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About this report

In the second year of our Integrated Reporting <IR> journey, we at Future Lifestyle Fashions Limited (FLFL) have strived to report our performance, strategy, risks and opportunities, engagement with stakeholders and other aspects in accordance with the International <IR> Framework, published by the International Integrated Reporting Council (IIRC). This has been done with an objective to present to our stakeholders an interconnected, concise and in- depth perspective about how FLFL creates value as leaders in fashion. At FLFL, our actions and decisions are a function of our integrated thinking and multi-capital approach to value creation. This is elucidated in detail across the Report.

Responsibility statement

The Board and the Management have reviewed the document for accuracy, transparency and the veracity of the information provided in this Report.

Financial and statutory reporting principles

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Scope and boundary

This Report covers the integrated performance and material matters pertaining to the operations of FLFL and its subsidiaries for the year ended 31st March 2019. The information presented also draws on metrics and figures from previous reporting periods.

Assurance statement

Assurance on financial statements has been provided by Deloitte, Haskins and Sells, and the Independent Limited Assurance Statement can be found on page 210 and page 211.

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.

All the data present in the report belongs to a consolidated basis unless specified otherwise.

Fashion for you

Fashion interestingly never goes out of fashion.

It is more than just a decorative wordplay. Fashion articulates boldly that at our very essence we are all creative individuals, and have the confidence to continuously transform ourselves and the world in which we live and thrive. It is our inherent expression of 'design thinking' to adorn our personality and to inspire others to emulate our statement of style

We, at FLF, believe that India offers an enormous opportunity in the lifestyle fashion market. And with a wide ensemble of brands, an integrated business model, coupled with steady investments in the digital space, we are advancing with confident strides in the ever-evolving world of fashion.

We are empowering the imagination of our valued patrons, introducing them to global luxury trends and crafting tomorrow's fashion in a sustainable and responsible way.



**Scan the QR
Code to read the
report online**

Highlights of FY 2018-19

REVENUE (₹ crore)

5,728

27% y-o-y growth



EBITDA (₹ crore)

564

26% y-o-y growth

RoCE (%)

13.9

EPS (₹)

9.8



NET DEBT TO
EBITDA RATIO

1.4



VOLUME GROWTH (%)

28



NEW STORES

6

Central

NEW STORES

31

Brand Factory

FLF SSG%*

8.7

* Central + Brand Factory SSG

Future Group

Co-founders of the new



Future Group has emerged as one of India's leading consumer goods conglomerate, spanning FMCG, fashion and support logistics. Powered by our decades-rich legacy of creating unforgettable customer experiences, the Group has led the paradigm shift in India's retail story.

Today, the Group's businesses comprise sourcing, design, manufacturing, logistics, brand development, distribution and retailing of consumer goods across almost every part of India.

Employee Strength
> 65,000

Brands
> 70

Retail Area
~ 24
million sq ft

Customer Visits
> 600
million

Cities
> 450



Group values

RESPECT & HUMILITY

In dealing with everyone within and outside the organisation

FLOW

By constantly learning and being inspired from the universal laws of nature

INDIANNESS

By believing in oneself and doing things the Indian way

INTROSPECTION

For continuous learning, self-development and personal excellence

OPENNESS & ADAPTABILITY

By accepting new ideas and knowledge, and being proactive in meeting challenges emerging from changing business scenarios

VALUING & NURTURING RELATIONSHIPS

With customers, business associates, stakeholders, communities and the society

LEADERSHIP

In thought and in business

SIMPLICITY AND POSITIVITY

To foster innovation, speed and imagination

Introducing Future Lifestyle Fashions

The flagship fashion Company of the Future Group, Future Lifestyle Fashions (FLF) is one of India's fastest-growing players in its space.

We have an integrated portfolio of retail formats spanning 6.8 mn sq. ft. and 30 brands under our umbrella. From design to distribution, we have end-to-end capabilities across the fashion value chain. With our presence, potential and performance, we are changing the way India aspires for and embraces fashion.



Vision

To be the leading lifestyle fashion company in India by creating exceptional brands and shopping experiences that will bring alive the Indian idiom of fashion.

Mission

We, at Future Lifestyle Fashions, aim to create a globally-recognised fashion organisation here in India by bringing alive the Indian idiom of fashion. We, thus, strive to:

- Be the most preferred fashion destination of India
- Create the most preferred portfolio of fashion brands
- Be the most innovative, efficient, and profitable retailer
- Be the preferred employer in the fashion space
- Be the trendsetter in Indian fashion through superior understanding of the culture, style code, passion and aspirations of Indian consumers
- Create happiness for customers, colleagues, business partners and every stakeholder

Our approach



LIVE, BREATHE AND THINK FASHION

Fashion is ever-evolving, and we will be sensitive, agile and open to the rapidly evolving fashion market.



CONSUMERS AT OUR CORE

We create exceptional brands and experiences that reflect the various identities and aspirations of Indian consumers.



DESIGN IS OUR SOUL

The spirit of our design thinking lies not only in the brands and experiences we create, but also in building relationships, leading innovation, setting trends and providing fulfilment to consumers.

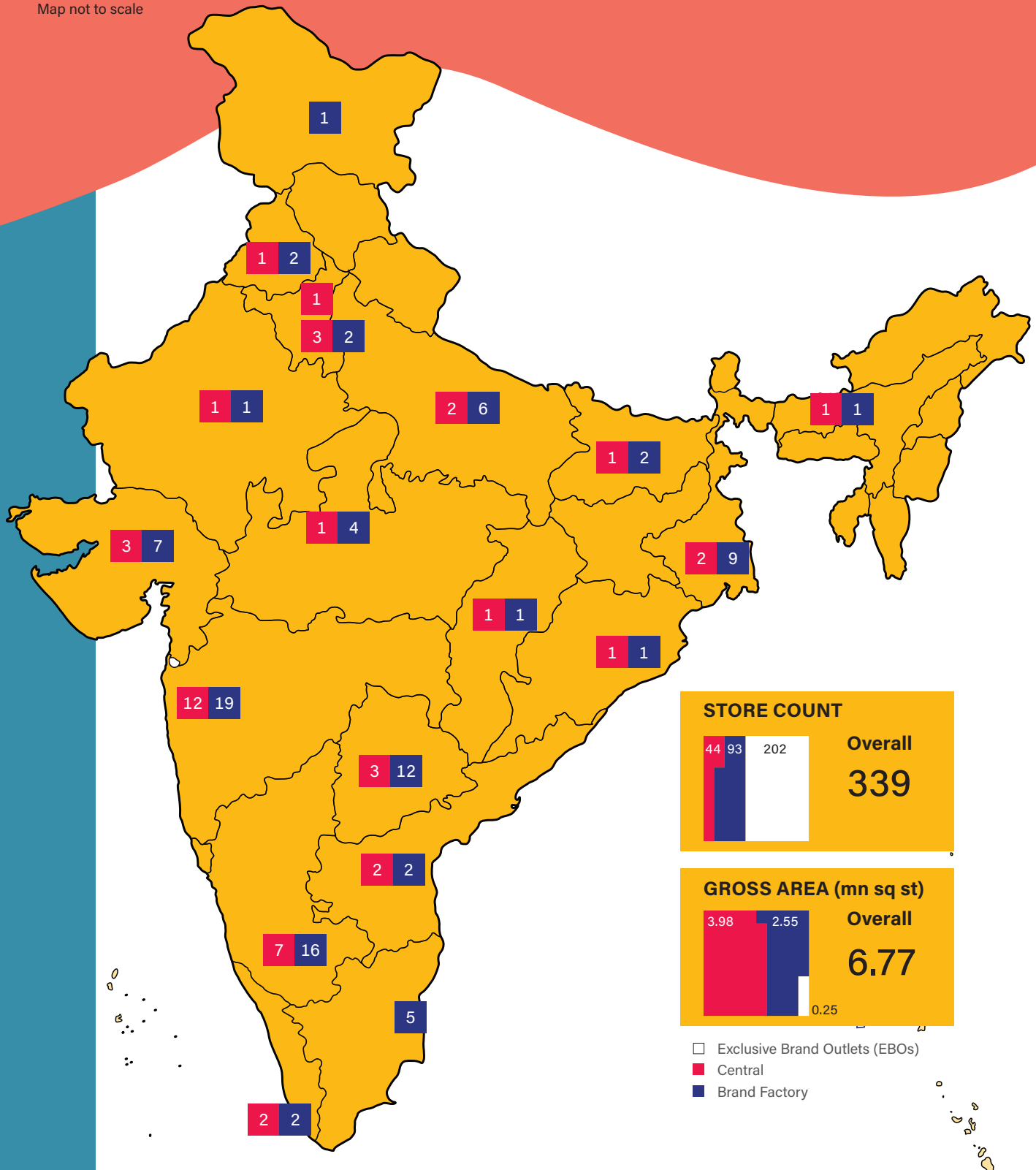


PURSUIT OF HAPPINESS

Above all, we collaborate and strive to bring happiness to the lives of our customers, colleagues, business partners and the communities we work in

Our fashion footprint

Map not to scale

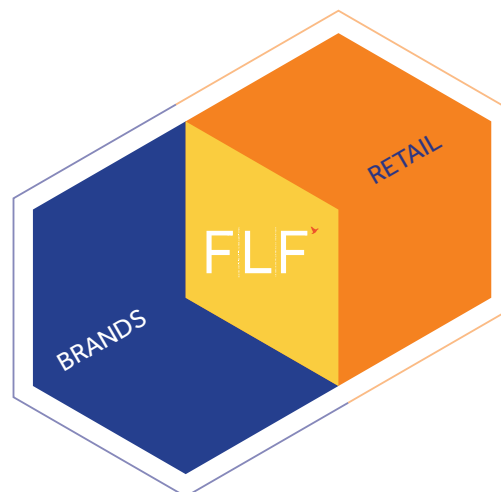


A unique and winning operating model

At FLF, we operate with a differentiated operating model, that sets us apart from others in the competitive landscape.

Traditional pure-play brand or pure-play retail players carry several challenges, especially in emerging markets. These include pricing pressures, margin loss and intensive capital requirements to scale.

We at FLF, on the other hand, operate with an integrated model that straddles both brands and retail to constitute a winning business proposition. This unique model combines the benefits of pure-play brand with the advantages of owned retail channels. It helps us operate an end-to-end value chain that maximises margins, controls externalities and above all, enables superior customer experiences.



Key benefits of our unique and integrated operating model



Better control over brand presence



Enhanced customer experience



Analysis and incorporation of sales feedback at every customer touchpoint



Economies of scale arising from own brands and distribution



Cost efficiency due to multiple cross-selling avenues



Increased profitability

A wide brandscape

We bring contemporary styles and fashion to the discerning masses of India.

Our wide array of brands caters to every age group, gender and choices, across price points. This has helped us deliver more and deliver better to our different customer groups and earn their loyalty. Our customers are in different stages of their life's journey, where each stage demands a unique occasion to celebrate. We aspire to be their go-to 'fashion genie' that can curate a style solution suitable for every occasion through our brand portfolio. With our portfolio of power brands, emerging brands and investee brands, our customers enjoy unparalleled fashion choices for their every mood, need and want.

Footwear segment: A strong growth opportunity

We have realised significant opportunities in India's footwear fashion space and are set to leverage our in-depth fashion expertise to cater to a value-accretive niche in India's fashion segment.

INDIA MARKET

India is the 2nd largest producer of footwear globally, with ~90% of its produce meeting the domestic demand. India has also overtaken USA to become the second largest consumer of footwear globally.

GROWTH

The Indian footwear market is expected to reach USD 17,500 million by the end of 2019 and continue to grow at a CAGR of 10.5% till 2022. Men's footwear market is growing at a CAGR of 10% and contributes 60% of sales in the footwear segment. Women's market, on the other hand, is growing at a 20% CAGR with a market share of 30%.

FORMALISATION

Footwear is the most organised category in the Indian retail space, with 41% of all footwear sold in India being retailed through formal channels. With the current growth rate of organised footwear retail, one in every two pairs of footwear sold in India will be through formal channels.

Casual and party wear

Lee Cooper, aLL, Indigo Nation, John Miller Hangout, Bare Casuals, Bare Denim, RIG and RIG Ladies, Scullers and Scullers for Her, UMM

Festive wear

aLL, Lombard

Formal wear

aLL, John Miller, Urbana, Giovani, Lombard

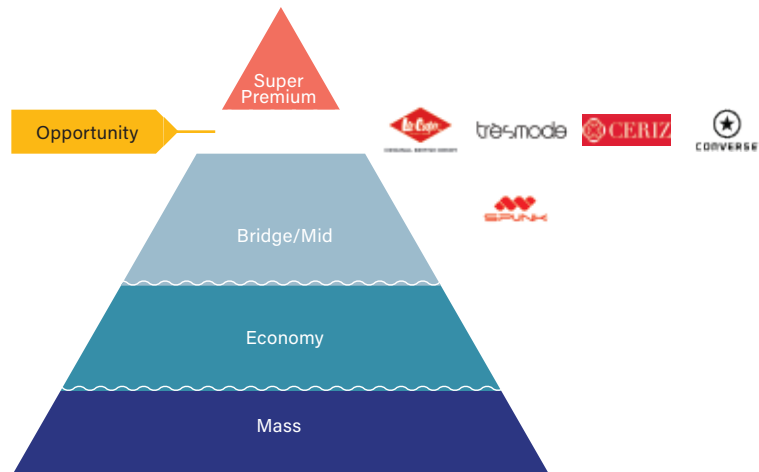
Sports and leisure wear

Converse, Champion, Umbro, John Miller Sports, RIG

Key brands & average price points

Clark	₹5,400
Converse	₹3,080
Ancestry	₹2,800
Lee Cooper	₹2,500
Cover Story	₹2,200
Indigo Nation	₹1,640
aLL	₹1,710
John Miller	₹1,340
RIG	₹1,235

Premium/bridge Mainstream



OPPORTUNITY

Current offerings in the market belong to the classical or traditional styles. Hence, there is a significant headroom for growth by bringing in the latest in footwear fashion to the market, with the best in technology. With our brands such as Lee Cooper (footwear licence received in April 2018), Tresmode, Ceriz, Converse and Spunk, we are serving Indian consumers with contemporary footwear fashion in an identified opportunity space.

Source:

1. The State of Fashion 2019, Business of Fashion and McKinsey & Co.
2. India Business of Fashion Report 2019, IMAGES Yearbook

Delivering branded fashion to India

FLF is home to a portfolio of 30 brands, comprising own brands and a set of investee brands. The owned brands portfolio includes seven power brands that drive our growth.

POWER BRANDS



EMERGING BRANDS



INVESTEE BRANDS



Power Brands

LEE COOPER

Purpose

Offers aspirational, trend-led denim apparel and footwear to enable consumers to discover and celebrate their styles

Role in life

Enables young individuals (18-30 years) spanning young adults to first jobbers to early settlers, to sport their cool, relaxed and easy-going character

Retail Sales

₹568
crore



Retail Sales

₹169
crore

ALL

Purpose

The purpose of aLL is to be recognised as an aspirational and preferred brand for plus size consumers, which they can own and flaunt

Role in Life

Fashion is for everyone & size is just a number. aLL celebrates every size, every body & every shape & is dedicated to offer aspirational fashion for plus size men & women.

JOHN MILLER

Purpose

Creates men's fashion for the workplace. In today's corporate parlance, success is about having an extra edge that makes one stand out and stride ahead. The John Miller man believes it all starts by dressing for success.

Role in Life

Helps the young professional exude confidence and charm to win at work and achieve success.

Retail Sales

₹181
crore



INDIGO NATION

Purpose

To be a cult brand delivering fast fashion for the young & restless, who are always looking for change

Role in Life

Lends a swag and edge to the young and uber-stylish individual. Projects the consumer to stand-out with the uniqueness of the clothes

Retail Sales

₹177
crore



Retail Sales

₹126
crore

SCULLERS

Purpose

Scullers inspires young men and women to take life less seriously and to enjoy light-hearted moments with friends and family, make time for recreations, vacations and holidays

Role in Life

Enables the consumer to Live the Scullers Life and enjoy relaxed moments with the loved ones and create happy memories

JEALOUS 21

Purpose

Be the denim expression young women looks for every occasion. Create memorable micro moments and convert each moment into an event. Create a 'go to' fashion force.

Role in Life

Be the most preferred denim lifestyle brand and be her 'fashion genie'

Retail Sales

₹98
crore





BARE

Purpose

Democratise the denim lifestyle and create wide access for the young and youthful across the country

Role in Life

Be the fashion adviser by initiating people into the world of denim lifestyle. Help them feel proud about wearing a national brand of repute.

Key Emerging Brands



CONVERSE

Purpose

Serves the daring spirit of the youth with stories that enable customer occasions

Role in Life

Helps the daring youth to seek the street attitude and sub-culture. Provides a key marker to help like-minded youth to hangout.



RIG

Purpose

The purpose of RIG is to be recognised as the most preferred outdoor fashion utility brand.

It spurs the intrinsic rebellious spirit to go beyond just the 'physical' thrill of adventure into the bold new world of exploration.

Role in Life

It is a friend and companion to the curious exploring mind on its journey of unplanned discoveries into the unknown

Key Investee Brands

COVER STORY

Addressing the eclectic sartorial needs of the modern woman, the brand brings fresh fashion straight from the Future Style Lab based out of Victoria, London. Cover Story, within two years of operations, is considered among the top western wear brands focusing on fast fashion in the country. It will focus on bringing a very exciting accessories collection to Cover Story stores, while increasing revenue from our own website.



ANCESTRY

Launched under the aegis of the Future Style Lab, the brand designs fashion solutions for the millennial customer. Ancestry stands apart as it is a contemporary lifestyle brand that draws inspiration from Indian heritage, while incorporating the global trends. Its vision is to be a complete wardrobe and lifestyle solution for the modern Indian woman. The eclectic collection of the brand is a beautiful mix of organic, ethnic and specially handcrafted products.

TURTLE

Turtle's journey began in Kolkata as an aspiring yet steadfast enterprise that went on to become one of India's fastest growing companies in the industry. From a company primarily into men's readymade shirts to a leading brand in menswear fashion, Turtle has indeed come a long way. After all, what started with a production capacity of just 20 shirts a day, today has an exhaustive in-house retail unit that caters to more than 100 exclusive stores and 1,200 multi-brand outlets across the country. With trendsetting fashion and redefining styles, its two iconic brands - Turtle and London Bridge have become favourites among men who wish to stand out and make a statement



CLARKS

A product of the joint venture between Future Group and C. & J. Clark International Ltd., it offers a range of branded boots, sandals and shoes for men and women.



TRESMODE

A brand renowned for trendy and functional footwear as well as accessories, Tresmode is synonymous with contemporary footwear styles. The brand is looking at expanding its footprint in travel retail and is thus widening its offering to include travel-related merchandise.



Tomorrow's retail. Today.

We operate two unique retail formats, Central and Brand Factory, catering to the premium and value segments, respectively.

Central

Central is our flagship retail format, which showcases over 500 brands across 25 fashion categories in high definition. Comparatively younger than its peers, Central converges extraordinary fashion with exemplary customer service.

VISION

To become the most preferred fashion destination by offering brands that best fit the lifestyle of the evolving Indian consumer in a modern retail environment. This is to be achieved by forging strategic profitable alliances with a team of happy employees which believes in service excellence, leading to leadership position in the lifestyle fashion retail space.

POSITIONING

With its wide spectrum of brands, Central caters to fashion consumers who belong to the mid to the premium economic segment. Among its peers, Central enjoys the maximum penetration of younger audience (18-25 years of age). Central is positioned as a fashion destination with a larger than life ambience.



Revenue (₹ crore)

2,859

Stores

44

Fashion
brands housed

> 500

Cities

27

Retail space

3.98 million sq ft

SSG

5.7%

Customers
visits

35.7 million

Fashion
categories

25

Available
workforce

~4,700



Apparel: Lifestyle ratio

72:28

Apparel: Category ratio
Men: Women: Kids

38:28:6

GOING FORWARD

Going forward, we envisage Central to be a billion-dollar brand. We aim to do so by adopting the best practices, while staying relevant to the changing landscape of customer preferences. To achieve this purpose, a four-pronged growth strategy has been instituted, as summarised below:

Strategic focus area for the next 3-5 years

Market leadership	Profitability	Moving from convenience to hyper-convenience	Technology interface to make shopping experience seamless
Primary KPIs to measure strategic progress			
<ul style="list-style-type: none"> Strive to increase in market share by 450-500 bps Target a high single digit same store sales growth 	<ul style="list-style-type: none"> Improve the operating leverage of matured stores leading to overall margin expansion of 20-30 bps 	<ul style="list-style-type: none"> Experience-led shopping instead of brand/product-led Increase per piece quantity to ~4 on a per bill basis 	<ul style="list-style-type: none"> Increase in footfall by 10% Decrease in shrinkage by 5% Accurate and timely stock take
Strategy/enablers to achieve the focussed area			
<ul style="list-style-type: none"> Store expansion in unexplored Tier-II capital cities Multiple Tier-II capital cities have been identified 	<ul style="list-style-type: none"> Zero-based budgeting Drive operating leverage in matured stores 	<ul style="list-style-type: none"> Investment in HD stores, with an avg capex of ₹3,500-₹4,000 per sq ft 	<ul style="list-style-type: none"> Store navigation RFID tags Bluetooth beacons

Brand Factory

Brand Factory brings branded fashion to India's masses at attractive prices. It is the country's largest chain of fashion discount stores and offers Indian and international brands at 20–70% discounts, throughout the year.

KEY DIFFERENTIATORS

- Uniquely placed with exciting growth prospectus
- Availability of distinguished brands for a fantastic shopping experience
- Average store size of ~25,000 - 30,000 sq. ft.
- Round-the-year discount competes strongly with e-commerce channels

CUSTOMER PROFILES

- Value seeking suburban families
- Fashion following mini-metro/smart shoppers
- Brand conscious explorative youth
- Young qualified, status seekers



Revenue (₹ crore)

2,160

Stores

93

Fashion brands housed

> 200

Cities

42

Retail space

2.55 million sq ft

SSG

13.9%

Customer visits

29.6 million

Fashion categories

20

Available workforce

~5,000



Apparel: Lifestyle Ratio

88:12

Apparel: Category ratio
Men: Women: Kids

64:15:9

GOING FORWARD

Strategic focus area for the next 3-5 years

BF expansion in Tier-II and Tier-III cities

Launch of e-commerce business

Introduction of fashion and fast-fashion merchandise

Introduction of international brands

Key KPIs to measure the focus area (% of the business)

30%

10%

12%

8%

Strategy/enablers to achieve the focussed area

- 100 stores planned in Tier-II and Tier-III cities
- Average store size would be 20,000 - 25,000 sq. ft.
- Content shoot, warehousing, last-mile delivery, and customer service hub are functional
- Introduction of fashion and fast-fashion brands in format
- Discussion with regional brands to balance core merchandise
- Partner with reputed global brands for off-price channel opportunities

Ready for an agile market



We have deep expertise in both digital technology and fashion design; and are uniquely positioned to grow profitably in the coming years.

Dear Shareholders

We are pleased to share with you the annual report of your Company for FY 2018-19. The opportunity landscape of our business is widening significantly in a largely consumption-driven economy such as India, and we are fully equipped to leverage the positivity in the macro environment.

The lifestyle fashion market in India is among the fastest evolving businesses in the country. Brands, consumers and distribution channels are simultaneously going through rapid transformation. Regardless of the size and segment, companies in this space need to be agile, digital and technology-led and should be able to operate with velocity and faster speed-to-market. FY 2018-19 saw us focus on multiple initiatives that keep our brands and business relevant to customers, and at the same time enhance the productivity and resilience of the organisation to cope and benefit from change.

During this financial year, we posted consolidated revenues of ₹ 5,728 crore, a growth of 27%, over the last financial year. Growth in business was accompanied by retaining EBITDA margins at 9.8%, inspite of significant increase in share of Brand Factory to overall revenue. Our net profit stood at ₹ 189 crore in FY 2018-19, compared to ₹ 126 crore in the previous year; and this resulted in an expansion of earnings per share (EPS) by 48% to ₹ 9.82.

During the year, the team focussed on reinvigorating each of our brands and building a sharper focus on consumers through data and better understanding of the consumers' lifestyles, preferences and aspirations. Most of our brands now have a strong digital presence to connect with customers and keep the brand alive, interactive and relevant every day of the year.

Lee Cooper is among our flagship brands and over the years, we have invested in growing this brand. During the years under review, we added the footwear franchise to its portfolio and introduced new products in the market. This will further aid the growth of the brand and generate higher returns from the investments we make in this brand. This years' Lee Cooper television campaign received over 7 million views on different social media platforms. With the addition of the footwear franchise, we believe the brand now has the potential to emerge among the largest consumer brands in India.

Plus size fashion provide a very large opportunity in India. Our brand, aLL has been the leader in this segment and has earned itself a large and very loyal customer base across the country. This year, we organised the first beauty pageant exclusively for plus-size women. During the year, we launched an exclusive e-commerce portal for aLL to further enhance its reach among its target customers. We are happy to report aLL Online has met with an unprecedented success that reflect the popularity the stores have so far enjoyed.

Without the limitations of physical space, the digital platform is actively exploring if it now can extend its merchandise to a far wider range of categories that serve the plus-size market. In addition to aLL, many of our brands operate several popular digital-commerce platforms, including Cover Story and Clarks. Most of our brands are also available across leading e-commerce channels in the country.

To further strengthen our digital presence and expertise, we acquired 16.25% stake in Koovs Plc., and intend to reach upto 29.9% stake. Koovs operates the India-focussed popular fashion portal Koovs.com. With its easy navigation, catwalk videos, 360° product views and a portfolio of home-grown fashion

brands, Koovs.com enjoys a cult-like following among its customers. We have deep expertise in both digital technology and fashion design; and are uniquely positioned to grow profitably in the coming years. Apart from integrating Koovs.com brands within Central stores, we are also leveraging the Koovs.com expertise and knowledge in building digital platforms for our brands.

In the forthcoming financial year, we are slated to launch Brand Factory's e-commerce platform, backed by the technical expertise and platform provided by Koovs. As a leading off-price brand outlet chain, we are confident that Brand Factory Online will perform exceedingly well in delivering value for customers and for us at large.

While we were growing and strengthening our brands, we also extended our own distribution network. At the end of the year, we were operating 44 Central stores, including a newly launched iconic store in Kolkata's New Market area. We opened 31 new Brand Factory stores, taking the total store count to 93.

Brand Factory is now by far our leading off-price outlet chain and enjoys a strong connect to attract young customers across large and small towns alike. Brand Factory grew at a faster pace, driving overall volume growth for us to 28% year-on-year. Along with the brands' exclusive brand outlets, we now operate 6.8 million square feet of retail space across the country.

Ongoing structural reforms and a favourable demographic advantage casts a positive outlook on the Indian consumer businesses. The domestic fashion and apparel market is estimated to touch \$59.3 billion by 2022, making it the sixth largest in the world and comparable with United Kingdom's (\$65 billion) and Germany's (\$63.1 billion).

With a projected annual GDP growth and on the back of high domestic private consumption, a young working-age population and policy reforms, India is a critical engine of global economic growth. Global consultancy major, McKinsey in its report 'How India's Ascent Could Change the Fashion Industry' estimates that the domestic market is expected to attract over 300 international fashion brands within the next couple of years.

We firmly believe that both the opportunity and competitive intensity in the lifestyle fashion market in India will steadily rise from here on. With an integrated business of a wide portfolio of brands and own retail networks, coupled with our investments in the digital space, we believe we are well poised to win in this fast-evolving market.

Our future strategy and growth potential depends on the imagination and hard work of our teams, and I appreciate their contribution in all these years to make us what we are today.

I, on behalf of the Board, and the entire leadership team thank all our stakeholders for their continued trust and support, and for acting as our backbone to tap the immense market potential.

Rewrite Rules. Retain Values.

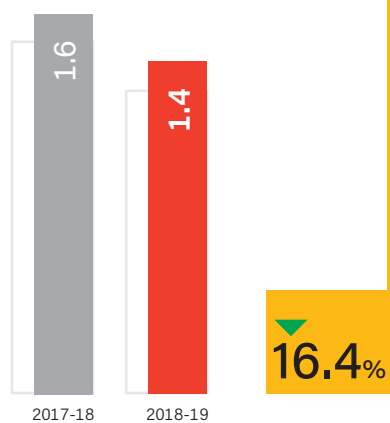
Kishore Biyani

Our industry-leading performance

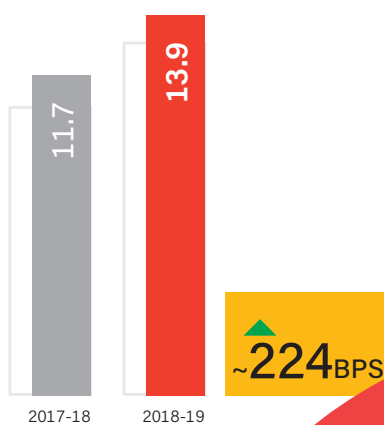


Net debt to EBITDA

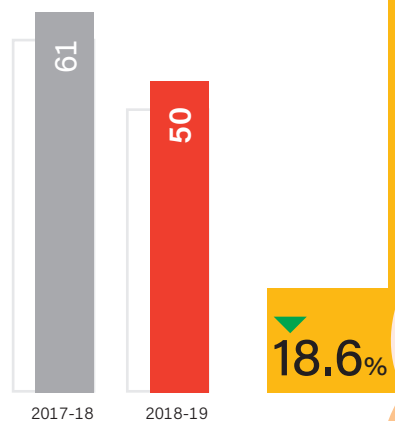
(in times)

**RoCE**

(%)

**Net working capital days**

(in days)



The macro context in which we operate

Our operating environment is shaped by domestic and global developments that impact our scale and scope of value creation.



Worldwide trends

GLOBAL GROWTH SLOWDOWN

With escalating trade disputes and tepid economic activity, global economic growth is facing multiple downside risks. This translates to proportional impact on the fashion market and consumer spending.

LUXURY AND VALUE BRANDS LEAD FASHION GROWTH

In 2018, the fashion industry grew by 4-5% and this was led primarily by the luxury and value brand demand. This is also linked to the enhanced consumption levels in the US and the emerging markets.

TRANSFORMATION WITH 'DIGITAL' AND 'FAST' STRATEGY

Digital servicing and faster go-to-market strategy represents top-of-the-mind recall for companies in the fashion retail space.



FLF'S STRATEGIC RESPONSE

- We operate in India as our primary market, which continues to see steady growth in consumer spending.
- Close to 40% of our revenue comes from the top 10 fastest growing cities in the world, including Bengaluru, Hyderabad, Nagpur and Surat, among others. This is expected to continue and hence act as natural hedge for us.
- We offer brands and products from across the fashion spectrum. We provide a high-scale fashion experience through our 'Central' large format stores, while straddling the value segment through our well-received 'Brand Factory' stores.
- We are home to premium in-house brands such as 'Coverstory' as well as value brands such as RIG drive growth.
- We have deployed state-of-the-art efficiency maximisation measures to optimise turnaround time and the number of average working capital days. These are supported by technology-led planning and analytics tools platforms such as SAP and Manthan.
- To ensure brand recall, we have established a widespread social media presence as part of our digital-first strategy.



OMNICHANNEL IS A CORE PRIORITY AREA

Investment priority to drive sales growth continues to be developing omnichannel capabilities across global fashion houses. The investing community has taken cognisance of the fact that digital delivery is a prerequisite to gain ground in today's market scenario.



FLF'S STRATEGIC RESPONSE

- We have a strong omnichannel play, managed by integrating a digital business front with a diversified physical presence.
- Select brands such as aLL, Coverstory and so on have dedicated websites and taken together, online channels including 3rd party online have contributed between 10%–30% to the revenue of these brands.
- We are also foraying into online platform through our flagship value retail format – Brand Factory online.

SUSTAINABILITY EVOLVING AS AN IMPORTANT AGENDA

Customers and stakeholders are now more cognisant of their environmental footprint. Therefore, there is a conscious effort by corporates to transform their business models and build sustainability as part of their ethos.

- We have undertaken proactive steps to ensure organisational sustainability and transparency. Led by our core tenets, our multi-capital approach to value creation underpins all decisions and initiatives.
- We strive to ensure responsible sourcing and ask suppliers to comply to applicable regulations. Our select vendors have also undergone Higg self-assessment of environmental and social sustainability.
- We have supported artisan livelihoods through brands like 'Mother Earth'. we have engaged around 2,300 artisans in the sector of banana bark products and apparel manufacturing towards this cause.

Source:

1. The State of Fashion 2019 , Business of Fashion and McKinsey & Co.
2. World Economic Outlook April 2019, International Monetary Fund



India trends

STRUCTURAL CHANGES BOLSTER 'CORPORATISED RETAIL'

Following the introduction of the Goods and Services Tax (GST), the instances of tax evasion have considerably reduced, and tax structures have been streamlined. This is supporting a migration of market share from unorganised retail to organised retail.



FLF'S STRATEGIC RESPONSE

- Being a formal player with an established presence, we stand to benefit from this trend. Apparel and accessories enjoy an organised penetration at ~23%; and we will be a key beneficiary of the growth in organised brick-and-mortar retail.

EXPERIENCE-LED SHOPPING

Value proposition of large physical stores is evolving from being a distribution channel to that of a platform for discovery, engagement, experience and interaction.

What is Consumer Value?

Historical equation

Cost + Choice + Convenience

Future equation

Experience * Cost * Choice
Convenience Control



- Our Central is India's leading fashion destination that effortlessly merges the brand experience of an exclusive brand outlet with the variety of a large format store. Central is on a continuous drive to maximise the experience of discerning Indian consumers.

RISE OF VALUE RETAIL

Value retailing remains the fastest growing category, as consumers uptrend from the unorganised sector. However, this space is becoming crowded in India with 12-15 players currently operating in the Northern and Eastern parts of India.



- Our Brand Factory caters to the value-seeking customers and has been a proven business proposition with growing returns.
- Brand Factory distinguishes itself from its peers as it proposes 'brand at value' as opposed to 'private white label at value'. As a format, Brand Factory caters to the brand conscious, aspiring consumer, who wants to access quality brands with only a marginal increase in spending.

INCREASING BRANDED FASHION PENETRATION IN TIER II AND TIER III CITIES

India's Tier II and Tier III cities are exhibiting a visible change in their fashion consumption pattern, where they are going beyond necessities to purchase branded apparel, previously only available in the metros. This has caused companies to focus on the potential of these cities and towns.



FLF'S STRATEGIC RESPONSE

- Our extensive pan-India presence spans a large number of small cities and towns.
- The strategy for Brand Factory includes a focus on 30% revenue contribution from Tier II and Tier III towns in the next 3-5 years.
- In addition to its existing online brand stores, We will be launching Brand Factory online, enabling it to serve customers spread across the country.

E-COMMERCE IN APPAREL AND ACCESSORIES RISE

Programmes such as Digital India has helped the country achieve internet penetration to 400 million + users and is connecting 48,000+ gram panchayats under Bharatnet optical fibre connectivity. Internet availability to such a large proportion of the population has resulted in paving the way for e-commerce to gain popularity, considering both economy and options.

DATA ANALYTICS

Businesses will have to accelerate the journey from simply collecting consumer data to using it to scale and systematise enhanced decision-making across the entire value chain. Major players are also leveraging advanced analytics to revolutionise the planning and production process.

- The Consumer and Digital Labs (C&D Labs) is the data, technology and innovation platform of Future Group that is accelerating the realisation of its digital business strategy.
- C&D Labs has pioneered Tathastu, the largest platform for Industry 4.0 technology development. It helps in curating next-generation consumer interactions by combining artificial intelligence, data science and emerging technologies with consumer platforms.

Source:

WEF – Shaping the Future of Retail for Consumer Industries



Flaunting the future of fashion

As frontrunners in fashion, we at FLF are changing the way India experienced fashion. Starting with this year's annual report, we will be discussing one format in detail each year, in the light of how the format is altering the fashion paradigm for our customers. For FY 2018-19, we would like to showcase Central and its long-term propositions.

Fashion today is largely looked upon as an extension of a person's personality, rather than just an aspiration. As contemporary societies embrace evolved fashion trends, customer engagement is also changing dramatically. Departmental stores are thus reinventing themselves to create a holistic and experience-led shopping journey for the customers.

Our 'Central', therefore, is leveraging experiential shopping and technology to build on global trends and deliver customer delight. It is truly bringing tomorrow's fashion experiences to the discerning customer groups, today.

Drivers of change

Customers are now evolved in their preferences and the consequent key changes comprise



From wearing fashion to fashioning of oneself

Shift from fashion for special occasions to create new occasions

Constantly seeking new possibilities, interpretations

Shift towards mode of broadcasting oneself

Ageless youth and celebrating body as primary asset with a strong desire for self-investment

Questioning templates and redefining fashion

From being influenced by celebrities to being inspired by influencers

Move towards emerging fashion experiences

Demanding ROI of time spent

Expects to know him in depth and build deep meaningful connections, hence intimacy

The new-age customer expects much more from departmental stores. For them, the stores should:

01

Understand customers' ever-changing needs and reorient the service charter

02

Deliver experience-led shopping that creates memories, moments and micro moments of delight

03

Fashion choreographed and presented as Look

04

Assistance from influencers, designers, photographers, make-up artists, stylists

Move from convenience to hyper-convenience

How is India's favourite fashion destination 'Central' transforming to a fashion experience centre?



Vision for Central



Become the most exciting fashion experience centre

Enhance the ROI of time spent by customer

Create experiences through celebrations, memories, convenience

Nurturing a team of employees who strive to make the customers fashionable and create happy moments

Be the most desirable and profitable concept

Showcase looks through storytelling that creates intimacy with products

The store is evaluating the inclusion of multiple customer touchpoints within the same large format store.



The store also explores moving from convenience to hyper-convenience to engage with and retain more customers.



CENTRAL IS BEING ENVISAGED AS A DESTINATION WHERE CUSTOMERS CAN CELEBRATE THEIR LOOKS VIA

Look experience zones

Stylists

Central influencer community

TECHNOLOGY WILL BE LEVERAGED TO BETTER CUSTOMER EXPERIENCE USING

Store navigation

RFID tags

Bluetooth beacons



By introducing globally relevant innovations in its stores, Central is exploring newer ways to engage and delight its customers. Together, these innovations will propel Central to be India's go-to fashion destination.

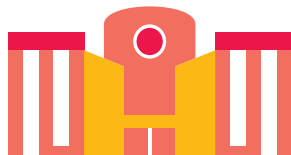
Resources and relationships that drive us

Our multi-capital approach to business involves several resources and relationships that help us operate and create sustainable stakeholder value.



FINANCIAL CAPITAL

Our financial capital comprises the equity and debt funds we have or have access to, to create further stakeholder value.



RETAIL CAPITAL

Our retail capital entails our large-scale retail area available in leased formats, to conduct business and reach our customers.



INTELLECTUAL CAPITAL

Our capabilities in research and development, our expertise in design and our strong standard operating procedures form our pool of intellectual capital, along with our trademark brands.



HUMAN CAPITAL

Our diverse, skilled and motivated workforce who put their imagination and effort to serve our customers round-the-clock across our frontend and backend operations.



BRAND CAPITAL

Our vast portfolio of both owned and investee brands across categories that we retail through multiple channels.



SOCIAL AND RELATIONSHIP CAPITAL

Our relationships with customers, suppliers, partners, investors and communities to ensure smooth operations and maximise our long-term sustainability.

Creating value for everyone

At FLF, we create value using multiple resources and relationships to operate an end-to-end value chain. Our unique and integrated business model comprises both brands and retail portfolio to take on an increasing number of opportunities, while remaining competitive and ahead of the curve.

Inputs



- Total employees: **12,601**
- Male to female employee ratio: **79:21**
- Average age of employees: **27**
- Number of training programmes: **1,008**



- Central: **44 stores** spread over **3.98 mn sq. ft.** of area
- Brand Factory: **93 stores** spread over **2.55 mn sq. ft.** of area
- Exclusive Brand Outlets (EBOs): **202 stores** totalling **0.25 mn sq. ft.** in area



- Owned brands: **30**
- Brands in Central: **507***
- Brands in Brand Factory: **295***
- Investee brands: **10**



- Total equity: **₹1,827.0 crore**
- Total debt: **₹903.6 crore**
- Capex: **₹431.3 crore**
- Net worth: **₹1,311.1 crore**



- Total trademarks applied for: **150**
- Total granted trademarks: **111**
- Our state-of-the-art digital infrastructure
- Our stringent SOPs, protocols and systems



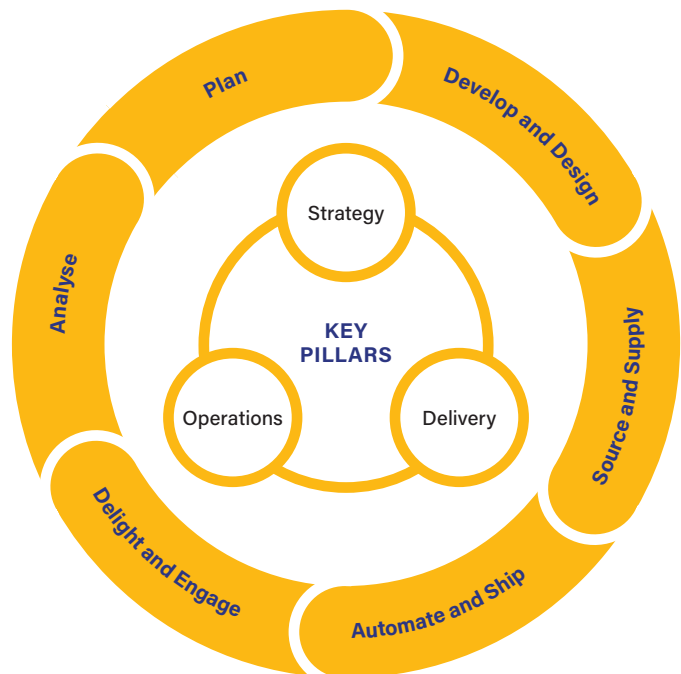
- Contribution to CSR initiatives: **₹2.2 crore**
 - Flagship CSR initiative 'Odha do Zindagi' in partnership with Goonj
- Suppliers: **1,197**
- Shareholders: **36,927**
- Robust stakeholder grievance redressal mechanism

Process



- Owned brands
- Investee brands

- Central
- Brand Factory
- Exclusive Brand Outlets



* Brands with less than ₹ 50,000 annual sales have not been considered.

VISION AND MISSION

Outputs

Total volume of products
retailed across Central,
BF and EBOs (million)

77.9

Total number of
footfalls across Central,
Brand Factory and
EBOs (million)

66.2

New styles introduced
for power brands
(in FY 2018-19):

~7,000

SSG (%)*

8.7

* Central + Brand Factory SSG

Outcomes



- Attrition: **6%**
- Total man hours of training conducted: **1,02,099**
- Employees promoted: **453**



- Net retail area added in FY 2018-19: **1.03 mn sq. ft.**
- Central stores: **6 opened, 2 closed**
- Brand Factory stores: **31 opened, 1 closed**
- EBOs: **27 opened, 54 closed**
- Total sales from third-party brands: **₹ 3,482.6 crore**



- New brands retailed in Central, Brand Factory and EBOs:
- Total value of sales from owned brands: **₹ 2,245.5 crore**
- Total sales from Power brands: **₹~1,400 crore**



- Income from operations: **₹5,728.1 crore**
- EBITDA: **₹564.2 (9.8% margin)**
- PAT: **₹189.0 crore**
- Free cash flow: **₹ 46.0 crore**
- RoCE: **13.9%**
- Total Corporate tax contribution: **₹ 46.3 crores**
- Basic EPS: **₹ 9.8**
- RoE: **14.4%**
- Market Capitalisation: **₹ 9,528.4 crore**
- Dividend: **70%**



- **11 days** reduction in net working capital days
- Rising amount of data to serve as base for stronger analytics



- Awards won: **8**
- **1,000 households** supported under the 'Cloth for Work' programme via Goonj Foundation
- Blankets worth **₹2.7 lakh** distributed among **900** tribal families of Uttarakhand via Seva Sahyog Foundation
- **146 youth** provided with footwear under the Magic Bus Foundation
- Extended support to tribal welfare, school infrastructure, cancer patients, eye care camps, diabetes awareness and so on
- Shareholder grievances addressed: **8**
- Social media following: **>4.5 million**
- Loyalty memberships: Central - **5.3 million**, Brand Factory - **2.7 million**

EXTERNAL ENVIRONMENT

Strong strategy for a sustainable future

With global and Indian fashion world migrating to curated shopping experiences, branded fashion and data-led business models that maximise choices, FLF is at a clear vantage point.

We are poised to grow with our power brands, which are expected to register a double-digit growth rate. We are excited by rising opportunities in the digital and physical space, feeding into our well established inclusive omnichannel approach of own and 3rd party e-commerce platforms coupled with the underlying support provided by our retail formats – Central as a lifestyle format store and Brand Factory as a value-focussed format store.

As we grow, we will continue to be a profitable, integrated fashion player that focusses on current and future consumer aspirations, while retaining our thought leadership in the industry.



Our format-wise growth strategy

CENTRAL

- Curated experiences across stores
- Leverage growing loyalty base
- Establish Central as a key opinion leader in the fashion circuit
- Imbibe new-age marketing, centralised around content

BRAND FACTORY

- Expand categories, brands and geographies
- Achieve and sustain cost leadership
- Establish Brand Factory online and scale it up profitably



BRANDS

- Power brands to lead growth and profitability
- Footwear, casualwear, and ladies ethnicwear to be the key focus categories
- Expand in athleisure category through Spunk apparel and footwear
- Expand distribution and e-commerce reach

INVESTEES BRANDS

- Invest in high growth and profitable business such as Coverstory and Ancestry to scale
- Harvest few maturing brands in the next 2-3 years
- Hold and provide strategic inputs to brands that are still in the initial stages of growth

FLF is well equipped to capitalise on the key macro drivers of Indian retail

MACRO DRIVERS

EXPERIENCE-LED SHOPPING	Value proposition of large physical stores is evolving from being a distribution channel to that of a platform for discovery, engagement, experience and interaction
TECHNOLOGY & INNOVATION	Technology will be the key driver of industry transformation, with strong backend technology framework, augmenting physical infrastructure
CATEGORY EXPANSION	Globally, consumers have access to more than 1 billion different products offered by a wide range of traditional competitors and dynamic new entrants. Choices and brand loyalty prove to be inversely proportional.
DATA ANALYTICS	Businesses to accelerate the journey from consumer data collection to use the data for scaling and systematising enhanced decision-making. The industry is witnessing advanced analytics being used to optimise the planning and production process.
DEMAND FORECASTING	Rising 'consumer-first' mindset to meet the consumer requirement at a time and place of their choice. With on-demand economy (auto-replenishment or smart reordering) is leading to product-pull than product-push in the fashion space.
VALUE RETAIL	Value retailing remains the fastest growing category, as consumers from the unorganised sector are migrating forward to organised fashion.

ENABLER FOR FLF

Central providing an elevating customer experience

Multiple technology initiatives and platforms including:

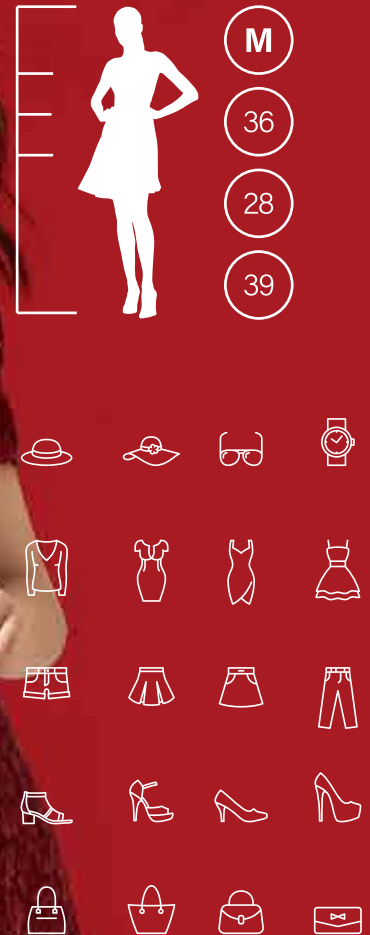
TXT | Manthan | SAP, Vistex | Sampradan, Anushasan Puri (compliance) | TP Linux | PRIDE, Book MI training

Multiple brands across the fashion spectrum

Advanced analytics and demand forecast platforms including:

Tathastu or Retail 3.0 | Consumer & Digital Lab

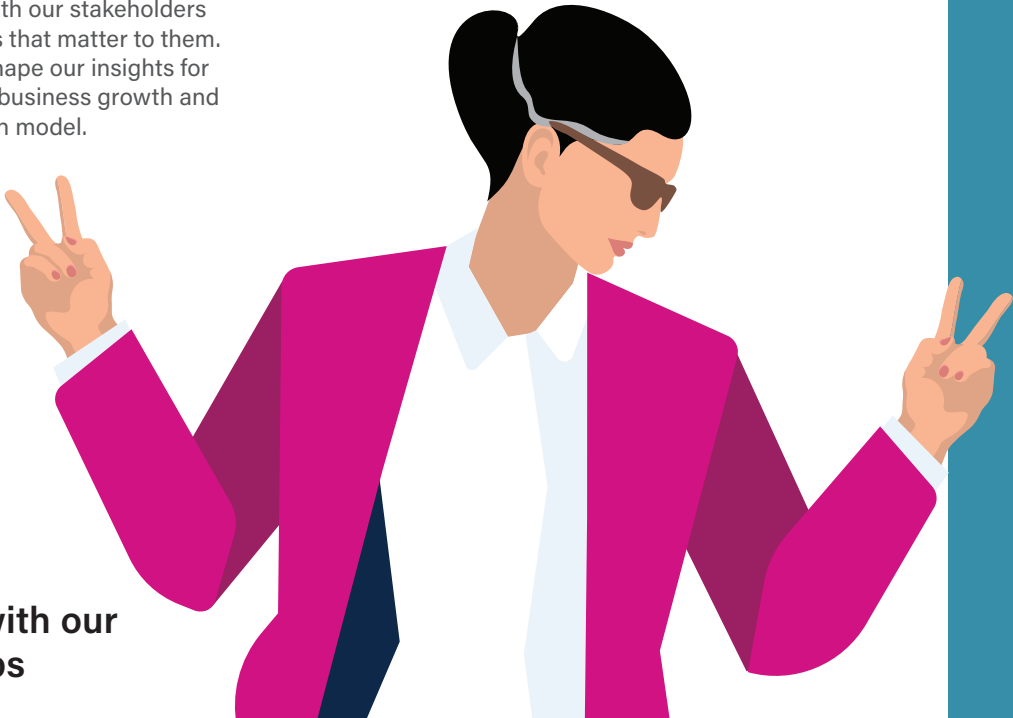
Brand Factory as a preferred destination for branded apparel at value



Engaging and identifying business-critical issues

Our key objective has always been to gradually enhance our operational efficiency and maximise the value that we create for our wide fraternity of stakeholders.

Our constant engagement with our stakeholders help us identify crucial issues that matter to them. These material issues help shape our insights for strategy formulation to drive business growth and craft a resilient risk-mitigation model.



How we engage with our stakeholder groups

INVESTORS	Annual General Meetings	Annual reports	Quarterly results, conference call and presentations	Roadshow presentations	One-on-one meetings
	Annual	Annual	End of every financial quarter	Twice per year	Thrice per quarter
CUSTOMERS	In-store engagement and assistance	SMS and email	Feedback on shopping experience	Promotions and sale	Advertisements
	Daily	Daily	Daily	Conducted round the year for different retail formats	Daily

Mode of enegament Frequency of engagement

EMPLOYEES	Internal surveys	Intranet portal	Training programmes	Phone/Email	One-on-one meetings
	Annual	Daily	As and when required	As and when required	As and when required
BANKERS	One-on-one meetings	Branch visits	Engagement events	Phone/Email	
	As and when required	Monthly	Conducted throughout the year	As and when required	
GOVERNMENT & REGULATORS	Regular filings	Press releases			
	As and when required	As and when required			
COMMUNITY	CSR interventions	Meeting stakeholders			
	Conducted throughout the year	As and when required			
SUPPLIERS AND EXTERNAL BRANDS COMMUNITY	Supplier meets	One-on-one meetings			
	Conducted throughout the year	As and when required			



Basis our regular engagement with the key stakeholder groups, we've identified the key material matters that are important for the stakeholders and the organisation. The outcome of the identification process has been mapped along with stakeholder relevance below.

MATERIAL ISSUES

1. Compliance to fair business practices

2. Transparency and reporting

3. Profitability & cash flow generation

4. Growth potential of the business

5. Stock price maximisation

6. Capital returns via dividends

7. Corporate governance
8. Service quality

9. Employee and customer safety and security

10. Exquisite customer experiences

11. Value for money

12. Fast fashion

13. Internal efficiency

14. Media visibility
15. Product innovation

16. Employee motivation, retention and fair compensation

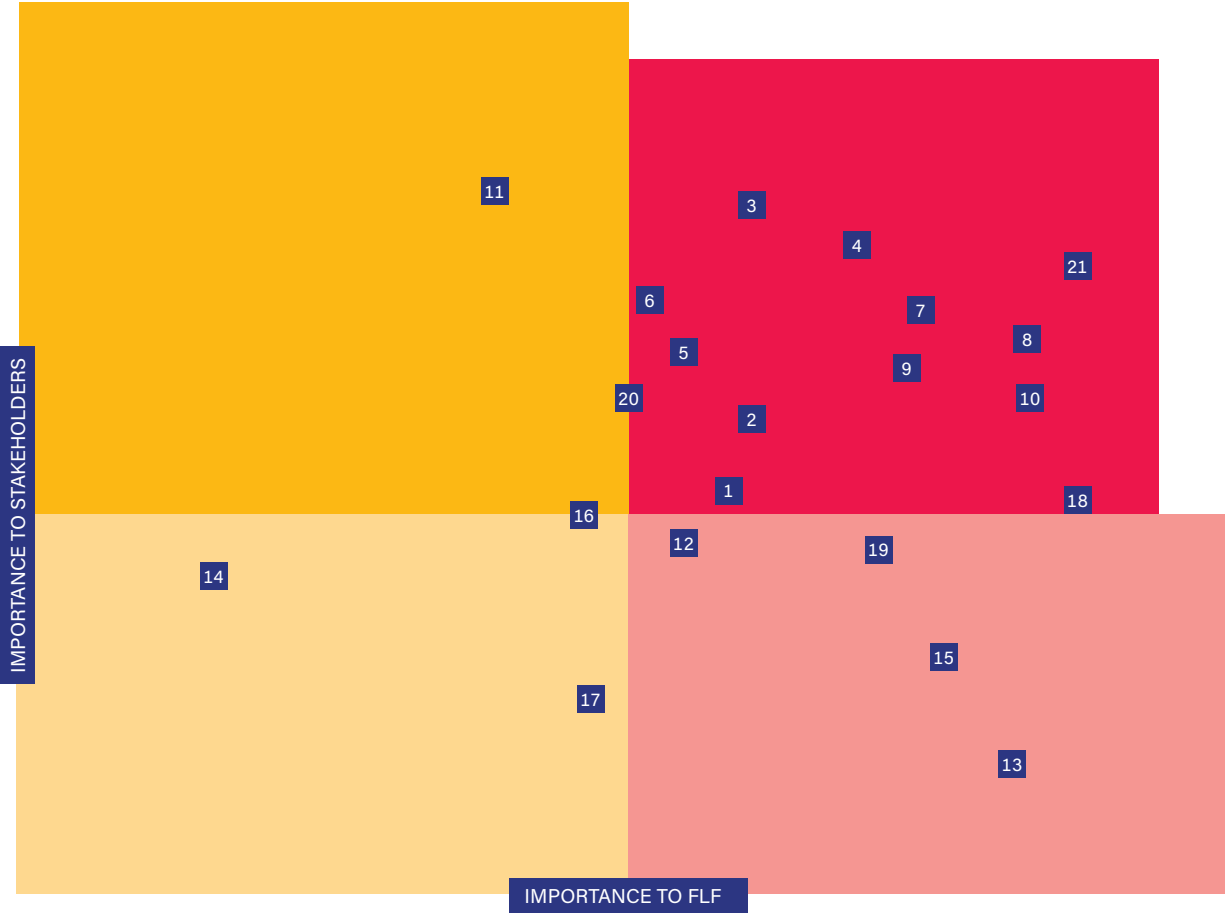
17. Employee training and development

18. Technology deployment

19. Omnichannel approach

20. Philanthropy and CSR

21. Market leadership



MATERIAL ISSUES

	Investors	Customers	Employees	Bankers	Suppliers and external brands	Government and regulators	Community
Compliance to fair business practices	■	■	■	■	■	■	■
Transparency and reporting	■	■	■	■	■	■	■
Profitability & cash flow generation	■		■	■			
Growth potential of the business	■		■	■	■		
Stock price maximisation	■						
Capital returns via dividends	■						
Corporate governance	■		■	■		■	
Service quality		■	■			■	
Employee and customer safety and security		■	■				
Exquisite customer experiences		■	■				
Value for money		■					
Fast fashion	■	■					
Internal efficiency	■		■	■			
Media visibility		■					
Product innovation		■	■				
Employee motivation, retention and fair compensation	■		■				
Employee training and development		■					
Technology deployment		■			■		
Omnichannel approach	■	■	■				
Philanthropy and CSR						■	■
Market leadership	■		■	■	■		

Managing risks with prudence

Risk management and mitigation is integral to our sustainability priorities.

We proactively strive to identify existing and potential risks and take pre-emptive steps to mitigate them. Our robust risk management framework represents the basis of this approach. Our risk- management process is closely linked to our organisational culture.



Our key risks, considerations and mitigation measures

EXTERNAL RISKS

Environment 	
Raw materials, Processing, packaging, distribution and its Impact on environment.	<div>MITIGATION MEASURES</div> <ul style="list-style-type: none">Introducing alternate categories, piloting programmes for various alternates, sustainability reviews, restructuring distribution, creating awareness, reviewing packaging, compliances, health & safety, etc.Chief Sustainability Officer has been appointed.Strategy with respect to sustainability draftedPolicies with respect to Environment, Ethics, Human Rights, Influencing Public and Regulatory, Product Stewardship (Sustainability, Product labelling, Re-cycling, New Product Development) , Health and Safety, Stakeholder Engagement, Wellbeing of Employees & Corporate Social Responsibility are now in place.These are displayed on Websites for reference. Implementation is underway.
<div>CRUCIAL FACTORS</div> Depleting/extinct categories, alternate categories, alternate energy, alternate processes, alternate materials, distribution channels, alternate packaging, compliance with NGT or other NGOs etc.	

Regulatory



Ease of operating business, cost of compliances and its management.

CRUCIAL FACTORS

Goods and Services Tax (GST), demonetisation initiatives, amendments to Consumer Protection Act, implemented by the Government of India have had a positive impact on the organised retail sector. Repealing/scrapping of redundant acts, & ongoing update of various regulations (specially policies with respect to e-Commerce) is promising towards ease of doing business. Emerging Compliances in the area of data privacy/protection, cyber world, digital transformations, consumer protection will further enable consumer protection and help us win their confidence.

- Improving overall culture for compliances by implementation and upgrade of multiple applications like Anushasan (Licence Tracking), Abhiyog (Litigation Management), Lekha Prabandhak (IPR management) and introducing further applications for areas such as insider trading management.
- Continuous update of governance processes/documents
- Re-skilling of workforce, adoption of technology (AR,VR, Cloud, Artificial Intelligence, Mobiiity, Analytics, Blockchain) & improved MIS/reporting.

MITIGATION MEASURES

Economy



Revenue from operations

CRUCIAL FACTORS

At present, various macroeconomic, geo-political factors such as stable government, GDP growth rate, inflation are impacting FLF favourably.

- Continue to upgrade and open high-definition stores: Central and further improve network of Brand Factory.
- Deploying dedicated teams to capture trends/moods/aspirations of customers at international/national levels.
- Designing suitable promotions (Free Shopping etc.), Driving relevant customer loyalty programmes (Future Pay).
- To improve media space utilisation application called Central Brand Spaces.
- Initiatives are being taken to improve efficiency/effectiveness of Markdowns i.e. to make it more smarter with the help of technology.
- Markdowns related to slow moving inventory and other inventory dilutions (shrinkage, damages, defects, etc.) to be reduced by optimising overall inventory levels and improving inventory audits.

MITIGATION MEASURES

Level of
criticality



High



Medium



Low

Key considerations

INTERNAL RISKS

Strategy 	
Business model, online e-commerce, online-offline, offline-online, format size, value/lifestyle etc.	
<div>CRUCIAL FACTORS</div> <p>Deep discounting across channels online and offline continues to disrupt the market.</p>	<div>MITIGATION MEASURES</div> <ul style="list-style-type: none"> ▪ Sustaining a multi-format, multi-channel approach to help the Company remain in business. ▪ E-commerce channel has been established for select formats and brands. aLL, Brand Factory are live. ▪ Emerging risks such as Online Reputation Management, Digital Campaigning Effectiveness, etc. are already being managed in a structured way, which need to be further strengthened.
Governance 	
Shareholder value creation, vendor management, people office management.	
<div>CRUCIAL FACTORS</div> <p>Shareholder satisfaction, vendor performance/satisfaction/relationship management, product quality, employee satisfaction.</p>	<div>MITIGATION MEASURES</div> <ul style="list-style-type: none"> ▪ Received only 8 grievances from shareholders, which have been resolved. ▪ Future 360, a SAS-based model, Cloud-based People Office System bringing about digital transformation in the area of HR. ▪ Geo-tagging, Geo-fencing, on-the-fly travel requisitions, and other additional facilities are part of this package for the employees. ▪ Chatbot model (Genie) an Artificial Intelligence system is in the pipeline for implementation. ▪ A vendor organisation is being created responsible for onboarding, scaling-up and mentoring vendors within the ecosystem, and relentlessly driving execution of these strategies. ▪ The vendor organisation will lay strong foundation of partnerships with vendors. This will improve areas of store-memberships, financial services to vendors, supply chain and warehousing among numerous other services.

Technology



Customer service/experiences, supply chain, cyber, innovation.

CRUCIAL FACTORS

Availability and demand forecasting; Tathastu (Anything, Anytime, Anywhere); Enhancing customer experience/service for ever-changing customer requirements; Cyber attacks/protection and data governance/protection; technology innovation and implementation.

MITIGATION MEASURES

- Continuous improvements are being made in the area of supply chain and related technology (latest being state-of-the-art sorting facility established at Nagpur Distribution Centre).
- Brand management (with partner brands), is being continuously improved, obtaining and acting upon customer feedback.
- Chief Information Security Officer has been appointed.
- Policy with respect to information and IT security, including data governance/privacy and disaster recovery are in place.
- Programmes with respect to these are being implemented.
- This is critical as the organisation is being built upon the vast consumer data generated.
- The data-led digital platform is being built that world can emulate.
- Future is being created with data sciences, artificial intelligence, and next-generation technology (Internet of Things, Augmented Reality, Virtual Reality, etc.).
- Strategy in relation to insurance is being regularly revisited in terms of further areas for which insurance is required specially in the cyber/data segment.
- The Consumer and Digital Labs (C&D Labs) continues to work in the area of R&D where required. MS-Customer Relationship Management software has been implemented, Net Promoter Score is tracked continuously to improve overall experience.

Liquidity



Working Capital

CRUCIAL FACTORS

Reasonable interest rates.

MITIGATION MEASURES

- 1.20x current ratio

Level of
criticality



Key considerations

Led by gold standards of governance



Shailesh Haribhakti
Chairperson/
Independent

1 2



Kishore Biyani
Managing Director

3 4



Sharda Agarwal
Independent

1 2 4



Dr. Darlie Koshy
Independent

1 2 3 4



Bijou Kurien
Independent

FLF is driven by a strong corporate governance mechanism, led by an illustrious Board and supported by an able leadership team. Together, they ensure that the organisation more than complies with legal and regulatory requirements, retains and exemplifies the core ethical values of the organisation.



Rakesh Biyani
Non-executive Director

2 3 5



Ravinder Singh Thakran
Non-executive Director



C. P. Toshniwal
Non-executive Director

1 4 5



Avni Biyani
Non-executive Director

COMMITTEE

1. Audit
2. Nomination and Remuneration
3. Stakeholders' Relationship
4. Corporate Social Responsibility
5. Risk Management

Chairman
Membership

OUR CORPORATE GOVERNANCE FRAMEWORK

Board of Directors
and Committees
thereof

Managing
Director

Key managerial
Personnel
and Senior
Management
Employees

AVERAGE EXPERIENCE OF THE BOARD

32
years

GENDER COMPOSITION

two out of nine are
females

SHAILESH HARIBHAKTI

Mr. Shailesh Haribhakti is a Chartered and Cost Accountant, Certified Internal Auditor, Financial Planner and Fraud Examiner. With over decades of hands-on professional involvement, he serves on the Boards of large multinational and Indian companies and chairs multiple Audit Committees. He also lends his expertise to several professional and regulatory bodies. He is the Chairman of Haribhakti & Co. LLP. He also served as the Chairman and Trustee of the National Pension Scheme Trust (NPS Trust) and a Member of Pension Advisory Committee (PAC) of Pension Fund Regulatory and Development Authority (PFRDA).

KISHORE BIYANI

Mr. Kishore Biyani is the founder and Group CEO of the Future Group. Widely acknowledged as the pioneer of modern retail industry in India, Mr. Biyani is a mentor and role model for many Indian entrepreneurs and a thought leader in Indian business.

Over the past two decades, he has created and leads some of India's most popular retail chains like Big Bazaar, Central, Brand Factory, Foodhall, fbb, Home Town and eZone, among others. Under his leadership, various retail chains like Nilgiris, Aadhaar, Easyday, Heritage, Hypercity and others have also become part of Future Group. Simultaneously, he has also led the creation of a wide portfolio of consumer goods brands in fashion, food, home and electronics space that are distributed through the Group's retail chains and various other modern retail networks in the country. He is an ardent believer of the Group's corporate credo, 'Rewrite Rules, Retain Values' and considers Indianness as the core value driving the Group. His autobiography, 'It Happened in India,' has been translated into a number of languages. Mr. Biyani has completed his graduation in commerce and PGD in Marketing Management.

SHARDA AGARWAL

Ms. Sharda Agarwal holds a postgraduate diploma from Indian Institute of Management, Bangalore and a B.Sc. Honours (Economics) degree from St. Xavier's College, Kolkata. She is a renowned marketing and brand expert, with over two decades of experience in various industries and sectors. She is the co-founder of MarketGate Consulting. She has served as Director of Marketing at Coca Cola India and was also associated with Johnson & Johnson in India and the US. She is also the co-founder of Sepalika, a website that helps people with chronic ailments.

DR. DARLIE KOSHY

Dr. Darlie Koshy is a well-known Textile-Apparel-Retail industry expert apart from being a visionary educationist. Dr. Koshy has been the Director General & Chief Executive Officer of Apparel Training & Design Centre (ATDC), India's largest Quality Vocational Education provider under the aegis of Apparel Export Promotion Council (AEPC) since 2009. He is well known for transforming national-level educational institutions like the National Institute of Design (NID), Ahmedabad where he had served as the Director and Governing Council Member for two terms of office (2000-2009) before the current assignment. Dr. Koshy is the only Indian to have served the Executive Board of World Body of Design (ICSID) for three terms giving leadership to Indian Design and NID in the global arena.

Dr. Koshy holds PhD from IIT Delhi and is a rank holder in MBA from Cochin University of Science and Technology, having been also trained at Fashion Institute of Technology, New York, before joining as the Founding Head of Fashion Management at National Institute of Fashion Technology (NIFT), New Delhi (1987-2000). Dr. Koshy is an acclaimed international speaker, author and Design Management Strategist for

Fashion, Lifestyle and Retail industries. Dr. Darlie Koshy has been conferred with several significant international/national awards and citations during his illustrious career in the field of management and education for over four decades.

BIJOU KURIEN

Mr. Bijou Kurien holds a post graduate degree in Management from XLRI, Jamshedpur and has been associated with marquee brands in the fast-moving consumer products and retail industry in India for over 35 years. After an initial stint with Hindustan Unilever Ltd., he joined the founding team at Titan Industries where he helped build powerful brands in the watches and jewellery industry and also create India's largest exclusive brand retail chains. In his stint with Reliance Retail, he was at the forefront of its ambitious retail ventures. He is also a member of the Advisory Board of the World Retail Congress, Mentor of the FICCI National Retail Committee, member of the Advisory Council of the Retailer Association of India (RAI) and governing boards of various academic institutions.

RAKESH BIYANI

Mr. Rakesh Biyani has been in retail business for more than two decades and is one of the authorities in modern retail.

He is actively involved in the areas of fashion, category management, retail stores operations & information technology of the Group across various formats. Mr. Biyani was instrumental in forming various technology-driven processes of retail operation and formation of various joint ventures at group level for ensuring a better product mix and increasing foothold on overall consumption space of Indian retail sector.

He has done Advanced Management Program from Harvard Business School and is a Commerce Graduate.

RAVINDER SINGH THAKRAN

Mr. Ravinder Singh Thakran holds an MBA from the Indian Institute of Management, Ahmedabad. He has been working in various leading positions at the Louis Vuitton Moët Hennessey Group (LVMH) since 2001 and has been the Group Chairman of LVMH South & Southeast Asia, Australia and the Middle East since September 2007.

Mr. Thakran launched L Capital Asia (currently known as L Catterton Asia) in 2009. L Catterton, formed in 2016 through the partnership of Catterton, LVMH and Groupe Arnault, is the largest consumer-focussed private equity firm in the world, operating six distinct fund strategies out of seventeen offices located across five continents. Prior to his time at LVMH, Mr. Thakran held senior management positions at the Swatch Group, Nike and the Tata Group.

C. P. TOSHWIHAL

Mr. C.P. Toshniwal is a Chartered Accountant and Company Secretary. He started his journey with Future Group in May 1997 and has over 28 years of rich managerial experience. Prior to his association with Future Group, he worked with other corporate houses like Donear Synthetics Limited, Orient Vegetexpo Limited and Control Print India Limited. Mr. Toshniwal has strong domain knowledge of the Indian Retail Industry with good understanding of 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 and restructuring, risk management system and process implementation, mergers, amalgamations, takeover of business

enterprises, raising capital through innovative financial products. He has been awarded as India's Best CFO by Asia's most admired Brands & Leaders 2018, the Best CFO Award-2011 in the Service Sector Category by the Institute of Chartered Accountants of India and 'CFO100 Roll of Honour' by CFO India for his extraordinary performance as senior finance leader in Retail Industry. He held the position of Chairman of Finance Committee of Retailer Association of India.

AVNI BIYANI

Ms. Avni Biyani created and leads the Foodhall chain of gourmet food stores that cater to a very exclusive clientele in large metropolitan cities in India. Foodhall introduces customers to premium, packaged food products and also acts as an innovation hub for identifying and prototyping future trends in food consumption for Future Group's multiple retail chains.

She is also actively involved with the Group's lifestyle fashion business and helped the conceptualisation and launch of the Cover Story brand, among others. Avni is a member of Executive Food & FMCG Council of Future Group and has helped shape the Group's foray into packaged and processed food and FMCG segment that are backed by food processing facilities at the state-of-the-art integrated food park in Tumkur, Karnataka. Avni studied liberal arts at the College of Art & Science, New York University and takes a keen interest in liberal arts and current affairs.

KEY DECISIONS AND CORPORATE INITIATIVES OF FY 2018-19

Issue of shares to Spectacular Investments Pte. Ltd.

WHAT Spectacular is wholly owned by L Catterton Asia 3 Pte. Ltd. (L Catterton Asia). L Catterton Asia, the Asian unit of the largest and most global consumer-focussed private equity firm in the world.

WHY The fund raised through issue of equity shares to Spectacular Investments Pte. Ltd. by FLF, for:

- Retail network expansion, frontend and backend capital expenditures, working capital requirements, investments in fashion brands and for general corporate purposes.
- Further help in growth and investments in developing its portfolio of brands and expansion of its retail network.

Investment in Koovs Plc.

WHAT Koovs Plc. and its subsidiary, Koovs Marketing Consulting Private Ltd., operate a wholesale business, supplying branded fashion products for sale exclusively on the Koovs.com website in India. By providing a range of products from credible international brands and designing exclusive fashion forward products under the Koovs label, Koovs Plc intends to support the Koovs.com website in building the leading fashion website in India. The Koovs.com website is operated by a third party under licence from the Koovs Group.

WHY Synergies with the Koovs Plc. and investment in Koovs would allow the Company to get a strategic online presence and thereby complements the existing value chain. It would also help the Company with a strategic investment in a strong platform with international design capabilities, strong online brand and e-commerce platform.

Leadership Team



Vishnu Prasad

Chief Executive Officer (CEO), FLF

Vishnu 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 Central retail business.



Suresh Sadhwani

Head - Brand Factory

Suresh has over 20 years of retail experience. He has been heading Brand Factory since 2014. Under his stewardship, the retail business has tripled its turnover and added more than 60 new stores across India.



Manjula Tiwari

Head - Cover Story

A lifestyle industry professional, Manjula is the CEO of Future Style Lab and is the brain behind the Cover Story and Ancestry brands. She provides significant insights into the mindset of Indian consumers. She has launched and managed international brands like Esprit and Benetton and was also involved in setting up Wills Lifestyle.



Hetal Kotak

Head - Lee Cooper & aLL

Hetal is strategic business leader with 22 years of wide-ranging experience in the lifestyle retail domain & building brands. He joined Future Group in 2016 to head two of the key strategic brands; Lee Cooper & aLL. Hetal has worked across various textile and retail companies such as Raymond Ltd, Indorama Synthetics (Indonesia) and Arvind Mills, prior to joining the Group.


Kaleeswaran Arunachalam

Chief Financial Officer (CFO), FLF

Kaleeswaran possesses more than 18 years of experience in the food and fashion industry. Prior to joining the Group, he worked with Mondelez International, Aditya Birla Nuvo and TVS Motors.


Venkatesh Raja

Head - Human Resources

With 25 years of varied experience in organisations such as Sterling Holidays, Reliance Petroleum, Reliance Infocom and MTS Group, Venkatesh heads the People Office at FLF


Sanjay Kumar Mutha

Company Secretary

Sanjay has more than 18 years of experience in the industry. He previously worked with Mather & Platt, Mahindra and Mahindra, and CMIFPE. He heads corporate secretarial functions at FLF.

Campaigns that connect

We at FLF, have innovated a wide array of campaigns and initiatives to reach our audiences and connect them with the best we have to offer in contemporary fashion.

FASHION ICON @CENTRAL



To celebrate the fashion wave among youth, Central conducted the Fashion Icon programme that attracted the interest of over 4,000+ aspirants. Central invited top 20 entries countrywide to Mumbai to select the year's Fashion Icon.

ALL FASHION WEEK



aLL conducted a unique fashion show that celebrated Plus Size people, alongside the Lakme Fashion Week. The brand inducted Bollywood Actor, Zareen Khan, as the celebrity judge for the auditions, which witnessed participation from over 300 people.

FREE SHOPPING WEEKEND @ BRAND FACTORY



A mega hit among customers, the Free Shopping Weekend initiative has garnered thousands of footfalls into various Brand Factory outlets, where customer shop at effectively zero prices.

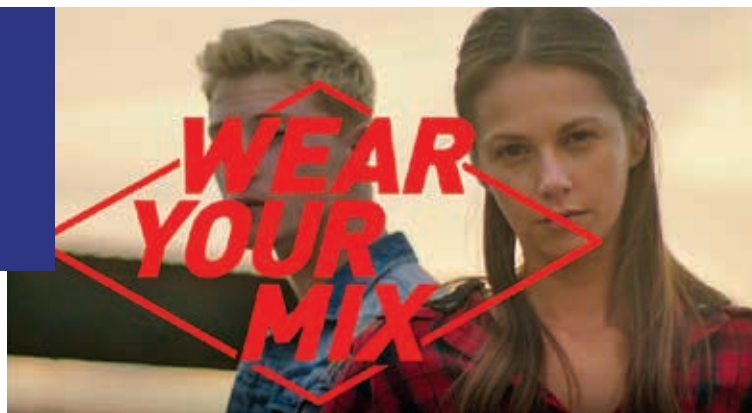
MTV ROADIES AND INDIGO NATION



Indigo Nation partnered with MTV's Roadies show to promote its spirit of daring and dynamism. Through the partnership that emphasised on presenting the arrival of a new movement, the brand brought out its rugged and contemporary style appeal.

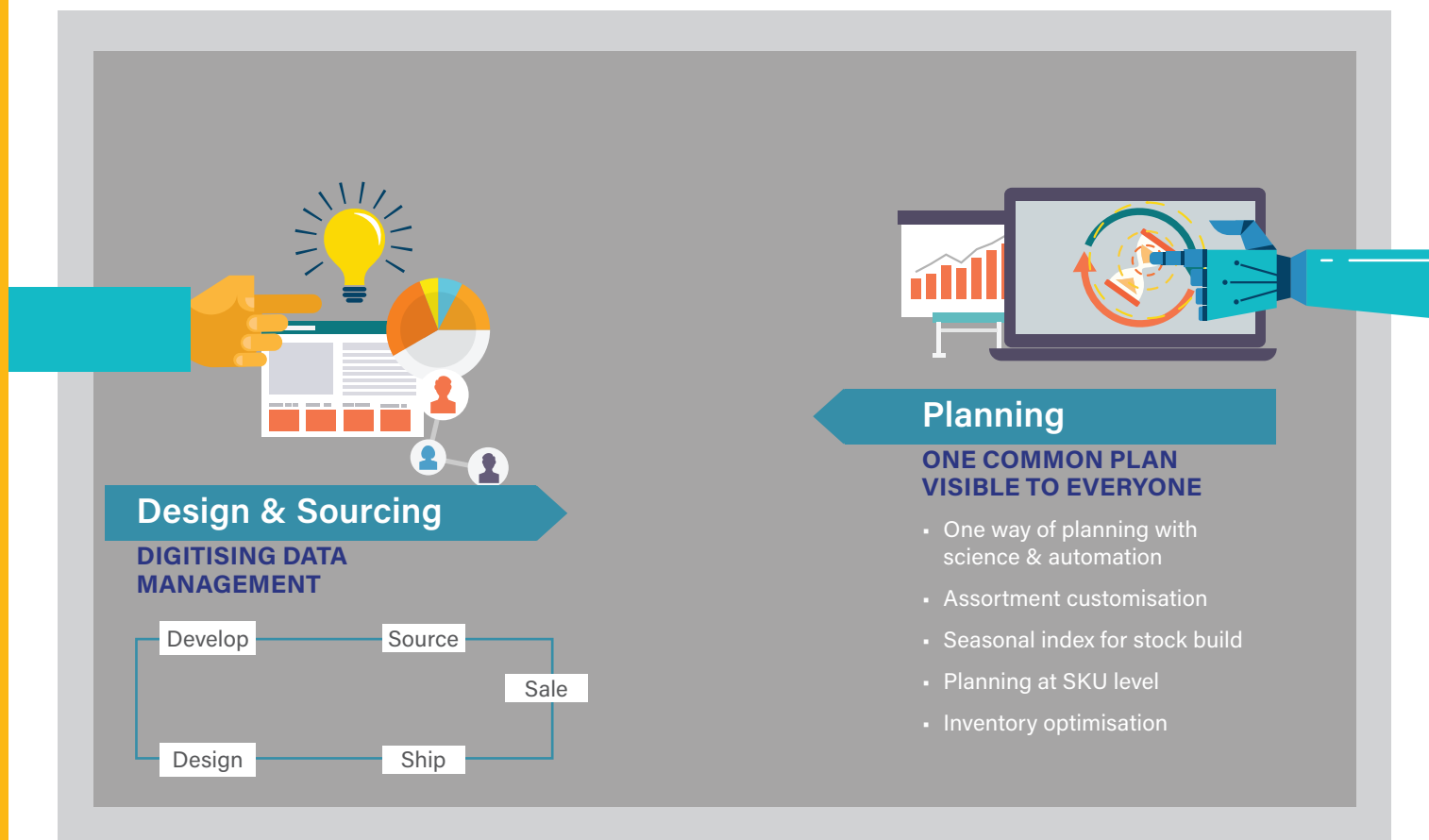
LEE COOPER WEAR YOUR MIX

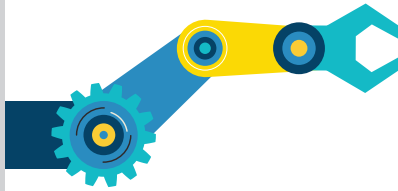
This integrated marketing campaign celebrated Lee Cooper's fashion appeal in both apparel and footwear across diverse physical and digital media. In digital format alone, the campaign registered over seven million views.



Technology is the harbinger of change

We look at technology as a large-scale enabler to help us drive efficiencies across the operational canvas, understand market dynamics and consumer behaviour better and deliver an enriching experience to consumers. Therefore, we are continuously strengthening our technology backbone across multiple levels in the organisation.

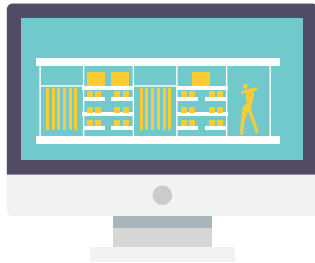




Supply Chain

STATE-OF-THE-ART DISTRIBUTION CENTRE

- Cross belt sorting
- Auto pick & drop
- Automated sorter & conveyor
- Auto replenishment



Digital Mock Room

VISUAL RETAILING STUDIO

Style studio

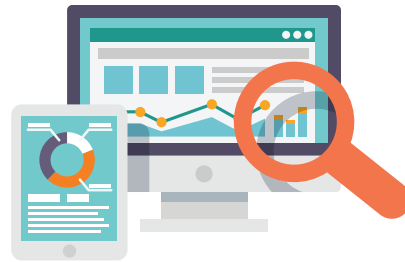
- In-house image capturing

Mock Room

- 3D Software for retail, planning and visual merchandising

Shop shape

- Guidelines to store teams retail execution and compliance feedback



Analytics

CUSTOMER-CENTRIC GROWTH

Merchandise Analytics

- Merchandise assortment planning, replenishment and pricing

Customer 360

- Behavioural segmentation and targeted marketing

Vendor Link

- Supply process visibility with supplier collaboration

E-commerce Analytics

- Identify path to purchase and channel contribution



Digital Selling

HIGH-QUALITY CUSTOMER EXPERIENCE

Online representation

CRM operations

Digital documentation

Sales automation

Winning with our people

At FLF, we focus on creating a workplace that fosters thought leadership, innovation and a culture of involvement, participation and transparency. We provide our employees opportunities to collaborate, learn and grow within the organisation.

The key focus areas for our people development are:

01

Engaging employees to ensure motivation

02

Inspiring them to learn and develop

03

Providing growth and capability building opportunities

04

Ensuring workplace safety and conducive working environment

ENGAGING EMPLOYEES TO ENSURE MOTIVATION

We, at FLF, believe that engaged employees contribute more effectively and optimally towards organisational growth that is sustainable and value accretive. Thus, our continual endeavour is to provide regular opportunities to our teams to engage, share knowledge, insight and help create a positive workplace environment.

Some of the initiatives that we drive to foster engagement are:

- **A Fun Workplace:** We encourage employees having fun at the workplace by organising picnics, outdoor team-building workshops and other engagement initiatives such as sports competitions like Box Cricket, Coffee with CFO and other celebrations like Men's Day, Women's Day and other celebrations. Family members of employees are invited as well, for select events.
- **Health & Wellness:** We promote employee wellness through self-defence training sessions for women, weekly Zumba sessions, fitness challenges, free eye check-up and health camps, and so on.
- **CSR Activities:** We involve employees volunteering for our CSR initiatives, for activities such as visits and donations to orphanages and old-age homes.



INSPIRING THEM TO LEARN & DEVELOP

We ensure continuous upskilling and competence development of our employees by providing equal and non-discriminatory learning opportunities to all. Our talent development team has been instrumental in creating a culture of learning within the organisation.

Our Group-level guidance and customised growth plans with regard to overall development has helped establish a robust retention scheme. Along with this, an employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall wellbeing. A job analysis is conducted to ensure employees are well equipped in terms of functional and skill-based competencies required for the job.

We have several programmes designed to benefit our employees such as:

- **FutuReady - Induction & Orientation Programme:** An interactive, engaging induction and orientation programme for all new joiners provides them an overview of Future Group, its businesses, values and culture and prepares them for their journey at Future Group.
- **Hero in You:** A two-day training programme for Fashion Consultants of aLL, focussed on personalised selling, customer service excellence, visual merchandising and grooming.
- **Power of One:** A two-day workshop for the store managers of aLL, with an emphasis on target achievement, leadership skills, ownership, succession planning and negotiation skills.
- **The Learning Culture (TLC):** An initiative was driven at the head office to foster a culture of learning by focusing on self-directed learning and leveraging the competence of internal subject matter experts.
- **Young Managers Program (YMP):** A two-day workshop was conducted for mid-level managers encompassing key aspects of leadership, team management, planning & prioritising and change management.
- **Lakshya:** An eight-month intensive programme focussed on building high-definition peer groups of store managers at Brand Factory. This will enable potential store managers to build high-performance teams and drive execution excellence.

PROVIDING GROWTH & CAPABILITY-BUILDING OPPORTUNITIES

Talent management refers to the anticipation of required human capital for an organisation and the planning to meet those requirements. With this objective in focus, we launched the leadership academy for Future Group.

- **Leadership Academy:** Leadership Academy is a nine-month transformational journey for the identified high-potential employees across all formats to build a leadership pool, which can play a pivotal role in contributing towards the Group's larger vision.

As part of this journey, we have identified talented individuals through a series of assessments, who went through an intensive 10-month leadership development programme. After the training, they graduated as leaders of the Group and embarked upon their journey with expanded roles and cross-functional exposure.



FUTURE360

Technology and data help us take real-time decisions and result in agile execution. We have worked towards getting People Office as the first function to start operating real-time. To enable this, we are now migrating to a forward-looking, nimble and data-driven People Management System called Future360. This system is a mobile-first mechanism and uses artificial intelligence and machine learning to cater to all employee requirements. Future360 will bring together People Office transactions, recruitment, learning and development and collaboration through a chat application, all at one place and on a real-time basis.

Recognised for consistent value creation



Central

Best Department Store (VM & Design)-Vasant Kunj Central (VMRDA)

Best Activation in Fashion Space:
Miss Diva (TAVF)

Triumph Award for Best growth format in LFS category 2018-19.

Silver in Digital Activation for Instacast in Goa Festival.

Brand Factory

VIDEA 2019: Video Content in a Social Media Marketing Campaign - Special Mention: Brand Factory's #MadeForMumbai Campaign by IdeateLabs.

ACEF Global Customer Engagement Award - Silver (Grand Prix AWARD) - Social Media Brand of the Year.

Digixx 2019: GOLD for Brand Factory's FSW at Digixx 2019.

ET Now Presents Global Awards for Retail Excellence: - Best Use of Social Media for FSW.

Corporate

Nominated for best IR team award at the annual IR magazine award



Corporate Information

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti
Chairperson and Independent Director

Mr. Kishore Biyani
Managing Director

Ms. Sharda Agarwal
Independent Director

Dr. Darlie Koshy
Independent Director

Mr. Bijou Kurien
Independent Director

Mr. Rakesh Biyani
Non-Executive Director

Mr. Ravinder Singh Thakran
Non-Executive Director

Mr. C. P. Toshniwal
Non-Executive Director

Ms. Avni Biyani
Non-Executive Director

Mr. Narayan Ramachandran
Alternate Director (upto May 20, 2019)

CHIEF FINANCIAL OFFICER
Mr. Kaleeswaran Arunachalam

COMPANY SECRETARY
Mr. Sanjay Kumar Mutha

STATUTORY AUDITORS
NGS & Co. LLP

INTEGRATED REPORTING ASSURANCE
Deloitte Haskins & Sells LLP

INTERNAL AUDITORS
Ernst & Young LLP
Protune KS Aiyar Consultants Pvt. Ltd
S Tandon & Associates

BANKERS

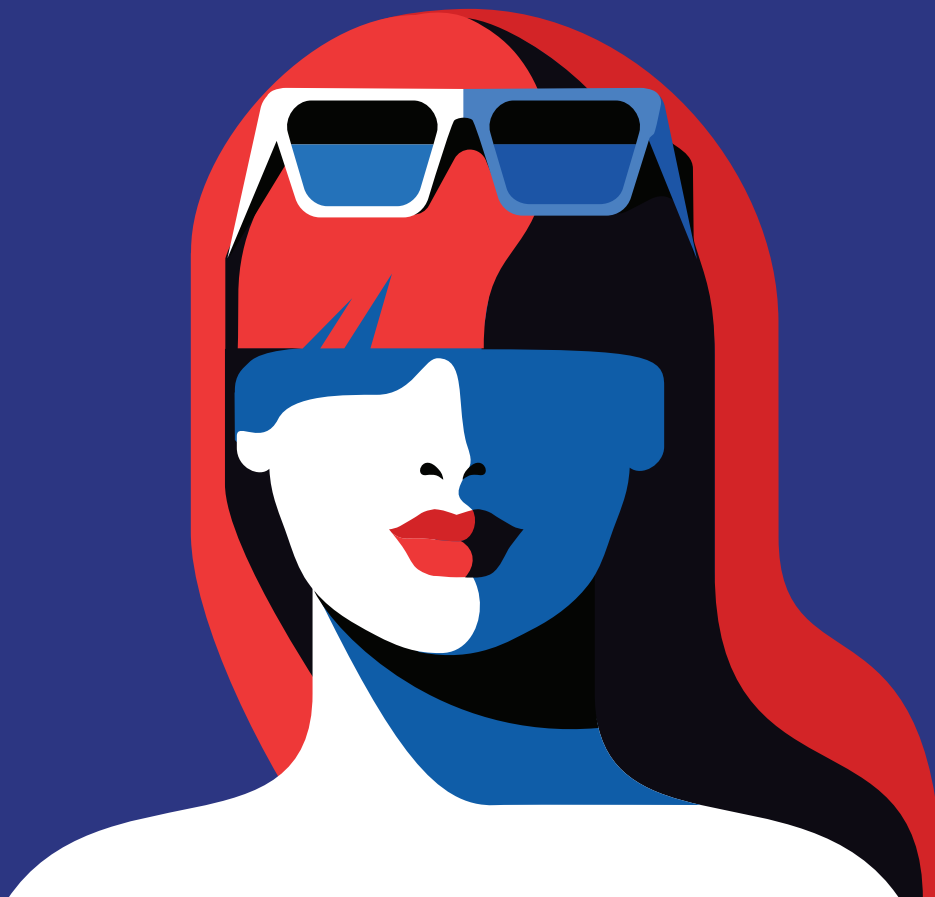
Axis Bank Ltd.
Bank of Baroda
Bank of India
Canara Bank
IDBI Bank Ltd.
State Bank of India
Vijaya Bank

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

REGISTERED OFFICE AND CORPORATE OFFICE:

Future Lifestyle Fashions Limited
CIN: L52100MH2012PLC231654
Knowledge House, Shyam Nagar,
Off Jogfeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400060
Tel: +91 22 66442200
Fax: +91 22 66442201
Website: www.futurelifestyle.in



Management Discussion and Analysis



Global

The global economy grew by 3.6% during CY2018 (Source: International Monetary Fund). This growth was a function of firming oil prices, results of the US fiscal stimulus plans and a stronger economic activity in the first half. Emerging economies stayed resilient during the period, with India leading the growth.

In the second half of the year, trade wars between economies, particularly USA and China, stunted the growth momentum. Global leaders have expressed concerns of this leading to an economic crisis and have thus urged high-level settlements and cooperation between the battling economies.

OUTLOOK

Going forward, the world economy will see a moderated growth in the near term and then firmer growth in the second half of CY2019. This will be driven by the ongoing buildup of policy stimulus in China, expected high-level deliberations on trade disputes, stabilisation of conditions in emerging market economies such as Argentina and Turkey and the resurgence of activity in the Eurozone. Overall growth rate will slow to 3.3% in CY2019 and return to near 3.6% levels in CY2020.

India

While the global economy is undergoing a turbulent phase, India has stood its ground and have bounced back to a 7.0% economic growth rate (Source: Central Statistics Office). This growth is a function of robust domestic demand and consumption, strong government expenditure and rising investments. India's macro level policies, introduced in the recent past, have also started contributing to this growth. Initiatives such as the Goods and Services Tax (GST), have

played a pivotal role in ushering in a level-playing field for organised players across industries.

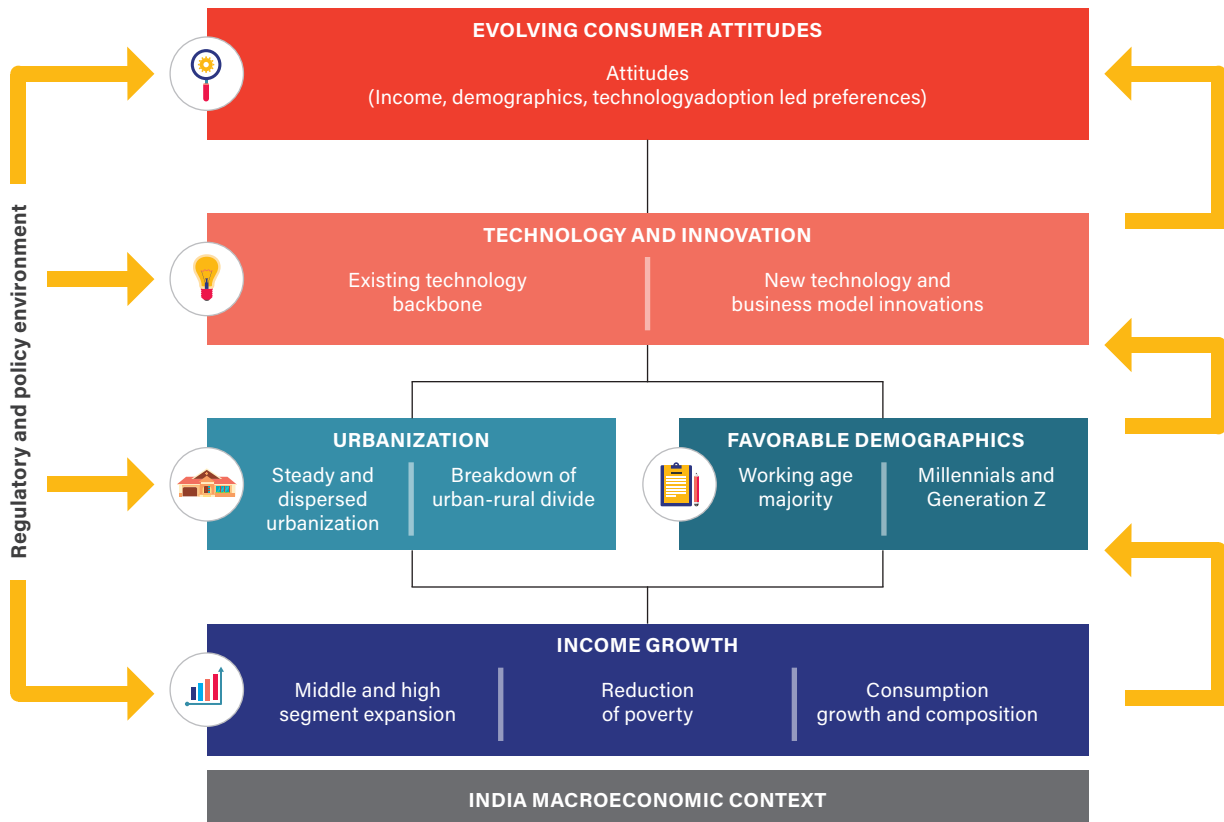
India represents a relatively broad-based pattern of growth. While the future of consumption will be led by a growth in the upper-middle and high-income segments, the country is also expected to lift nearly 2.5 crore households out of poverty by 2030.

FY2019 had India perform well across its macroeconomic fundamentals. Net direct tax collection and GST collection crossed ₹ 10 lakh crore each by March 2019 and by February 2019, respectively. The Index of Industrial Production (IIP), rose 4.4% y-o-y (January 2019) and the Consumer Price Index (CPI) inflation stood at 2.57% in February 2019. As of March 2019, India's forex reserves touched ~USD

405.64 billion. The year also witnessed Foreign Direct Investments worth ~USD 33.5 billion flowing to India (Source: IBEF).

A population with a median age of 28 years renders India as a country with a young workforce, which drives income and consumption. In India, domestic consumption drives 60% of the economy and is expected to become a USD 6 trillion opportunity by 2030. On an average, India's savings-conscious households reserve a 20% of their income for future, which supports the overall economy even during periods of inactivity. India's consumption story is also being boosted by the government, which is introducing conducive foreign direct investment (FDI) policies, enhancing overall infrastructure and accelerating the overall economic development.

Drivers of future consumption in India



Source: Bain & Company/World Economic Forum analysis

FORCE

1 2 3 4 5

Industry review

GLOBAL FASHION RETAIL

The past year witnessed the global fashion industry grow between 4.0-5.0%, driven by demand for both luxury and value brands alike. Growth in emerging markets and increased sales in the US also contributed to the growth. As per a recent study conducted by McKinsey & Company with Business of Fashion, three core themes defined fashion industry for the stakeholders – 'Changing', 'Digital' and 'Fast'. Taken together, these themes point to where fashion is headed and where brands should focus their energies. Amidst tepid global growth prospects, fashion industry is expected to grow by 3.5-4.5% in 2019.

Key trends in fashion 2019

1. Caution ahead:

With a global slowdown, companies will look forward to boost productivity compared to previous years.

2. Indian ascent:

India will become a focal point for the fashion market and places an opportunity for fashion players to cater to a highly fragmented, challenging and value-focussed market.

3. Trade 2.0:

Redrawing of trade barriers amidst ongoing trade tensions will impact and alter global value chains in fashion. Companies must be prepared with contingency plans for such shifts.

4. End of ownership:

Pre-owned, refurbished, repaired and rental business models are evolving and growing in the fashion industry. Fashion companies will tap into this market as well, in light of newer opportunities.

5. Getting woke:

The passion for environmental and social causes have gained considerable ground among the young population. Consequently, their appreciation for brands that are environmentally and socially conscious are on the rise.

6. Now or never:

Customers who discover products online and impatient and requires immediate window to purchase the items. Fashion companies are expected to address such pain points in the mobile consumer journey.



7. Radical transparency:

Today's well-informed customers are expecting businesses to be extra transparent in the matters of value for money, creative integrity and data protection.

8. Self-disrupt:

In the wake of decreasing customer loyalty and an appetite for the new, a new breed of small brands are emerging. Traditional brands are repositioning and realigning themselves to emulate this newness, thereby disrupting their own existing business models.

9. Digital landgrab:

E-commerce players who diversify their offerings using organic or inorganic initiatives are expected to lead the markets, by becoming the platform of choice for both customers and brands.

10. On demand:

While smaller brands and companies have instituted data analytics and automation as part of their go-to-market strategy, bigger and mass players are expected to experiment and introduce just-in-time production to optimise inventory, thereby making short, small-batch production cycles the new norm.

Source: The State of Fashion 2019 (McKinsey & Company and Business of Fashion)



INDIAN FASHION RETAIL

(Sources: Technopak, McKinsey and Company, Business of Fashion, Euromonitor International, IMAGES Yearbook 2019)

India has emerged as one of the fastest-growing fashion markets in the world. The country is set to become a ₹ 7,88,532 Crore apparel market by 2028, growing at a 10- year CAGR of 8.1% from ₹ 3,61,160 Crore at present. Entry of international brands, changes in preferences from non-branded to branded, the fast-growing economy and large young consuming population make India a lucrative fashion market. In fact, India's ascent to the fashion fore has been among top ten global fashion trends identified by a recent report by McKinsey & Co and Business of Fashion.

The country's fast growing middle class combine with robust economic fundamentals and technology affinity to make it an attractive proposition for fashion players. The addressable population of customers (individuals with over \$9,500 in annual income) is expected to triple by 2025. A new class of customers are also evidently emerging, who are highly paid and willing to spend and are expanding today's consumption. Cognisant of this large opportunity-scape, around 300 international brands are setting shop in India in the next two years. Such movements into the Indian fashion is expected to accelerate the formalisation of the fashion market to 45% by 2025, from the current 35%.

India's fashion industry is also ready with a well-established supply side, and this gives thrust to the growth of the sector, particularly in terms of exports. Sourcing from India is also expected to rise, a function of ample raw material supply and lower average labour cost than peer economies.

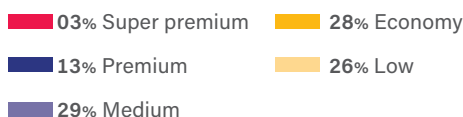
To increase footfalls and engagement within the stores, retailers are leveraging technology such as augmented reality. E-commerce, on the other hand, is moving to artificial intelligence (AI)-based solutions, to cater with customised fashion solutions.

Innovation and scalability key to create high-recall, high- turnover brands

The Indian apparel market is segmented primarily into super premium, premium, medium, economy and low price categories.

Of these, the medium price segment holds the maximum share at 29%, closely followed by the economy segment at 28%. The price-sensitive rural population contributes to over half of the entire low and economy apparel demand in India. Hence it takes strong product innovation priced economically to win in India's highly demanding fashion marketplace.

Indian apparel market



Source: Secondary research, Technopak Analysis

Acceleration from mobile platforms

The mobile connectivity wave has enabled fashion retailers in India to reach customers and unlock remarkable value from them. With two-thirds of both apparel and fashion accessories purchase expected to be influenced by mobile platforms in the next few years, there is an exceptional opportunity. Research indicates that compared to offline modes, mobile-enabled purchase journeys of apparel and fashion accessories are shorter by 14% and 25%, respectively. Going forward, there is a five billion dollar opportunity for apparel brands to penetrate markets using mobile platforms and reducing media friction. For accessories brands, this opportunity is valued at nine billion dollars

Trends in Indian fashion retail

- Fast fashion and value fashion are high potential segments in apparel retailing in India and both are growing at a 10-15% same store sales growth (SSSG).
- In organised apparel retail, women's and kids' wear are likely to grow at faster rate at 29-34% CAGR versus men's wear (12-18% growth).
- With fashion quotient spreading beyond metros and tier 1 cities, apparel retailers are increasingly penetrating smaller cities, backed by a wide range of product pricing.

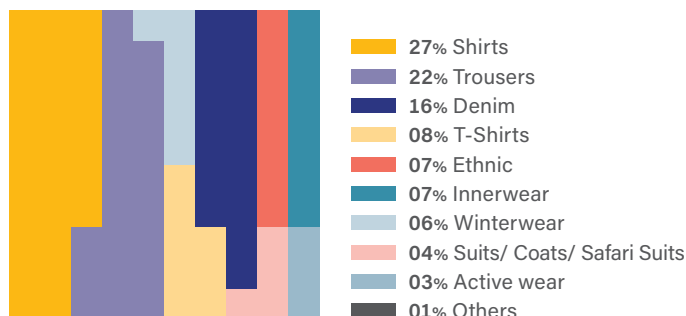
Source: Retail Sector - Triumph of Empiricism (The Investment Trust of India and Antique Stock Broking Limited)



Menswear

At a market size of ₹ 1,56,496 crore, Menswear is the largest segment in the apparel market. It is expected to grow at 7.6% CAGR to more than double its size by 2028. Denim wear, Friday dressing, smart casuals and athleisure are expected to push demand for the segment, going forward.

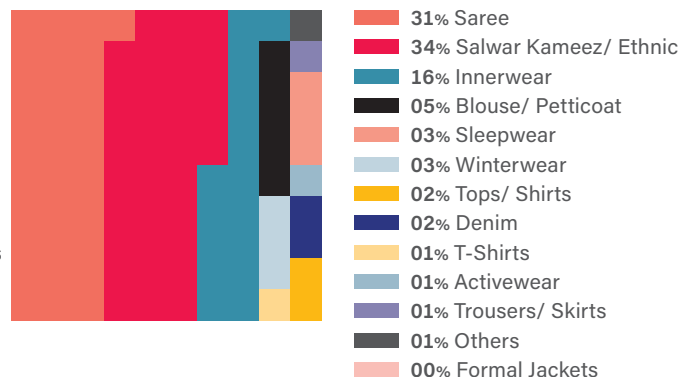
Share of Individual Categories within Menswear (2018)



Womenswear

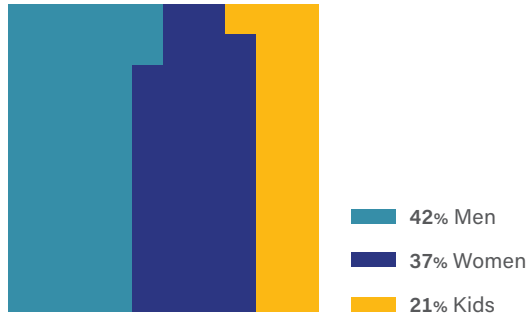
The womenswear industry is currently estimated to be worth over ₹ 1,31,389 crore in 2018 and is expected to more than double its size by 2028 at a CAGR of 8.3%. The womenswear market is being shaped by growing awareness levels in global fashion trends and the increasing number of working women. Western wear, fusion wear and specific ethnic wear are expected to drive demand.

Share of Individual Categories within Womenswear (2018)

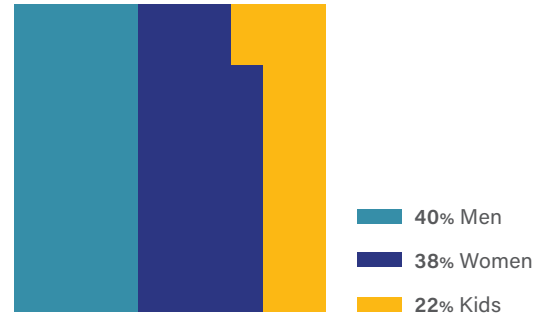


Segment-wise analysis

Breakup of fashion market (current vs future)

Current

Source: Technopak Analysis

Future**Kidswear**

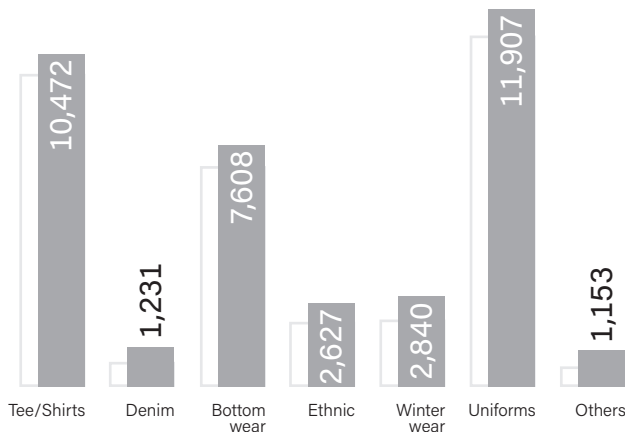
One of the fastest growing segments in the Indian apparel sector, kidswear contributes to ~20% of the total apparel market in the country. Valued at ₹ 73,274 crores, the industry will surpass both menswear and womenswear category at a 9% CAGR to reach ₹ 1,66,147 crore by 2028. This forecast is also built on the fact that India has a burgeoning population of 33.7 crore children in the 0-14 age group. With this opportunity at hand, several players, both domestic and

foreign, have entered the kidswear market. This has improved the overall quality of kidswear in the country, while reducing costs to the benefit of the customers.

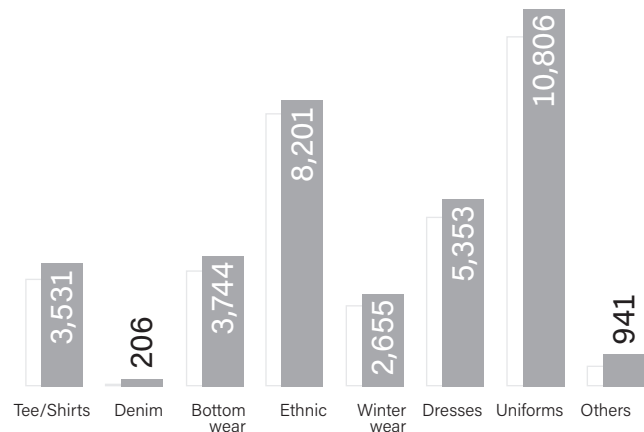
The kidswear category is further subcategorized into boyswear and girlswear, valued at ₹ 37,838 crore and ₹ 10,806 crore, respectively.

Category growth in Boyswear

(in ₹ crore)

**Category growth in Girlswear**

(in ₹ crore)



Accessories

The accessories market in India has undergone a paradigm shift in the past decade. Initially retailed largely through unorganised channels such as mom and pop stores and street vendors, fashion accessories have now made their way into luxury boutiques, high street brands, international accessories chains, international brands with accessories sections and multi-brand outlets. The increasing prevalence of e-commerce have also served it well, making the availability of branded and unbranded accessories more democratised. Going forward, the fashion accessories market is expected to grow rapidly in India by 2022.

Footwear

In line with apparel fashion footwear fashion has also evolved in India, giving rise to a number of subcategories and facilitating the entry of several international and domestic players into the market. India is estimated to produce 22 billion pairs a year at present, accounting for ~9.6% of all footwear produced worldwide. India has overtaken the US as the largest consumer of footwear with 90% of all footwear produced in India being consumed domestically.

India's footwear market is moulded by a rise in disposable incomes, rising demand for branded premium footwear and evolving shopping patterns. The Indian footwear market is expected to reach USD 17,500 million by the end of 2019 and continue to grow at a CAGR of 10.5% till 2022. The men's footwear market is growing at a 10% CAGR and the women's footwear is growing at double the pace at 20%.

Company overview

Future Lifestyle Fashions Limited (FLFL) is one of the India's most profitable fashion retailer and the flagship branded fashion business of Future Group. Led by veterans in India's retail story, the Company operates 339 stores in around 90 cities, occupying 6.8 mn sq. ft. of retail space and has end-to-end capabilities from design to distribution. It has a strong established retail presence under the Central, Brand Factory

chains and exclusive brand outlets (EBOs). Its market-leading owned brands are sold through its own channels and other multi-brand outlets. The Company's innovative and integrated business model acts as its core differentiator and together with its brands retail outlets, FLFL caters to both premium-seeking and value-seeking customer groups and all others in between.

Brand profile

<<refer page 9 for more information on brands>>

FLF BRANDS

Menswear



Unisex



Womenswear



Sports | Leisure wear



Footwear | Others



INVESTEE BRANDS



Retail profile



CENTRAL

Central is known for delivering exceptional shopping experience to customers vis-à-vis other retail platforms. A seamless fashion destination, where ambience is at the core of Central's strategic approach, helping it improve customer footfall and conversion. On both these parameters, it has shown consistent growth. Higher footfalls, better customer engagement and greater conversion will drive growth for this format in the future.

<<refer page 16 for information on Central>>



BRAND FACTORY

Brand Factory, over the years, has shown consistent double digit same store sales growth. At present, there is huge traction for the format among customers. Indians are brand-aspirational and value-conscious; and the nation's consumption story is being shaped by its burgeoning middle class. There is a strong demand for affordable branded apparel and Brand Factory is well-positioned to cater to this trend. This is backed by the fact that customer visits at the Brand Factory stores have grown in double digits consistently for the last two years and are expected to continue growing for the next couple of years as well.

<<refer page 18 for more information on Brand Factory>>

Risks and opportunities

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, compliance with NGT or other NGO's etc.) and, Competition have been identified as key threats as well as opportunities for the Company.

At present, various macroeconomic factors such as interest rates, inflation and GDP growth rate, Geo-political factors such as stable government, are impacting the Company favourably. Overall, the Goods and Services Tax (GST), demonetisation initiatives, & amendments to Consumer Protection Act, implemented by the Government of India have had a positive impact on the organised retail sector.

Repealing/scrapping of redundant acts, & ongoing update of various regulations (especially Policies with respect to E-Commerce) is promising towards ease of doing business. 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. Deep discounting across online and offline channels continues to disrupt the market. With a number of new entrants and global retailers arriving, the quality of retail space may be an impediment to growth.

In recent years, affordable luxury and value-based fashion have gained considerable ground. Several iconic brands have introduced sister brands that offer more value for a similar product at a lesser price point. Of late, athleisure segment that combines sport and comfort has also seen rise in popularity. Further, aspirational consumer groups, particularly middle class and urban youth, drive the demand for 'fast fashion'. New-age Indian consumers have evolved from traditional mindset of product-based shopping to experience-led shopping. Departmental models have thus taken shape and are proving to be value-accretive propositions for players in the field. Technology has emerged as a key differentiator among participants in the industry, bringing customers closer to brands.

Risk mitigation

The Company has constituted a Risk Management Committee as a measure of good governance. The Committee 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:

- Improving supply chain technology, brand management (with partner brands), promotions and customer loyalty programs, and customer service
- Introducing high-definition stores
- Deploying dedicated teams to capture trends/moods/aspirations 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 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.

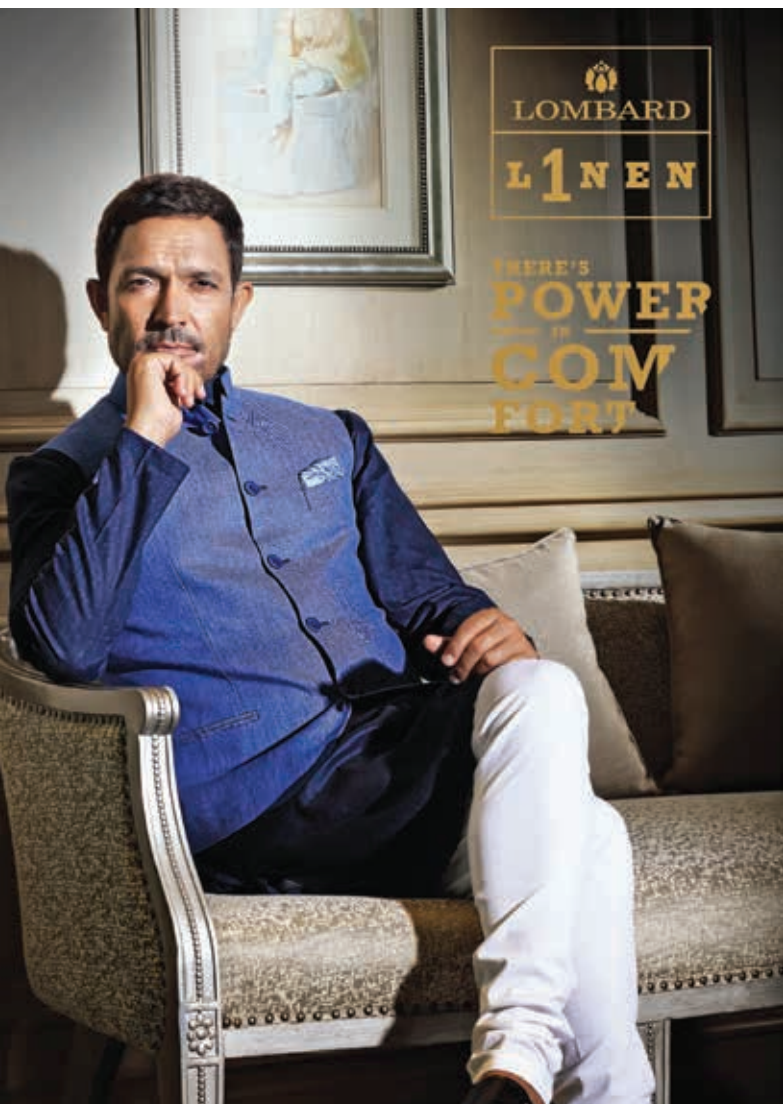
Human resources

Our people are at the heart of how we do business. It is their talent and skills that will take us to the next level. We continue to invest in building best-in-class fashion teams. We focus on creating a workplace that fosters thought leadership, innovation and a culture of involvement, participation and transparency. We strive to provide employees opportunities to collaborate, learn and grow within the organization.



A structured talent acquisition process through a behavioural assessment for mid-level and above is implemented, wherein certain benchmarks are defined for key parameters, with proper monitoring, leading to a structured appraisal process.

The HR department of FLF follows a nine-grid Model Matrix for the assessment of employees across all levels. As an outcome of the model, we have introduced the Leadership Academy as a part of Leadership Development Program wherein we have selected employees with high potential and high performance. They are mentored by the top management to complete various projects as part of succession planning. A succession plan for identified talent in commercial and finance team is also rolled out under program named Extended Finance Leadership Team.



FLF ensures continuous skill and competence upgradation by providing equal and non-discriminatory learning opportunities to all. Our talent development team has been instrumental in creating a culture of learning in the organization. Group level guidance and customized growth plans with regards to overall development has helped establish a robust retention scheme. A 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. The concept of Atithee Devo Bhav is imbibed in the people through various connect sessions at the stores. There are various customised online training modules designed for constant knowledge & skill upgradation of the employees.

At FLF we believe that engaged employees contribute more effectively and optimally towards organizational growth. Thus it is our constant endeavour to provide opportunities to engage employees and create a positive workplace environment and conduct various engagement initiatives in this regard.

Additionally, as an organisation we have started our journey to be driven by technology and data that would help us take real-time decisions and make our execution extremely agile. With this belief in mind we have worked towards getting HR as the first function to start operating real-time. To enable this, we have moved to a forward looking, agile and data driven Human Resource Management System called Future360.

This system is a mobile-first-system and uses Artificial Intelligence and Machine Learning to cater to all human resource needs. It helps take away a lot of negative labour from our day to day chores and brings all HR transactions on one platform and with an effortless user interface. Future360 brings together HR transactions, Recruitment, Learning and Development and Collaboration through a chat application, all at one place and on a real-time basis.

With over 12,601 employees (FLF Standalone employee no. is 11,498), the Company believes investing in the most treasured capital in an organisation – the people.

Financial performance

Income statement (₹ Crore)		Standalone			Consolidated		
Particulars	FY 18	FY 19	Y-o-Y Growth (%)	FY 18	FY 19	Y-o-Y Growth (%)	
Revenue from operations	4,219	5,377	27.5%	4,498	5,728	27.3%	
Cost of goods sold	2,651	3,459	30.5%	2,847	3,689	29.6%	
Gross profit	1,568	1,918	22.3%	1,651	2,039	23.5%	
Gross margin %	37.2%	35.7%		36.7%	35.6%		
Employee benefits expense	243	297	22.1%	265	331	24.9%	
Rent including lease rental	451	546	21.3%	453	550	21.4%	
Other expenditures	508	614	20.7%	520	632	21.5%	
Total expenditure	1,202	1,457	21.2%	1,238	1,513	22.2%	
Other Income	33	39	15.9%	34	38	12.4%	
EBITDA	400	500	25.2%	448	564	26%	
EBITDA margin%	9.5%	9.3%		10%	9.8%		
Depreciation	149	197	31.7%	154	207	34.6%	
EBIT	250	303	21.3%	294	357	21.5%	
Finance costs	95	104	10.2%	108	117	7.9%	
PBT	156	199	28.0%	186	240	29.4%	
Tax expense	45	54	19.3%	59	47	20.6%	
Share in Net Loss of Associates and JVs				1	5	394.8%	
Net profit	110	145	31.5%	126	189	49.9%	

Key ratios

Creditors Turnover

115

Debtors Turnover

25

Inventory Turnover

129

Interest Coverage Ratio

5.26

Current Ratio

1.20

Debt Equity Ratio

0.42

Gross Margin

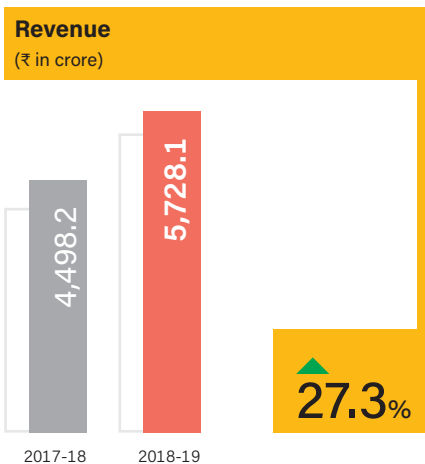
35.6%

Net Profit Margin

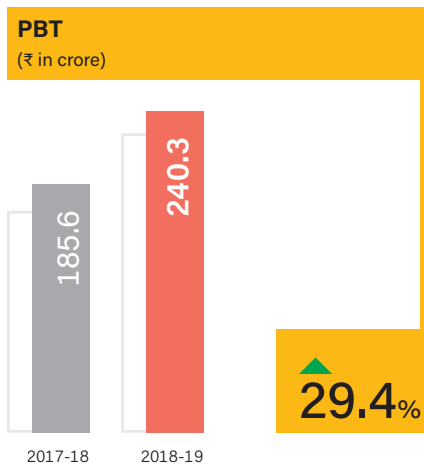
4.2%

Return on Net Worth

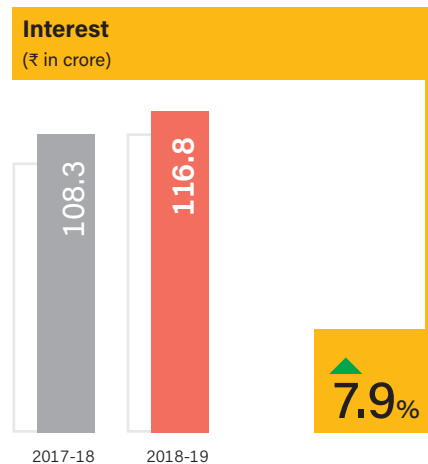
14.4%



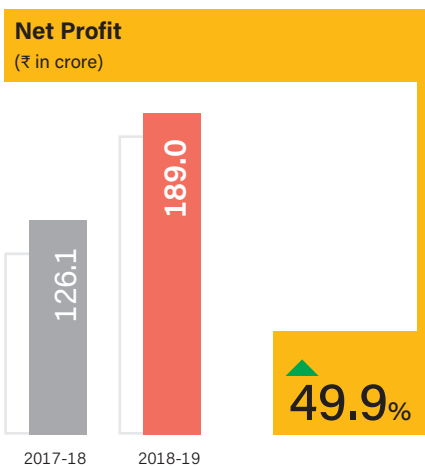
During the year, FLF delivered revenue from operations of ₹ 5,728 crore, a 27.3% increase from the previous fiscal's ₹ 4,498 crore. Strong revenue growth was on the back consistent same store sales growth coupled with expansion in Central and Brand Factory. Robust performance by own brands have also aided in stellar revenue growth.



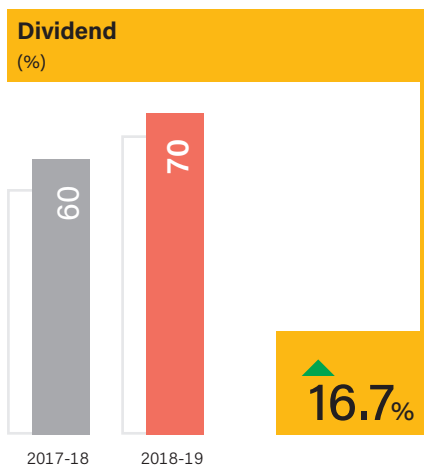
The consolidated profit before tax stood at ₹ 240 crore. It has increased from the previous financial year, - owing to the operating leverage in own store and prudence in cost management.



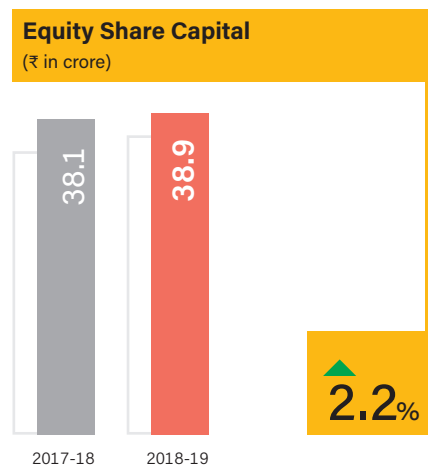
The finance costs increased marginally compared previous fiscal due strong fiscal budget management and capital allocation coupled with lower interest cost financial products.



The net profit for the period stood at ₹ 189 crore, a ~50% increase from previous fiscal, driven by strong operating profit growth across formats and lower cost of interest.



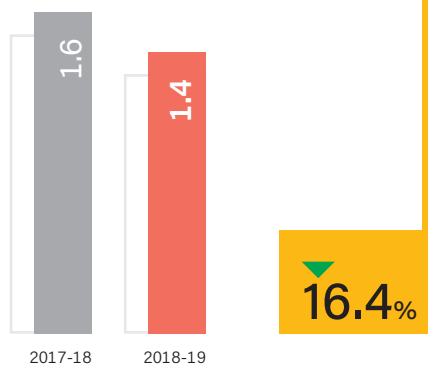
The Board of Directors have recommended a dividend of ₹ 1.40 per equity shares of face value ₹ 2.



The equity share capital has increased by ~0.8 crore due to subscription of the Company's equity shares by L Catterton a global private equity firm as part of the 9.99% stake it has picked up in FLF.

Net Debt to EBITDA

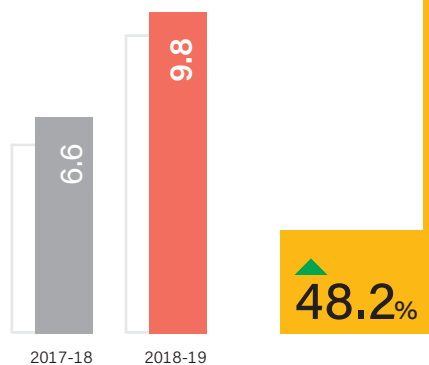
(in times)



Net debt-to-EBITDA ratio has come down to 1.4 from 1.6 in the previous fiscal. Net debt increased by 5.4% while EBITDA increased by 26.0%, leading to fall in the ratio.

Basic EPS

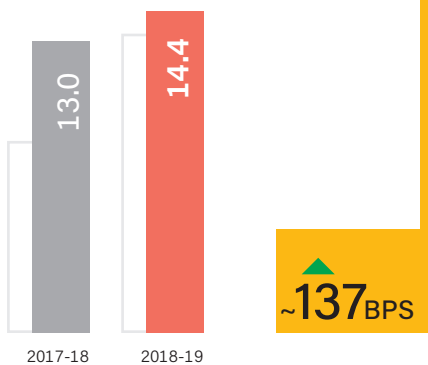
(₹)



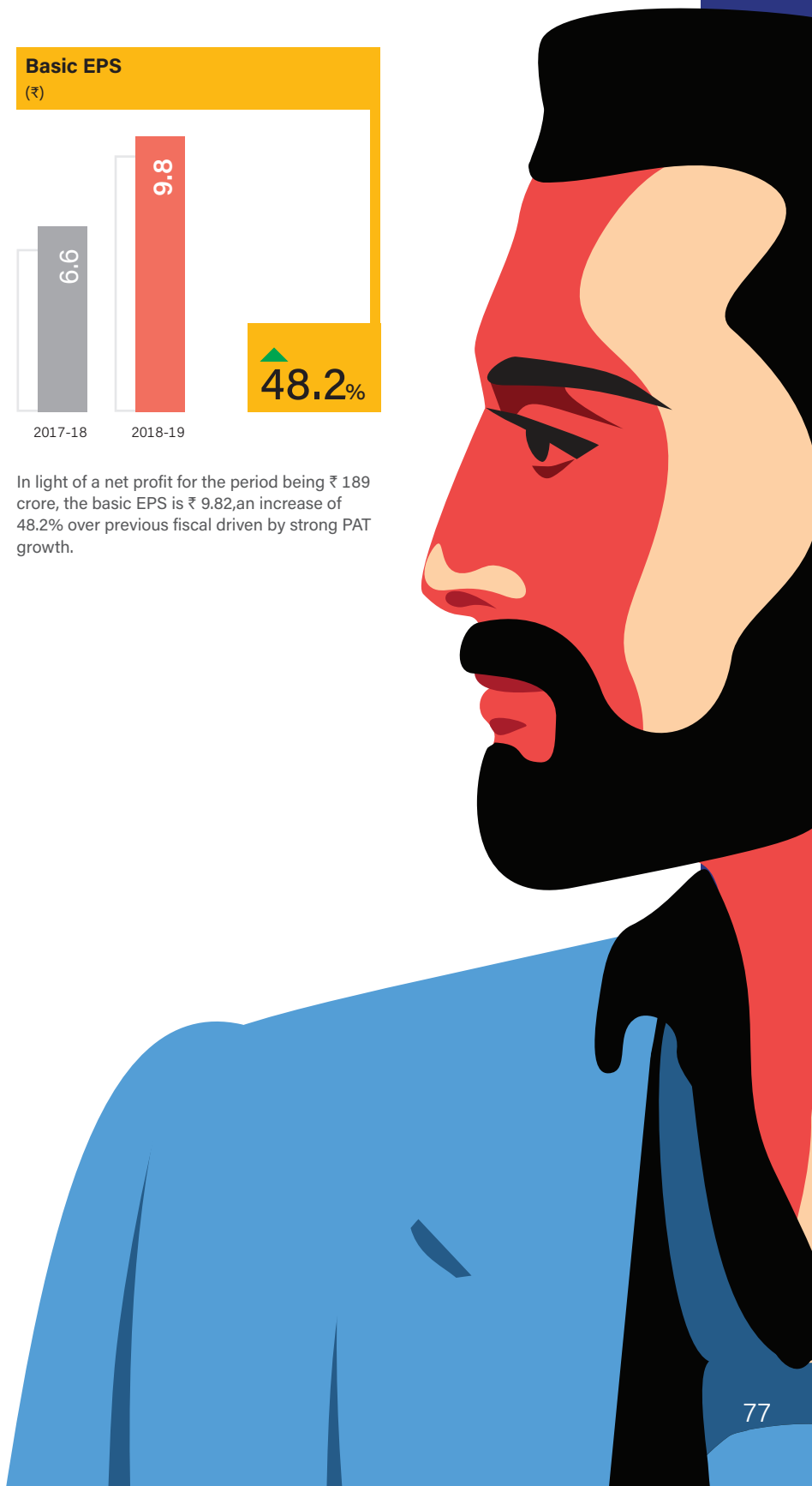
In light of a net profit for the period being ₹ 189 crore, the basic EPS is ₹ 9.82, an increase of 48.2% over previous fiscal driven by strong PAT growth.

Return on Net worth

(%)



Return on net worth increased by ~137 BPS due to growth in net profit by ~50%.



Board's Report

Dear Members,

Your Directors present the Seventh Annual Report of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2019.

Financial Performance

The financial performance of the Company is as follows:

Particulars	Consolidated		Standalone	
	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2018-19	Financial Year 2017-18
Revenue from Operations	5,728.12	4,498.22	5,377.41	4,219.15
Other Income	38.31	34.10	38.60	33.30
Total Revenue	5,766.43	4,532.32	5,416.01	4,252.45
Profit before Depreciation and Amortisation expense, Finance Costs and Tax expense	564.19	447.79	500.13	399.62
Less: Depreciation and Amortisation expense	207.10	153.89	196.65	149.33
Less: Finance Costs	116.82	108.26	104.38	94.72
Profit before Tax	240.27	185.64	199.10	155.57
Less: Tax expense	46.52	58.59	53.73	45.06
Profit after Tax	193.75	127.05	145.37	110.51
Share of Loss in Associates and Joint Ventures (Net)	4.75	0.96		
Non-controlling interests	0.01	0.01		
Other Comprehensive Income	1.23	2.54	1.16	2.54
Total Comprehensive Income	190.22	128.62	146.53	113.05
Balance brought forward from previous year	413.65	303.35	477.75	383.02
Surplus available for appropriation	603.87	431.97	624.28	496.07
Transfer to Debenture Redemption Reserve	50.00	-	50.00	-
Dividend paid on Equity Shares	23.33	15.22	23.33	15.22
Dividend Distribution Tax	4.80	3.10	4.80	3.10
Balance carried forward	525.74	413.65	546.15	477.75

(₹ in crore)

Review of Performance

During the year under review, your Company has recorded an increase of 27.34% in Consolidated Revenue from operations at ₹5,728.12 crore as compared to ₹4,498.22 crore in the previous financial year. Your Company reported an increase of 52.50% in the Consolidated Profit after Tax of ₹193.75 crore for the year under review as compared to ₹127.05 crore for the previous financial year.

During the year under review, your Company on standalone basis recorded an increase of 27.45% in Revenue from operations at ₹5,377.41 crore as compared to ₹4,219.15 crore in the previous financial year and an increase of 31.54% in the Profit after Tax of ₹145.37 crore for the year under review as compared to ₹110.51 crore for the previous financial year.

Review of Operations

During the year under review, your Company's high definition fashion retail format 'Central' and off price branded fashion retail format 'Brand Factory,' have performed very well and growth in business of these two formats have been very strong.

Your Company's power brands viz. Lee Cooper, Scullers, Indigo Nation, John Miller, BARE casuals, aLL and Jealous 21 are continuing to drive the growth of the fashion business of the

Company. Lee Cooper positioned in India as an aspirational Mid-Premium brand focused at young Men, Women and Kids and having strong presence in both Apparel and Footwear categories and providing a distinct competitive edge to the brand and a strong recall among consumers.

The Company's retail network includes 44 Central stores (40 stores in the previous year), 93 Brand Factory stores (63 store in the previous year) and 202 Exclusive Brand Outlets (EBOs) (229 EBOs in the previous year), which are spread in more than 90 cities across the country. This retail network covers over 6.76 million sq. ft. of retail space and collectively attracted over 66.20 million customer footfalls during the year under review. This retail network is backed by strong sourcing network, in house trend spotting and design teams, coupled with robust logistics, warehousing network.

Your Company with the support of Future Group's Consumer and Digital Lab (C&D Lab) and new initiative "Tathastu - Building a limitless future", would ensure better customer satisfaction together with increased penetration with the targeted customers and products range.

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

The Board has recommended a dividend of ₹1.40 (70%) per Equity Share of ₹2.00 each for the financial year ended March 31, 2019, subject to the approval of the Members of the Company at the forthcoming Annual General Meeting (AGM).

The Dividend, if approved by the Members would entail an outflow of ₹32.84 crore (including Dividend Distribution Tax of ₹5.60 crore) for the financial year 2018-19 as compared to ₹28.13 crore (including Dividend Distribution Tax of ₹4.80 crore) for the financial year 2017-18. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

Transfer to General Reserves

The Board has decided not to transfer any amount 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

Credit Rating

Your Company has obtained ratings from CRISIL Limited (CRISIL) and Credit Analysis & Research Limited (CARE). During the year under review, CRISIL and CARE have reaffirmed their ratings to the Company's long term credit facility, short term credit facility, commercial papers and Non-Convertible Debentures.

For more details, please refer to the Corporate Governance Report, which forms part of this Annual Report.

Issue of Equity Shares

Allotment under Employee Stock Options Schemes

During the year under review, an aggregate of 3,31,776 Equity Shares of ₹2 each have been allotted to the eligible employees of the Company upon exercise of vested Stock Options in terms of FLFL Employees' Stock Option Scheme - 2013 (FLFL ESOS-2013) and FLFL Employees' Stock Option Plan - 2015 (FLFL ESOP-2015).

Preferential Allotment

During the year under review, pursuant to the approval of the Members of the Company at their Extraordinary General Meeting held on June 14, 2018, the Company has allotted 38,22,464 Equity Shares of ₹2 each to Spectacular Investments Pte Limited at a price of ₹445.50 per Equity Share for an aggregate amount of ₹170.29 crore, by way of preferential allotment on June 21, 2018.

Consequent to the above allotments, the paid-up Equity Share Capital of the Company as at March 31, 2019 was ₹38,91,36,154/- divided into 19,45,68,077 Equity Shares of ₹2 each, fully paid-up.

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

Debentures

During the year under review, the Company has made timely payment of interest in respect to 3,500 8.70% Senior, Secured, Listed, Rated, Redeemable Non-Convertible Debentures of face value of ₹10.00 lakh each.

Significant Events occurred during the year

Investment in Koovs plc

During the year under review, your Company has subscribed 5,78,76,600 new Ordinary Shares of Koovs plc at a price of £0.10 per Ordinary Share.

Koovs plc is a public company, incorporated in England and listed on Alternative Investment Market of London Stock Exchange. Koovs plc is engaged in the e-commerce fashion business. This investment would enable the Company to access design capabilities of Koovs plc as well as online e-commerce platform to gain online presence of its fashion brands.

It would also help to build an offline presence of apparels brands of the Koovs plc and enhance equity value of the aforesaid investment through enhanced distribution, reduction in sourcing and logistic costs, etc.

Your Company holds 16.25% of Ordinary Share Capital of Koovs plc as on March 31, 2019.

Investment in Joint Ventures

During the year under review, your Company in joint venture with Travel Retail Services Private Limited, has incorporated the following Special Purpose Vehicles (SPVs) as Subsidiary Companies on May 30, 2018, in the ratio of 51:49, to develop, market, setup, operate, maintain and manage the retail outlets / space at airports located at Goa, Bhubaneswar, Lucknow and Guwahati:

FLFL Travel Retail West Private Limited
FLFL Travel Retail Lucknow Private Limited
FLFL Travel Retail Guwahati Private Limited
FLFL Travel Retail Bhubaneswar Private Limited

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:

- in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed;
- 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 profit of the Company for that period;

Board's Report

- 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.

Directors and Key Managerial Personnel

Mr. Rakesh Biyani and Ms. Avni Biyani, retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-appointment.

During the year under review, Mr. Ravinder Singh Thakran was appointed as an Additional Director by the Board with effect from May 21, 2018. Subsequently, based on the recommendation of the Nomination and Remuneration Committee and the Board, the Members of the Company at their Annual General Meeting held on August 29, 2018 have appointed Mr. Ravinder Singh Thakran as Director of the Company.

The Board, based on the nomination by Mr. Thakran and recommendation by the Nomination and Remuneration Committee, has appointed Mr. Narayan Ramachandran as an Alternate Director to Mr. Thakran with effect from August 07, 2018.

Mr. Shailesh Haribhakti and Dr. Darlie Koshy were appointed as Independent Directors on the Board of the Company for a period of five years with effect from August 08, 2014. The first tenure of Mr. Shailesh Haribhakti and Dr. Darlie Koshy as Independent Directors would come to an end on August 07, 2019.

The Board, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board, have unanimously re-appointed Mr. Shailesh Haribhakti and Dr. Darlie Koshy as Independent Directors of the Company for the second term of five consecutive years with effect from August 08, 2019, subject to the approval of the Members of the Company.

Mr. Kishore Biyani was appointed as the Managing Director of the Company for a period of three years with effect from June 25, 2016. Accordingly, the present tenure of Mr. Kishore Biyani as the Managing Director of the Company would come to an end on June 24, 2019.

The Board, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board, have unanimously re-appointed Mr. Kishore Biyani as the Managing Director of the Company for the period of five

years with effect from June 25, 2019, subject to the approval of the Members of the Company.

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. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The necessary resolutions for re-appointment of Mr. Shailesh Haribhakti, Dr. Darlie Koshy and Mr. Kishore Biyani, are being placed before the Members for their approval at the forthcoming AGM.

Additional information on appointment/re-appointment of directors as required under regulation 36 of the Listing Regulations is given in the Notice convening the forthcoming AGM.

Number of Meetings of the Board

During the year under review, six meetings of the Board of Directors of the Company were held. The details of dates of Board meetings and attendance of Directors, are given in the Corporate Governance Report, which forms part of this Annual Report.

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 inter-alia carrying on fashion retail business of the Brand 'Lee Cooper'. FSRL is continuously striving towards its vision of being in the top three Jeans wear brands in the country by leveraging the proposition of its vital spark – Denim and creating a repository of innovation and design every year. The brand's strategic approach to focus on social media and digital promotions has garnered the right targeted visibility. Its public relation efforts is widening its reach to millennial and Generation Z.

During the year under review, FSRL has secured a long-term footwear license for the agreed territory including India, Nepal and Bhutan. This license along with the existing apparel license has enabled FSRL to expand its offering across multiple opportunities for all consumers spanning men, women and kids.

Over the years, Brand "Lee Cooper" has rapidly expanded and has increased its footprint to 796 doors with 1528 Point of Sales (POS) and presence in more than 200 cities. FSRL also piloted Lee Cooper exclusive brand outlets with complete brand offerings and the results are encouraging.

FLFL Business Services Limited (FBSL)

FBSL is engaged in the business of providing services to fashion retail business. Presently, your Company holds 100.00% of the paid-up equity capital of FBSL.

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.

Associate Company**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, Spunk, celio*, Holii, Tresmode, Giovani, 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. The Brand "CLARKS" 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. Showcasing collections oriented to the different moments of a man's life, Celio captures effortless style for men. Presently, FLBL, an associate company of the Company holds 2.09% of the paid-up equity capital of Celio.

Consolidated Financial Statements

As on March 31, 2019, the Company has six direct subsidiaries, one step down subsidiary and one associate company.

During the year under review, the Board has reviewed the affairs of the subsidiaries. The Consolidated Financial Statements of the Company and its subsidiaries and associate 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 and associates as on March 31, 2019 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. 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 AGM.

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.

Audit Committee

The details of composition of the Audit Committee as required under the provisions of section 177 of the Act and Listing Regulations are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

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

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 AGM of the Company held on August 29, 2017 until the conclusion of the Tenth AGM 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.

The Auditors' Report on the Financial Statements of the Company for the financial year ended March 31, 2019 is issued with unmodified opinion.

Board's Report

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 financial year 2018-19, as required under section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2018-19 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.

Business Responsibility Report

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

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.

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 for the performance of Executive / Non-Executive / Independent Directors, Committees and the Board as a whole 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 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 were 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 May 01, 2019, 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.

The Independent Directors were satisfied with the overall functioning of the Board, its various Committees and with the performance of other Non-Independent Directors. They also appreciated the exemplary leadership role of the Chairperson of the Board, in upholding the highest values and standards of corporate governance.

The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management.

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

Corporate Social Responsibility (CSR)

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

The 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.

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).

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

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, 2019.

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.

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.

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 AGM.

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

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.

Disclosure Requirements

- Details of familiarisation programs imparted to Independent Directors are available on the website of the Company at the link https://www.futurelifestyle.in/Admin/pdf/Details_Familiarization_Programs_Imparted_to_Independent_Directors_2018-19.pdf
- 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
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link https://www.futurelifestyle.in/Admin/pdf/Policy_for_Determining_Materiality_of_Events.pdf
- Policy for archival of documents of the Company is available on the website of the Company at the link https://www.futurelifestyle.in/Admin/pdf/Archival_Policy.pdf
- The code of conduct for Directors and senior management of the Company is available on the website of the Company at the link https://www.futurelifestyle.in/Admin/pdf/FLFL_Code_of_Conduct_of_Directors_and_Senior_Management.pdf
- 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
- 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 applicable for the business activities carried out by the Company.
- There are no material changes affecting the financial position of the Company, subsequent to the end of the financial year 2018-19 till the date of this Report.
- There has been no change in the nature of business of the Company.

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

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 through various training, awareness and practices and to create an environment that is free from any discrimination and sexual harassment.

Board's Report

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and 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 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.

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 are provided in the note no. 38 in Notes forming part of the Financial Statements, which forms part of this Annual Report.

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. 34 in the Notes forming part of the Financial Statements.

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.

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, there were no outstanding amount of unclaimed dividends which was liable to transfer to the IEPF.

The details of unclaimed dividends / entitlements, liable to be transferred to IEPF are as under:

Particulars	Date of declaration	Last date for claiming due amount
Fractional share entitlement	January 15, 2014	February 20, 2021
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 03, 2025

Extract of Annual Return

In accordance with section 134(3)(a) of the Act, an extract of annual return in the prescribed Form MGT-9 is given in **Annexure H**, which forms part of this Report. The copy of the draft Annual Return is also available on the Company's website at www.futurelifestyle.in

Awards and Recognition

During the year under review, the Company's retail formats/brands have been conferred the following awards and recognition:

Brand Factory

- Brand Factory's #MadeForMumbai Campaign by Ideate Labs - Special Mention at vIDEA 2019 - Video Content in a Social Media Marketing Campaign
- 'Silver (Grand Prix AWARD) - Social Media Brand of the Year' in ACEF Global Customer Engagement Award.
- GOLD for its 'Free Shopping Week' at Digixx 2019.
- Global Awards for Retail Excellence at ET Now for Best Use of Social Media for 'Free Shopping Week'

Central

- Central at Vasant Kunj, Delhi won Gold for 'Best Department Store' at VM&RD Retail Design award 2019.
- 'Best Brand Activation Retail' at The Activation Venues Forum (TAVF) 2018.

aLL

- GOLD in Brand Equity's Kaleido Award, for the Best Campaign in Fashion, Beauty and Lifestyle category.

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 the Company's consistent growth and achievements.

For and on behalf of the Board of Directors

Mumbai
May 01, 2019

Shailesh Haribhakti
Chairperson

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.

Annexure B

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2019

[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
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, 2019 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, 2019 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; - (Not applicable to the Company during the Audit Period);
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Portfolio Investors and Portfolio Investment in overseas entity;
- vi. 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 (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period); and
- i. 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 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, Guidelines, Standards, as mentioned above. The Company has filed all requisite forms and returns under the Act within the prescribed time except three forms which were filed with requisite additional fee, as prescribed under the Act.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the 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 meetings other than those 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.

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.

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**
Practising Company Secretary

Sanjay Dholakia
Proprietor

Place : Mumbai
Date : May 01, 2019

Membership No. 2655 /CP No. 1798

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.

1. 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.
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 secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. 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.
6. 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**
Practising Company Secretary

Sanjay Dholakia
Proprietor

Place : Mumbai
Date : May 01, 2019

Membership No. 2655 /CP No. 1798

Annexure C

Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>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.</p> <p>CSR Policy of the Company is available on the website of the Company at the link:</p> <p>https://www.futurelifestyle.in/Admin/pdf/FLFL_CSR_Policy.pdf</p>
2. The Composition of the CSR Committee.	<p>Mr. Kishore Biyani – Managing Director (Chairperson)</p> <p>Dr. Darlie Koshy – Independent Director</p> <p>Ms. Sharda Agarwal – Independent Director</p> <p>Mr. C. P. Toshniwal – Non-Executive Director</p>
3. Average net profit of the Company for last three financial years.	₹107.41 crore
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹2.15 crore
5. Details of CSR spent during the financial year 2018 -19:	
a. Total amount to be spent for the financial year 2018-19	₹2.25 crore (including unspent amount of ₹0.10 crore for the previous financial year).
b. Amount unspent, if any	Nil
c. Manner in which the amount spent during the financial year in detailed below:	

(₹ in crore)							
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency
a.	Program 'Odha do Zindagi' undertaken by 'Goonj'\$	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	State: Jammu & Kashmir	1.97	1.97	1.97	Implementing agency [#]
b.	Extended support to youth undergoing training through 'Magic Bus India Foundation'\$	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	District: New Delhi Union Territory: Delhi	0.00*	0.00*	0.00*	Implementing agency [#]
c.	Creating access to basic goods for the Bhotia tribe under project undertaken by 'Seva Sahayog Foundation'\$	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	District: Chamoli, Uttarakhand	0.03	0.03	0.03	Implementing agency [#]
d.	Promoting education amongst children through 'Friends of Tribal Society'\$	Promoting Education (Activity No. (ii) of Schedule VII of the Act)	PAN India basis	0.01	0.01	0.01	Implementing agency [#]

(₹ in crore)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency [#]
e.	Construction of School building with better facility undertaken by 'Gram Vikas Shikshan Mandal'\$	Promoting Education (Activity No. (ii) of Schedule VII of the Act)	District: Kolhapur, State: Maharashtra	0.10	0.10	0.10	Implementing agency [#]
f.	Palliative care of cancer patients undertaken by 'Parmarth Seva Samiti'\$	Promoting healthcare (Activity No. (i) of Schedule VII of the Act)	District: Mumbai, State: Maharashtra	0.04	0.04	0.04	Implementing agency [#]
g.	Eye check-up camps organised by 'Bansilal Kishnidevi Biyani Charitable Trust'\$	Promoting healthcare (Activity No. (i) of Schedule VII of the Act)	District: Nagour, State: Rajasthan	0.05	0.05	0.05	Implementing agency [#]
h.	Eye and health check-up camps organised by Bhajandas Bhajaj Foundation / 'Eyebetes Foundation'\$	Promoting healthcare (Activity No. (i) of Schedule VII of the Act)	District: Mumbai, State: Maharashtra	0.05	0.05	0.05	Implementing agency [#]

Notes:

Overheads: NIL

\$ Not for profit Organisation

* Represent ₹14,000/-.

Sone Ki Chidiya Foundation ('SKC Foundation') has been set up inter-alia with objectives of undertaking the projects and activities for the benefits of various sections of the Society within India, supporting economically challenged people to meet their social needs and corporate social responsibility activities as defined under Schedule VII to the Act, as amended from time to time. In order to attain the above objective, SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company contributes its CSR spent to SKC Foundation, which in-turn spends through various eligible implementation partners, which undertakes projects, in line with the activities identified by the CSR Committee.

The Company is committed to continually explore new avenues or areas which align to its CSR objectives and create maximum impact and incrementally invest in CSR activities to spend the prescribed amount in the subsequent years.

There was no unspent amount for the financial year 2018-19. The unspent amount of ₹0.10 crore for the financial year 2017-18 has been spent in the year under review for the projects identified by the CSR Committee.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Mumbai
May 01, 2019

Kishore Biyani
Chairperson of Corporate Social Responsibility Committee

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, 2019

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. 37 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. 37 in Notes forming part of the Standalone Financial Statements.	
C.	Description and general terms and conditions of ESOSs		
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
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, 2019		
	Number of Options outstanding at the beginning of the year	1,75,824	16,87,768
	Number of Options granted during the year	Nil	Nil
	Number of Options forfeited / lapsed during the year	-	-
	Number of Options vested during the year	-	6,17,942
	Number of Options exercised during the year	41,232	2,90,544
	Number of shares arising as a result of exercise of Options	41,232	2,90,544
	Money realised by exercise of Options, if scheme is implemented directly by the Company	₹4,12,320/-	₹63,51,190/-
	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	1,34,592	13,97,224
	Number of Options exercisable at the end of the year	1,34,592	3,81,724

D. Weighted average Fair Value / Exercise Price of Options granted during the financial year ended on March 31, 2019

Particulars	Fair Value	Exercise Price
(i) Price equals market price	N.A.	N.A.
(ii) Price is greater than market price	N.A.	N.A.
(iii) Price is less than market price	N.A.	N.A.

E. Employee-wise details of Options granted during the financial year ended on March 31, 2019

Particulars	Name of Employee	No. of Options
(i) Senior managerial personnel / Key managerial personnel	N.A.	None
(ii) Employees who were granted, during any one year, Options amounting to five percent or more of the Options granted during the year	N.A.	None
(iii) Identified employees who were granted Options, during any one year equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants	N.A.	None

F. Method and significant assumptions used to estimate the fair value of Options granted during the financial year ended March 31, 2019

N.A.

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:

I. General Information of Trust		
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	Nil	
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	
II. Brief details of transactions in Shares by the Trust	None	
III. In case of secondary acquisition of Shares by the Trust	N.A.	

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 2018-19 are as under:

Name and Designation	Increase in Remuneration (%)	Ratio of remuneration of each Director to MRE
Managing Director:		
Mr. Kishore Biyani	35.03	209.00
Independent Directors:		
Mr. Shailesh Haribhakti	Nil	18.95
Dr. Darlie Koshy	Nil	18.95
Ms. Sharda Agarwal	Nil	18.95
Mr. Bijou Kurien	Nil	18.95
Non-Executive Director:		
Mr. Ravinder Singh Thakran*	Nil	Nil
Mr. Narayan Ramachandran*	Nil	Nil
Mr. Rakesh Biyani	Nil	Nil
Mr. C. P. Toshniwal	Nil	Nil
Ms. Avni Biyani	Nil	Nil
Key Managerial Personnel:		
Mr. Kaleeswaran Arunachalam, Chief Financial Officer	20.40	N.A.
Mr. Sanjay Kumar Mutha, Company Secretary	20.31	N.A.

Note:

- * Voluntarily waived to receive the sitting fees and commission.
 - The Remuneration to Non-Executive Directors include commission payable for FY 2018-19 and does not include sitting fees paid during the FY 2018-19.
 - Remuneration is excluding of perquisite on Employee Stock Options (ESOPs) exercised during the year under review.
- II. The increase in MRE in the financial year 2018-19, as compared to the financial year 2017-18 was 4.35%;
- III. There were 11,498 permanent employees on the rolls of the Company as on March 31, 2019;
- IV. Average percentage increase in the salaries of employees other than the managerial personnel for the financial year 2018-19 was in the range of 4% to 12%. There was an increase of 35.03% 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
May 01, 2019

Shailesh Haribhakti
Chairperson

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, 2019, 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, 2019 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
Future Enterprises Limited (FEL) (Related party)	The Company entered into transactions including procurement of apparel and other products and services with FEL in the ordinary course of business.	FY 2018-19	Maximum value of the contracts / arrangements / transactions was ₹700 crore.	Necessary approvals of the Board and Shareholders have been obtained on May 18, 2018 and August 29, 2018, respectively.	N.A.

For and on behalf of the Board of Directors

Mumbai
May 01, 2019

Shailesh Haribhakti
Chairperson

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:

(A) Conservation of Energy:

(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

Nil

(B) Technology absorption:

(i) the efforts made towards technology absorption	The Company continues to adopt and use the latest technology to improve the services and products with the help of Future Group's consumer and digital (C&D) Lab, which deals in the consumer and digital space to bring in next generation innovations using Artificial Intelligence, Big Data Analytics, Blockchains, Internet of Things, robotics and allied technologies.
(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)

N.A.

(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 2018-19	Financial Year 2017-18
Foreign Exchange Earnings*	54.55	39.80
Foreign Exchange Outgo	111.64	72.69

* Included ₹54.47 crore (2017-18: ₹36.17 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

Mumbai
May 01, 2019

Shailesh Haribhakti
Chairperson

Annexure H

FORM MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2019

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. Registration and Other Details

i. CIN	L52100MH2012PLC231654
ii. Registration Date	May 30, 2012
iii. Name of the Company	Future Lifestyle Fashions Limited
iv. Category / Sub-Category of the Company	Public Company / Limited by shares
v. Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060. Tel No: +91 22 6644 2200 Fax No: +91 22 6644 2201 E-mail id: investorrelations@futurelifestyle.in Website: www.futurelifestyle.in
vi. Whether listed company Yes / No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel No : +91 22 4918 6270 Fax No: +91 22 4918 6060 E-mail id: rent.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. Principal Business Activities of the Company

All the business activities contributing 10.00% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1	Footwear, Apparels and other fashion goods/accessories.	477	100.00%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the company	Address of the company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable section
1	Ryka Commercial Ventures Private Limited	5th Floor, Sobo Central, 28, P. T. Madan Mohan Malviya Road, Tardeo, Mumbai, Maharashtra, 400034	U74120MH2012PTC231350	Holding	52.25	2(46)
2	Future Trendz Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2016PLC285892	Subsidiary	100.00	2(87)
3	Future Speciality Retail Limited*	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2016PLC286295	Subsidiary	99.96	2(87)
4	FLFL Business Services Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2017PLC292998	Subsidiary	100.00	2(87)
5	FLFL Travel Retail West Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2018PTC310118	Subsidiary	51.00	2(87)
6	FLFL Travel Retail Lucknow Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2018PTC310115	Subsidiary	51.00	2(87)
7	FLFL Travel Retail Guwahati Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74994MH2018PTC310116	Subsidiary	51.00	2(87)
8	FLFL Travel Retail Bhubaneswar Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2018PTC310110	Subsidiary	51.00	2(87)
9	FLFL Lifestyle Brands Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2017PLC292590	Associate	49.02	2(6)

* Subsidiary of Future Trendz Limited

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	38,933	-	38,933	0.02	38,933	-	38,933	0.02	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	11,52,02,132	-	11,52,02,132	60.50	10,40,09,238	-	10,40,09,238	53.46	(7.04)
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	11,52,41,065	-	11,52,41,065	60.52	10,40,48,171	-	10,40,48,171	53.48	(7.04)
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	11,52,41,065	-	11,52,41,065	60.52	10,40,48,171	-	10,40,48,171	53.48	(7.04)
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds	1,09,92,725	-	1,09,92,725	5.77	1,04,03,058	-	1,04,03,058	5.35	(0.42)
(b)	Financial Institutions/ Banks	1,32,385	-	1,32,385	0.07	1,12,459	-	1,12,459	0.06	(0.01)
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	2,17,27,950	-	2,17,27,950	11.41	1,39,37,079	-	1,39,37,079	7.16	(4.25)
(e)	Insurance Companies	38,14,251	-	38,14,251	2.00	84,00,268	-	84,00,268	4.32	2.32
(f)	Foreign Institutional Investors	1,02,41,915	-	1,02,41,915	5.38	2,93,54,468	-	2,93,54,468	15.09	9.71
	Sub-Total (B)(1)	4,69,09,226	-	4,69,09,226	24.64	6,22,07,332	-	6,22,07,332	31.97	7.35
(2)	Non-Institutions									
(a)	Bodies Corporate	1,18,28,285	9,214	1,18,37,499	6.22	1,42,42,244	9,214	1,42,51,458	7.32	1.10
(b)	Individuals									-
	i. Individual shareholders holding nominal share capital up to ₹1 lakh	44,21,075	3,56,072	47,77,147	2.51	41,52,531	3,30,603	44,83,134	2.30	(0.21)
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,01,97,618	-	1,01,97,618	5.36	89,43,596	-	89,43,596	4.60	(0.76)
(c)	Any Other									-
	1. N R I	2,18,616	733	2,19,349	0.12	1,05,263	733	1,05,996	0.05	(0.07)
	2. Directors and Relatives	4,66,422	-	4,66,422	0.24	1,02,154	-	1,02,154	0.05	(0.19)
	3. Clearing Member	3,32,619	-	3,32,619	0.17	2,40,780	-	2,40,780	0.12	(0.05)
	4. Trust	467	-	467	-	334	-	334	-	-
	5. Foreign Nationals	33	-	33	-	33	-	33	-	-
	6. Hindu Undivided Family	4,32,070	322	4,32,392	0.23	1,84,767	322	1,85,089	0.10	(0.13)
	Sub-Total (B)(2)	2,78,97,205	3,66,341	2,82,63,546	14.84	2,79,71,702	3,40,872	2,83,12,574	14.55	(0.31)
	Total Public Shareholding (B)=(B)(1)+(B)(2)	7,48,06,431	3,66,341	7,51,72,772	39.48	9,01,79,034	3,40,872	9,05,19,906	46.52	7.04
	TOTAL (A)+(B)	19,00,47,496	3,66,341	19,04,13,837	100.00	19,42,27,205	3,40,872	19,45,68,077	100.00	-
(C)	Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	19,00,47,496	3,66,341	19,04,13,837	100.00	19,42,27,205	3,40,872	19,45,68,077	100.00	-

Board's Report

(ii) Shareholding of Promoters and Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in share holding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares pledged	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	No. of Shares pledged	% of Shares Pledged/encumbered to total shares	
1	Future Enterprises Limited*	-	-	-	-	-	-	-	-	-
2	Lifestyle Trust	-	-	-	-	-	-	-	-	-
3	Ryka Commercial Ventures Private Limited	10,46,47,747	54.96	1,23,20,655	6.47	10,16,64,765	52.25	2,20,21,528	11.32	(2.71)
4	Future Capital Investment Private Limited	2,197	-	-	-	2,197	-	-	-	-
5	Central Departmental Stores Private Limited	100	-	-	-	100	-	-	-	-
6	Future Ideas Company Limited	36,00,195	1.89	17,13,576	0.90	17,13,576	0.88	17,13,576	0.88	(1.01)
7	Future Corporate Resources Private Limited**	63,93,522	3.36	5,65,789	0.30	4,69,440	0.24	3,50,789	0.18	(3.12)
8	Surplus Finvest Private Limited	5,58,038	0.29	-	-	1,58,827	0.09	-	-	(0.20)
9	Akar Estate and Finance Private Limited	333	-	-	-	333	-	-	-	-
10	Retail Trust #	-	-	-	-	-	-	-	-	-
11	Consumer Goods Trust #	-	-	-	-	-	-	-	-	-
12	Infra Trust #	-	-	-	-	-	-	-	-	-
13	Ashni Biyani	16,770	0.01	-	-	16,770	0.01	-	-	-
14	Avni Biyani	19,499	0.01	-	-	19,499	0.01	-	-	-
15	Vivek Biyani	333	-	-	-	333	-	-	-	-
16	Sunil Biyani	333	-	-	-	333	-	-	-	-
17	Anil Biyani	333	-	-	-	333	-	-	-	-
18	Kishore Biyani	333	-	-	-	333	-	-	-	-
19	Gopikishan Biyani	333	-	-	-	333	-	-	-	-
20	Laxminarayan Biyani	333	-	-	-	333	-	-	-	-
21	Rakesh Biyani	333	-	-	-	333	-	-	-	-
22	Vijay Biyani	333	-	-	-	333	-	-	-	-
Total		11,52,41,065	60.52	1,46,00,020	7.67	10,40,48,171	53.48	2,40,85,893	12.38	(7.04)

* Formerly known as Future Retail Limited.

** Formerly known as Suhani Trading and Investment Consultants Private Limited

Included in the Promoters / PACs of the Company as per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the Promoters / PACs.

(iii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	11,52,41,065	60.52	11,52,41,065	60.52
May 21, 2018 - Decrease	(1,11,92,894)	(5.88)	10,40,48,171	54.64
At the end of the year	-	-	10,40,48,171	53.48

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Spectacular Investments Pte Limited				
	At the beginning of the year	-	-	-	-
	May 21, 2018 - Increase	1,55,81,743	8.18	1,55,81,743	8.18
	June 21, 2018 - Increase - Allotment	38,22,464	1.97	1,94,04,207	9.98
	At the end of the year			1,94,04,207	9.97
2	Life Insurance Corporation of India				
	At the beginning of the year	37,07,621	1.95	37,07,621	1.95
	April 06, 2018 - Increase	8,70,793	0.46	45,78,414	2.40
	April 13, 2018 - Increase	2,01,757	0.11	47,80,171	2.51
	June 01, 2018 - Increase	71,000	0.04	48,51,171	2.55
	June 08, 2018 - Increase	1,51,706	0.08	50,02,877	2.62
	June 15, 2018 - Increase	5,35,266	0.28	55,38,143	2.90
	June 22, 2018 - Increase	4,91,818	0.25	60,29,961	3.10
	June 30, 2018 - Increase	2,49,829	0.13	62,79,790	3.23
	September 21, 2018 - Increase	48,951	0.03	63,28,741	3.25
	September 29, 2018 - Increase	1,44,439	0.07	64,73,180	3.33
	January 18, 2019 - Increase	3,50,000	0.18	68,23,180	3.51
	January 25, 2019 - Increase	2,98,000	0.15	71,21,180	3.66
	February 15, 2019 - Increase	4,20,628	0.22	75,41,808	3.88
	February 22, 2019 - Increase	3,60,145	0.19	79,01,953	4.06
	March 01, 2019 - Increase	2,76,847	0.14	81,78,800	4.20
	March 08, 2019 - Increase	1,57,555	0.08	83,36,355	4.28
	March 15, 2019 - Increase	1,60,066	0.08	84,96,421	4.37
	At the end of the year			84,96,421	4.37
3	Bennett, Coleman and Company Limited				
	At the beginning of the year	45,62,748	2.40	45,62,748	2.40
	May 25, 2018 - Increase	34,02,022	1.79	79,64,770	4.18
	March 15, 2019 - Decrease	(5,000)	-	79,59,770	4.09
	At the end of the year			79,59,770	4.09
4	Pioneer Investment Fund				
	At the beginning of the year	1,55,27,950	8.15	1,55,27,950	8.15
	May 21, 2018 - Decrease	(77,90,871)	(4.09)	77,37,079	4.06
	At the end of the year			77,37,079	3.98
5	L&T Mutual Fund Trustee Limited - L and T India Value Fund				
	At the beginning of the year	76,19,297	4.00	76,19,297	4.00
	April 06, 2018 - Increase	25,000	0.01	76,44,297	4.01
	April 13, 2018 - Increase	1,24,554	0.07	77,68,851	4.08
	April 20, 2018 - Increase	70,000	0.04	78,38,851	4.12
	May 04, 2018 - Increase	5,000	-	78,43,851	4.12
	May 25, 2018 - Increase	15,000	0.01	78,58,851	4.13
	June 08, 2018 - Decrease	(2,00,000)	(0.10)	76,58,851	4.02
	August 31, 2018 - Increase	52,000	0.03	77,10,851	3.96
	September 21, 2018 - Decrease	(74,464)	(0.04)	76,36,387	3.93
	September 29, 2018 - Decrease	(28,971)	(0.01)	76,07,416	3.91
	October 05, 2018 - Increase	4,971	-	76,12,387	3.91
	November 16, 2018 - Increase	10,000	0.01	76,22,387	3.92
	November 23, 2018 - Increase	67,579	0.03	76,89,966	3.95
	November 30, 2018 - Increase	1,32,690	0.07	78,22,656	4.02
	December 07, 2018 - Increase	20,350	0.01	78,43,006	4.03
	December 14, 2018 - Increase	70,876	0.04	79,13,882	4.07
	December 21, 2018 - Increase	42,654	0.02	79,56,536	4.09
	December 28, 2018 - Increase	94,759	0.05	80,51,295	4.14
	January 18, 2019 - Decrease	(3,70,875)	(0.19)	76,80,420	3.95
	January 25, 2019 - Decrease	(1,40,796)	(0.07)	75,39,624	3.88
	February 01, 2019 - Increase	80,861	0.04	76,20,485	3.92
	February 08, 2019 - Increase	93,230	0.05	77,13,715	3.96

Board's Report

Sl. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	February 15, 2019 - Decrease	(3,24,865)	(0.17)	73,88,850	3.80
	February 22, 2019 - Decrease	(3,96,482)	(0.20)	69,92,368	3.59
	March 01, 2019 - Decrease	(2,42,778)	(0.12)	67,49,590	3.47
	March 29, 2019 - Increase	2,26,796	0.12	69,76,386	3.59
	At the end of the year			69,76,386	3.59
6	PI Opportunities Fund I				
	At the beginning of the year	62,00,000	3.26	62,00,000	3.26
	At the end of the year			62,00,000	3.19
7	TIMF Holdings				
	At the beginning of the year	51,04,291	2.68	51,04,291	2.68
	At the end of the year			51,04,291	2.62
8	Lata Bhanshali				
	At the beginning of the year	34,97,905	1.84	34,97,905	1.84
	May 25, 2018 - Decrease	(1,34,495)	(0.07)	33,63,410	1.77
	At the end of the year			33,63,410	1.73
9	IDFC Multi Cap Fund				
	At the beginning of the year	30,49,501	1.60	30,49,501	1.60
	April 06, 2018 - Decrease	(41,098)	(0.02)	30,08,403	1.58
	April 13, 2018 - Decrease	(14,177)	(0.01)	29,94,226	1.57
	April 27, 2018 - Increase	22,644	0.01	30,16,870	1.58
	May 04, 2018 - Increase	27,356	0.01	30,44,226	1.60
	May 11, 2018 - Increase	10,000	0.01	30,54,226	1.60
	May 25, 2018 - Increase	11,761	0.01	30,65,987	1.61
	June 01, 2018 - Increase	1,04,007	0.05	31,69,994	1.66
	June 15, 2018 - Increase	19,232	0.01	31,89,226	1.67
	June 30, 2018 - Increase	15,000	0.01	32,04,226	1.65
	July 27, 2018 - Increase	16,314	0.01	32,20,540	1.66
	August 03, 2018 - Increase	3,686	-	32,24,226	1.66
	August 24, 2018 - Increase	10,000	0.01	32,34,226	1.66
	September 21, 2018 - Increase	10,000	0.01	32,44,226	1.67
	October 19, 2018 - Increase	11,530	0.01	32,55,756	1.67
	October 26, 2018 - Increase	18,470	0.01	32,74,226	1.68
	November 09, 2018 - Increase	25,000	0.01	32,99,226	1.70
	November 16, 2018 - Increase	10,000	0.01	33,09,226	1.70
	November 23, 2018 - Increase	20,000	0.01	33,29,226	1.71
	December 07, 2018 - Increase	2,061	-	33,31,287	1.71
	December 14, 2018 - Increase	11,006	0.01	33,42,293	1.72
	December 21, 2018 - Increase	7,939	-	33,50,232	1.72
	December 28, 2018 - Increase	5,000	-	33,55,232	1.72
	December 31, 2018 - Increase	5,000	-	33,60,232	1.73
	January 04, 2019 - Increase	18,124	0.01	33,78,356	1.74
	January 11, 2019 - Increase	5,616	-	33,83,972	1.74
	January 18, 2019 - Increase	12,279	0.01	33,96,251	1.75
	March 15, 2019 - Increase	37,366	0.02	34,33,617	1.76
	March 22, 2019 - Decrease	(27,829)	(0.01)	34,05,788	1.75
	March 29, 2019 - Decrease	(1,04,333)	(0.05)	33,01,455	1.70
	At the end of the year			33,01,455	1.70
10	HSBC Global Investment Funds - Indian Equity				
	At the beginning of the year	21,41,418	1.12	21,41,418	1.12
	June 01, 2018 - Decrease	(64,002)	(0.03)	20,77,416	1.09
	June 08, 2018 - Decrease	(98,399)	(0.05)	19,79,017	1.04
	June 22, 2018 - Decrease	(2,08,313)	(0.11)	17,70,704	0.91
	August 31, 2018 - Decrease	(46,012)	(0.02)	17,24,692	0.89
	September 07, 2018 - Decrease	(23,376)	(0.01)	17,01,316	0.87
	At the end of the year			17,01,316	0.87

* Date wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions. Reasons for increase / decrease unless stated, may be trade / transfer.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Kishore Biyani - Managing Director				
	At the beginning of the year	333	-	333	-
	At the end of the year			333	-
2	Mr. C. P. Toshniwal - Non-Executive Director				
	At the beginning of the year	57,233	0.03	57,233	0.03
	October 31, 2018 - Increase - ESOP Allotment	36,232	0.02	93,465	0.05
	At the end of the year			93,465	0.05
3	Mr. Rakesh Biyani - Non-Executive Director				
	At the beginning of the year	333	-	333	-
	At the end of the year			333	-
4	Mr. Shailesh Haribhakti - Independent Director				
	At the beginning of the year	3,94,800	0.21	3,94,800	0.21
	August 17, 2018 - Decrease	(367)	-	3,94,433	0.20
	August 28, 2018 - Decrease	(50,689)	(0.03)	3,43,744	0.18
	August 31, 2018 - Decrease	(36,733)	(0.02)	3,07,011	0.16
	September 03, 2018 - Decrease	(32,400)	(0.02)	2,74,611	0.14
	September 04, 2018 - Decrease	(35,000)	(0.02)	2,39,611	0.12
	September 14, 2018 - Decrease	(13,537)	(0.01)	2,26,074	0.12
	September 18, 2018 - Decrease	(1,23,033)	(0.06)	1,03,041	0.05
	September 19, 2018 - Decrease	(5,000)	-	98,041	0.05
	October 01, 2018 - Decrease	(9,935)	(0.01)	88,106	0.05
	October 03, 2018 - Decrease	(1,954)	-	86,152	0.04
	October 12, 2018 - Decrease	(30,051)	(0.02)	56,101	0.03
	October 17, 2018 - Decrease	(244)	-	55,857	0.03
	December 12, 2018 - Decrease	(55,857)	(0.03)	Nil	Nil
	At the end of the year			Nil	Nil
5	Dr. Darlie Koshy - Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
6	Mr. Bijou Kurien - Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
7	Ms. Sharda Agarwal - Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
8	Ms. Avni Biyani-Non-Executive Director				
	At the beginning of the year	19,499	0.01	19,499	0.01
	At the end of the year			19,499	0.01
9	Mr. Ravinder Singh Thakran - Non-Executive Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
10	Mr. Narayan Ramachandran - Alternate Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
11	Mr. Kaleeswaran Arunachalam - Chief Financial Officer				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
12	Mr. Sanjay Kumar Mutha - Company Secretary				
	At the beginning of the year	2,845	-	2,845	-
	June 06, 2018 - Increase - ESOP Allotment	2,845	-	5,690	-
	October 31, 2018 - Increase - ESOP Allotment	2,500	-	8,190	-
	At the end of the year			8,190	-

* Date wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions.
Reasons for increase / decrease unless stated, may be trade / transfer.

Board's Report

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	722.50	-	-	722.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.13	-	-	12.13
Total (i+ii+iii)	734.63	-	-	734.63
Change in Indebtedness during the financial year				
i) Addition in principal amount	174.91	-	-	174.91
ii) Reduction in principal amount	(36.55)	-	-	(36.55)
Net Change	138.36	-	-	138.36
Indebtedness at the end of the financial year				
i) Principal Amount	860.86	-	-	860.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14.74	-	-	14.74
Total (i+ii+iii)	875.60	-	-	875.60

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Kishore Biyani Managing Director	Total Amount
(1)	Gross salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.38	2.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
(2)	Stock Option	-	-
(3)	Sweat Equity	-	-
(4)	Commission - as % of profit	1.25	1.25
(5)	Others, specify		
	Contribution to Funds	0.22	0.22
	Total (A)	3.85	3.85
	Ceiling as per the Act	₹11.59 crore (being 5% of net profits calculated as per section 198 of the Act)	

B. Remuneration to other Directors

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
(1)	Independent Directors	Shailesh Haribhakti	Dr. Darlie Koshy	Sharda Agarwal	Bijou Kurien	
	Fee for attending board/committee Meetings	0.07	0.08	0.07	0.03	0.25
	Commission	0.35	0.35	0.35	0.35	1.40
	Others, please specify	-	-	-	-	-
	Total (1)	0.42	0.43	0.42	0.38	1.65
(2)	Other Non-Executive Directors	C. P. Toshniwal	Rakesh Biyani	Avni Biyani		
	Fee for attending board/committee Meetings	0.06	0.03	0.03		0.12
	Commission	Nil	Nil	Nil		Nil
	Others, please specify	#	-	-		-
	Total (2)	0.06	0.03	0.03		0.12
	Total (B) = (1 + 2)					1.77
	Total Managerial Remuneration (A+B)					5.62
	Overall Ceiling as per the Act	₹13.91 crore (being 6% of net profits) and ₹25.50 crore (being 11% of net profits), as calculated under section 198 of the Act				

Excluding perquisite on exercising of Employee Stock Options (ESOPs). The Members at their Annual General Meeting held on August 29, 2017 have approved the perquisite arising upon the exercise of vested ESOPs held by Mr. C. P. Toshniwal - Non-Executive Director of the Company, in one or more tranches within the exercise schedule, in terms of the FLFL ESOS-2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

Sl. No	Particulars of Remuneration	(₹ in crore)	
		Key Managerial Personnel Chief Financial Officer	Company Secretary
(1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.76	0.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961#	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
(2)	Stock Option	-	-
(3)	Sweat Equity	-	-
(4)	Commission - as % of profit	-	-
(5)	Others - Contribution to Funds	0.04	0.03
	Total	1.80	0.50

Excluding perquisite on exercising of ESOPs.

VII. Penalties /Punishment/Compounding of Offences:

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2019

Corporate Governance Report

Company's Philosophy on Corporate Governance

Your Company followed 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 and committed to uphold its core values of Indianness, Leadership, Respect & Humility, Introspection, Openness & Adaptability, Valuing and Nurturing Relationships, Simplicity & Positivity and Flow.

Your Company is also committed to follow the principles of good corporate governance and strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the values of integrity, transparency, fairness, responsibility and accountability and to create an organisation working towards sustainable growth to create long-term value for our people, business partners, customers and shareholders.

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's corporate governance has been further strengthened by adoption of various policies such as Business Responsibility Policies, Anti-Bribery and Anti-Corruption Policy, Code of fair disclosure of Unpublished Price Sensitive Information, Code for Prevention of Insider Trading, etc.

The Company has complied with all the provisions as stipulated in regulations 17 to 27 and clause (b) to clause (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, 2019.

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. As on March 31, 2019, the Board of Directors of the Company comprises of ten Directors.

The Board consists of a balanced combination of Executive Directors, Non-executive Directors, Independent Directors and Woman Directors. The Chairperson of the Board is Non-Executive Independent Director and the number of Independent Directors are more than 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 25 of the Listing Regulations.

None of the Directors 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, 2019 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	6	10	5
Mr. Kishore Biyani	00005740	Managing Director (Promoter Group)	7	2	3	1
Dr. Darlie Koshy	00023527	Independent	1	-	2	1
Mr. Bijou Kurien	01802995	Independent	6	4	7	2
Ms. Sharda Agarwal	00022814	Independent	3	1	2	1
Mr. Rakesh Biyani	00005806	Non-Executive (Promoter Group)	6	6	3	-
Mr. C. P. Toshniwal	00036303	Non-Executive	7	3	3	1
Mr. Ravinder Singh Thakran ^s	01077387	Non-Executive	1	1	-	-
Mr. Narayan Ramachandran ^{ss}	01873080	Alternate Director	2	8	-	-
Ms. Avni Biyani	02177900	Non-Executive (Promoter Group)	2	3	0	0

* 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.

^s Appointed as an Additional Director by the Board with effect from May 21, 2018, subsequently, he was appointed as Director by the Members of the Company at their Annual General Meeting held on August 29, 2018.

^{ss} Appointed as an Alternate Director to Mr. Ravinder Singh Thakran with effect from August 07, 2018.

The details of directorships in other listed entities as on March 31, 2019 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
	• Mahindra Lifespace Developers Limited	Independent
	• L&T Finance Holdings Limited	Independent – Chairman
Mr. Kishore Biyani	• Future Retail Limited	Managing Director - Chairman
	• Future Enterprises Limited	Non-executive - Vice Chairman
	• Future Consumer Limited	Non-executive
	• Inox Leisure Limited	Independent
Mr. Rakesh Biyani	• Future Retail Limited	Jt. Managing Director
	• Future Supply Chain Solutions Limited	Non-executive - Chairman
	• Dollar Industries Limited	Independent
Mr. C. P. Toshniwal	• Future Supply Chain Solutions Limited	Non-executive
Mr. Bijou Kurien	• Timex Group India Limited	Independent
	• Mindtree Limited	Independent
	• Brigade Enterprises Limited	Independent
Ms. Sharda Agarwal	• Motilal Oswal Financial Services Limited	Independent
Mr. Narayan Ramachandran	• Teamlease Services Limited	Non-executive

The details of Shares held by the Directors in the Company as on March 31, 2019 are as follows:

Name of Director	Number of Shares held
Mr. Kishore Biyani	333
Mr. Rakesh Biyani	333
Mr. C. P. Toshniwal	93,465
Ms. Avni Biyani	19,499

Note: Except Shares held by the Directors as above and 98,360 Vested Employee Stock Options held by Mr. C. P. Toshniwal, none of the Non-executive 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

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, six Board meetings were held on May 18, 2018, July 04, 2018, August 07, 2018, October 31, 2018, February 01, 2019 (adjourned meeting on February 02, 2019) and March 27, 2019.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in the Listing Regulations. Sixth Annual General Meeting (AGM) of the Company was held on August 29, 2018.

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	6	6	Yes
Mr. Kishore Biyani	6	5	Yes
Dr. Darlie Koshy	6	6	No
Mr. Bijou Kurien	6	6	No
Ms. Sharda Agarwal	6	6	Yes
Mr. Rakesh Biyani	6	3	Yes
Mr. C. P. Toshniwal	6	6	Yes
Mr. Ravinder Singh Thakran*	5	0	No
Mr. Narayan Ramachandran**	4	4	No
Ms. Avni Biyani	6	5	Yes

* Appointed as an Additional Director with effect from May 21, 2018.

** Appointed as an Alternate Director to Mr. Ravinder Singh Thakran with effect from August 07, 2018.

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

The composition of the Board comprising of directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. The Members of the Board are eminent persons with the considerable professional expertise and experience.

The Board evaluate their 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, relationships and overall success of the Board as a team.

The Board 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 above matrix includes attributes/ expertise towards technical skills and experience, decision-making, analysis, strategic thinking, communication, leadership and Influencing, a strong sense of innovation and creativity, independent and performance oriented mind-set, corporate governance, stakeholders' relations, strategy, finance and industry experience.

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. The Chairperson of the Committee was present at the Sixth Annual General Meeting of the Company held on August 29, 2018.

The Company Secretary functions as Secretary to the Committee.

During the year under review, six meetings of the Committee were held on May 18, 2018, July 04, 2018, August 07, 2018, October 31, 2018, February 02, 2019 and March 27, 2019. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

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. C. P. Toshniwal	Member	6	6

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 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 four Non-Executive Directors, out of whom three are Independent Directors.

Dr. Darlie Koshy, Chairperson of the Committee could not attend the Sixth Annual General Meeting (AGM) of the Company held on August 29, 2018. He had requested and nominated Mr. Shailesh Haribhakti, Member of the Committee for addressing relevant queries of the Members at the AGM.

During the year under review, three meetings of the Committee were held on May 18, 2018, August 07, 2018 and October 31, 2018.

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

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

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 (effective from April 01, 2019).

Remuneration of Director

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.

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 to Directors

a. Managing Director

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

(₹ in crore)

Name	Salary (basic)	Performance Bonus / Commission*	Company's Contribution to Funds	Perquisites and Allowances	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Kishore Biyani Managing Director	1.85	1.25	0.22	0.53	3.85	June 25, 2016 to June 24, 2019	6	N.A.

* Commission was paid for the financial year 2017-18.

Notes:

1. All the above components of remuneration, except performance bonus / commission, are fixed in nature.
2. There is no separate provision for payment of severance fees.

b. Non-Executive Directors

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

(₹ in crore)

Name of Director	Category	Sitting Fees		Commission	
		Paid for FY 2018-19	Paid for FY 2017-18	Payable for FY 2018-19	
Mr. Shailesh Haribhakti	Independent	0.07	0.35	0.35	
Dr. Darlie Koshy	Independent	0.08	0.35	0.35	
Ms. Sharda Agarwal	Independent	0.07	0.35	0.35	
Mr. Bijou Kurien	Independent	0.03	0.35	0.35	
Mr. Rakesh Biyani	Non-Executive	0.03	Nil	Nil	
Mr. C. P. Toshniwal	Non-Executive	0.06	Nil	Nil	
Ms. Avni Biyani	Non-Executive	0.03	Nil	Nil	
Mr. Ravinder Singh Thakran*	Non-Executive	Nil	Nil	Nil	
Mr. Narayan Ramachandran*	Non-Executive	Nil	Nil	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.

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.

Dr. Darlie Koshy, Chairperson of the Committee could not attend the Sixth Annual General Meeting (AGM) of the Company held on August 29, 2018. He had requested and

nominated Mr. Kishore Biyani, Member of the Committee for addressing relevant queries of the Members at the AGM.

During the year under review, three meetings of the Committee were held on May 18, 2018, August 07, 2018 and October 31, 2018.

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	3	3
Mr. Kishore Biyani	Member	3	3
Mr. Rakesh Biyani	Member	3	2

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, eleven 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	8	8	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 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

Independent Directors' Meeting

During the year under review, a separate meeting of Independent Directors of the Company was held on May 18, 2018. 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 May 18, 2018 and August 7, 2018.

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:

- 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;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- 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. Kaleeswaran Arunachalam.

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, one meeting of the Committee was held on March 20, 2019.

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. Twenty-Eight meetings of the Committee were held during the year under review.

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
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">Adoption of new set of Articles of Association.Approval for revision in remuneration payable to Mr. Kishore Biyani as the Managing Director.
2017	August 29, 2017 at 04:00 pm	- do -	<ul style="list-style-type: none">Approval for remuneration arising upon the exercise of vested Employee Stock Options held by Mr. C. P. Toshniwal.Approval for revision in remuneration payable to Mr. Kishore Biyani as the Managing Director.Issue of Non-Convertible Debentures for an amount upto ₹750 crore.
2016	August 29, 2016 at 04:30 pm	- do -	<ul style="list-style-type: none">Re-appointment of Mr. Kishore Biyani, as the Managing Director.Issue of Non-Convertible Debentures for an amount upto ₹500 crore.

Extraordinary General Meeting

During the year under review, the following Extraordinary General Meeting (EGM) was held:

Year	Date and Time of EGM	Venue	Special Resolutions passed
2018	June 14, 2018 at 10:00 am	Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400021.	<ul style="list-style-type: none">Increase the aggregate limit for Registered Foreign Portfolio Investors ("RFPs") and Foreign Institutional Investors ("FIIs") investment in the Equity Share Capital of the Company.Issue of Equity Shares on Preferential basis.

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 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

The Company sends Annual Report, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by e-mail to those shareholders whose e-mail ids are registered with the Company / Depository Participants and

in hard copies to those shareholders whose e-mail ids are not registered.

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

Date, Time and Venue of the Seventh Annual General Meeting:

Tuesday, July 30, 2019 at 02:30 pm at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.

Financial Year

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

Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of ₹1.40 (70%) per Equity Share of ₹2.00 each of the Company. The proposed dividend, if declared, at the forthcoming Annual General Meeting, will be paid/ credited within a period of 30 days from the date of declaration, to those Members whose names appear in the Company's Register of Members or in the list of beneficial owners as per the particulars to be furnished by the Depositories as on the record date i.e. July 23, 2019.

Listing on Stock Exchanges

Equity Shares

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

- BSE Limited (BSE)
Phiroze Jeejee Bhoy Towers, Dalal Street, Mumbai - 400 001.
- 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 reaffirmed their ratings assigned to the Company's Long term Bank facilities, Short term Bank facilities and other instruments as under:

Sl. No.	Facility/ Instrument	Name of the Agency	
		CRISIL	CARE
1.	Short term Bank facilities	CRISIL A1+	CARE A1+
2.	Commercial Papers	CRISIL A1+	CARE A1+
3.	Long term Bank facilities	CRISIL AA- (Positive)	CARE AA- (Positive)*
4.	Non-Convertible Debentures (Series IV)	CRISIL AA- (Positive)	CARE AA- (Positive)*

* Outlook has been revised from 'Stable' to 'Positive'

Corporate Identification Number (CIN)

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

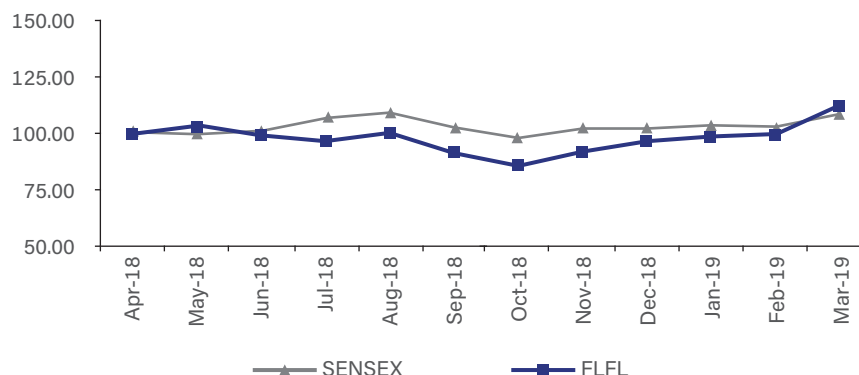
Stock Performance

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-18	476.70	388.95	477.00	387.50
May-18	481.00	403.00	482.00	403.95
Jun-18	459.05	402.00	450.45	400.55
Jul-18	439.00	373.65	435.80	375.40
Aug-18	459.40	409.55	452.00	408.05
Sep-18	440.35	376.90	439.70	380.00
Oct-18	408.00	358.50	408.00	357.30
Nov-18	404.00	362.00	405.95	361.40
Dec-18	464.00	386.65	434.00	385.00
Jan-19	442.20	381.95	444.00	385.00
Feb-19	447.80	414.15	449.00	415.85
Mar-19	499.90	423.65	499.00	424.15

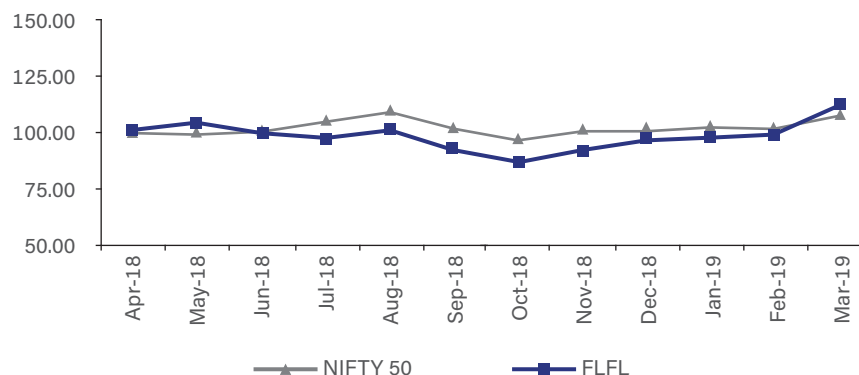
[Source: This information is compiled from the data available on the websites of BSE and NSE]

Price Performance compared to SENSEX



Note: Base 100 = Closing price of Equity Share and value of Sensex on the last trading day of April, 2018.

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, 2018.

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, 2019, 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, 2019 is as under:

Particulars	No. of Shares	% of total Shares
NSDL	17,78,57,197	91.41
CDSL	1,63,70,008	8.41
Dematerialised	19,42,27,205	99.82
Physical	3,40,872	0.18
Total	19,45,68,077	100.00

Distribution of Shareholding as on March 31, 2019

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-500	35,621	96.46	19,56,603	1.00
501-1000	614	1.66	4,44,119	0.23
1001-2000	204	0.55	2,98,396	0.15
2001-3000	94	0.26	2,39,952	0.12
3001-4000	62	0.17	2,11,424	0.11
4001-5000	41	0.11	1,88,367	0.10
5001-10000	107	0.29	7,51,125	0.39
10001 and above	184	0.50	19,04,78,091	97.90
Total	36,927	100.00	19,45,68,077	100.00

Shareholding Pattern as on March 31, 2019

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	10,40,48,171	53.48
Mutual Funds	1,04,03,058	5.35
Banks, Financial Institutions	1,12,459	0.06
Alternate Investment Funds	1,39,37,079	7.16
Insurance Companies	84,00,268	4.32
Foreign Portfolio Investors	2,93,54,468	15.09
Non Resident Indians	1,05,996	0.05
Bodies Corporate	1,42,51,458	7.32
Indian Public (Individual)	1,34,26,730	6.90
Directors and their Relatives	1,02,154	0.05
Clearing Members	2,40,780	0.12
Trust	334	0.00
Hindu Undivided Family	1,85,089	0.10
Foreign Nationals	33	0.00
Total	19,45,68,077	100.00

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, 2019.

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, 2018	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, 2019	186	34,170

The voting rights on the Shares outstanding in the suspense account as on March 31, 2019, 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
Website: 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 6644 2200, Fax No.: +91 22 6644 2201
Email: investorrelations@futurelifestyle.in
Website: 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. 39 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 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. 34 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

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, 2019 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.

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

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 funds raised through preferential issue has been fully utilised for the purposes as mentioned in the Offer documents which included investments in fashion brands (including investment in Koovs Plc.), capital expenditure and general corporate purpose.

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:

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

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.

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, 2019 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

Mumbai
May 01, 2019

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, 2019.

For Future Lifestyle Fashions Limited

Mumbai
May 01, 2019

Kishore Biyani
Managing Director

Business Responsibility Report

OVERVIEW

Your Company is India's leading lifestyle fashion retail Company, which retails own and market leading fashion brands, through its in-house retail formats 'Central', 'Brand Factory', exclusive brand outlets (EBOs) and other multi-brand outlets (MBOs). The Company's operations extend from design to distribution and make products available for all segments in India's fashion industry. Your Company empowers its consumers with the "Power of Choice". The spirit of design thinking in an evolving fashion market creates experiences that build relations, set trends and provide fulfilment of aspirational needs of the consumers accessible at an affordable price.

Your 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."

Consequently, the Company's principles are focused on creating environmental, social and economic value.

Your Directors present the Business Responsibility Report ("BRR") of the Company for the financial year ended March 31, 2019, pursuant to regulation 34 (2)(f) of the Securities Exchange Board of India (SEBI) (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 in keeping with the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' ("NVGs"). This BRR is in line with the format proposed by SEBI.

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	2018-19
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, 2019
	(b) Number of National Locations	As on March 31, 2019, the Company has a pan India presence with 339 stores in more than 90 cities covering various formats of the Company
10	Markets served by the Company - Local/State/National/International	National

Part B: Financial details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹38.91 crore
2	Total Turnover (INR)	₹5,416.01 crore (standalone)
3	Total profit after taxes (INR)	₹145.37 crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	<p>During the year under review, the Company has spent ₹2.15 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")</p> <p>The unspent amount of ₹0.10 crore for the financial year 2017-18 was also spent during the year under review.</p>
5	List of activities in which expenditure in 4 above has been incurred	<p>During the year under review, the Company spent its CSR contribution through the "Sone Ki Chidiya Foundation" ("SKC Foundation"), which in-turn has deployed these funds towards the following CSR activities:</p> <ul style="list-style-type: none"> Measures for reducing inequalities faced by socially and economically backward groups through access to basic goods and services. Promoting education (including special education) and employment enhancing vocational skills among differently abled and livelihood enhancement projects. Promoting healthcare (including preventive healthcare). <p>(For further details please refer Principle 8 given herein)</p>

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, 2019.
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%]	Your Company encourages adoption of BR initiatives by its Business Partners. Based on dialogue with the suppliers and distributors of the Company, currently less than 30% of other entities participate in the BR initiatives of the Company.

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)	00005740
2	Name	Mr. Kishore Biyani
3	Designation	Managing Director
4	Telephone number	022-6644 2200
5	E-mail ID	investorrelations@futurelifestyle.in

Business Responsibility Report

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.

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	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 policy?	Yes, the Company's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	http://www.futurelifestyle.in/statutory_documents.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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?	The Company will integrate sustainability in FY 2019-20 and undertake materiality studies with internal and external stakeholders, deploy key policies, process and benchmarks, measure and deploy performance measurement indicators.								

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 2018-19 and is also available on website of the Company at www.futurelifestyle.in

Part E: Principle-wise Performance

Principle 1: Ethics, Transparency and Accountability

Business should conduct and govern themselves with ethics, transparency and accountability

Your Company's philosophy aims at realising dreams and aspirations of its stakeholders by helping them live a better life, with dignity and pride. Your Company consistently follows the principles of good corporate governance and strives to enhance the stakeholders' relationship through its e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

Governance

Your Company has laid down a Code of Conduct ("Code") for its Directors and Senior Management Personnel, which ensures directors and employees adherence to the highest standards of corporate ethics across the Company. The Code is available on the Company's website at https://www.futurelifestyle.in/corporate_governance.aspx

Your Company's robust 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.

Your Company's business activities encompass around various policies, which inter-alia include the Anti-Bribery and Anti-Corruption Policy, Code of fair disclosure of Unpublished Price Sensitive Information, Code for Prevention of Insider Trading and Sustainability Policies that provide necessary guidelines to manage business risks.

Your 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.

Your Company is strengthening its sustainability framework and integrate the same with business. Your Company will extend the same to its value chain stakeholders and impress upon them the need to adopt the same.

Vigil Mechanism and Whistle Blower Policy

Your Company has Vigil Mechanism and Whistle Blower Policy which 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. Your 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.

During the reporting year, the Loss Prevention Cell in your Company has undertaken trainings on loss prevention viz. recognition and understanding of potential corruption risks, risk assessment study, root cause analysis and improvement measures. Suspicious incidents are analysed with root cause and corrective action taken to strengthen the process.

No complaints under Whistle Blower Policy were pending at the beginning of the reporting year and were received during the reporting year.

Grievance Redressal Mechanism

Your Company has grievance redressal mechanisms to address stakeholders' grievances / queries and to ensure that the Company resolves such grievances satisfactorily, thus improving its relationship with its stakeholders.

Investors

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

Your Company has designated e-mail id investorrelations@futurelifestyle.in for receiving and addressing investor grievances. Eight investor grievances were received during the year under review, all investor grievances have been satisfactorily resolved by the Company and no investor grievance was pending as on March 31, 2019.

Employees

Your Company has in place a robust 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. Your Company has an Internal Complaints Committee (ICC) which 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 offices/ stores.

A POSH policy is also available on the intranet for easy access to all employees. Any complaints with regard to sexual harassment

can be reported at posh@futuregroup.in, in order to resolve grievance. There was no complaint filed on sexual harassment during the reporting year.

For other grievances, employees are given option to drop the grievances, in the grievance box made available at most of the locations. Such grievances are reviewed and resolved by the local management at the location itself.

Customers

Your Company has institutionalised effective grievance redressal mechanism for receiving and dealing with the concerns, complaints of its stakeholders which in turn resulted into efficient business processes. For further details, refer to Principle 4 herein.

There were 188 consumer cases which were pending at the beginning of the reporting year. 231 cases were filed and 57 cases were resolved during the reporting year. There were 362 consumer cases pending at the end of the reporting year, which was largely pertaining to interpretation of chargeability of tax on transaction value, within the maximum retail price.

Principle 2 : Product Stewardship / Products contributing to Sustainability

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

Your Company operates through its retail formats viz., 'Central' which operates in 44 Stores, 'Brand Factory' which operates in 93 Stores and 202 Exclusive Brand Outlets (EBOs), across India.

Your Company provides an assortment of brand preferences, which provides latest trends based on consumer choices thereby fulfilling aspirational needs of the customers. Your Company focuses on building brands and product portfolios in the fashion space, attract new customers and develop new markets.

Responsible Suppliers

Your Company remains committed towards sourcing garments from responsible suppliers, compliant with the local laws and produces products which contain raw materials derived from natural sources and contains no harmful chemicals. Your Company's stringent mechanisms aim at achieving product quality, safety and having zero impact on environment. Out of products variants shelved at the store, more than 90% of products are made of 100% cotton and approximate 6% of the products are made of biodegradable viscose fibre.

Your Company prefers sourcing from SA 8000 (Social Accountability Certificate) certified facilities which ensure customers that the products are sourced from entities which are social welfare compliant, (for further details refer to Principle 5).

Sustainable Sourcing

Your Company endeavours to put on shelf fashion products made from raw materials sourced from certified sources. The brands DJ&C (ladies western), Shrishti (ladies ethnic) and Shyla (night wear) source garments made from EU Ecolabel certified viscose fibres derived from certified renewable wood services using an eco-responsible production process by meeting high environmental standards.

Better Cotton Initiative (BCI) certified cotton is less water intensive and ensures compliance to human rights requirements across the supply chain. The Company endeavours to source from manufacturers of woven shirts and bottoms made from BCI cotton in the upcoming reporting year.

Further the suppliers of denim are being encouraged to replace the traditional bleaching process using sodium hypochlorite with ozone bleaching. The process involves lesser use of water, energy and chemicals while discharging lower volumes of effluent.

Local Procurement

Your Company strives to promote social enterprise networks and sourcing from local suppliers. The Ethnic lines brand promotes the traditional Bagru and Sanganer 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. Your Company is also keen to introduce cotton bags in the year 2019-20.

Product labelling

Your Company practices responsible messaging and does not use any graphic or message that is objectionable. Your 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 Legal Metrology Act, 2009.

Recycling

Your Company's Retail formats, 'Brand Factory' and 'Central', developed a platform 'Unbranded to Branded Campaign', whereby customers are invited to deposit their unbranded clothes at the stores and to avail additional discounts.

In order to promote responsible consumption and disposal, 'Brand Factory' stores at AJC Bose and Garia, in Kolkata donated the clothes collected to the not-for-profit organisation, Indian Mother and Child Care, while 'Central' stores donated to 'Goonj', a not-for-profit organisation. The coming reporting year will see more stores adopting this approach in addition to working with recyclers to further the circular economy wherever possible.

Principle 3: Welfare of employees

Businesses should promote the wellbeing of all employees

Your Company is committed to providing its employees safe and healthy working environments, equal opportunity, 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>). The Company aspires to be

an employer of choice in Indian retail – offering new possibilities and encouraging people to rise up to new challenges every day.

Non-Discrimination in recruitment and employment

Your 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. The Company conducts a fair and effective recruitment and career development process irrespective of caste, creed, age, colour or gender biases by ensuring communication of gender-neutral job descriptions and maintaining consistency and transparency in sourcing of candidates.

Your Company provides equal opportunities to people with disabilities. During the reporting year, the Company trained and hired 35 Persons with Disabilities (PWD) across Mumbai, Nasik and Hyderabad stores through Sarthak Educational Trust.

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

Campus Connect Program

Your Company through its Campus Connect program hires graduates and post-graduates from National Institute of Fashion Technology (NIFT) and Pearl Academy. These graduates are placed in a program that ensures learning in a fast-paced environment for up-to a year in a general management role. In the reporting year, 27 Management Trainees were hired.

Internships and Graduation Projects

Your Company provides summer internships for a period of 2 months and graduation project for a period of 4 months. They are mentored by Department Heads in their respective field and domain. Based on the project evaluation of the interns, your issues pre-placement offers to exceptional deserving candidates, purely based on department requirements. In the reporting year, we had 23 internships and 21 graduation projects.

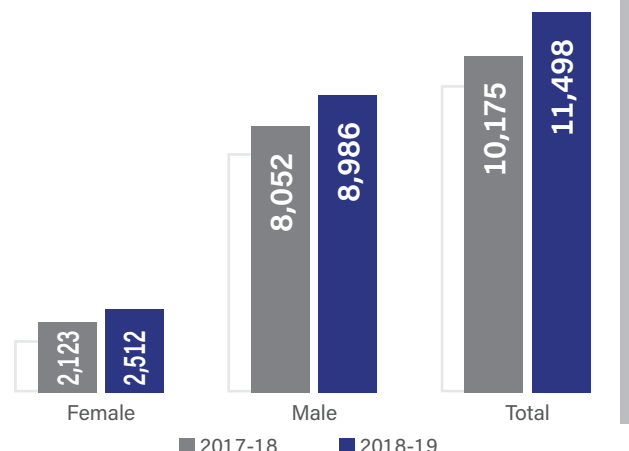
Employee strength as on March 31, 2019:

Levels (Bands)	Home Office		Stores		Grand Total
	Male	Female	Male	Female	
1	19	4	6852	2163	9038
2	193	67	1269	174	1703
3	253	67	194	13	527
4	119	18	45	1	183
5	38	5	4	0	47
Grand Total	622	161	8364	2351	11498

Gender Diversity and Women Empowerment

Your Company is keen to improve gender diversity, right from entry level bands to its senior leadership, with a focus on women's representation. Women comprise 21.85% of the workforce of your Company.

Gender Diversity



Your Company did not hire any employee on contract basis as on March 31, 2019.

Strengthening the Leadership pipeline

- **Leadership Academy:** The Group looks at creating its leadership pipeline across various businesses through its Leadership Academy, an intricately curated 10 months intervention for leaders which are being developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure. Your Company invested 80 man-hours towards 5 employees through this exposure.
- **Assessor Certification:** Your Company invested 320 man-hours for 20 senior managers to strengthen their recruitment skills and become eligible members of the organisation in recruitment drives.

Promotions and Recognitions:

Inter Band Promotion for financial year 2018-19

Revised Band (1 to 5)	Band Description	No. of Employees
2	Specialist	184
3	Mid-Management	47
4	Management Advisory	21
5	Strategic	0
Total		252

Intra Band Promotion for 2018-19

Revised Band	Band Description	No. of Employees
1	Coordinator	13
2	Specialist	123
3	Mid-Management	38
4	Management Advisory	4
5	Strategic	0
Total		178

Facilities for employee well-being ('Khushali')

Employees are benefitted through a host of corporate offerings under the Group's Khushali Program, which focuses on home, education and health.

Home

Your Company has negotiated with reputed real estate developers to offer additional benefits such as buy back offerings, flexi-payment plan, etc. to its employees, who wish to buy the house in their projects.

Education

Your Company partnered with organisations such as Jaro Education and NIIT on a PAN India basis to provide employees management and technical courses and technology programs from reputed institutes, universities and colleges for pursuing courses online.

Health

Your Company has forged a partnership with health care institutions like Fortis and diagnostic centres like Dr. Lal Path Labs and Welcome Cure. Employees and their family members can avail of priority treatment, free ambulance services, up-to 20% discounts on consultations, radiological diagnostic services, check-ups and alternative health care packages.

Health and Life Security Insurances including EDLI are being continued to cover eligible employees. Similarly, employees are also provided the liberty of a flexi time window in the office to enable them to achieve a work life balance.

Employee incentives

Your Company provides employee benefits 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. This helps to meet the daily and aspirational needs of the employees and its dependents in food, bakery, fashion, homecare, electronics and personal care products categories.

Employee Retention

Your Company is conscious that the success of the organisation is dependent on the growth and development of its employees. Your Company also creates equal opportunities for all employees regardless of their race, ethnicity, gender, identity, sexual orientation, age and religion. Your Company communicates to all its employees on current vacancies in Future Group Companies through Internal Job Postings to enable them to explore opportunities in other businesses and functions.

Employee growth, training and development and overall well-being

Training of employees is key to the business, which requires constant innovation and teamwork. The Company ensures continuous upgradation of skill and competency of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Training needs assessment are conducted at the store, head office and zonal offices with all employees and accordingly, trainings are imparted keeping in mind the personal and career developments of the employees.

The contents of training programs, focus on service in stores and customer orientation. The training programs conducted this reporting year are as follows:

FutuReady - Induction and Orientation Program: FutuReady is an interactive and engaging induction and orientation program for all new joiners which explains them an overview of Future Group, its businesses, its values and culture and prepares them for their journey at Future Group.

Hero in You: A two days training program for Fashion Consultants of aLL – the plus size store format which focusses on personalised selling, customer service excellence, visual merchandising and grooming.

Power of One: Power of One was a two days workshop for the store managers of aLL, with an emphasis on target achievement, leadership skills, ownership, succession planning and negotiation skills.

CEO in you: A two days workshop targeted towards Store Managers (SM) of aLL, focusing on enhancing leadership and entrepreneurship to encourage SMs to think like the CEO of their respective stores. It focused on a 360° change in the approach of store managers by enhancing their skills to tackle daily business challenges better.

Disha: A program planned for potential frontend women employees of 'Brand Factory', which gives them an opportunity for a complete role transformation into a role of their own interest (VM, CSD, Cashier, SPO or In-store trainer).

Badi Soch Ka Baada Jadu: A one day training for store managers aimed at improving their leadership skills, entrepreneur skills and store operations.

Kamyabi unlimited: A one day training for area managers aimed at sharpening their team management and leadership skills to smoothen their process of achieving their KRAs

Kshitij: A two days workshop for area managers of all format to improve their skills which include leadership, team management, planning and prioritization and decision making

IGNITE: A six days orientation programme for Management Trainees from fashion design and fashion management on retail design.

Mystery shopping alertness session: A one day training for store employees handling critical functions at store level to ensure cashier has sound knowledge of the standard operating procedures (SOPs) associated to the cashiering process related to time. Customer Service Desk (CSD) personnel are aware of the loyalty programs, category teams are aware of the product descriptions and the current stock levels and the store warehouse personnel are able to deploy sound inventory control processes.

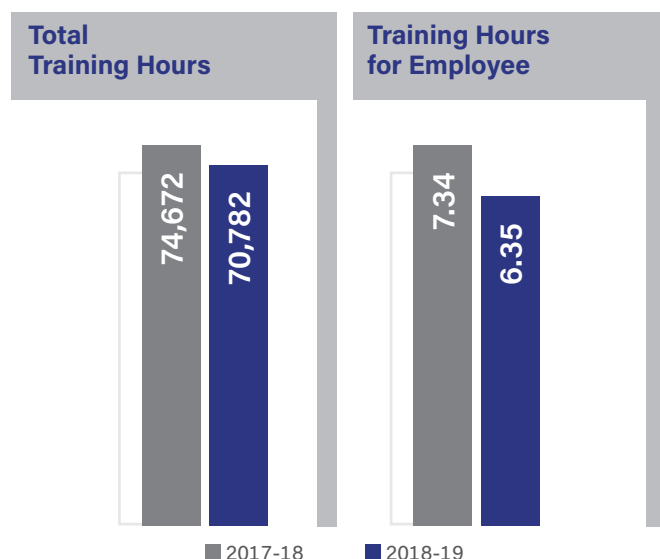
Prarambh: A one day store induction training for Brand Factory employees which involves sensitization of the Company overview, the policies and processes and training on customer service.

Subh Arambh: A one day training programme for Fashion consultants to understand the product line and the varieties that can be shelved or stored at the store warehouse.

Outbound: A one day team outing at the Head Office level for a workshop that involves experiential learning to nurture entrepreneurial skills-leadership, effective communication, planning and prioritizing and team building.

Training Performance

Your Company has invested a total of 70,782 man hours through these trainings



Employee Health and Safety

Your Company embraces the Group's policy of health and safety that ensures employee welfare through accident free operations. Your Company has a dedicated person at store level who is responsible for inspection of safety concerns.

Your Company ensures compliance to region specific fire safety Act and Rules. The Company also conducts mock drills at its offices and stores. Functioning of all equipment such as sprinklers and fire hydrants are checked at all its offices and stores for loss prevention in case of fire, emergency exits remain unblocked and can be easily identified through appropriate signage.

Your Company organises health check-up, eye check-up camps at different offices and stores to ensure good health of its employees.

POSH Training

Your Company has a Policy on Prevention of Sexual Harassment to create a awareness on the Code of Conduct and the sexual harassment policy is provided to all new employees during induction. Five POSH trainings were organised which was attended by 163 employees from the Future Group, who were sensitized about the definition of sexual harassment, how to identify sexual harassment, how to avoid and protect oneself from being a victim of sexual harassment and the reporting and resolution procedure of such complaints.

Principle 4: Stakeholder Engagement

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

The relationship of dialogue and collaboration that we maintain with stakeholders allows your Company to comply with our objective of creating value in a sustainable way. This common dialogue constitutes a fundamental tool for learning, understanding and facing challenges and opportunities that arise, makes the organisation perform better. Your Company has identified its stakeholders and established periodic and effective communication with them.

Engaging with Government and Regulators

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

Investor Engagement

Your Company regularly interacts with its Shareholders and investors through results announcements, annual report, media releases, Company's website and subject-specific communications. The Annual General Meeting (AGM) gives the Shareholders an opportunity to engage directly with the Directors and the Management. During AGM, the Directors engage with Shareholders and answers their queries on varied subjects.

The Investor Relations team also interacts regularly with investors and analysts, through investor calls, one-on-one and group meetings, participation at investor conferences and the annual investors meet.

Employee Engagement

Your Company engages with its employees irrespective of rank and file across the organisation and organises various programs and activities to boost their morale, provide equal opportunities for them to nurture talent and develop their creativity. The employees in return are committed and passionate towards their individual goals and self-development.

Various employees engagement activities were organised across its offices, stores and EBOs, during the reporting year, which are highlighted as under:

1. Celebration of cultural and festival events.
2. Celebration of Independence day and Republic day.
3. Women's day celebration, kids' carnival and fun activities for employees and their families.
4. Health awareness and various sports activities.
5. Financial wellness workshop.
6. Induction cooking competition.
7. Monsoon photography competition.
8. Workshop on self-defence to women employee.

9. Celebrated National Sports Day by organising the "Sweat on Challenge" competition.
10. Employee Connect - Surprise Home Visit of Zonal and Karta Team.
11. Employee Recognition - Long Service Awards and rewards and recognition.

Customer Engagement

Your Company believes in developing long-term relationship with its consumers. The Company engages with its customers through different feedback mechanisms such as feedback forms, website, emails, social media, customer service desk, etc., have been developed by the Company to seek feedbacks on consumers' experience during shopping.

Your Company has framed product exchange policy which entails convenient exchange process of merchandise through credit note generation. To promote the products at all stores, the Company provided variety of offers and quick turnaround time for availing the offers/discounts.

Supplier / Vendor Engagement

Your Company continuously works hand-in-hand with its suppliers, in line with the objective of establishing stable and lasting relationships. Your Company seek to cooperate closely with suppliers with a constant dialogue where trust is mutual. Your Company also interacts with its suppliers to build transparency and traceability within the supply chain and to ensure that quality considerations are met and there is a constant upgradation in knowledge with respect to the latest technologies, trends and sampling.

Supplier meets have been organised at Tirupur, Ludhiana, Delhi and Jaipur in the reporting year.

Your Company during vendor registration, assess suppliers through a self-assessment questionnaire to ensure compliance with the local regulations, adherence to social and environmental standards and monitor key aspects such as quality, compliance to applicable regulations, human rights, health, safety and environment.

Media Engagement

Your Company engages with media through press releases, media events, results announcements, investors meets, etc. The Company also ensures timely and appropriate responses to media for any information requests within the disclosure norms.

Community Engagement

The stores celebrate days of national and international importance, promotes local festivals. Your Company contributed towards community engagement by:

- a. Collaborating with various skill development institutes where students are offered the opportunity for on-the-job trainings during internship, candidates who complete these successfully get an opportunity to be employed in the ecosystem.

- b. Celebrating local festivals with the underprivileged:

- Rakhi festival with specially abled people.
- Diwali faral distribution to street kids and orphanage.
- Eid celebration with street children.
- Christmas celebration with specially abled kids

- c. Engagement through social activities:

- CSR Activities such as cleanliness drives, clothes donation drive, visits to old age homes and orphanages, water conservation for drought prone areas through the water cup campaign in Nashik, village Sonambe with the Paani foundation.
- 'Central' Stores across the country celebrated International Day of Happiness by donating ₹5.00 per invoice issued to Smile Foundation on March 20, 2019.
- 'Central' also sponsored the cause of breast cancer at "The Times Women's Drive"- the world's largest women's car rally.

Provision of nutritious food to the underprivileged children of Hope Foundation Kolkata. Providing access to quality clothing for slum children in urban areas. Supported an old age home at Hyderabad by providing blankets, RO & UV water purifier and other needs.

Through these initiatives, the Company aims to impact one of the pillars of the Group's sustainability framework - 'Happy Communities' (For more details of the Social Responsibility initiatives of the Company refer to Principle 8)

Principle 5: Human Rights

Business should respect and promote human rights

Your Company is committed to upholding human rights. Your Company's human rights policy recognises the following priority issues: compliance with applicable labour laws, zero tolerance to child, forced or compulsory labour in operations and supply chains, equal opportunity, provide opportunities for all employees to express concerns and seek redressal, health and safety of our employees, respect and support of social and cultural norms of local communities.

Your Company ensures collection of age proofs of all candidates hired to ensure compliance to no child labour policy. Your Company ensures non-discrimination while communicating the job description through recruitment channels to give equal opportunity to all candidates irrespective of their caste, race, religion or gender. Employees are encouraged to identify and eliminate any foreseeable safety hazards and represent themselves jointly on any issues that affect their work and lives.

No complaints were received regarding human rights violation during the year.

Collective Bargaining

Employees are provided with fair opportunities to express their feedback, suggestions or grievances to senior management.

Your Company's employees were not part of any collective bargaining agreement as on March 31, 2019.

Principle 6: Environment

Business should respect, protect, and make efforts to restore the environment

Your Company's resource efficiency is an important pillar of the sustainability framework. Your Company embraces the Group's sustainability, guidelines and policies with respect to the Environment including its Energy and Carbon, Waste to Wealth and Health and Safety policies in an endeavour to use resources efficiently and comply with applicable environmental norms within the local and national boundaries.

Energy Efficiency and Climate Stewardship:

Your Company is committed to reducing its energy consumption and enhance use of renewable energy.

Some of these are mentioned herein:

- Converted existing lighting fixtures to LED light fixtures.
- Piloted dynamic chiller control systems at 'Central' store at Vashi.
- Sourcing renewable energy from third party solar power generator at 'Central' Store in Pune.

Your Company endeavours to:

- Undertake a carbon foot-print study and set targets to showcase the commitment of the Company as a climate steward.
- Increase sourcing of renewable energy.
- Plan, budget and implement energy efficiency measures across the other stores.

Material Use Efficiency and Waste Management:

During the year under review, your Company launched a project "Accept the Challenge Go Paperless" on World Environment Day, with an aim to reduce paper consumption by 50% at store and office level by 2021. The Company sensitized its employees on the environmental impacts of each paper wasted and promoted the ways and means to reduce-reuse-recycle. The following initiatives were undertaken during the reporting year:

- National rollout of E-receipts was undertaken at all Central stores, which has resulted in 15% savings in POS roll consumption.
- Digitisation of documentations through the Pazo app for selected store registers, the same will be scaled up in the current financial year.
- Printer software to monitor user-wise paper consumption
- Digital invoicing
- Awareness creation and behaviour change programs

Your Company has employed Auto CAD markers to maximise fabric yield for all categories of garments produced.

Waste generated at its offices / stores is managed as per applicable norms and e-waste generated is disposed through e-waste recyclers. Your Company received no cautionary/show

cause notices of non-compliance with regulations or penalties or fines from State Pollution Control Board (SPCB)/Central Pollution Control Board (CPCB) concerning the activities undertaken at your Company's stores during the reporting year.

Principle 7: Public Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Your Company focuses on building excellence in fashion retail, while interacting with key stakeholders. The senior leadership team continue to share their experience to provide incisive insights at various conferences involving industry leaders that give inputs to key decision makers framing policies.

Your Company learns from the best practices of others. Along with collaborations with various trade and industry associations, your Company are also members of Retailers Association of India (RAI), The Clothing Manufacturers Association of India (CMAI) and Bangalore Chamber of Industry and Commerce (BCIC).

Principle 8: Inclusive Growth

Business should support inclusive growth and equitable development

Your Company works with various communities; it employs young Indians in rural and urban areas, engages with its consumers, works closely with factories, suppliers and distribution systems across the country and interacts with various stakeholders who are closely linked to its business.

Humanitarian Relief

A large part of Kerala was inundated for weeks with one of the most widespread and devastating floods and landslides. This impacted the community of the Company's stores based in Kochi and Trivandrum, including those employees who hail from underserved communities of neighbouring towns and cities. Your Company resorted to the situation by forming a dynamic team that provided relief material to people stranded at their homes and help people move to safety.

Further, your Company aggregated cash donations from employees pan India and 10% of the sales achieved by 'Central'-Trivandrum (as on September 07, 2018) to contribute towards Kerala CM's Distress Relief Fund (KCMDRF).

Social Responsibility Programs

Your Company has aligned its commitment towards community, environment and all its stakeholders with the vision of Future Group. Your Company has a CSR policy under the provisions of section 135 of the Companies Act, 2013 and Rules made thereunder.

Your Company contributes its CSR spent to Sone Ki Chidiya Foundation's ("SKC Foundation"), which in-turn spends through various eligible implementation partners, which undertakes projects, in line with the activities identified by the CSR Committee. Your Company plans to encourage its employees and value chain members to volunteer and participate on key issues that affect communities in areas where stores, warehouses and vendors are located.

Business Responsibility Report

During the reporting year, your Company has spent an amount aggregating to ₹2.25 crore on CSR projects and activities as per Schedule VII of the Act.

Your Company has allocated and extended support to the following projects, during the reporting year:

Reducing Inequalities through the Access to Basic Goods

1. SKC Foundation has extended support to Goonj to undertake the programme "Odha do Zindagi" under the "cloth for work" program at Jammu and Kashmir. Communities identified needs and issues in their locality and Goonj with the support of the locals in the spirit of volunteerism, undertook the following initiatives during the reporting period:
 - i. At Dingnari in Ramban district the footpath which was used by local and school children was heavily damaged due to a landslide posing a major threat for the people who traverse daily. 47 people within the local community collectively worked towards creating a path 300 mts. long and 1.2 mts. Wide, which has improved the safety criteria in the area.
 - ii. In the village of Ladsa of district Kishtwar, the drainage was blocked due to rain and snow, 46 people came forward and cleared the 120 ft. long drainage thereby maintaining hygiene conditions in the area.
 - iii. The villagers of Chuda of district Reasi, repaired a path to make water accessible from a local spring. 62 people worked to clear and widen the path.

In exchange communities receive kits comprising of garments, blankets, quilts, school materials, vegetable bags, sanitary pads, etc., the project impacted more than 1,000 households at Kishtwar, Ramban and Reasi districts of the Jammu and Kashmir.

2. Seva Sahayog Foundation works towards the development and welfare of those living in urban slums through interventions in education, livelihood generation and sanitation. SKC Foundation extended support to Seva Sahayog Foundation that impacted 230 families from the Bhotia tribe living in the remote Niti valley of Chamoli districts, Uttarakhand.
3. SKC Foundation supported 'Magic Bus Foundations' livelihood programme which is aligned with the Government of India's National Youth Policy through provision of shoes to 146 youth undergoing training at centres across Delhi, NCR.

Enabling Better Livelihood through Education

1. SKC Foundation extended support to Gram Vikas Shikshan Mandal towards construction of a school in

Hebbal, Kolhapur, Maharashtra that creates better learning environment for children.

2. SKC Foundation extended supports to Friends of Tribal Society to promote education amongst tribal children.

Creating Access to Better Healthcare Facilities

The scarcity of resources, infrastructure or financial support in itself is a challenge, which is compounded by the lack of an ecosystem to provide social rehabilitation and a dignified existence, in particular to those from rural or belong to economically underprivileged backgrounds. SKC Foundation extended support to Parmarth Sewa Samiti towards palliative care of cancer patients.

SKC Foundation also extended support to Bhajandas Bajaj Foundation and Bansilal Kishnidevi Biyani Charitable Trust to provide eye and health check-ups in Mumbai, Maharashtra and Nagour, Rajasthan, respectively which benefited over 23,000 people from the marginalised society.

Principle 9: Value to customers and consumers

Business should engage with and provide value to their customers and consumers in a responsible manner

Your Company values its customers and works towards increasing customer loyalty by adhering to highest standards of quality and compliance requirements, while addressing social and environmental concerns of the community.

Your Company launched a new Survaider dashboard for Social Listening in the reporting year. Survaider primarily aggregates all the customer feedback vide social/digital space like Google, Facebook, Just Dial, Twitter and internal feedbacks. This data will help to reduce the turnaround time for resolving issues.

Your Company's Voice of Customer (VOC) initiative allow customers at 'Central' and 'Brand Factory' stores to evaluate different shopping attributes including billing experience, staff helpfulness, product availability, store ambience and price or promotions on products.

Your Company proactively interacts with customers for better and higher customer centricity (for further details refer to Principle 4) and has in place a robust grievance mechanism, conducted through CRM software to address complaints.

Your Company ensures that its marketing and advertising campaign and communications do not mislead the consumers or violate any of the principles in these Guidelines. (for further details refer to Principle 2).

There were no cases filed by any stakeholder against your Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour and pending as on end of the reporting year.

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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 Fashion Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2019, 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, 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional Judgement, 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.

Sr No	Key Audit Matter	Auditor's Response
1.	Revenue Recognition 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)	Principal Audit Procedures We assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard. 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. We performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.
2.	Valuation of Inventory 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.	Principal Audit Procedures Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process. Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. Verification of the determination of net realisable value on a representative sample basis

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 Judgements 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 Judgement 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.

Independent Auditor's Report

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. (All amounts in ₹ crore, unless otherwise stated)

- e) On the basis the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 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

Mumbai
May 01, 2019

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, 2019, 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 did not have any immovable properties of freehold or leasehold land and building as at March 31, 2019. 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 from the public.
- 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.

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, 2019, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, service tax which have not been deposited with the appropriate authorities on account of any dispute.

However, according to information and explanations given to us, value added tax and stamp duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount (₹ In crore)	Period to which the amount relates	Forum where dispute is pending
MP VAT Act, 2002	Sales Tax	0.05	2013-14	Dy. Commissioner of Sales Tax
Kerala VAT	Sales Tax	0.52	2013-14	Dy. Commissioner of Sales Tax
Kerala CST	Sales Tax	0.23	2015-16	Dy. Commissioner of Sales Tax
The Indian Stamp Act, 1	Stamp Duty	1.55	2008-09	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.

Independent Auditor's Report

- 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 give 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 made 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

Mumbai
May 01, 2019

Annexure - B to the Auditors' 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, 2019 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 judgement, 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, 2019, 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

Mumbai
May 01, 2019

Ashok A. Trivedi
Partner
Membership No. 042472

Balance Sheet

as at March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,223.23	891.95
Capital work-in-progress		157.81	290.21
Intangible assets	3	5.30	8.37
Financial assets			
Investments	4	139.16	7.83
Loans	5	138.27	125.89
Others financial assets	6	0.06	0.05
Deferred tax assets (net)	25	95.80	112.26
Non-current tax assets (net)		7.36	5.97
Other non-current assets	7	102.76	76.94
Total Non - Current Assets		1,869.75	1,519.47
Current Assets			
Inventories	8	1,976.60	1,452.16
Financial assets			
Investments	4	44.46	42.35
Trade receivables	9	194.35	162.27
Cash and cash equivalents	10	90.76	35.13
Other balances with banks	11	9.09	9.13
Loans	5	195.36	96.65
Others financial assets	6	6.14	11.99
Other current assets	7	246.72	161.95
Total Current Assets		2,763.48	1,971.63
Total Assets		4,633.23	3,491.10
Equity and Liabilities			
Equity			
Equity share capital	12	38.91	38.08
Other equity	13	1,608.74	1,355.80
Total Equity		1,647.65	1,393.88
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	14	653.05	573.87
Other financial liabilities	15	6.26	5.00
Provisions	16	8.47	8.50
Total Non - Current Liabilities		667.78	587.37
Current Liabilities			
Financial liabilities			
Borrowings	14	136.31	135.63
Trade payables			
Dues of micro enterprises and small enterprises	35	15.53	6.02
Dues of creditors other than micro enterprises and small enterprises		1,653.68	1,041.09
Other financial liabilities	15	403.49	252.54
Other current liabilities	17	55.98	26.20
Provisions	16	52.81	48.37
Total Current Liabilities		2,317.80	1,509.85
Total Equity and Liabilities		4,633.23	3,491.10

The accompanying notes are forming part of the financial statements

1-42

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

Shailesh Haribhakti
Chairperson

Kishore Biyani
Managing Director

Sharda Agarwal
Director

Rakesh Biyani
Director

Ashok A. Trivedi
Partner
Membership No. 042472

Dr. Darlie Koshy
Director

Bijou Kurien
Director

C. P. Toshniwal
Director

Narayan Ramachandran
Director

Mumbai
May 01, 2019

Avni Biyani
Director

Kaleeswaran Arunachalam
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	2018-2019	2017-2018
Revenue			
Revenue from operations	18	5,377.41	4,219.15
Other income	19	38.60	33.30
Total Revenue		5,416.01	4,252.45
Expenses			
Cost of materials consumed		1.65	22.22
Purchases of stock-in-trade		3,982.74	2,664.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(525.40)	(36.06)
Excise duty on sales of goods		-	0.25
Employee benefits expense	21	296.91	243.07
Finance costs	22	104.38	94.72
Depreciation and amortisation expense	3	196.65	149.33
Other expenses	23	1,159.98	959.04
Total Expenses		5,216.91	4,096.88
Profit Before Tax		199.10	155.57
Tax Expense	24	53.73	45.06
Profit for the Year		145.37	110.51
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined employee benefit plans		0.84	1.26
(b) Change in fair value of investments in equity shares carried at fair value through OCI		0.62	0.67
Income tax relating to items that will not be reclassified to profit or loss		(0.30)	0.61
Total Other Comprehensive Income, Net of Tax		1.16	2.54
Total Comprehensive Income for the year		146.53	113.05
Earnings per equity share of Face Value of ₹ 2 each	31		
Basic (₹)		7.57	5.94
Diluted (₹)		7.54	5.93
The accompanying notes are forming part of the financial statements		1-42	

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

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May 01, 2019

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Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

A) Equity Share Capital

Balance as at April 01, 2017	38.00
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	0.08
Balance as at March 31, 2018	38.08
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	0.07
Issue on preferential basis (Refer Note 12)	0.76
Balance as at March 31, 2019	38.91

B) Other Equity

	Reserve and Surplus							
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Total
Balance as at April 01, 2017	475.09	299.45	50.00	4.28	38.04	379.08	3.94	1,249.88
Profit for the Year	-	-	-	-	-	110.51	-	110.51
Other Comprehensive income for the year, Net of Income tax	-	-	-	-	-	0.83	1.71	2.54
Total Comprehensive income for the year	-	-	-	-	-	111.34	1.71	113.05
Transfer to Securities premium on exercise of ESOP	-	3.59	-	(3.59)	-	-	-	-
Issue of Equity shares on exercise of ESOP	-	0.33	-	-	-	-	-	0.33
Recognition of Share-based payments	-	-	-	10.86	-	-	-	10.86
Payment of Dividend on Equity Shares	-	-	-	-	-	(15.22)	-	(15.22)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	(3.10)	-	(3.10)
Balance as at March 31, 2018	475.09	303.37	50.00	11.55	38.04	472.10	5.65	1,355.80
Profit for the Year	-	-	-	-	-	145.37	-	145.37
Other Comprehensive income for the year, Net of Income tax	-	-	-	-	-	0.54	0.62	1.16
Total Comprehensive income for the year	-	-	-	-	-	145.91	0.62	146.53
Transfer to Securities premium on exercise of ESOP	-	3.39	-	(3.39)	-	-	-	-
Received on Issue of Equity shares	-	170.14	-	-	-	-	-	170.14
Transfer to Debenture Redemption Reserve	-	-	50.00	-	-	(50.00)	-	-
Transfer to General Reserve	-	-	(50.00)	-	50.00	-	-	-
Impairment of Assets	(48.10)	-	-	-	-	-	-	(48.10)
Recognition of Share-based payments	-	-	-	12.48	-	-	-	12.48
Payment of Dividend on Equity Shares	-	-	-	-	-	(23.33)	-	(23.33)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	(4.80)	-	(4.80)
Balance as at March 31, 2019	426.99	476.90	50.00	20.64	88.04	539.90	6.27	1,608.74

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**
Chartered Accountants
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Sanjay Kumar Mutha
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	2018-19	2017-18
A Cash Flows from Operating Activities		
Profit for the year	145.37	110.51
Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities		
Income tax expense	53.73	45.06
Finance costs	104.38	94.72
Interest income	(32.25)	(23.42)
Loss on disposal/discard of property, plant and equipment	27.44	21.96
Expected credit loss allowance (for doubtful debts)	0.42	0.13
Depreciation and amortisation of property, plant and equipment and intangible assets	196.65	149.33
Expense recognised in respect of equity-settled share-based payments	12.48	10.86
Bad Debts/(Sundry Balances written back)	0.32	(0.60)
Cash Generated from Operations before Working Capital Changes	508.54	408.55
Movements in Working Capital:		
(Increase)/Decrease in trade and other receivables	(111.73)	190.16
(Increase) in inventories	(524.44)	(34.14)
(Increase)/Decrease in other assets	(37.55)	36.86
Increase/(Decrease) in trade payables	622.08	(85.94)
Increase in provisions	5.26	22.81
Increase in other liabilities	51.28	77.70
Cash Generated from Operations	513.44	615.99
Direct Taxes Paid	(38.95)	(37.48)
Net Cash Generated from Operating Activities	474.49	578.51
B Cash Flows from Investing Activities		
Inter corporate deposit (Given) (Net)	(92.54)	(54.27)
Interest received	32.25	23.42
Payments for property, plant and equipment, intangible assets and capital advances	(403.33)	(461.16)
Proceeds from disposal of property, plant and equipment	0.73	1.09
Payment to acquire financial assets - Investment	(132.83)	(1.22)
Realisation of deposits/restricted deposits with banks	0.04	5.57
Net Cash (Used in) Investing Activities	(595.68)	(486.57)
C Cash Flows from Financing Activities		
Proceeds from issue of equity instrument of the company	170.97	0.41
Proceeds from borrowings	138.36	40.76
Interest paid	(104.38)	(94.72)
Dividend paid (including dividend distribution tax)	(28.13)	(18.31)
Net Cash Generated by/(Used in) Financing Activities	176.82	(71.86)
Net Increase in Cash and Cash Equivalents	55.63	20.08
Cash and cash equivalents at the beginning of the year	35.13	15.05
Cash and Cash Equivalents at the End of the Year (Refer Note 10)	90.76	35.13

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

Shailesh Haribhakti
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Mumbai
May 01, 2019

Avni Biyani
Director

Kaleeswaran Arunachalam
Chief Financial Officer

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 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 of India Limited and BSE Limited. The Financial Statements were approved for issue by the Board of Directors on May 01, 2019. 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 Standard issued but not effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, "Leases" as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, "Leases" with effect from accounting periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17, "Leases" introducing a single on-balance sheet accounting model that will result in creation of Right of use asset and lease liability for all the leases subject to short term, low value leases and transition relaxations.

2.3 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.

2.4 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.

2.5 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 are accounted for prospectively.

Notes

Forming Part of the Financial Statements

2.6 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 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

2.7 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, associate 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.

2.8 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.

Effective April 01, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the

cumulative catch-up transition method, applied to contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

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 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.

2.9 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense in statement of profit and loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at commencement of the lease at the fair value

Notes

Forming Part of the Financial Statements

of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

2.10 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 are 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.

2.11 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 share that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.12 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.

2.13 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.

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

Notes

Forming Part of the Financial Statements

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 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 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.

2.14 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.

2.15 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.

2.16 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company 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.

2.17 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 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").

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Forming Part of the Financial Statements

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 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.

Derecognition 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.

2.18 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.

2.19 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.'

2.20 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

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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.

2.21 Application of new and revised standards

Ind AS 116- Leases:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning

on or after April 01, 2019. It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The standard also requires enhanced disclosures requirements for lessees. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

The Company's operating leases mainly relate to store Leases and Office Premises which are on lease terms ranging from 5 to 18 years. The Company is currently in the process of evaluating the impact, this standard will have on its financial statements.

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(All amounts in INR crore, unless otherwise stated)

4) Investments

	Number of Units		Amount	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Non-Current Investments				
Trade Investments fully paid up of ₹10 each unless otherwise stated				
Quoted				
Koovs plc (£ 0.10 per ordinary share)	5,78,76,600	-	52.53	-
Aggregate book value of quoted Non-Current Investments		-	52.53	-
Unquoted				
Investment in Equity Instruments				
Subsidiaries (At cost / deemed cost)				
Future Trendz Limited	5,50,000	5,50,000	1.05	0.55
FLFL Business Services Limited	1,50,000	1,50,000	0.15	0.15
Joint Venture (At cost / deemed cost)				
FLFL Lifestyle Brands Limited	50,000	50,000	1.12	0.57
FLFL Travel Retail Bhubaneswar Private Limited	5,100	-	0.01	-
FLFL Travel Retail Guwahati Private Limited	5,100	-	0.01	-
FLFL Travel Retail West Private Limited	5,100	-	0.01	-
FLFL Travel Retail Lucknow Private Limited	5,100	-	0.01	-
Others (at fair value through other comprehensive income)				
Renew Wind Power Karnataka Private Limited	6,400	6,400	0.06	0.06
Investment in Optionally Convertible Debentures				
Joint Venture (accounted for using the equity method)				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	7,77,30,000	-	77.73	-
Aggregate book value of unquoted Non-Current Investments			86.63	7.83
			139.16	7.83
Current Investments				
Trade Investments fully paid up of ₹10 each unless otherwise stated				
Unquoted				
Investment in Equity Instruments				
Joint Ventures (At cost / deemed cost)				
Clarks Future Footwear Private Limited	9,80,000	9,80,000	3.63	2.13
Holii Accessories Private Limited	1,90,000	1,90,000	0.24	0.24
Others (at fair value through other comprehensive income)				
SSIPL Retail Limited	6,09,197	6,09,197	40.60	39.98
Aggregate book value of unquoted Current Investments			44.46	42.35

5) Loans (Unsecured, Considered Good)

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Security Deposits	138.27	125.89
	138.27	125.89
Current		
Security Deposits	28.10	21.93
Inter Corporate Deposits	167.26	74.72
	195.36	96.65

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Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

6) Others Financial Assets

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Bank deposits more than 12 months maturity	0.06	0.05
	0.06	0.05
Current		
Insurance Claim Receivable	5.17	6.66
Other Receivables	0.97	5.33
	6.14	11.99

7) Other Assets

	As at March 31, 2019	As at March 31, 2018
Non-current		
Capital Advances	14.96	8.14
Prepaid Expenses	87.80	68.80
	102.76	76.94
Current		
Balance with Government authorities	163.15	66.33
Advance to suppliers	57.75	71.03
Prepaid Expenses	13.27	16.73
Others	12.55	7.86
	246.72	161.95

8) Inventories

	As at March 31, 2019	As at March 31, 2018
Raw-Materials	-	0.97
Work-in-Progress	-	0.07
Stock-in-Trade (Goods-in-Transit of ₹42.78 crore, 2017-18: ₹22.09 crore)	1,974.91	1,422.65
Finished Goods	-	27.23
Packing Material	1.69	1.24
	1,976.60	1,452.16

9) Trade Receivables (Unsecured)

	As at March 31, 2019	As at March 31, 2018
Current		
Considered Good	194.35	162.27
Considered Doubtful	0.55	0.13
	194.90	162.40
Less :- Expected credit loss allowance (for doubtful receivables)	0.55	0.13
	194.35	162.27

10) Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Cash on Hand	15.80	4.55
In Current Accounts	34.12	18.31
Cheques on Hand	-	0.00
Balance with credit card and e-wallet companies	40.84	12.27
	90.76	35.13

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Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

11) Other Balances with Banks

	As at March 31, 2019	As at March 31, 2018
Bank deposits (with maturity less than 12 months)	8.94	9.06
Earmarked Accounts (for unpaid dividend)	0.15	0.07
	9.09	9.13

12) Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	25,00,00,000	50.00	25,00,00,000	50.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2/- each	19,45,68,077	38.91	19,04,13,837	38.08
	19,45,68,077	38.91	19,04,13,837	38.08

Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2019 No. of Shares	As at March 31, 2018 No. of Shares
At the beginning of the year	19,04,13,837	19,00,13,456
Add : Shares issued on exercise of employee stock option	3,31,776	4,00,381
Add : Issued during the year*	38,22,464	-
At the end of the year	19,45,68,077	19,04,13,837

* The Board of Directors at its meeting held on May 18, 2018 and the Shareholders of the Company at their meeting held on June 14, 2018, have approved issue of 38,22,464 equity shares of face value of ₹ 2 each fully paid-up at an issue price of ₹ 445.50 per equity share for cash, including a premium of ₹ 443.50 per equity share, aggregating to ₹ 170.29 crore to Spectacular Investment Pte. Limited under the preferential allotment of the Company.

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, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited, Parent Company	10,16,64,765	52.25	10,46,47,747	54.96
Spectacular Investments PTE Limited	1,94,04,207	9.97	-	-
Pioneer Investment Fund	77,37,079	3.98	1,55,27,950	8.15

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)

13) Other Equity

	As at March 31, 2019	As at March 31, 2018
Capital Reserve	426.99	475.09
Securities Premium	476.90	303.37
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	20.64	11.55
General Reserve	88.04	38.04
Retained Earnings	539.90	472.10
Equity Instruments through Other Comprehensive Income	6.27	5.65
	1,608.74	1,355.80

For addition and deduction under each of the above heads refer statement of changes 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)

14) Borrowings

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Secured - at amortised cost		
8.70% Redeemable Non Convertible Debentures (NCD)	349.08	348.56
Term Loans from Banks	303.97	225.31
	653.05	573.87
Current		
Secured - at amortised cost		
Working Capital Loans from Banks	136.31	135.63
	136.31	135.63

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, 2019	As at March 31, 2018
1	8.70 % NCD Series IV			
	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 60 Months from the deemed date of allotment falling due on November 09, 2022. The instrument carries Put/Call Option at the end of 3rd and 4th year from the deemed date of allotment. Interest of 8.70% p.a. payable annually from the deemed date of allotment. Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.	349.08	348.56
2	Term Loan from Bank:			
(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 8 step up quarterly installments. (Next installment due in June, 2019). Interest :- Base Rate +1.10% i.e 10.25% p.a. Interest is paid as and when due.	85.16	85.14
(ii)	a) Secured by First pari-passu charge on Fixed Assets (movable and immovable), both present and future of the company.	The Loan was prepaid and closed in April, 2018. Interest :- IFCI Benchmark Rate + 0.75% p.a.	-	25.00
	b) Pledge of Shares of the company, giving cover of at least 0.25 times the outstanding of Loan amount.	Interest is paid as and when due.		
	c) Personal Guarantee of Mr. Kishore Biyani and Mr. Vijay Biyani.			
	d) PDC's for Interest and Principal repayments.			

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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, 2019	As at March 31, 2018
(iii) a)	Secured by First Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 22 step-up quarterly installments (Next Installment due in June, 2019).	140.40	128.17
b)	Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.15% p.a. (as on March 31, 2019). Interest is paid as and when due.		
(iv) 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 23 step-up quarterly installments. (Next Installment due in July, 2019)	149.91	-
b)	Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.15% p.a (as on March 31, 2019).		
			724.55	586.87
	Less : Current Maturities of Long Term Borrowings		71.50	13.00
	Total		653.05	573.87

Details of Security and Repayment Terms for Secured Current Borrowings :-

Nature of Security	Terms of Interest and Repayment
Working Capital Loans from Banks	
Loans is secured by	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the WC Loan is 10.20 % in the Financial Year 2019.
a) First pari-passu charge on Current Assets (excluding credit / debit card receivables)	
b) Second pari-passu charge on the Fixed Assets	

15) Other Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Derivative liability	6.26	5.00
	6.26	5.00
Current		
Current Maturities of Long-Term Borrowings	71.50	13.00
Interest Accrued but Not Due on Borrowings	14.74	12.13
Unclaimed Dividend	0.15	0.09
Creditors for Capital Supplies/Services	180.57	108.36
Payable to Employees	22.28	21.02
Security Deposits	99.32	86.47
Financial Guarantee Obligations	0.94	0.40
Other Payables	13.99	11.07
	403.49	252.54

16) Provisions

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Gratuity	8.47	8.50
	8.47	8.50
Current		
Leave encashment	7.47	5.20
Gratuity	1.30	0.23
Provision for right of return	44.04	42.94
	52.81	48.37

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(All amounts in INR crore, unless otherwise stated)

17) Other Current Liabilities

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	55.98	26.20
	55.98	26.20

18) Revenue from Operations

	2018-2019	2017-2018
Sale of Products	5,802.46	4,516.40
Less: Goods and Service Tax / Value Added Tax / Sales Tax	529.29	387.01
	5,273.17	4,129.39
Other Operating Revenue	104.24	89.76
	5,377.41	4,219.15

19) Other Income

	2018-2019	2017-2018
Interest Income		
On lease deposits measured at amortised cost	12.80	16.08
Bank deposits	0.56	0.32
Others	18.89	7.02
Miscellaneous Income	6.35	9.88
	38.60	33.30

20) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	2018-2019	2017-2018
Opening Inventories		
Finished Goods	27.23	35.74
Work-in-Progress	0.07	3.62
Stock- in-Trade	1,423.90	1,375.78
Closing Inventories		
Finished Goods	-	27.23
Work-in-Progress	-	0.07
Stock- in-Trade	1,976.60	1,423.90
	(525.40)	(36.06)

21) Employee Benefits Expense

	2018-2019	2017-2018
Salaries, Incentives and Allowances	261.98	212.84
Expense on Employee Stock Option Scheme (Refer Note 36)	12.48	10.86
Contribution to Provident and Other Funds	15.20	13.60
Staff Welfare Expenses	7.25	5.77
	296.91	243.07

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(All amounts in INR crore, unless otherwise stated)

22) Finance Cost

	2018-2019	2017-2018
Interest Expense	81.63	79.36
Other Borrowing Costs	22.75	15.36
	104.38	94.72

23) Other Expenses

	2018-2019	2017-2018
Power and Fuel	136.32	115.02
Repairs and Maintenance		
Buildings	20.95	19.74
Others	8.65	6.89
Insurance	6.39	5.06
Rates and Taxes	7.91	7.61
Rent	546.45	450.56
Common Area Maintenance	58.52	48.99
Advertisement and Marketing	139.02	107.48
Loss on Disposal/Discard of property, plant and equipment (Net)	27.44	21.96
Expected credit loss allowance (for doubtful receivables)	0.42	0.13
Bad Debts Written Off	0.32	-
Corporate Social Responsibility Expenses (Refer Note 30)	2.15	1.12
Miscellaneous Expenses (Refer Note 40)	205.44	174.48
	1,159.98	959.04

24) Tax Expense

Income tax expense recognised in statement of Profit and Loss

	2018-2019	2017-2018
Current Tax	37.56	32.81
Deferred Tax	16.17	12.25
Total	53.73	45.06

Income Tax expense recognised in other comprehensive income

	2018-2019	2017-2018
Deferred Tax	0.30	(0.61)

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	2018-2019	2017-2018
Profit before tax from continuing operations	199.10	155.57
Income tax expense calculated at 34.944%	69.57	53.84
Effect of:		
Expenses that are not deductible in determining taxable profit	6.41	7.21
Availment of MAT Credit	-	(6.82)
Other permanent differences	(22.25)	(9.17)
Income tax expense recognised in statement of Profit and Loss	53.73	45.06

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

25) Deferred Tax Assets

Movement of deferred tax assets/ (liabilities)

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2019

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to:				
Financial asset measured at fair value	4.57	-	(0.01)	4.58
Total deferred tax liabilities	4.57	-	(0.01)	4.58
Deferred tax assets in relation to:				
Property, plant and equipment and intangible assets	104.35	(10.14)	-	94.20
Employee benefit obligation	4.85	1.46	(0.29)	6.02
Provision for doubtful debts	-	0.15	-	0.15
Utilisation of MAT Credit	7.63	(7.63)	-	-
Total deferred tax assets	116.83	(16.16)	(0.29)	100.38
Net deferred tax asset/ (liabilities)	112.26	(16.16)	(0.30)	95.80

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2018

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to:				
Financial asset measured at fair value	5.61	-	(1.04)	4.57
Others	0.22	(0.22)	-	-
Total deferred tax liabilities	5.83	(0.22)	(1.04)	4.57
Deferred tax assets in relation to:				
Property, plant and equipment and intangible assets	125.34	(20.99)	-	104.35
Employee benefit obligation	4.39	0.89	(0.43)	4.85
Availment of MAT Credit	-	7.63	-	7.63
Total deferred tax assets	129.73	(12.47)	(0.43)	116.83
Net deferred tax asset/ (liabilities)	123.90	(12.25)	0.61	112.26

26) Contingent Liabilities

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debt	7.25	15.72
Corporate Guarantees given	177.92	126.20
Guarantees given to the bank on behalf of the Company	31.14	17.10

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

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(All amounts in INR crore, unless otherwise stated)

28) Disclosure Relating to Leases

The Company has entered into operating lease arrangements for premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these premises is ₹ 500.89 crore (2017-18: ₹ 323.96 crore). The Lease Rent payable not later than one year is ₹ 165.47 crore (2017-18: ₹ 122.61 crore), payable later than one year but not later than five year is ₹ 330.69 crore (2017-18: ₹ 201.35 crore) and payable later than five years is ₹ 4.74 crore (2017-18: ₹ Nil crore).

29) Payment to Auditors

	2018-2019	2017-2018
Statutory Audit Fees	0.70	0.70
Tax Audit Fees	0.05	0.05
Other Services	0.04	0.03
Reimbursement of expenses	0.01	-
Total	0.80	0.78

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 ₹ 2.15 crore (2017-18: ₹ 1.12 crore).

	2018-2019	2017-2018
Gross amount required to be spent by the company	2.15	1.12
Details of amount spent are as under:		
Measures for reducing inequalities faced by socially and economically backward groups	2.00	0.52
Creating access to better healthcare facilities	0.14	-
Enabling better livelihood through education	0.11	-
Measures for the benefit of armed forces veterans	-	0.50
Total	2.25	1.02

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	2018-2019	2017-2018
Profit attributable to Equity Share holders	₹ in crore	146.53	113.05
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in crore	19.36	19.02
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in crore	19.43	19.07
Earnings per share – Basic	₹	7.57	5.94
Earnings per share – Diluted	₹	7.54	5.93
Face value per share	₹	2.00	2.00

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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.

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:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.05%	7.70%
Salary Escalation	7% for first 2 years and 5% thereafter	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Service <5 Years: 46% Service >5 Years: 2%	1.00%
Retirement Age	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 recognised in the statement of Profit and Loss, other comprehensive income

	2018-2019	2017-2018
Total Service Cost	2.51	2.79
Net Interest Expenses	0.66	0.58
Components of expense recognised in the statement of Profit and Loss (A)	3.17	3.37
Re-measurements on the net defined benefit liability:		
Actuarial (Gain) arising from changes in demographic assumptions	(1.52)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.79	(0.41)
Actuarial (Gain) arising from experience adjustments	(0.11)	(0.85)
Total Amount recognised in other comprehensive income (B)	(0.84)	(1.26)
Total cost recognised (A+B)	2.33	2.11

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:

	As at March 31, 2019	As at March 31, 2018
Present value of unfunded defined benefit obligation	9.77	8.72

(v) Movement in present value of the defined benefit obligation

	2018-2019	2017-2018
Opening defined benefit obligation	8.72	7.84
Total Service Cost	2.51	2.79
Net Interest Expenses	0.66	0.58
Re-measurements on the net defined benefit liability		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(1.52)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.79	(0.41)
Actuarial (Gain)/Loss arising from experience adjustments	(0.11)	(0.85)
Benefits paid	(1.28)	(1.22)
Closing defined benefit obligation	9.77	8.72

(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.

	As at March 31, 2019	As at March 31, 2018
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(8.80)	(7.53)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	10.93	10.19
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	10.76	10.14
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(8.89)	(7.59)

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 Company has recognised an amount of ₹ 4.29 crore (2017-18: ₹ 2.26 crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	As at March 31, 2019	As at March 31, 2018
Discounted Rate	7.05%	7.70%
Salary Increase Rate	7% for first 2 years and 5% thereafter	5.00%
Attrition Rate	Service <5 Years: 46% Service >5 Years: 2%	1.00%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

33) Related Party Disclosures

a) Name of Related Parties and Nature of Relationship:

i. Holding Company

Ryka Commercial Ventures Private Limited

ii. Ultimate Controlling Entity

Lifestyle Trust

iii. Subsidiaries

FLFL Business Services Limited

Future Speciality Retail Limited

Future Trendz Limited

iv. Joint Ventures

Celio Future Fashion Private Limited

Clarks Future Footwear Private Limited

FLFL Lifestyle Brands Limited

FLFL Travel Retail West Private Limited

(w.e.f. May 30, 2018)

FLFL Travel Retail Bhubaneswar Private Limited

(w.e.f. May 30, 2018)

FLFL Travel Retail Guwahati Private Limited

(w.e.f. May 30, 2018)

FLFL Travel Retail Lucknow Private Limited

(w.e.f. May 30, 2018)

v. Associates

Elisir Lifestyle Private Limited

Future Style Lab Limited

Future Style Lab UK Limited

Indus-League Clothing Limited

Indus Tree Crafts Private Limited

Indus Tree Producer Transform Private Limited

Mineral Fashions Limited

Rachika Trading Limited

vi. Key Management Personnel (KMP)

Managing Director : Kishore Biyani

Non-Executive Directors : Avni Biyani

C. P. Toshniwal

Rakesh Biyani

Ravinder Singh Thakran

Independent Directors : Bijou Kurien

Dr. Darlie Koshy

Shailesh Haribhakti

Sharda Agarwal

Alternate Director : Narayan Ramachandran

vii. Entities Controlled by KMP

Bansi Mall Management Company Private Limited

Future Brands Limited

Future Consumer Limited

Future Corporate Resources Private Limited

(Formerly known as Suhani Trading and Investment Consultants Private Limited)

Future Entertainment Private Limited

Future Enterprises Limited

Future Generali India Life Insurance Company Limited

Future Generali India Insurance Company Limited

Future Human Development Limited

Future Ideas Company Limited

Future Market Networks Limited

Future Retail Limited

Future Sharp Skills Limited.

Future Supply Chain Solutions Limited

Idiom Design and Consulting Limited

Retail Light Techniques (India) Limited

Skechers South Asia Private Limited

Suhani Mall Management Company Private Limited

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

b) Transaction with Related Parties

Nature of transactions	Subsidiary	Associates and Joint Venture	Entities Controlled by KMP	KMP
Revenue from Operations	0.31 (0.20)	18.11 (6.24)	40.05 (-)	- (-)
Purchase of Goods and Services	147.34 (151.33)	60.80 (35.40)	1153.30 (10.71)	- (-)
Purchase of Fixed Assets	- (-)	- (-)	19.25 (-)	- (-)
Sale of Fixed Assets	1.86 (0.06)	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	3.85 (2.85)
Sitting Fees and Commission	- (-)	- (-)	- (-)	1.76 (1.08)
Investment Made	- (0.30)	77.73 (2.16)	- (-)	- (-)
Loans and Advances Given	- (-)	82.50 (74.82)	13.94 (-)	- (-)
Loans and Advances Given Received Back	- (-)	9.35 (-)	- (-)	- (-)
Deposit Received	- (-)	0.05 (-)	- (-)	- (-)
Outstanding Balances as on March 31, 2019	- (0.01)	16.37 (25.13)	25.10 (-)	- (-)
Receivable				
Payable	113.98 (97.97)	32.00 (15.71)	352.94 (3.01)	- (-)

Figures in bracket represent previous year's figures

c) Disclosure in respect of Material Transactions with Related Parties

- Revenue from Operations includes Future Specialty Retail Limited ₹ 0.31 crore (2017-18: ₹ 0.20 crore), FLFL Lifestyle Brands Limited ₹ 14.43 crore (2017-18: ₹ 3.33 crore), Future Enterprises Limited ₹ 20.01 crore, Future Retail Limited ₹ 16.40 crore.
- Purchase of Goods and Service includes Future Specialty Retail Limited ₹ 147.34 crore (2017-18: ₹ 151.33 crore), Future Style Lab Limited ₹ 13.68 crore (2017-18: ₹ 13.09 crore), Rachika Trading Limited ₹ 10.00 crore (2017-18: ₹ 7.95 crore), Celio Future Fashion Private Limited ₹ 10.93 crore (2017-18: ₹ 8.66 crore), Mineral Fashions Limited ₹ 15.30 crore, Future Enterprises Limited ₹ 629.92 crore, Future Retail Limited ₹ 348.21 crore.
- Purchase of Fixed Assets includes Retail Light Techniques (India) Limited ₹ 16.72 crore.
- Sale of Fixed Assets includes Future Specialty Retail Limited ₹ 1.86 crore (2017-18: ₹ 0.06 crore).
- Investment made includes FLFL Lifestyle Brands Limited ₹ 77.73 crore (2017-18: ₹ 0.52 crore).
- Loans and Advance given includes FLFL Lifestyle Brands Limited ₹ 82.46 crore (2017-18: ₹ 69.52), Future Corporate Resources Private Limited ₹ 13.79 crore
- Loans and Advance given received back includes Future Style Lab Limited ₹ 5.30 crore, Indus Tree Crafts Private Limited ₹ 3.65 crore, Indus Tree Producer Transform Private Limited ₹ 0.40 crore.

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, 2019 is ₹ 80.55 crore (2017-18: ₹ 74.75 crore)

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

35) Dues of Micro Enterprises and Small Enterprises

	2018-2019	2017-2018
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	15.50	6.02
Interest due on above	0.03	-
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	0.19	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.19	-
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	0.19	-

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.

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.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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

* 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 - 2015	
	2018-2019	2017-2018
Date of Grant	N.A.	16/10/2017
Expected volatility (%)	N.A.	39.99%
Option life (Years)	N.A.	3.45 Years
Dividend yield (%)	N.A.	0.12 %
Risk-free interest rate (Average)	N.A.	6.49%

Movement in Stock Options during the year

The following reconciles the Stock Options outstanding at the beginning and end of the period:

	2018-2019		2017-2018	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
Balance at beginning of Year				
FLFL ESOS - 2013	1,75,824	10	3,34,203	10
FLFL ESOP 2015-Primary	16,87,768	10 and 189	6,06,800	10
Granted during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	13,54,000	189
Forfeited during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	31,030	10
Exercised during the period				
FLFL ESOS - 2013	41,232	10	1,58,379	10
FLFL ESOP 2015-Primary	290,544	10 and 189	2,42,002	10
Expired during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
Balance at the end of Year				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	13,97,224	10 and 189	16,87,768	10 and 189
Exercisable at the end of the Year				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	381,724	10 and 189	54,326	10

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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	41,232	Various dates	365.00
FLFL ESOP 2015-Primary	290,544	Various dates	410.25

- 37)** In terms of the Composite scheme of Arrangement and Amalgamation, which is approved by the Hon'ble High Court of Bombay vide its order dated May 10, 2013, Capital reserve was permitted to be utilised for the purpose of adjusting value of any assets including goodwill, investment/offset any charge on account of impairment/write off/amortisation. Accordingly Company has charged a sum of ₹ 48.10 crore being impairment of Assets received under the aforesaid scheme to the capital reserve.

38) 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	As at March 31, 2019			As at March 31, 2018	
	Purpose of Loan	Outstanding Amount	Maximum Amount Outstanding	Outstanding Amount	Maximum Amount Outstanding
Inter Corporate Deposits					
Indus Tree Crafts Private Limited	Operational	-	5.74	5.39	5.39
Idiom Design and Consulting Limited	Operational	1.37	1.37	1.21	1.21
Indus Tree Producer Transform Private Limited	Operational	-	0.58	0.54	0.54
Unico Retail Private Limited	Operational	0.42	0.42	0.39	0.39
FLFL Lifestyle Brands Limited	Operational and Investment in Fashion brands.	166.43	166.43	72.51	72.51
Corporate Guarantees Given					
Indus Tree Producer Transform Private Limited	To Secure Working Capital Facility	9.30	9.30	7.00	7.00
Rachika Trading Private Limited	To Secure Working Capital Facility	18.62	18.62	19.20	19.20
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	-	-

Security

The Company has created security by way of pledge on investments held in FLFL Lifestyle Brands Limited, SSIPL Retail Limited, Holii Accessories Private Limited and Clarks Future Footwear Private 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.

Investments

Refer Note 4 to Notes forming part of the Financial Statements

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

39) 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 maximising the return to stakeholders through the optimisation 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, 2 019	As at March 31, 2018
Total debt including interest accrued	875.60	734.63
Less: cash and bank balances	99.85	44.26
Net debt	775.75	690.37
Equity	1647.65	1393.88
Net debt to equity ratio	47%	50%

Categories of financial instruments

	As at March 31, 2019	As at March 31, 2018
Financial assets		
(i) Measured at Amortised Cost		
Cash and bank balances	99.85	44.26
Trade receivables	194.35	162.27
Loans -Inter corporate deposit	167.26	74.72
Security deposits	166.37	147.82
Other financial assets	6.20	12.04
(ii) Mandatorily measured at fair value through profit and loss	-	-
(iii) Designated at fair value through other comprehensive income		
Investment in equity share	40.60	39.98
Financial liabilities		
(i) Measured at Amortised Cost		
Borrowing	860.86	722.50
Trade payable	1669.19	1,047.11
Security deposit received	99.32	86.47
Other financial liabilities	232.67	153.08
(ii) Mandatorily measured at fair value through profit and loss		
Derivative liabilities	6.26	5.00

Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2019	March 31, 2018	
Investments in equity instruments – SS IPL retail limited	40.60	39.98	Level 2
Derivative liability – written option	6.26	5.00	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.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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.

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 recognised 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, 2019	As at March 31, 2018
Amount Payable		
US Dollar (USD)	5.84	12.48
GBP	-	0.37

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ 0.29 crore (2017-18: ₹ 0.64 crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ 0.29 crore (2017-18: ₹ 0.64 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 ₹ 2.00 crore (2017 - 2018: increase/decrease by ₹ 2.00 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.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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.

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.

	2018-2019	2017-2018
Opening Balance	0.13	-
Provided during the year	0.42	0.13
Closing Balance	0.55	0.13

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 include 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
As at March 31, 2019					
Borrowing including Interest accrued	875.60	222.56	603.17	49.87	875.60
Trade payable	1669.19	1669.19	-	-	1669.19
Security deposit received	99.32	99.32	-	-	99.32
Other financial liabilities	217.94	217.94	-	-	217.94
Derivative liabilities (net basis)	6.26	-	6.26	-	6.26

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
As at March 31, 2018					
Borrowing including Interest accrued	734.63	157.72	551.91	25.00	734.63
Trade payable	1047.11	1047.11	-	-	1047.11
Security deposit received	86.47	86.47	-	-	86.47
Other financial liabilities	140.95	140.95	-	-	140.95
Derivative liabilities (net basis)	5.00	-	5.00	-	5.00

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

40) Miscellaneous Expenses

Miscellaneous Expenses consist of the following:

	2018-2019	2017-2018
House Keeping and Security Expenses	51.68	42.54
Credit Card Charges	39.09	36.18
Legal and Professional Charges	20.37	14.98
Travelling and Conveyance Expenses	11.61	13.94
Other Expenses	82.69	66.84
Total	205.44	174.48

- 41)** The Hon'ble Supreme Court of India by its order dated February 28, 2019, in the case of M/s. Surya Roshni Limited and others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni Limited has filed a review petition with Hon'ble Supreme Court of India which is pending for disposal. Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.
- 42)** The Company has transferred its Lee Cooper business on slump exchange to its step down subsidiary Future Speciality Retail Limited (FSRL) during the financial year 2016-17. The Company along with other parties have entered into an investment agreement with the subscribers of CCPS issued by FSRL which allow an exit option to them at an agreed price as per the terms of the agreement.

As per our report of even date attached

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

Ashok A. Trivedi
Partner
Membership No. 042472

Mumbai
May 01, 2019

For and on behalf of the Board of Directors

Shailesh Haribhakti
Chairperson

Dr. Darlie Koshy
Director

Avni Biyani
Director

Kishore Biyani
Managing Director

Bijou Kurien
Director

Kaleeswaran Arunachalam
Chief Financial Officer

Sharda Agarwal
Director

C. P. Toshniwal
Director

Sanjay Kumar Mutha
Company Secretary

Rakesh Biyani
Director

Narayan Ramachandran
Director

Independent Auditor's Report

To
The Members of
Future Lifestyle Fashions Limited

Report on the Audit of the Consolidated 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 comprises of the Consolidated Balance Sheet as at March 31, 2019, and 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, 2019,

and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional Judgement, 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 matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditor's Response
1.	Revenue Recognition 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)	Principal Audit Procedures We assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard. 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. We performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.
2.	Valuation of Inventory 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.	Principal Audit Procedures Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process. Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. Verification of the determination of net realisable value on a representative sample basis

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 Judgements 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 judgement 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

Independent Auditor's Report

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 ₹ 0.34 crores as at March 31, 2019, total revenues of ₹ NIL and net cash inflows amounting to ₹ (0.08) crores for the year ended on that date as considered in the consolidated financial statements. These financial statements and the other financial information have been audited by other auditor whose report

has been furnished to us by the Management, and our opinion on the consolidated results to the extent they have been derived from such financial statements is based solely on the other auditor's report. The consolidated financial statements also includes the Group's share of loss after tax of ₹ 0.28 crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of two jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the 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 the reports of their respective auditors.

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, 2019 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, 2019 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. The Group, its associates and joint venture did not have any material foreseeable losses 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

Mumbai
May 01, 2019

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2019, 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, 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.

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") 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 judgement, 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 authorisation 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 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, 2019, 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 insofar 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

Mumbai
May 01, 2019

Consolidated Balance Sheet

as at March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,229.55	894.02
Capital work-in-progress		157.81	290.49
Intangible assets	3	44.18	30.44
Financial assets			
Investments	4	305.09	174.93
Loans	5	145.31	126.69
Others financial assets	6	0.08	0.05
Deferred tax assets (net)	25	28.27	39.18
Non-current tax assets (net)		7.44	5.97
Other non-current assets	7	89.56	77.12
Total Non - Current Assets		2,007.29	1,638.89
Current Assets			
Inventories	8	2,031.48	1,482.88
Financial assets			
Investments	4	43.95	42.12
Trade receivables	9	390.29	303.22
Cash and cash equivalents	10	116.51	36.06
Other balances with banks	11	9.09	9.13
Loans	5	189.19	96.65
Others financial assets	6	6.14	14.49
Other current assets	7	266.65	174.98
Total Current Assets		3,053.30	2,159.53
Total Assets		5,060.59	3,798.42
Equity and Liabilities			
Equity			
Equity share capital	12	38.91	38.08
Convertible non-participating preference share capital	12	0.01	0.01
Other equity	13	1,788.12	1,491.52
Equity attributable to owners of the Group		1,827.04	1,529.61
Non-controlling interests		0.01	0.01
Total Equity		1,827.05	1,529.62
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	14	673.28	612.27
Other financial liabilities	15	6.26	5.00
Provisions	16	8.93	8.86
Total Non - Current Liabilities		688.47	626.13
Current Liabilities			
Financial liabilities			
Borrowings	14	136.31	135.63
Trade payables			
Dues of micro enterprises and small enterprises	34	18.79	9.51
Dues of creditors other than micro enterprises and small enterprises		1,781.11	1,083.70
Other financial liabilities	15	434.00	290.76
Other current liabilities	17	67.30	26.35
Provisions	16	107.56	87.77
Current tax liabilities (Net)		-	8.95
Total Current Liabilities		2,545.07	1,642.67
Total Equity and Liabilities		5060.59	3798.42

The accompanying notes are forming part of the financial statements

1-39

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

Shailesh Haribhakti
Chairperson

Kishore Biyani
Managing Director

Sharda Agarwal
Director

Rakesh Biyani
Director

Ashok A. Trivedi
Partner
Membership No. 042472

Dr. Darlie Koshy
Director

Bijou Kurien
Director

C. P. Toshniwal
Director

Narayan Ramachandran
Director

Mumbai
May 01, 2019

Avni Biyani
Director

Kaleeswaran Arunachalam
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	2018-2019	2017-2018
Revenue			
Revenue from operations	18	5,728.12	4,498.22
Other income	19	38.31	34.10
Total Revenue		5,766.43	4,532.32
Expenses			
Cost of materials consumed		1.65	22.23
Purchases of stock-in-trade		4,237.35	2,803.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(549.56)	20.97
Excise duty on sales of goods		-	0.25
Employee benefits expense	21	330.79	264.86
Finance costs	22	116.82	108.26
Depreciation and amortisation expense	3	207.10	153.89
Other expenses	23	1,182.01	972.84
Total Expenses		5,526.16	4,346.68
Profit Before Tax		240.27	185.64
Tax Expense	24	46.52	58.59
Profit Before Non-Controlling Interests/Share in Net Loss of Associates and Joint Ventures		193.75	127.05
Share in Net Loss of Associates and Joint Ventures		4.75	0.96
Profit for the Year		189.00	126.09
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined employee benefit plans		0.94	1.26
(b) Change in fair value of investments in equity shares carried at fair value through OCI		0.62	0.67
Income tax relating to items that will not be reclassified to profit or loss		(0.33)	0.61
Total Other Comprehensive Income, Net of Tax		1.23	2.54
Total Comprehensive Income for the year		190.23	128.63
Profit for the year Attributable to:			
Owners of the Group		188.99	126.08
Non-controlling interests		0.01	0.01
Total Comprehensive Income for the Year Attributable to:			
Owners of the Group		190.22	128.62
Non-controlling interests		0.01	0.01
Earnings per equity share of Face Value of ₹ 2 each	30		
Basic (₹)		9.82	6.63
Diluted (₹)		9.79	6.61
The accompanying notes are forming part of the financial statements		1-39	

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

Shailesh Haribhakti
Chairperson

Kishore Biyani
Managing Director

Sharda Agarwal
Director

Rakesh Biyani
Director

Ashok A. Trivedi
Partner
Membership No. 042472

Dr. Darlie Koshy
Director

Bijou Kurien
Director

C. P. Toshniwal
Director

Narayan Ramachandran
Director

Mumbai
May 01, 2019

Avni Biyani
Director

Kaleeswaran Arunachalam
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

A) Equity Share Capital

Balances as at April 01, 2017	38.00
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 35)	0.08
Balances as at March 31, 2018	38.08
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 35)	0.07
Issue on preferential basis (Refer Note 12)	0.76
Balances as at March 31, 2019	38.91

B) Other Equity

	Reserve and Surplus								Total other equity
	Equity Component of Compound Financial Instruments	Capital Reserve	Securities Premium	Debt Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	
Balance as at April 01, 2017	174.83	475.09	299.45	50.00	4.28	38.04	299.41	3.94	1345.04
Profit for the Year	-	-	-	-	-	-	126.08	-	126.08
Other Comprehensive income for the year, Net of income tax	-	-	-	-	-	-	0.83	1.71	2.54
Total Comprehensive income for the year	-	-	-	-	-	-	126.91	1.71	128.62
Transfer to Securities premium on exercise of ESOP	-	-	3.59	-	(3.59)	-	-	-	-
Issue of Equity shares on exercise of ESOP	-	-	0.33	-	-	-	-	-	0.33
Recognition of Share-based payments	-	-	-	-	10.86	-	-	-	10.86
Payment of Dividend on Equity Shares	-	-	-	-	-	-	(15.22)	-	(15.22)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	-	(3.10)	-	(3.10)
Issue of Compulsory Convertible Preference Shares	-	-	24.99	-	-	-	-	-	24.99
Balance as at March 31, 2018	174.83	475.09	328.36	50.00	11.55	38.04	408.00	5.65	1491.52
								0.01	1491.53

(All amounts in INR crore, unless otherwise stated)

	Reserve and Surplus										
	Equity Component of Compound Financial Instruments	Capital Reserve	Securities Premium	Debt Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Attributable to Owners of the group	Non-controlling Interests	Total other equity
Profit for the Year	-	-	-	-	-	-	188.99	-	188.99	0.01	189.00
Other Comprehensive income for the year, Net of income tax	-	-	-	-	-	-	0.61	0.62	1.23	0.00	1.23
Total Comprehensive income for the year	-	-	-	-	-	-	189.60	0.62	190.22	0.01	190.23
Transfer to Securities premium on exercise of ESOP	-	-	3.39	-	(3.39)	-	-	-	-	-	-
Received on Issue of Equity shares	-	-	170.14	-	-	-	-	-	170.14	-	170.14
Transfer to Debt Redemption Reserve	-	-	-	50.00	-	-	(50.00)	-	-	-	-
Transfer to General Reserve	-	-	-	(50.00)	-	50.00	-	-	-	-	-
Impairment of Assets	-	(48.10)	-	-	-	-	-	-	(48.10)	-	(48.10)
Recognition of Share-based payments	-	-	-	-	12.48	-	-	-	12.48	-	12.48
Payment of Dividend on Equity Shares	-	-	-	-	-	-	(23.33)	-	(23.33)	-	(23.33)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	-	(4.80)	-	(4.80)	-	(4.80)
Balance as at March 31, 2019	174.83	426.99	501.89	50.00	20.64	88.04	519.46	6.27	1788.12	0.01	1788.13

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

Ashok A. Trivedi

Partner

Membership No. 042472

Mumbai

May 01, 2019

Shailesh Haribhakti

Chairperson

Kishore Biyani

Managing Director

Sharda Agarwal

Director

Rakesh Biyani

Director

Dr. Darlie Koshy

Director

Bijou Kurien

Director

C. P. Toshniwal

Director

Narayan Ramachandran

Director

Arvi Biyani

Director

Kaleeswaran Arunachalam

Chief Financial Officer

Sanjay Kumar Mutha

Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	2018-19	2017-18
A. Cash Flows from Operating Activities		
Profit for the year	189.00	126.09
Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities		
Income tax expense	46.52	58.59
Finance costs	116.82	108.27
Interest income	(31.96)	(23.42)
Loss on disposal/discard of property, plant and equipment	28.01	22.19
Expected credit loss allowance (for doubtful debts)	0.42	0.13
Depreciation and amortisation of property, plant and equipment and intangible assets	207.10	153.89
Share of Loss of Associates and Joint Ventures	4.75	0.96
Expense recognised in respect of equity-settled share-based payments	12.48	10.86
Bad Debts/(Sundry Balances written back)	0.32	(0.60)
Cash Generated from Operations before Working Capital Changes	573.46	456.96
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	(84.18)	93.73
(Increase)/Decrease in inventories	(548.60)	22.88
(Increase)/Decrease in other assets	(111.17)	36.63
Increase/ (Decrease) in trade payables	706.65	(132.38)
Increase in provisions	20.80	51.14
Increase in other liabilities	51.52	24.71
Cash Generated from Operations	608.48	553.67
Direct taxes paid	(46.30)	(45.55)
Net Cash Generated by Operating Activities	562.18	508.12
B. Cash Flows from Investing Activities		
Inter corporate deposit (Given) (Net)	(92.54)	(54.27)
Interest received	31.96	23.42
Payments for property, plant and equipment, intangible assets and capital advances	(432.08)	(462.52)
Proceeds from disposal of property, plant and equipment	0.79	1.09
Payment to acquire financial assets - Investment	(136.12)	(0.96)
Realisation of deposits/restricted deposits with banks	0.04	5.57
Net Cash (Used in) Investing Activities	(627.95)	(487.67)
C. Cash Flows from Financing Activities		
Proceeds from issue of equity instruments of the company	170.97	0.41
Proceeds from issue of compulsory convertible preference shares	-	25.00
Proceed from borrowings	120.20	101.61
Interest paid	(116.82)	(108.27)
Dividend paid (including dividend distribution tax)	(28.13)	(18.31)
Net Cash Generated by Financing Activities	146.22	0.44
Net Increase in Cash and Cash Equivalents	80.45	20.89
Cash and cash equivalents at the beginning of the year	36.06	15.17
Cash and Cash Equivalents at the End of the Year (Refer Note 10)	116.51	36.06

As per our report of even date attached

For and on behalf of Board of Directors

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

Shailesh Haribhakti
Chairperson

Kishore Biyani
Managing Director

Sharda Agarwal
Director

Rakesh Biyani
Director

Ashok A. Trivedi
Partner
Membership No. 042472

Dr. Darlie Koshy
Director

Bijou Kurien
Director

C. P. Toshniwal
Director

Narayan Ramachandran
Director

Mumbai
May 01, 2019

Avni Biyani
Director

Kaleeswaran Arunachalam
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

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 May 01, 2019. 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.

The Consolidated financial statement of the group comprises financial statement of Future Lifestyle Fashions Limited and the following Companies

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Forming Part of the Consolidated Financial Statements

Name of the Company	Relationship	Country of Incorporation	Principal Activities	Proportion of ownership interest	
				As at March 31, 2019	As at March 31, 2018
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	99.96%	99.96%
FLFL Business Services Limited	Subsidiary	India	Fashion Retail and related services	100.00%	100.00%
FLFL Travel Retail Bhubaneswar Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
FLFL Travel Retail Guwahati Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
FLFL Travel Retail West Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
FLFL Travel Retail Lucknow Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
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 Private 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 are 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.

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

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Forming Part of the Consolidated Financial Statements

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 are 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 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 recognized 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.

Effective April 01, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

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

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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

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense in the statement of profit and loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

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 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.

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Forming Part of the Consolidated Financial Statements

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 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.

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Forming Part of the Consolidated 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.

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

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Forming Part of the Consolidated Financial Statements

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 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.

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

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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.

2.23 Application of new and revised standards

Ind AS 116- Leases:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 01, 2019. It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee

accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The standard also requires enhanced disclosures requirements for lessees. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Group operating leases mainly relate to store Leases and Office Premises which are on lease terms ranging from 5 to 18 years. The Group is currently in the process of evaluating the impact, this standard will have on its financial statements.

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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, 2018	Additions	Deletions	As at April 01, 2018	For the Year	Deletions	As at March 31, 2019	As at March 31, 2018
A Property, plant and equipment								
Leasehold Improvements	167.96	124.74	8.25	284.45	34.41	3.19	59.13	140.05
Plant and Equipments	174.95	54.89	27.84	202.00	14.03	5.66	33.85	149.47
Office Equipments	23.65	11.16	0.64	34.17	5.55	0.33	11.38	17.49
Computers	40.29	20.93	2.72	58.50	11.25	2.03	25.70	23.81
Furniture, Fixtures and Other Fittings	700.63	394.75	76.18	1,019.20	128.67	27.64	239.35	562.31
Vehicles	1.06	-	0.21	0.85	0.12	0.08	0.21	0.89
Total	1,108.54	606.47	115.84	1,599.17	194.03	38.93	369.62	894.02
B Intangible assets								
Computer Software	14.01	0.35	0.00	14.36	3.21	0.00	9.32	7.90
Trademarks, Copyrights and Patents	26.96	26.46	-	53.42	9.86	-	14.28	22.54
Total	40.97	26.81	0.00	67.78	13.07	0.00	23.60	30.44
Grand Total	1,149.51	633.28	115.84	1,666.95	207.10	38.93	393.22	924.46
Previous Year	818.19	361.86	30.54	1,149.51	153.89	7.25	225.05	739.78

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(All amounts in INR crore, unless otherwise stated)

4) Investments

	Number of Units		Amount	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Non-Current Investments				
Trade Investments fully paid up of ₹10 each unless otherwise stated				
Quoted				
Koovs plc (£ 0.10 per ordinary share)	5,78,76,600	-	52.53	-
Aggregate book value of quoted Non-Current Investments			52.53	-
Unquoted				
Investment in Equity Instruments				
Joint Venture (accounted for using the equity method)				
FLFL Lifestyle Brands Limited	50,000	50,000	168.27	168.37
Others (at fair value through other comprehensive income)				
Renew Wind Power Karnataka Private Limited	6,400	6,400	0.06	0.06
Investment in Optionally Convertible Debentures				
Joint Venture (accounted for using the equity method)				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	7,77,30,000	-	77.73	-
Aggregate book value of unquoted Non-Current Investments			252.56	174.93
			305.09	174.93
Current Investments				
Trade Investments fully paid up of ₹10 each unless otherwise stated				
Unquoted				
Investment in Equity Instruments				
Joint Ventures (accounted for using the equity method)				
Clarks Future Footwear Private Limited	9,80,000	9,80,000	3.19	1.93
Holii Accessories Private Limited	1,90,000	1,90,000	0.16	0.21
Others (at fair value through other comprehensive income)				
SSIPL Retail Limited	6,09,197	6,09,197	40.60	39.98
Aggregate book value of unquoted Current Investments			43.95	42.12

5) Loans (Unsecured, Considered Good)

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Security Deposits	145.31	126.69
	145.31	126.69
Current		
Security Deposits	21.93	21.93
Inter Corporate Deposits	167.26	74.72
	189.19	96.65

6) Others Financial Assets

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Bank deposits more than 12 months maturity	0.08	0.05
	0.08	0.05
Current		
Insurance Claim Receivable	5.17	6.66
Other Receivables	0.97	7.83
	6.14	14.49

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(All amounts in INR crore, unless otherwise stated)

7) Other Assets

	As at March 31, 2019	As at March 31, 2018
Non-current		
Capital Advances	15.02	8.14
Prepaid Expenses	74.54	68.98
	89.56	77.12
Current		
Balance with Government authorities	164.04	66.33
Advance to suppliers	63.16	71.03
Prepaid Expenses	26.76	26.76
Others	12.69	10.86
	266.65	174.98

8) Inventories

	As at March 31, 2019	As at March 31, 2018
Raw-Materials	-	0.96
Work-in-Progress	-	0.07
Stock-in-Trade (Goods-in-Transit of ₹ 44.16 crore, 2017-18: ₹ 22.99 crore)	2,029.31	1,453.30
Finished Goods	-	27.23
Packing Material	2.17	1.32
	2,031.48	1,482.88

9) Trade Receivables (Unsecured)

	As at March 31, 2019	As at March 31, 2018
Current		
Considered Good	390.29	303.22
Considered Doubtful	0.55	0.13
	390.84	303.35
Less :- Expected credit loss allowance (for doubtful receivables)	0.55	0.13
	390.29	303.22

10) Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Cash on Hand	15.81	4.55
In Current Accounts	34.33	19.22
Cheques on Hand	25.50	0.01
Balance with credit card and e-wallet companies	40.87	12.28
	116.51	36.06

11) Other Balances with Banks

	As at March 31, 2019	As at March 31, 2018
Bank deposits (with maturity less than 12 months)	8.94	9.06
Earmarked Accounts (for unpaid dividend)	0.15	0.07
	9.09	9.13

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(All amounts in INR crore, unless otherwise stated)

12) Share Capital

(a) Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	25,00,00,000	50.00	25,00,00,000	50.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2/- each	19,45,68,077	38.91	19,04,13,837	38.08
	19,45,68,077	38.91	19,04,13,837	38.08

Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2019	As at March 31, 2018
	No. of Shares	No. of Shares
At the beginning of the year	19,04,13,837	19,00,13,456
Add : Shares issued on exercise of employee stock option	3,31,776	4,00,381
Add : Issued during the year*	38,22,464	-
At the end of the year	19,45,68,077	19,04,13,837

* The Board of Directors at its meeting held on May 18, 2018 and the Shareholders of the Company at their meeting held on June 14, 2018, have approved issue of 38,22,464 equity shares of face value of ₹ 2 each fully paid-up at an issue price of ₹ 445.50 per equity share for cash, including a premium of ₹ 443.50 per equity share, aggregating to ₹ 170.29 crore to Spectacular Investment Pte. Limited under the preferential allotment of the Company.

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, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited, Parent Company	10,16,64,765	52.25	10,46,47,747	54.96
Spectacular Investments PTE Limited	1,94,04,207	9.97	-	-
Pioneer Investment Fund	77,37,079	3.98	1,55,27,950	8.15

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.

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(All amounts in INR crore, unless otherwise stated)

(b) Compulsory Convertible Preference Shares Series II

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Authorised				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	100	0.01	100	0.01
	100	0.01	100	0.01
Issued, Subscribed and Paid up				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	100	0.01	100	0.01
	100	0.01	100	0.01

Reconciliation of number of shares :

Compulsory Convertible Preference Shares Series II of ₹ 910/- each

	As at March 31, 2019	As at March 31, 2018
	No. of Shares	No. of Shares
At the beginning of the year	100	-
Add : Issued during the year	-	100
At the end of the year	100	100

Terms/Rights Attached to CCPS Series II

CCPS Series II: The Company has CCPS Series II having a par value of ₹ 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, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
India Insight Fund (an alternate Investment Fund)	100	100.00	100	100.00

13) Other Equity

	As at March 31, 2019	As at March 31, 2018
Capital Reserve	426.99	475.09
Securities Premium	501.89	328.36
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	20.64	11.55
General Reserve	88.04	38.04
Retained Earnings	519.46	408.00
Equity Instruments through Other Comprehensive Income	6.27	5.65
Equity Component of Compound Financial Instruments	174.83	174.83
	1,788.12	1,491.52

For addition and deduction under each of the above heads refer statement of changes in Equity

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(All amounts in INR crore, unless otherwise stated)

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.

Equity Component of Compound Financial Instruments

A group entity had issued compulsory convertible preference shares ("CCPS") with each CCPS being mandatorily convertible into equity shares of that group entity. The group entity also has an obligation to pay certain amount over a period to investors of CCPS. The CCPS is a compound instrument and therefore total proceeds is divided into equity and liability. Equity portion is presented under other equity as 'Equity Component of Compound Financial Instruments'.

14) Borrowings

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Secured - at amortised cost		
8.70% Redeemable Non Convertible Debentures (NCD)	349.08	348.56
Term Loans from Banks	303.97	225.31
Liability Component of Compound Financial Instruments	20.23	38.40
	673.28	612.27
Current		
Secured - at amortised cost		
Working Capital Loans from Banks	136.31	135.63
	136.31	135.63

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(All amounts in INR crore, unless otherwise stated)

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, 2019	As at March 31, 2018
1	8.70 % NCD Series IV			
	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 60 Months from the deemed date of allotment falling due on November 09, 2022. The instrument carries Put/Call Option at the end of 3rd and 4th year from the deemed date of allotment.</p> <p>Interest of 8.70% p.a. payable annually from the deemed date of allotment.</p> <p>Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.</p>	349.08	348.56
2	Term Loans from Banks			
(i) a)	Secured by First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company.	<p>The Outstanding Loan is repayable in 8 step up quarterly installments. (Next installment due in June, 2019).</p> <p>Interest :- Base Rate +1.10% i.e 10.25% p.a.</p> <p>Interest is paid as and when due.</p>	85.16	85.14
(ii) a)	Secured by First pari-passu charge on Fixed Assets (movable and immovable), both present and future of the company.	<p>The Loan was prepaid and closed in April, 2018.</p> <p>Interest :- IFCI Benchmark Rate + 0.75% p.a.</p>	-	25.00
b)	Pledge of Shares of the company, giving cover of at least 0.25 times the outstanding of Loan amount.	Interest is paid as and when due.		
c)	Personal Guarantee of Mr. Kishore Biyani and Mr. Vijay Biyani.			
d)	PDC's for Interest and Principal repayments.			
(iii) a)	Secured by First Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	<p>The Outstanding Loan is repayable in 22 step-up quarterly installments. (Next Installment due in June, 2019)</p>	140.40	128.17
b)	Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	<p>Interest :- One Year MCLR +1.00% 9.15% p.a. (as on March 31, 2019).</p> <p>Interest is paid as and when due.</p>		
(iv) a)	Secured by First pari-passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	<p>The Outstanding Loan is repayable in 23 step-up quarterly Installments. (Next Installment due in July, 2019)</p>	149.91	-
b)	Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	<p>Interest :- One Year MCLR +1.00% 9.15% p.a. (as on March 31, 2019).</p> <p>Interest is paid as and when due.</p>		

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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, 2019	As at March 31, 2018
3	Liability Component of Compound Financial Instruments			
	Compulsory Convertible Preference Shares - Series I			
	The Company has issued compulsory convertible preference shares series I on March 31, 2017. Each share has a par value of ₹ 910 and is convertible into equity shares of the company such that the percentage of CCPS Series I holder's shareholding post conversion is at least 26% of the equity shares of the Company on a fully diluted basis. The preference shares carry a dividend of ₹ 24.38 crore p.a. payable annually in arrears. 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.		42.69	60.86
			767.24	647.73
	Less : Current Maturities of Long Term Borrowings		93.96	35.46
	Total		673.28	612.27

Details of Security and Repayment Terms for Secured Current Borrowings :-

Nature of Security	Terms of Interest and Repayment
Working Capital Loans from Banks	
Loans is secured by	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the WC Loan is 10.20% in the Financial Year 2019.
a) First pari-passu charge on Current Assets (excluding credit / debit card receivables)	
b) Second pari-passu charge on the Fixed Assets	

15) Other Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Derivative liability	6.26	5.00
	6.26	5.00
Current		
Current Maturities of Long-Term Borrowings	93.96	35.46
Interest Accrued but not Due on Borrowings	14.74	12.13
Unclaimed Dividend	0.15	0.09
Creditors for Capital Supplies/Services	184.80	109.40
Payable to Employees	24.83	22.59
Security Deposits	100.76	86.50
Financial Guarantee Obligations	0.77	0.40
Other Payables	13.99	24.19
	434.00	290.76

16) Provisions

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Gratuity	8.93	8.86
	8.93	8.86
Current		
Leave encashment	7.93	5.45
Gratuity	1.32	0.23
Provision for right of return	98.31	82.09
	107.56	87.77

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(All amounts in INR crore, unless otherwise stated)

17) Other Current Liabilities

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	55.99	26.35
Other current liabilities	11.31	-
	67.30	26.35

18) Revenue from Operations

	2018-2019	2017-2018
Sale of Products	6,200.29	4,822.98
Less: Goods and Service Tax / Value Added Tax / Sales Tax	576.04	414.52
	5,624.25	4,408.46
Other Operating Revenue	103.87	89.76
	5,728.12	4,498.22

19) Other Income

	2018-2019	2017-2018
Interest Income		
On lease deposits measured at amortised cost	12.80	16.08
Bank deposits	0.56	0.32
Others	18.60	7.02
Miscellaneous Income	6.35	10.68
	38.31	34.10

20) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	2018-2019	2017-2018
Opening Inventories		
Finished Goods	27.23	35.74
Work-in-Progress	0.07	3.62
Stock- in-Trade	1,454.62	1,463.53
Closing Inventories		
Finished Goods	-	27.23
Work-in-Progress	-	0.07
Stock- in-Trade	2031.48	1,454.62
	(549.56)	20.97

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(All amounts in INR crore, unless otherwise stated)

21) Employee Benefits Expense

	2018-2019	2017-2018
Salaries, Incentives and Allowances	294.09	233.49
Expense on Employee Stock Option Scheme (Refer Note 35)	12.48	10.86
Contribution to Provident and Other Funds	16.82	14.74
Staff Welfare Expenses	7.40	5.77
	330.79	264.86

22) Finance Cost

	2018-2019	2017-2018
Interest Expense	93.31	92.90
Other Borrowing Costs	23.51	15.36
	116.82	108.26

23) Other Expenses

	2018-2019	2017-2018
Power and Fuel	136.68	115.25
Repairs and Maintenance		
Buildings	20.97	19.76
Others	8.65	6.89
Insurance	6.65	5.27
Rates and Taxes	7.98	7.64
Rent	549.92	452.81
Common Area Maintenance	58.81	49.47
Advertisement and Marketing	149.52	110.68
Loss on Disposal/Discard of Property, Plant and Equipment (Net)	28.01	22.19
Expected Credit Loss allowance (for doubtful receivables)	0.42	0.13
Bad Debts Written Off	0.32	-
Corporate Social Responsibility Expenses (Refer Note 29)	2.47	1.12
Miscellaneous Expenses (Refer Note 38)	211.61	181.63
	1,182.01	972.84

24) Tax Expense

Income tax expense recognised in statement of Profit or Loss

	2018-2019	2017-2018
Current Tax	43.16	49.84
Adjustment of tax relating to earlier periods	(7.24)	-
Deferred Tax	10.60	8.75
Total	46.52	58.59

Income Tax expense recognised in other comprehensive income

	2018-2019	2017-2018
Deferred Tax	0.33	(0.61)

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(All amounts in INR crore, unless otherwise stated)

The Reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	2018-2019	2017-2018
Profit before tax from continuing operations	240.27	185.64
Income tax expense calculated at 34.944%	83.96	64.25
Effect of:		
Expenses that are not deductible in determining taxable profit	11.83	10.33
Availment of MAT Credit	(3.45)	(6.82)
Utilisation of tax credit	(4.70)	-
Adjustment in respect of current income tax of earlier years	(7.24)	-
Other permanent differences	(33.88)	(9.17)
Income tax expense recognised in statement of Profit and Loss	46.52	58.59

25) Deferred Tax Assets

Movement of deferred tax assets/ (liabilities)

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2019

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to:				
Financial asset measured at fair value	4.57	-	(0.01)	4.56
Others	76.55	-	-	76.55
Total deferred tax liabilities	81.12	-	(0.01)	81.11
Deferred tax assets in relation to:				
Property, plant and equipment and intangible assets	106.91	(10.72)	-	96.19
Employee benefit obligation	4.86	2.83	(0.32)	7.37
Provision for doubtful debts	-	0.15	-	0.15
Availment of MAT Credit	7.63	(4.18)	-	3.45
Others	0.90	1.32	-	2.22
Total deferred tax assets	120.30	(10.60)	(0.32)	109.38
Net deferred tax asset/ (liabilities)	39.18	(10.60)	(0.33)	28.27

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2018

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to:				
Financial asset measured at fair value	5.61	-	(1.04)	4.57
Others	76.77	(0.22)	-	76.55
Total deferred tax liabilities	82.38	(0.22)	(1.04)	81.12
Deferred tax assets in relation to:				
Property, plant and equipment and intangible assets	125.30	(18.39)	-	106.91
Employee benefit obligation	4.40	0.89	(0.43)	4.86
Availment of MAT Credit	-	7.63	-	7.63
Others	-	0.90	-	0.90
Total deferred tax assets	129.70	(8.97)	(0.43)	120.30
Net deferred tax asset/ (liabilities)	47.32	(8.75)	0.61	39.18

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(All amounts in INR crore, unless otherwise stated)

26) Contingent Liabilities

	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debt	7.25	15.72
Corporate Guarantees given	177.92	126.20
Guarantees given by the bank on behalf of the Group	31.14	17.10

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.

28) Disclosure relating to Leases

The Group has entered into operating lease arrangements for premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these premises is ₹ 508.08 crore (2017-18: ₹ 324.35 crore). The Lease Rent payable not later than one year is ₹ 170.34 crore (2017-18: ₹ 122.85 crore), payable later than one year but not later than five year is ₹ 333.00 crore (2017-18: ₹ 201.50 crore) and payable later than five years is ₹ 4.74 crore (2017-18: ₹ Nil crore).

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 is ₹ 2.47 crore (2017-18: ₹ 1.12 crore).

	2018-2019	2017-2018
Gross amount required to be spent by the Group	2.47	1.12
Details of amount spent are as under :		
Measures for reducing inequalities faced by socially and economically backward groups	2.32	0.52
Creating access to better healthcare facilities	0.14	-
Enabling better livelihood through education	0.11	-
Measures for the benefit of armed forces veterans	-	0.50
Total	2.57	1.02

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	2018-2019	2017-2018
Profit attributable to Equity Share holders	₹ in crore	190.22	126.08
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in crore	19.36	19.02
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in crore	19.43	19.07
Earnings per share – Basic	₹	9.82	6.63
Earnings per share – Diluted	₹	9.79	6.61
Face value per share	₹	2.00	2.00

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(All amounts in INR crore, unless otherwise stated)

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.

(i) The principal actuarial risk to which the Group 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:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.05%	7.70%
Salary Escalation	7% for first 2 years and 5% thereafter	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Service <5 Years : 46% Service >5 Years : 2%	1.00%
Retirement Age	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 recognised in the statement of Profit and Loss, other comprehensive income

	2018-2019	2017-2018
Total Service Cost	2.71	2.89
Net Interest Expenses	0.68	0.60
Components of expense recognised in the statement of Profit and Loss (A)	3.39	3.49
Remeasurements on the net defined benefit liability :		
Actuarial (Gain) arising from changes in demographic assumptions	(1.63)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.82	(0.43)
Actuarial (Gain) arising from experience adjustments	(0.13)	(0.83)
Total Amount recognised in other comprehensive income (B)	(0.94)	(1.26)
Total cost recognised (A+B)	2.45	2.23

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Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

(iv) Amount included in the Balance Sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2019	As at March 31, 2018
Present value of unfunded defined benefit obligation	10.25	9.09

(v) Movement in present value of the defined benefit obligation

	2018-2019	2017-2018
Opening defined benefit obligation	9.09	8.11
Total Service Cost	2.71	2.89
Net Interest Expenses	0.68	0.60
Remeasurements on the net defined benefit liability		
Actuarial (Gain) arising from changes in demographic assumptions	(1.63)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.82	(0.43)
Actuarial (Gain) arising from experience adjustments	(0.13)	(0.83)
Benefits paid	(1.29)	(1.25)
Closing defined benefit obligation	10.25	9.09

(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.

	As at March 31, 2019	As at March 31, 2018
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(8.87)	(7.58)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	11.00	10.27
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	10.83	10.22
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(8.96)	(7.64)

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 recognised an amount of ₹ 4.60 crore (2017-18: ₹ 2.43 crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	As at March 31, 2019	As at March 31, 2018
Discounted Rate	7.05%	7.70%
Salary Increase Rate	7% for first 2 years and 5% thereafter	5.00%
Attrition Rate	Service <5 Years : 46%	1.00%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

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(All amounts in INR crore, unless otherwise stated)

32) Related Party Disclosures

a) Name of Related Parties and Nature of Relationship:

i. Holding Company

Ryka Commercial Ventures Private Limited

ii. Ultimate Controlling Entity

Lifestyle Trust

iii. Joint Ventures

Celio Future Fashion Private Limited

Clarks Future Footwear Private Limited

FLFL Lifestyle Brands Limited

FLFL Travel Retail West Private Limited (w.e.f. May 30, 2018)

FLFL Travel Retail Bhubaneswar Private Limited

(w.e.f. May 30, 2018)

FLFL Travel Retail Guwahati Private Limited

(w.e.f. May 30, 2018)

FLFL Travel Retail Lucknow Private Limited

(w.e.f. May 30, 2018)

iv. Associates

Elisir Lifestyle Private Limited

Future Style Lab Limited

Future Style Lab UK Limited

Indus-League Clothing Limited

Indus Tree Crafts Private Limited

Indus Tree Producer Transform Private Limited

Mineral Fashions Limited

Rachika Trading Limited

Key Management Personnel (KMP)

Managing Director : Kishore Biyani

Non-Executive Directors : Avni Biyani

C P Toshniwal

Rakesh Biyani

Ravinder Singh Thakran

Independent Directors : Bijou Kurien

Dr. Darlie Koshy

Shailesh Haribhakti

Sharda Agarwal

Alternate Director

: Narayan Ramachandran

vii. Entities Controlled by KMP

Bansi Mall Management Company Private Limited

Future Brands Limited

Future Consumer Limited

Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)

Future Entertainment Private Limited

Future Enterprises Limited

Future Generali India Life Insurance Company Limited

Future Generali India Insurance Company Limited

Future Human Development Limited

Future Ideas Company Limited

Future Market Networks Limited

Future Retail Limited

Future Sharp Skills Private Limited

Future Supply Chain Solutions Limited

Idiom Design and Consulting Limited

Retail Light Techniques (India) Limited

Skechers South Asia Private Limited

Suhani Mall Management Company Private Limited

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Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

b) Transaction with Related Parties

Nature of transactions	Associates and Joint Venture	Entities Controlled by KMP	KMP
Revenue from Operations	18.11 (6.24)	40.05 (-)	- (-)
Purchase of Goods and Services	60.80 (35.40)	1153.30 (10.71)	- (-)
Purchase of Fixed Assets	- (-)	19.25 (-)	- (-)
Sale of Fixed Assets	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	3.85 (2.85)
Sitting Fees and Commission	- (-)	- (-)	1.76 (1.08)
Investment Made	77.73 (2.16)	- (-)	- (-)
Loans and Advances Given	82.50 (74.82)	13.94 (-)	- (-)
Loans and Advances Given Received Back	9.35 (-)	- (-)	- (-)
Deposit Received	0.05 (-)	- (-)	- (-)
Outstanding Balances as on March 31, 2019 Receivable	16.37 (25.13)	25.10 (-)	- (-)
Payable	32.00 (15.71)	352.94 (3.01)	- (-)

Figures in bracket represent previous year's figures

c) Disclosure in respect of Material Transactions with Related Parties

- Revenue from Operations includes FLFL Lifestyle Brands Limited ₹ 14.43 crore (2017-18: ₹ 3.33 crore), Future Enterprises Limited ₹ 20.01 crore, Future Retail Limited ₹ 16.40 crore.
- Purchase of Goods and Service includes Future Style Lab Limited ₹ 13.68 crore (2017-18: ₹ 13.09 crore), Rachika Trading Limited ₹ 10.00 crore (2017-18: ₹ 7.95 crore), Celio Future Fashion Private Limited ₹ 10.93 crore (2017-18: ₹ 8.66 crore), Mineral Fashions Limited ₹ 15.30 crore, Future Enterprises Limited ₹ 629.92 crore, Future Retail Limited ₹ 348.21 crore.
- Purchase of Fixed Assets includes Retail Light Techniques (India) Limited ₹ 16.72 crore.
- Investment made includes FLFL Lifestyle Brands Limited ₹ 77.73 crore (2017-18: ₹ 0.52 crore).
- Loans and Advance given includes FLFL Lifestyle Brands Limited ₹ 82.46 crore (2017-18: ₹ 69.52), Future Corporate Resources Private Limited ₹ 13.79 crore
- Loans and Advance given received back includes Future Style Lab Limited ₹ 5.30 crore, Indus Tree Crafts Private Limited ₹ 3.65 crore, Indus Tree Producer Transform Private Limited ₹ 0.40 crore.

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, 2019 is ₹ 81.13 crore (2017-18: ₹ 75.18 crore)

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(All amounts in INR crore, unless otherwise stated)

34) Dues of Micro Enterprises and Small Enterprises

	As at March 31, 2019	As at March 31, 2018
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	18.68	9.5
Interest due on above	0.11	0.01
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	0.19	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.27	0.01
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	0.19	-

35) Share Based Payments

Details of the employee share based plan of the Group

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, SEBI 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 a specified proportion, as 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 to 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 Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, 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. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

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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

* 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 condition attached to grant and vest.

	FLFL ESOP - 2015	
	2018-2019	2017-2018
Date of Grant	N.A.	16/10/2017
Expected volatility (%)	N.A.	39.99%
Option life (Years)	N.A.	3.45 Years
Dividend yield (%)	N.A.	0.12 %
Risk-free interest rate (Average)	N.A.	6.49%

Movement in Stock Options during the year

The following reconciles the Stock Options outstanding at the beginning and end of the period:

	2018-2019		2017-2018	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
Balance at beginning of Year				
FLFL ESOS - 2013	1,75,824	10	3,34,203	10
FLFL ESOP 2015-Primary	16,87,768	10 and 189	6,06,800	10
Granted during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	13,54,000	189
Forfeited during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	31,030	10
Exercised during the period				
FLFL ESOS - 2013	41,232	10	1,58,379	10
FLFL ESOP 2015-Primary	290,544	10 and 189	2,42,002	10
Expired during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
Balance at the end of Year				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	13,97,224	10 and 189	16,87,768	10 and 189
Exercisable at the end of the Year				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	381,724	10 and 189	54,326	10

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	41,232	Various dates	365.00
FLFL ESOP 2015-Primary	2,90,544	Various dates	410.25

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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:

Stock Options scheme	2018-2019	2017-2018
FLFL ESOS - 2013	185 days	485 days
FLFL ESOP - 2015-Primary	1253	1536 days

- 36)** In terms of the Composite scheme of Arrangement and Amalgamation, which is approved by the Hon'ble High Court of Bombay vide its order dated May 10, 2013, Capital reserve was permitted to be utilised for the purpose of adjusting value of any assets including goodwill, investment/offset any charge on account of impairment/write off/amortisation. Accordingly Company has charged a sum of ₹ 48.10 crore being impairment of Assets received under the aforesaid scheme to the capital reserve.

37) 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 maximising the return to stakeholders through the optimisation 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.

	As at March 31, 2019	As at March 31, 2018
Total debt including interest accrued	918.29	795.49
Less: cash and bank balances	125.60	45.19
Net debt	792.69	750.30
Equity	1827.04	1529.61
Net debt to equity ratio	43%	49%

Categories of financial instruments

	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at Amortised Cost		
Cash and bank balances	125.60	45.19
Trade receivables	390.29	303.22
Loans -Inter corporate deposit	167.26	74.72
Security deposits	167.24	148.62
Other financial assets	6.22	14.54
Mandatorily measured at fair value through profit and loss		-
Designated at fair value through other comprehensive income		
Investment in equity shares	40.60	39.98
Financial liabilities		
Measured at Amortised Cost		
Borrowing	903.55	783.36
Trade payable	1799.90	1,093.21
Security deposit received	100.76	86.50
Other financial liabilities	239.28	168.80
Mandatorily measured at fair value through profit and loss		
Derivative liabilities	6.26	5.00

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(All amounts in INR crore, unless otherwise stated)

Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2019	March 31, 2018	
Investments in equity instruments – SSIPL retail limited	40.60	39.98	Level 2
Derivative liability – written option	6.26	5.00	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 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 details the carrying amounts of the Company's unhedged foreign currency denominated monetary items at the end of the reporting period

	As at March 31, 2019	As at March 31, 2018
Amount Payable		
US Dollar (USD)	5.89	15.63
Euro	-	8.96
GBP	-	0.37

A 5% strengthening in USD, Euro and GBP will decrease the profit for the year by ₹ 0.29 crore (2017-18: ₹ 1.25 crore) and a 5% weakening in USD, Euro and GBP will increase the profit for the year by ₹ 0.29 crore (2017-18: ₹ 1.25 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.

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▪ 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 ₹ 2 crore (2017 - 2018: increase/decrease by ₹ 2 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.

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.

	2018-2019	2017-2018
Opening Balance	0.13	-
Provided during the year	0.42	0.13
Closing Balance	0.55	0.13

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.

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(All amounts in INR crore, unless otherwise stated)

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
As at March 31, 2019					
Borrowing including Interest accrued	918.29	240.87	627.55	49.87	918.29
Trade payable	1799.90	1799.90	-	-	1799.90
Security deposit received	100.76	100.76	-	-	100.76
Other financial liabilities	224.54	224.54	-	-	224.54
Derivative liabilities (net basis)	6.26	-	6.26	-	6.26

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
As at March 31, 2018					
Borrowing including Interest accrued	795.49	169.83	600.66	25.00	795.49
Trade payable	1,093.21	1,093.21	-	-	1,093.21
Security deposit received	86.50	86.50	-	-	86.50
Other financial liabilities	156.67	156.67	-	-	156.67
Derivative liabilities (net basis)	5.00	-	5.00	-	5.00

38) Miscellaneous Expenses

Miscellaneous Expenses consist of the following:

	2018-2019	2017-2018
House Keeping and Security Expenses	51.69	42.55
Credit Card Charges	39.15	36.24
Legal and Professional Charges	21.79	16.15
Travelling and Conveyance Expenses	14.74	15.52
Other Expenses	84.24	71.17
Total	211.61	181.63

- 39)** The Hon'ble Supreme Court of India by its order dated February 28, 2019, in the case of M/s. Surya Roshni Limited and others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni Limited has filed a review petition with Hon'ble Supreme Court of India which is pending for disposal. Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

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

Shailesh Haribhakti
Chairperson

Kishore Biyani
Managing Director

Sharda Agarwal
Director

Rakesh Biyani
Director

Ashok A. Trivedi
Partner
Membership No. 042472

Dr. Darlie Koshy
Director

Bijou Kurien
Director

C. P. Toshniwal
Director

Narayan Ramachandran
Director

Mumbai
May 01, 2019

Avni Biyani
Director

Kaleeswaran Arunachalam
Chief Financial Officer

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, 2019

(All amounts in INR Crore, unless otherwise stated)

Sr. No	Name of the Company	Date since subsidiary was acquired	Reporting Period of the subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover	Profit/(loss) Before taxation	Provision for Taxation/Deferred Tax	Profit/(loss) After taxation	Proposed Dividend	% of Share Holding
1	Future Trendz Limited	September 09, 2016	March 31, 2019	0.55	(0.21)	0.34	0.00	-	-	(0.08)	-	(0.08)	-	100.00%
2	Future Speciality Retail Limited*	September 27, 2016	March 31, 2019	0.27	237.27	595.94	358.40	-	498.35	13.95	(6.51)	20.46	-	99.96%
3	FLFL Business Services Limited	March 29, 2017	March 31, 2019	0.15	(0.05)	0.11	0.01	-	-	(0.02)	-	(0.02)	-	100.00%

* 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			Extend of Holding %	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Loss for the year	
		No.	Amount of Investment in Associates/Joint Venture	Venture					Considered in Consolidation	Not Considered in Consolidation
Holiii Accessories Private Limited	March 31, 2019	1,90,000	0.24	1.00%	Due to Shareholders Agreement	Not Applicable	Not Applicable	0.00	0.04	-
Clarks Future Footwear Private Limited	March 31, 2019	9,80,000	3.63	1.00%	Due to Joint Venture Agreement	Not Applicable	Not Applicable	(0.82)	0.24	-
FLFL Lifestyle Brands Limited	March 31, 2019	50,000	1.12	49.02%	Due to Investment Agreement	Not Applicable	Not Applicable	44.82	0.64	-
FLFL Travel Retail Bhubaneswar Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	Not Applicable	1.43	0.57	-
FLFL Travel Retail Guwahati Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	Not Applicable	(0.42)	0.43	-
FLFL Travel Retail West Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	Not Applicable	1.98	1.99	-
FLFL Travel Retail Lucknow Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	Not Applicable	1.43	0.84	-

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

Shailesh Haribhakti
Chairperson

Kishore Biyani
Managing Director

Sharda Agarwal
Director

Rakesh Biyani
Director

Ashok A. Trivedi
Partner
Membership No. 042472

Dr. Darlie Koshy
Director

Bijou Kurien
Director

C. P. Toshniwal
Director

Narayan Ramachandran
Director

Mumbai
May 01, 2019

Avni Biyani
Director

Kaleeswaran Arunachalam
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Independent Limited Assurance Statement

on key performance indicator disclosures in the Integrated Report of Future Lifestyle Fashions Limited for the financial year ended March 31, 2019

The Board of Directors of Future Lifestyle Fashions Limited

We have been engaged by the Management of Future Lifestyle Fashions Limited, to provide a Limited Assurance Statement on key performance indicators ("KPIs") described below and presented in the Integrated Report ("the Report") of Future Lifestyle Fashions Limited ("the Company") for the year ended March 31, 2019.

Subject Matter

We are required to provide limited assurance on the following KPIs presented in the Report in accordance with management's basis of preparation, the audited financial statements, and the audited books of account for the year ended March 31, 2019.

The terms of management's basis of preparation comprise the criteria by which the Company's compliance is to be evaluated for purposes of our limited assurance engagement.

The subject matter includes the following:

Category	KPI	Scope of coverage
Human Capital	Number of employees employed#	Consolidated
Financial Capital	Total Equity#	Consolidated
	Total Debt#	Consolidated
	Capital expenditure incurred (Net)*	Consolidated
	Financial performance	
	- Income from operations*	
	- Earnings before interest, tax, depreciation and amortization ("EBITDA") and EBITDA margin*	
	- Profit after tax *	
	- Earnings per share*	
	- Basic	
	- Diluted	Consolidated
	Total Corporate Tax Contribution*	Consolidated
Social and Relationship Capital	Market Capitalisation@	Standalone
	Dividend (%)*	Standalone

As at March 31, 2019

* For the year ended March 31, 2019

@ Computed at volume weighted average price as at March 29, 2019

Responsibility of the Directors

The Company's management is responsible for the selection, preparation and presentation of the KPIs for the year ended March 31, 2019, in accordance with the criteria mentioned above. This responsibility includes the identification of KPIs, preparation in accordance with the management's basis of preparation, the identification of stakeholders and stakeholder requirements, material matters and for commitments with respect to sustainability performance. The management is also responsible for design, implementation and maintenance of adequate internal controls to facilitate collection, calculation, aggregation and validation of the data, relevant to the KPIs and preparation of the Report that is free from material misstatement, whether due to fraud or error.

Our Independence, Ethical Requirements and Quality Control

We have complied with independence policies of Deloitte Haskins and Sells LLP, which address the requirements of the International Federation of Accountants ("IFAC") Code of Ethics for Professional Accountants in the role as independent auditors. We have complied with the relevant applicable requirements of the International Standard on Quality Control ("ISQC") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the KPIs, set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2019, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance in accordance with International Standard on Assurance Engagement 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (herein referred as "ISAE

3000") issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence about whether the KPIs are free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of process followed, inspection of documents, analytical procedures, evaluating appropriateness of quantification methods, agreeing or reconciling with underlying data, etc.

In performing the procedures listed above, we tested data, reviewed records, relevant documents and agreed information with audited financial statements submitted by the Company, to support the relevant KPIs.

We have relied on the information, documents, records and explanations provided by the Company for the purpose of our review.

Our procedures do not include detailed testing of source data or the operating effectiveness of processes or internal controls or review of the Company's financial performance and any other KPIs.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the KPIs have been presented, in all material respects, in accordance with management's basis of preparation.

Further, a limited assurance engagement does not constitute an audit or review of any of the underlying information in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

Our Conclusions

The procedures we have performed and the audited financial statements and the documents and records that were made available to us and the information and explanations provided to us by the Company in connection to the review of the KPIs set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2019, provide an appropriate basis for our conclusion.

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the KPIs set out in the subject matter paragraph for the year ended March 31, 2019, are not prepared, in all material respects, in accordance with the management's basis of preparation.

Other Matters

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the reports. The maintenance and integrity of the Future Lifestyle Fashions Limited website is the responsibility of its management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information on the website, the reports or our independent assurance report that may have occurred since the initial date of presentation.

Restriction on use and distribution

Our work has been undertaken to enable us to express a limited assurance conclusion on the KPI disclosures to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the entity, for our work, for this report, or for the conclusion we have reached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Pratiq Shah

Partner

(Membership No. 111850)

Place: Mumbai

Date: July 2nd, 2019

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, 2019

Sl. No., Employee Name, Designation, Remuneration drawn (in ₹), Qualification, Age (in Yrs), Date of Joining, Experience (in Yrs), Last Employment, Last Designation;

1. Kishore Biyani, Managing Director & Group - CEO, ₹3,85,43,899, B. Com., 58, 25-06-2013, 36, Future Consumer Enterprises Limited, Managing Director;
2. M. Vishnu Prasad, Chief Executive Officer - Central, ₹3,66,52,834, B. Com., MBA, 57, 01-06-2013, 32, Future Retail Limited, Chief Executive Officer - Central & Brand Factory;
3. Kaleeswaran Arunachalam, Chief Financial Officer, ₹1,80,74,061, CA, MBA, B.Com., 38, 22-05-2016, 18, Mondelez International, INC., Director Finance - Malaysia & Thailand;
4. Raj Kumar Piniseti, Chief Merchandising Officer, ₹1,77,12,932, B.Com., CA, 50, 01-06-2013, 26, Future Retail Limited, Chief Merchandising Officer;
5. Krishna Thingbaijam, Head - Designing, ₹1,58,02,400, PGDBM-NIFT, 48, 01-01-2014, 25, Future Retail Limited, Head - Design;
6. Suresh Sadhwani, Business Head - Brand Factory, ₹1,43,40,823, B.Com., 42, 01-12-2013, 19, Pantaloon Fashions Retail Limited, Head - Operations;
7. Dipayan Baishya, Head-Strategy & Communication, Group CEOs Office, ₹1,11,35,273, BSc Statistics, 37, 01-06-2013, 16, Future Retail Limited, Chief Strategy & Communication, Group CEO's Office;
8. Vijaya N., Chief - Operation - Central, ₹87,92,979, PGMD, 58, 01-06-2013, 33, Future Retail Limited, Senior - Manager Operations;
9. Venkatesh Raja, Head - People Office, ₹87,07,525, MBA, 49, 01-12-2013, 26, Future Retail Limited, Chief - People Office;
10. Dharmesh Jain, CFO - Brand Factory & aLL, ₹78,94,610, CA, B.Com., 45, 01-04-2016, 23, Future Retail Limited, Chief - Commercial.

Notes:

1. Nature of employment is permanent and terminable by Notice on either side.
2. Except Mr. Kishore Biyani, none of the above employees are related to any other Director of the Company.
3. No employee holds by himself/herself or along with spouse and dependent children, 2% or more of the equity shares of the Company.
4. Terms and conditions of employment are as per Company's Rules.
5. 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.

For and on behalf of the Board of Directors

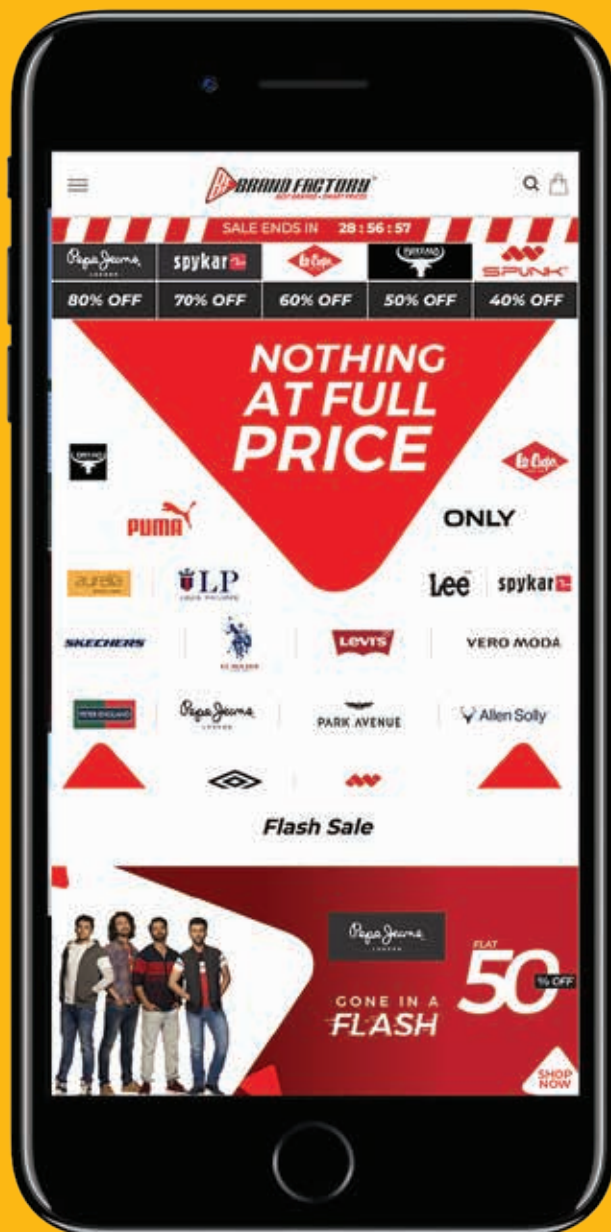
Mumbai
May 01, 2019

Shailesh Haribhakti
Chairperson

NOTES

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COMING SOON



Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road,
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