019 using Modified Retrospective Method and has taken Cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental Borrowing rate.

**The following is the summary of practical expedients elected on initial application:**

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
4. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 10.20%
5. Estimated Life of each leased store considered in this standard is taken as earlier of 7 years from commencement or actual lease contract end date.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	1,111.02	1,246.03
Additions During the Year	317.28	383.57
Deletions During the Year	(1.53)	(106.84)
Depreciation for the Year	(304.57)	(411.74)
Remeasurements for the Year	(198.83)	-
<b>Closing Balance</b>	<b>923.37</b>	1,111.02

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities	360.58	409.82
Non-Current Lease Liabilities	881.47	964.22
<b>Total</b>	<b>1,242.05</b>	1,374.04

## Notes

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(All amounts in INR crore, unless otherwise stated)

The following is the movement in lease liabilities during the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	1,374.04	1,576.78
Additions During the Year	317.28	382.71
Finance Cost Accrued During the Year	129.51	154.34
Payment of Lease Liabilities	(368.10)	(627.12)
Deletions During the Year	(5.35)	(112.67)
Remeasurements for the Year	(205.35)	-
<b>Closing Balance</b>	<b>1,242.05</b>	1,374.04

- (a) Short-term leases have been accounted for applying Paragraph 6 of Ind AS 116-Leases and accordingly recognized as expense in the statement of profit and loss.
- (b) The total cash outflow for the year ended March 31, 2021 amounts to ₹ 368.10 crore (2019-20: ₹ 627.12 crore).
- (c) To remeasure the lease liability to reflect the modification.

The difference of ₹ 205.35 crore between the original lease liability ₹ 1,447.40 crore and the modified lease liability ₹ 1,242.05 crore on March 31, 2021 is adjusted against the ROU asset.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

	As at March 31, 2021	As at March 31, 2020
Less than One Year	116.99	187.88
One to Five Years	112.30	194.18
More than Five Years	5.27	10.23
<b>Total</b>	<b>234.56</b>	392.29

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2021:

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	13.83	28.07
Interest Income Accrued During the Year	0.94	1.99
Lease Receipts	(8.96)	(13.14)
Deletions During the Year	-	(3.09)
<b>Closing Balance</b>	<b>5.80</b>	13.83

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2021 on an undiscounted basis:

	As at March 31, 2021	As at March 31, 2020
Less than One Year	5.11	17.93
One to Five Years	1.03	12.27
More than Five Years	-	-
<b>Total</b>	<b>6.14</b>	30.20

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 29) CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with schedule VIII thereof ₹ 3.40 crore (2019-20: ₹ 3.60 crore)

	2020-2021	2019-2020
Gross amount required to be spent by the Group	3.40	3.60
<b>Details of amount spent are as under :</b>		
Reducing inequalities faced by socially and economically backward groups	-	3.29
Promoting education, including special education and employment enhancing vocation skills	3.18	-
Other	0.53	-
<b>Total</b>	<b>3.71</b>	<b>3.29</b>

### 30) EARNINGS PER SHARE

The earnings and weighted average number of Equity Shares used in the calculation of Basic and Diluted Earnings per share (EPS) are as follows:

	Units	2020-2021	2019-2020
Profit attributable to Equity Share holders	₹ in crore	(933.79)	(44.09)
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in crore	20.18	19.84
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in crore	20.18	19.89
Earnings per share – Basic	₹	(46.28)	(2.22)
Earnings per share – Diluted	₹	(46.28)	(2.22)
Face value per share	₹	2.00	2.00

### 31) EMPLOYEE BENEFIT PLANS

#### a. Defined Contribution Plan

The Group operates defined contribution plan (Provident Fund) for all qualifying employees of the Group. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

#### b. Defined Benefit Plans - Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1975 or the Group Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

**(i) The principal actuarial risk to which the Company is exposed are interest rate risk, longevity risk and salary risk.**

Interest Risk	A decrease in the government bond interest rate will increase the plan liability
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(ii) The principal assumptions used for the purpose of the actuarial valuations were as follows:**

	2020-2021	2019-2020
Discount rate	6.70%	6.46%
Salary Escalation	4.00%	0% for first year and 5% thereafter
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Withdrawal Rate	Service <5 Years: 50%	Service <5 Years: 46%
Retirement Age	Service >5 Years: 2%	Service >5 Years: 2%
	58 years	58 years

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**(iii) Amount recognized in the statement of Profit and Loss, other comprehensive income**

	2020-2021	2019-2020
Total Service Cost	1.77	2.97
Net Interest Expenses	0.80	0.68
<b>Components of expense recognized in the statement of Profit and Loss (A)</b>	<b>2.57</b>	<b>3.65</b>
<b>Re-measurements on the net defined benefit liability:</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.86)	(0.01)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(1.76)	0.19
Actuarial (Gain)/Loss arising from experience adjustments	1.12	1.73
<b>Total Amount recognized in other comprehensive income (B)</b>	<b>(1.50)</b>	<b>1.91</b>
<b>Total cost recognized (A+B)</b>	<b>1.07</b>	<b>5.56</b>

**(iv) Amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

	2020-2021	2019-2020
Present value of unfunded defined benefit obligation	11.94	13.06

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### (v) Movement in present value of the defined benefit obligation.

	2020-2021	2019-2020
Opening defined benefit obligation	13.06	10.25
Total Service Cost	1.77	2.97
Net Interest Expenses	0.80	0.68
<b>Remeasurements on the net defined benefit liability</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.86)	(0.01)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(1.76)	0.19
Actuarial (Gain)/Loss arising from experience adjustments	1.12	1.73
Benefits paid	(2.19)	(2.75)
Closing defined benefit obligation	11.94	13.06

### (vi) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	2020-2021	2019-2020
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(10.05)	(11.12)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	12.98	14.12
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	12.86	13.84
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(10.10)	(11.29)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### c. Other employee benefits

The Group has recognized an amount of ₹ 2.58 crore (2019-20: ₹ 5.45 crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	2020-2021	2019-2020
Discounted Rate	6.46%	6.46%
Salary Increase Rate	0% for first year and 5% thereafter	0% for first year and 5% thereafter
Attrition Rate	Service <5 Years: 46% Service >5 Years: 2%	Service <5 Years: 46% Service >5 Years: 2%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

# Notes

Forming Part of the Consolidated Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

## 32) RELATED PARTY DISCLOSURES

### Names of Related Parties and nature of relationship

#### Joint Ventures

- Celio Future Fashion Private Limited (CFFPL)
- Clarks Future Footwear Private Limited (CFFTPL)
- FLFL Lifestyle Brands Limited (FLBL)
- FLFL Travel Retail Bhubaneswar Private Limited (FTRBPL)
- FLFL Travel Retail Guwahati Private Limited (FTRGPL)
- FLFL Travel Retail Lucknow Private Limited (FTRLPL)
- FLFL Travel Retail West Private Limited (FTRWPL)
- Holii Accessories Limited (HAL)

#### Others

#### Entities over which Company is able to exercise significant Influence

- Excellent Lifestyle Limited (ELL)
- Future Style Lab Limited (FSLL)
- Indus Tree Producer Transform Limited (ITPTL)
- Koovs Marketing Consulting Private Limited (KMCPL)
- Mineral Fashions Limited (MFL)
- Rachika Trading Limited (RTL)

#### Entities over which KMP are able to exercise significant Influence

- Apollo Design Apparel Parks Limited (ADAPL)
- Bansi Mall Management Company Private Limited (BMMCPL)
- Future Brands Limited (FBL)
- Future Consumer Limited (FCL)
- Future Corporate Resources Private Limited (FCRPL)
- Future Coupons Private Limited (FCPL)
- Future Entertainment Private Limited (FEPL)
- Future Enterprises Limited (FEL)
- Future Generali India Insurance Company Limited (FGIICL)
- Future Generali India Life Insurance Company Limited (FGILICL)
- Future Ideas Company Limited (FICL)
- Future Market Networks Limited (FMNL)
- Future Media (India) Limited (FMIL)
- Future Retail Limited (FRL)
- Future Sharp Skills Limited (FSSL)
- Future Supply Chain Solutions Limited (FSCSL)
- Goldmohur Design & Apparel Park Limited (GDAPL)
- Idiom Design and Consulting Limited (IDCL)
- Iskrupa Mall Management Company Private Limited (IMMCPL)
- Kamadgiri Fashion Limited (KFL)
- KFC Shoemaker Private Limited (KSPL)
- Nufuture Digital (India) Limited (NFDIL)
- Praxis Home Retail Limited (PHRL)
- Retail Light Techniques India Limited (RLTIL)
- Suhani Mall Management Company Private Limited (SMMCPL)
- Turtle Limited (TL)
- Unico Retail Private Limited (URPL)

## Notes

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(All amounts in INR crore, unless otherwise stated)

### Key Management Personnel(KMP):

- Kishore Biyani (Vice Chairperson)
- Vishnuprasad M (Managing Director)
- Shailesh Haribhakti (Independent Director)
- Dr. Darlie Koshy (Independent Director)
- Bijou Kurien (Independent Director)
- Sharda Agarwal (Independent Director)
- Rakesh Biyani (Non-Executive Director)
- Avni Biyani (Non-Executive Director)
- C P Toshniwal (Non-Executive Director)
- Luv Parikh (Non-Executive Director)
- Chintamani Bhagat (Non-Executive Director)
- Rahul Garg (w.e.f. July 31, 2020) (Non-Executive Director)
- Ketki Bapat (w.e.f. July 31, 2020) (Alternate Director)

### During the year, following transactions were carried out with the related parties in the ordinary course of business

Revenue from joint venture ₹ 22.16 Crore (2019-20: ₹ 17.03 Crore) and from others ₹ 8.67 Crore (2019-20: ₹ 79.04 Crore). Purchase of goods and services from joint venture ₹ 5.16 Crore (2019-20: ₹ 25.15 Crore) and from others ₹ 188.62 Crore (2019-20: ₹ 1,021.24 Crore). Sales of Gift vouchers from others ₹ 48.82 Crore (2019-20: ₹ 81.43 Crore). Purchase of Fixed Assets from others ₹ 0.01 Crore (2019-20: ₹ 9.84 Crore). Sale of Fixed Assets from others ₹ 0.08 Crore (2019-20: ₹ NIL). Managerial remuneration to KMP ₹ 2.09 Crore (2019-20: ₹ 2.32 Crore). Sitting fees and commission to KMP ₹ 0.35 Crore (2019-20: ₹ 1.79 Crore). Investment made in joint venture ₹ NIL (2019-20: ₹ 33.95 Crore). Loans and advances given to joint venture ₹ NIL (2019-20: ₹ 58.77 Crore) and to others ₹ NIL (2019-20: ₹ 324.12 Crore). Loans and advances given received back from others ₹ 0.85 Crore (2019-20: ₹ 19.08 Crore). Deposit received from joint venture ₹ NIL (2019-20: ₹ 0.14 Crore) and from others ₹ 0.23 Crore (2019-20: ₹ 0.45 Crore). Receivables (Net) from joint venture ₹ 216.89 Crore (2019-20: ₹ 224.33 Crore) and from others ₹ 318.75 Crore (2019-20: ₹ 246.22 Crore).

### Break up of Material Related Party Transactions.

Revenue includes FLBL ₹ 22.07 Crore (2019-20: ₹ 14.92 Crore), FEL ₹ 1.59 Crore (2019-20: ₹ 26.00 Crore), FRL ₹ 5.15 Crore (2019-20: ₹ 23.33 crore), PHRL ₹ 1.91 Crore (2019-20: ₹ 21.27 Crore). Purchase of Goods and Service includes FSLL ₹ 2.41 Crore (2019-20: ₹ 11.26 Crore), RTL ₹ 7.52 Crore (2019-20: ₹ 15.80 Crore), KMCPL ₹ 1.03 Crore (2019-20: ₹ 4.38 Crore), CFFPL ₹ 1.61 Crore (2019-20: ₹ 18.07 Crore), FEL ₹ 9.38 Crore (2019-20: ₹ 525.23 Crore), FRL ₹ 27.07 Crore (2019-20: ₹ 148.71 Crore), ITPTL ₹ 2.02 Crore (2019-20: ₹ 5.84 Crore). Sale of Gift Vouchers include FCPL ₹ 48.82 Crore (2019-20: ₹ 81.43 Crore). Purchase of Fixed Assets includes RLTL ₹ Nil (2019-20: ₹ 5.99 Crore), KMCPL ₹ Nil (2019-20: ₹ 3.51 crore), FRL ₹ 0.01 Crore (2019-20: ₹ Nil). Sale of Fixed Assets includes FEL ₹ 0.08 Crore (2019-20: ₹ Nil). Investment made includes FLBL ₹ Nil (2019-20: ₹ 33.95 Crore). Loans and Advance given includes FLBL ₹ Nil (2019-20: ₹ 58.77 Core), FRL ₹ Nil (2019-20: ₹ 324.04 Crore). Loans and Advance given received back includes FCRPL ₹ Nil (2019-20: ₹ 17.83 Crore), IDCL ₹ 0.85 Crore (2019-20: ₹ Nil). Deposit received includes TL ₹ 0.17 Crore (2019-20: ₹ Nil).

### 33) CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2021 is ₹ 9.36 crore (2019-20: ₹ 32.74 crore)

## Notes

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(All amounts in INR crore, unless otherwise stated)

### 34) DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	149.65	75.48
Interest due on above	6.00	1.79
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	2.98	5.86
The amount of interest accrued and remaining unpaid at the end of each accounting year	4.58	5.90
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	2.65	5.37

### 35) SHARE BASED PAYMENTS

#### Details of the employee share based plan of the Company

#### a) FLFL Employees Stock Options Scheme – 2013 (FLFL ESOS – 2013):

The Shareholders of the Company at their Extraordinary General Meeting held on December 16, 2013 had approved FLFL ESOS -2013 and also approved the issue of 15,00,000 Stock Options exercisable into 15,00,000 fully paid-up Equity Shares of ₹ 2 each of the Company, to the eligible employees in terms of the FLFL ESOS -2013 in one or more tranches and on such terms and conditions, as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of FLFL ESOS 2013, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) and in due compliance with other applicable laws and regulations.

The Stock Options granted under FLFL ESOS - 2013 would vest after 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of vested Stock Options is 3 years from the respective date of vesting of Stock Options.

#### b) FLFL Employees Stock Options Plan – 2015 (FLFL ESOP – 2015):

The Shareholders of the Company at their Annual General Meeting held on August 26, 2015 had approved the FLFL ESOP - 2015 and also approved the issue of 35,00,000 Stock Options exercisable into equivalent number of Equity Shares, to be issued and allotted under primary issue or to be acquired by way of secondary acquisition, to or for the benefit of Eligible Employees under FLFL ESOP 2015, not exceeding 35,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be determined by NRC, in accordance with the provisions of this FLFL ESOP 2015, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the SEBI SBEB Regulations, the Company has set up a ‘Future Lifestyle Fashions Limited Employees’ Welfare Trust’ (“Trust”) for implementation of FLFL ESOP 2015.



## Notes

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(All amounts in INR crore, unless otherwise stated)

Stock Options granted under FLFL ESOP - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

The following share-based payment arrangements were in existence during the current and prior years:

	Number of Stock Options Granted	Grant date	Expiry date	Exercise Price	*Share Price on Grant Date (in ₹)	Average Fair value of Option at Grant Date (in ₹)
FLFL ESOS-2013	3,01,161	17/01/2014	Note-1	10.00	69.51	82.19
FLFL ESOS-2013	4,64,622	29/10/2014	Note-1	10.00	94.14	84.21
FLFL ESOS-2013	3,95,476	31/08/2015	Note-1	10.00	70.10	60.79
FLFL ESOP-2015	5,87,086	11/11/2016	Note-1	10.00	129.67	102.77
FLFL ESOP-2015	39,428	15/12/2016	Note-1	10.00	125.26	94.56
FLFL ESOP-2015	13,54,000	16/10/2017	Note-1	189.00	337.36	191.28
FLFL ESOS-2013	88,059	12/02/2020	Note-1	2.00	395.86	389.14

\* Share Price on Grant Date considered as the Volume Weighted Average Price at NSE.

Note-1 The vested Stock Options can be exercised within a period of three years from the respective date of vesting.

Stock Options were priced using a Black Scholes option pricing model. Expected Volatility was calculated using standard deviation of daily change in stock price. The historical period for Expected Volatility taken into account to match the expected life of the option. There are no market conditions attached to grant and vest.

	FLFL ESOP – 2013		FLFL ESOP – 2015	
	2020-2021	2019-2020	2020-2021	2019-2020
Date of Grant	N.A.	12/02/2020	N.A.	N.A.
Expected volatility (%)	N.A.	27.69%	N.A.	N.A.
Option life (Years)	N.A.	3.50	N.A.	N.A.
Dividend yield (%) (As a % of FMV)	N.A.	1.40%	N.A.	N.A.
Risk-free interest rate (Average)	N.A.	5.82%	N.A.	N.A.

### Movement in Stock Options during the year

The following reconciles the Stock Options outstanding at the beginning and end of the period:

	2020-2021		2019-2020	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Balance at beginning of Year</b>				
FLFL ESOS – 2013	88,059	2	134,592	10
FLFL ESOP 2015-Primary	768,500	189	13,97,224	10 and 189
<b>Granted during the period</b>				
FLFL ESOS – 2013	-	-	88059	2
FLFL ESOP 2015-Primary	-	-	-	-

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

	2020-2021		2019-2020	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Forfeited during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Exercised during the period</b>				
FLFL ESOS – 2013	-	-	134,592	10
FLFL ESOP 2015-Primary	-	-	592,724	189
<b>Expired during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	2,42,250	189	36,000	189
<b>Balance at the end of Year</b>				
FLFL ESOS – 2013	88,059	2	88,059	2
FLFL ESOP 2015-Primary	5,26,250	189	768,500	189
<b>Exercisable at the end of the Year</b>				
FLFL ESOS – 2013	29,353	2	-	NA
FLFL ESOP 2015-Primary	5,26,250	189	262,900	189

The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS – 2013	Nil	-	-
FLFL ESOP 2015-Primary	Nil	-	-

**Stock Options outstanding at the end of the year**

The Stock Options outstanding at the end of the year had a weighted average remaining contractual life as under:

	2020-2021	2019-2020
FLFL ESOS - 2013	1412 Days	1777 Days
FLFL ESOP - 2015-Primary	650 Days	1,029 Days

### 36) FINANCIAL INSTRUMENTS AND RISK REVIEW

#### Capital Management

The Group manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (i.e. borrowings offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings). The Group monitors capital using a ratio of 'net debt' to equity. The Company's net debt to equity ratio was as follows.

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Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Total debt including interest accrued	1,756.11	1,399.94
Less: cash and bank balances	49.76	23.16
Net debt	1,706.35	1,376.78
Equity	701.24	1637.62
Net debt to equity ratio	243%	84%

### Categories of financial instruments

	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>		
<b>(i) Measured at Amortized Cost</b>		
Cash and bank balances	49.76	23.16
Trade receivables	409.36	381.81
Loans –Inter corporate deposit	225.18	226.03
Security deposits	181.53	176.98
Other financial assets	37.04	19.33
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
<b>(iii) Designated at fair value through other comprehensive income</b>		
Investment in equity shares - SSIPL Retail Limited	34.03	35.51
Investment in equity shares - DSK Media Private Limited	18.02	18.42
<b>Financial liabilities</b>		
<b>(i) Measured at Amortized Cost</b>		
Borrowing	1,712.28	1,382.50
Trade payable	2,052.59	2,389.27
Security deposit received	120.65	119.69
Other financial liabilities	208.37	197.77
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
Derivative liabilities	7.56	7.56

### Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2021	March 31, 2020	
Investments in equity instruments – SSIPL Retail limited	34.03	35.51	Level 2
Investments in equity instruments – DSK Media Private Limited	18.02	18.42	Level 2
Derivative liability – written option	7.56	7.56	Level 2

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

### Financial risk management objectives

The Group has a Risk Management Committee instituted by its Board of Directors of the Company for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

- **Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rate risk and other price risk. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

- **Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods and capital goods. Foreign exchange risk arises recognised liabilities denominated in a currency that is not the functional currency of the entity within the Group. The Group hedges its foreign exchange risk using foreign exchange forward contracts as per it's within the guidelines laid down by risk management policy of the Group. Overall, Group always have a limited exposure to foreign currency risk.

Following table contains details of the carrying amounts of Company's unhedged foreign currency denominated in Indian Rupees at the end of the reporting period.

	As at March 31, 2021	As at March 31, 2020
<b>Amount Payable</b>		
US Dollar (USD)	-	0.33

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ Nil (2019-20: ₹ 0.02 crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ Nil (2019-20: ₹ 0.02 crore). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group borrows the money at variable interest rate and therefore it is exposed to interest rate risk.

The interest rate risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group is not exposed to significant interest rate risk as at the respective reporting dates.

- **Other price risk**

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

If equity prices had been 5% higher/lower, other comprehensive income for the year would increase/decrease by ₹ 1.70 crore (2019-2020: increase/decrease by ₹ 1.78 crore) as a result of the changes in fair value of shares measured at fair value through other comprehensive income.

- (i) **Credit risk**

Credit risk is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. The credit risk arises primarily on trade receivables, store deposit with landlord of stores and deposits with banks and financial institutions and other financial instruments.

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

Most of the Group's sales is on the counter sale i.e. cash and carry basis on which no credit risk arises, however credit risk arises to the Group on sales to institutional customers/ wholesale customers. Group manages the credit risk arising from trade receivables through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers. Group's customer base is widely spread and therefore it does not have concentration of credit risk. Group manages credit risk on store deposits by timely advance negotiation with landlord of store or through legal action.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that there is no substantial change in the economic environment affecting customers of the Group, the Group expects the historical trend of immaterial credit losses to continue. Following is the change in the loss allowance measured using life-time expected credit loss.

	2020-2021	2019-2020
Opening Balance	10.07	0.55
Provided during the year	16.26	9.52
<b>Closing Balance</b>	<b>26.33</b>	<b>10.07</b>

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

### (ii) Liquidity risk

Liquidity risk is the risk that the Group will fail in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Group monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2021</b>					
Borrowing including Interest accrued	1,756.11	688.79	760.99	306.53	1,756.11
Trade payable	2,052.59	2,052.59			2,052.59
Security deposit received	120.65	120.65			120.65
Other financial liabilities	164.54	164.54			164.54
Derivative liabilities (net basis)	7.56		7.56		7.56
<b>As at March 31, 2020</b>					
Borrowing including Interest accrued	1,399.94	1,209.86	190.08		1,399.94
Trade payable	2,389.27	2,389.27			2,389.27
Security deposit received	119.69	119.69			119.69
Other financial liabilities	180.33	180.33			180.33
Derivative liabilities (net basis)	7.56		7.56		7.56

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 37) MISCELLANEOUS EXPENSES

Miscellaneous expenses consist of the following:

	2020-2021	2019-2020
House Keeping and Security Expenses	23.11	57.10
Credit Card Charges	16.51	43.01
Legal and Professional Charges	19.80	22.78
Travelling and Conveyance Expenses	1.92	15.16
Other Expenses	62.97	110.61
<b>Total</b>	<b>124.30</b>	<b>248.66</b>

- 38)** COVID-19 pandemic has had a significant impact on the business operations and the financial results of the Company for the quarter and for the year ended March 31, 2021. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of financial assets and non-financial assets. The impact of the current surge in COVID-19 pandemic on the overall economic environment is uncertain and may affect the underlying assumptions and estimates used to prepare the Company's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions. The Company continues to take various precautionary measures to ensure health and safety of its customers, employees and their families from COVID-19.
- 39)** The Company alongwith the other parties have entered into a Put and Call Option Agreement dated March 28, 2017 (the 'Agreement') with subscribers of 4500 Non-convertible debentures each having a face value of ₹ 10 lakh issued by FLFL Lifestyle Brands Limited for an amount of ₹ 450 crore, which inter-alia defined put options obligations on the Company, to be only exercised on failure of Promoters to perform their obligations under the said Agreements.
- 40)** The Company alongwith the other parties have entered into an Option cum Indemnity Agreement dated January 30, 2020 (the 'Agreement') with subscriber(s) of equity shares (equivalent to 95% of the equity capital) issued by DSK Media Private Limited for an amount of ₹ 350 crore, which inter-alia defined an option cum indemnity obligations on the Company, to be only exercised on failure of Promoters' entity to perform their obligations under the said Agreements.
- 41)** 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 which involves: (i) merger of Future Lifestyle Fashions Limited ("the Company" or Transferor Company 2"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from 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 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 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 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 application has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021 for convening the meeting of the Shareholders and Creditors of the Transferor Companies and Transferee Company. NCLT has heard this Application and the intervention application filed by Amazon.com Investment Holdings LLC. (Amazon) and has reserved the order on the said application filed by Amazon.

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*(All amounts in INR crore, unless otherwise stated)*

Amazon has initiated arbitration against the Future Retail Limited (FRL) and its promoters on October 05, 2020 before Singapore International Arbitration Centre (SIAC). After completion of Emergency Arbitration hearing held pursuant to application of Amazon, Emergency Arbitrator has passed an interim order on October 25, 2020 (EA Order) inter alia restraining FRL and promoters to take any steps in furtherance of the resolution passed on August 29, 2020. However, based on the legal advice received by FRL, it has contended that the EA Order would not be enforceable in view of FRL being not a signatory to the arbitration agreement under which arbitration has been initiated.

In terms of the information provided by Future Retail Limited (FRL) a party to the composite scheme of arrangement, it has filed a suit before Hon'ble Delhi High Court making a prayer to injunct Amazon from tortuously interfering with the scheme. The Hon'ble Single Judge of the Delhi High Court has passed a Judgment in the Interim Application, wherein it has prima facie held that there is no arbitration agreement between Amazon and FRL; FRL's Resolution dated August 29, 2020 approving the scheme is neither void nor contrary to any statutory provision nor the Articles of Association of FRL. The said Judgement further prima facie held that Amazon's representations to various regulatory authorities amounted to unlawful interference with the Scheme and a civil wrong actionable by both FRL and Reliance in case they suffer any loss. No injunction was granted and all the Statutory Authorities were directed to take the decision on the objections in accordance with the law. The Hon'ble Court also prima facie held that conflation of the two shareholders agreements will be in violation of FEMA FDI Rules. An Appeal was preferred by Amazon against certain observations contained in this Judgment.

In another application of Amazon under section 17(2) of Arbitration & Conciliation Act, 1996 to enforce EA Order, Hon'ble Delhi High Court vide its interim order dated February 02, 2021 directed the parties to maintain status quo (Status Quo Order). FRL challenged this Order before the Hon'ble Division Bench of Delhi High Court in an appeal. The Learned Division Bench has stayed the aforesaid Status Quo Order on February 08, 2021. Amazon has preferred a Special Leave Petition before Hon'ble Supreme Court against the order of the Hon'ble Division Bench on February 13, 2021. The Hon'ble Supreme Court ruled that the proceedings before NCLT will be allowed to go on but will not culminate in any final order of sanction of the Scheme.

On March 18, 2021 a detailed order was passed by the Single Judge of the High Court ("Detailed Order") inter alia confirming the directions in the Status Quo Order passed by Hon'ble Delhi High Court in the application under section 17(2) of Arbitration & Conciliation Act, 1996, granting further reliefs in favour of Amazon, and inter alia restricting all respondents from taking any further action in violation of the EA Order. An appeal was filed by FRL, as well as other respondents, before the Hon'ble Division Bench against the Detailed Order. On March 22, 2021 the Hon'ble Division Bench was pleased to pass a common order in both the appeals, staying the Detailed Order.

Amazon filed special leave petitions before the Hon'ble Supreme Court against the order of the Hon'ble Division Bench passed on March 22, 2021. On April 19, 2021 the Hon'ble Supreme Court was pleased to stay the proceedings before the Single Judge and the Division Bench of the Delhi High Court and directed parties to complete the pleadings and listed all the three SLPs for final disposal on May 04, 2021. Due to Covid-19 related restrictions and postponement of court's summer vacation, the SLPs are now expected to be listed after June 28, 2021.

Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 05, 2021 and FRL has filed two applications before the Tribunal, first being an application under section 16 of Arbitration & Conciliation Act, 1996 ("Arbitration 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. As per the schedule finalised by the Tribunal, hearing for both the application would commence on the July 12, 2021.

# Notes

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*(All amounts in INR crore, unless otherwise stated)*

## 42) ONE TIME RESTRUCTURING

- (i) The Board of Directors have approved a Resolution Plan under the 'Resolution Framework for COVID 19 Related Stress' guidelines announced by the Reserve Bank of India vide circular No. RBI/2020-21/16 DOR. No. BP.BC/3/21.04.048/2020-21, dated August 06, 2020 and subsequent circulars relating thereto, in respect of its Working Capital Facilities and Term Loans from various Banks.

The proposal for implementation of a Resolution Framework was invoked with effect from November 02, 2020 and consequently approved by all the lenders of the Company in terms of the Inter- Creditor Agreement dated November 24, 2020.

The terms of the OTR Scheme as were approved as part of the Framework Agreement between the Company and lenders, dated April 30, 2021 vide their respective sanction letters are as below, with effect from November 02, 2020 ("the invocation date"):

- 1) Deferment in Principal Repayment of Term Loans (TL) , Non- Convertible Debentures (NCDs), Short Term Loans (STLs) by 2 Years.
- 2) Sanction of Moratorium on Interest of all facilities from March 01, 2020 to December 31, 2021 and creation of Funded Interest Term Loans ( FITL).
- 3) The overdue portion of Working Capital limits to convert in to Working Capital Term Loan (WCTL).
- 4) Rate of Interest on all facilities except WCTL and FITL to continue as per the existing sanctions of the respective lenders.
- 5) The Rate of Interest on WCTL and FITL facilities is @ 8.30% per annum as agreed by all the Lenders.
- 6) The existing Security Structure of all facilities to continue post approval of OTR facilities. FITL and WCTL facilities to have the same security as the facilities from, which they will be carved out.

Since the key regulatory steps to implement the Resolution Plan for the Working Capital Loans and Term Loans and Other Loans were initiated before March 31, 2021, which is the end of the reporting period, even though the Resolution Plan was approved after the end of the reporting period but before the date of approval of the financial statements by the Board of Directors, the same is considered as an adjusting event in terms of Ind AS-10 on Events after the Reporting Period. Accordingly, the effect for the same has been given in the financial statements.

- (ii) The Company has intimated the Debenture holders on January 28, 2021 subsequent to which a letter dated April 27, 2021 was sent by Centbank Financial Services Ltd., the Debenture Trustee to Bank of India approving the revised terms of the Non-Convertible Debentures, including rescheduling the redemption timeframe.

The revised deferment terms of the Non –Convertible Debentures are as below-

- a) Waiver on all current defaults and revocation of Put Option exercised, if any;
- b) Coupons due since November, 2020 and falling due in November, 2021 to be deferred and paid in tranches by March 31, 2024
- c) Interest to be paid on the above deferred coupon amount @ 8.30% p.a.;
- d) Coupons due starting November, 2022 to be paid as per current terms
- e) Redemption date of Principal amount to be deferred to November 09, 2024 (extension of 24 months from the original date of redemption i.e., November 09, 2022, in line with the OTR Plan approved by the other lenders.
- f) Waiver of Rating Action and penal interest on account of rating downgrade.



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(All amounts in INR crore, unless otherwise stated)

- g) Dispensing with the requirements of minimum shareholding by the Promoters /Promoter group of FLFL. According to such mutual consent, the redemption of NCDs are proposed to be restructured as follows:

Particulars of NCDs	No. of debentures / Securities	Original Redemption date	Proposed redemption date
FLFL Series IV Non Convertible Debentures (ISIN - INE452O07047)	3,500	09/11/2022	09/11/2024

All penalties, charges, fees and penal interest on account of downgrade of ratings of NCDs have been waived off till the time of redemption.

### FUTURE SPECIALITY RETAIL LIMITED

The Board of Directors have approved a Resolution Plan under the 'Resolution Framework for COVID 19 Related Stress' guidelines announced by the Reserve Bank of India vide circular No. RBI/2020-21/16 DOR. No. BP.BC/3/21.04.048/2020-21, dated August 06, 2020 and subsequent circulars relating thereto, in respect of its Working Capital Facilities from Banks.

The proposal for implementation of a Resolution Framework was invoked with effect from November 20, 2020.

The terms of the OTR Scheme as were approved as part of the Framework Agreement between the Company and lender, dated May 19, 2021 vide its sanction letter are as below, with effect from November 20, 2020 ("the invocation date"):

1. Sanction of Moratorium on Interest of all facilities from February 01, 2021 to September 30, 2021 and creation of Funded Interest Term Loans ( FITL).
2. The Working Capital Demand Loan to convert in to Cash Credit facility.
3. Rate of Interest on all facilities to continue as per the existing sanction.
4. The Funded Interest Term Loan to be repaid by way of bullet repayment by December 31, 2021.
5. The existing Security Structure of all facilities to continue post approval of OTR facilities. FITL facility to have the same security as the facilities from, which they will be carved out

As per our report of even date attached

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Ashok A. Trivedi**  
Partner  
Membership No.04272

Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director

**Sanjay Kumar Mutha**  
Company Secretary

**FORM AOC - 1**

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

**Part A - Financial information with respect of Subsidiary Companies for the Year Ended March 31, 2021**

Sr. No	Name of the Company	Date since when subsidiary was acquired	Reporting Period of the subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Except in Subsidiaries)	Turnover	Profit/(loss) Before taxation	(All amounts in INR crore, unless otherwise stated)			
											Provision for Taxation/Deferred Tax	Profit/(loss) After taxation	Proposed Dividend	% of Share Holding
1	Future Trendz Limited	09-Sep-16	March 31, 2021	0.55	357.55	358.11	0.01	-	-	(0.02)	-	(0.02)	-	100.00%
2	Future Speciality Retail Limited*	27-Sep-16	March 31, 2021	0.36	158.31	430.78	272.12	-	151.64	(96.12)	(8.24)	(87.88)	-	100.00%
3	FLFL Athleisure Limited	29-Mar-17	March 31, 2021	0.05	(2.85)	39.43	42.23	-	2.87	(2.79)	0.14	(2.94)	-	100.00%

\* 100% Subsidiary of Future Trendz Limited

**Part "B": Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Amount of Investment in Associates/Joint Venture	Extend of Holding %	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year
		No.	Percentage						
Holiii Accessories Limited	March 31, 2020	1,90,000	1.00%	0.24	1.00%	Due to Shareholders Agreement	Not Applicable	(0.01)	(0.02)
Clarks Future Footwear Private Limited	March 31, 2020	9,80,000	1.00%	5.63	1.00%	Due to Joint Venture Agreement	Not Applicable	(1.22)	(0.73)
FLFL Lifestyle Brands Limited	March 31, 2020	50,000	49.02%	1.93	49.02%	Due to Investment Agreement	Not Applicable	58.32	(24.39)
FLFL Travel Retail Bhubaneswar Private Limited	March 31, 2021	5,100	51.00%	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	(0.55)	0.28
FLFL Travel Retail Guwahati Private Limited	March 31, 2021	5,100	51.00%	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	0.68	0.84
FLFL Travel Retail West Private Limited	March 31, 2021	5,100	51.00%	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	(3.11)	0.92
FLFL Travel Retail Lucknow Private Limited	March 31, 2021	5,100	51.00%	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	(1.68)	1.08
KOOVS PLC*	Not Applicable	10,45,97,186	-	-	25.80%	Due to Shareholding	Not Applicable*	Not Applicable	Not Applicable

\* The Board of Koovs plc on December 10, 2019, had resolved to place Koovs plc into administration. As on March 31, 2021, Koovs plc was under administration.

As per our report of even date attached

For and on behalf of the Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No 119850W

**Kishore Biyani**  
Vice Chairperson

**Vishnu Prasad M**  
Managing Director

**Ashok A. Trivedi**  
Partner  
Membership No.04272

**Dharmesh Jain**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

Mumbai  
June 28, 2021

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Future Speciality Retail Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Speciality Retail Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company in digital form and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – (Not Applicable to the Company during the Audit Period);
- (v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, to the extent applicable, since the Company being an unlisted material subsidiary of a Listed Company;
- (vi) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act), however, the same were not applicable to the Company for the financial year ended on March 31, 2021 :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Issue of Listing of Non-Convertible and Redeemable Preference Shares) Regulations 2013;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations 2009; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations 2018.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the year under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We have to report that due to prevailing conditions of COVID-19 in the Country, we have not carried out the physical inspection of any records maintained by the Company. We have relied upon the records in digital mode as made available by the Company and also on the Management Representation Letter issued by the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees that took place during the year under review and also till the date of signing of this report were carried out in compliance with the provisions of the Act.

Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.

As per the information provided by the Company, the Company has given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at shorter notice with the consent of majority of directors including independent Director, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, majority decisions of the Board were unanimous, and no dissenting views were found as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For Anant Gude & Associates

**Anant Gude**

Practicing Company Secretary  
Proprietor

Place: Mumbai Membership No.: A7219/CP No.: 18623  
Date: August 17, 2021 UDIN: A007219C000794280

#### **ANNEXURE "I" TO SECRETARIAL AUDIT REPORT**

To,  
The Members  
**Future Speciality Retail Limited**  
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records in digital as well as in physical form is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit;
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in the Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards and norms is the responsibility of the management. Our examination was limited to the verification of procedures on test basis;
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Anant Gude & Associates

**Anant Gude**

Practicing Company Secretary  
Proprietor

Place: Mumbai Membership No.: A7219/CP No.: 18623  
Date: August 17, 2021 UDIN: A007219C000794280

**INFORMATION AS REQUIRED PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED MARCH 31, 2021**

Sr. No.	Employee Name	Designation	Remuneration received (in ₹)	Qualification	Age	Date of Joining	Experience in Yrs	Last Employment	Last Designation
1	M. Vishnuprasad*	Managing Director	2,09,07,715	B. Com., MBA	59	01-06-2013	34	Future Retail Limited	Chief Executive Officer - Central & Brand Factory
2	Raj Kumar Piniseti	Chief Merchandising Officer	91,39,224	C.A. B. Com,	52	01-06-2013	28	Future Retail Limited	Chief Merchandising Officer
3	Suresh Sadhwani	Business Head - Brand Factory	64,66,727	B. Com.	44	01-12-2013	21	Pantaloon Fashions Retail Limited	Head - Operations
4	Dipayan Baishya	Head-Strategy & Communication, Group CEOs Office	56,32,124	B.Sc. (Statistics)	39	01-06-2013	18	Future Retail Limited	Chief Strategy & Communication, Group CEOs Office
5	Dharmesh Jain®	Chief Financial Office	45,43,791	C.A., B. Com.	47	01-04-2016	25	Future Retail Limited	Chief - Commercial
6	Zubair Fareed Patel	Business Manager	42,09,993	MBA Finance	47	01-06-2013	26	Future Retail Limited	Category Head- Mens Category & E Commerce
7	Rajeev Singh	Chief - aLL	41,91,342	PGDBM	48	12-12-2016	22	Park Avenue	Business Head
8	Ashish Bhutda	Regional Manager - Operations	38,79,070	MBA Finance	45	01-06-2013	22	Future Retail Limited	Regional Manager – Operations
9	Bhaskar Sharma	Deputy General Manager- Retail Operations	36,92,610	MBA Finance	48	01-06-2013	23	Future Retail Limited	Store Manager
10	Harish Jain	Business Manager	36,88,070	PGDBM	44	01-06-2013	20	Future Retail Limited	Chief - Operations
11	Kaleeswaran Arunachalam# ***	Chief Financial Officer	8,92,875	C.A., MBA, B. Com.	40	22-05-2016	20	Mondelez International, INC.	Director Finance - Malaysia & Thailand

# for part of year

\* He was appointed as Chief Executive Officer of the Company w.e.f. November 14, 2019, subsequently he was elevated and appointed as Managing Director of the Company w.e.f. April 30, 2020.

@ Appointed as Chief Financial Officer w.e.f. February 11, 2021.

\*\* Resigned as Chief Financial Officer w.e.f. April 30, 2020.

**Notes:**

- Nature of employment is permanent and terminable by Notice on either side.
- No employee holds by himself/herself or along with spouse and dependent children, 2% or more of the equity shares of the Company.
- Terms and conditions of employment are as per Company's Rules.
- Remuneration drawn as shown in the statement includes Salary, House Rent Allowance, car perquisites value/ allowances as applicable, employer's contribution to Provident Fund and Superannuation Scheme, leave encashment, leave travel facility, reimbursement of medical expenses and all allowances/perquisites (excluding perquisite on exercised of Employee Stock Options) and terminal benefits, as applicable.

Mumbai  
June 28, 2021

For and on behalf of the Board of Directors

**Shailesh Haribhakti**  
Chairperson





Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060, Maharashtra, INDIA

[www.futurelifestyle.in](http://www.futurelifestyle.in)