

FASHION

FASHION | FREEDOM | FORESIGHT





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Disclaimer

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

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

Corporate Information

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti

Chairperson and Independent Director

Mr. Kishore Biyani

Vice Chairperson

Mr. Vishnuprasad M

Managing Director

Dr. Darlie Koshy

Independent Director

Ms. Sharda Agarwal

Independent Director

Mr. Bijou Kurien

Independent Director

Mr. Rakesh Biyani

Non-Executive Director

Mr. Chintamani Bhagat

Nominee Director

Mr. Luv Parikh

Nominee Director

Mr. Rahul Garg

Non-Executive Director

Mr. C. P. Toshniwal

Non-Executive Director

Ms. Avni Biyani

Non-Executive Director

Ms. Ketki Bapat

Alternate Director

CHIEF FINANCIAL OFFICER

Mr. Saurabh Bhudolia

COMPANY SECRETARY

Mr. Sanjay Kumar Mutha

STATUTORY AUDITOR

NGS & Co. LLP

INTERNAL AUDITORS

Ernst & Young LLP

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 6000

Fax: +91 22 4918 6060

Website: www.linkintime.co.in

DEBENTURE TRUSTEE

Centbank Financial Services Limited

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

Tel: (022) 22616217

Fax: (022) 22616208

Website: www.cfsl.in

REGISTERED OFFICE AND CORPORATE OFFICE

Future Lifestyle Fashions Limited

CIN: L52100MH2012PLC231654

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

Tel: +91 22 40552200

Fax: +91 22 40552201

Website: www.futurelifestyle.in

Management Discussion and Analysis

Global economy

According to the International Monetary Fund (IMF), global economic growth moderated to 2.9% in CY 2019 vis-à-vis 3.6% in CY 2018. Emerging economies grew by 3.7%, with broad-based slowdown seen in China, Russia, Mexico and India. The year saw prolonged trade tussles and consequent imposition of trade barriers by leading economies. On the other hand, advanced economies grew by 1.7%. GDP growth in Europe was sluggish owing to tepid export demand. Even the US economy experienced moderation, as the support from tax cuts gradually began to wane.

Merchandise trade worldwide suffered a significant setback in 2019 owing to deep fissures in US-China trade relations and Brexit related uncertainty. Moreover, trade activity (both goods and services) is expected to be uncertain in at least the first three quarters of CY 2020 as a series of lockdowns imposed by governments across the world to flatten the COVID-19 curve is likely to significantly impact trade dynamics.

The IMF estimates 4.9% de-growth of the global economy in 2020, considering the impact. A bounce-back is expected in 2021, with a growth rate of 5.4%, as socio-economic countermeasures take effect and the world adapts to the new normal.

Indian economy

FY 2019-20 was a challenging year for India owing to several reasons. Even before COVID-19 struck, India's growth rate was expected to decline, as the economy had to grapple with the headwinds of both local and global demand slowdown and sector-specific impediments. The country's GDP grew 4.2% in FY 2019-20 vis-à-vis 6.1% in FY 2018-19.

Economic growth was primarily impacted by steep slowdown in manufacturing and consumption, weak capex growth, credit crunch in the economy and global trade uncertainties. Only agriculture and allied activities showed some promise in the economy, as growth accelerated from 2.4% in FY 2018-19 to 4.0% in FY 2019-20.

Considering the sluggish demand scenario and restricted credit growth, the Government of India took various policy measures, which are aimed at boosting the country's economic activity. Notable among these are the corporate tax reduction, rationalisation of the Goods and Services Tax (GST) and the announcement of the National Infrastructure Pipeline (NIP).

On the monetary policy front, the Reserve Bank of India also assumed an accommodative stance, announcing aggressive repo rate cuts to the tune of 185 basis points to inject liquidity into the economy.

With significant fiscal and monetary measures, the economy began to show early signs of improvement in the later part of

FY 2019-20. However, the outbreak of COVID-19 brought the economy to a sudden halt.

A recent KPMG survey assessed the possible risks emanating from the COVID-19 scenario for businesses. These include:

- Impact on demand
- Employee safety and wellbeing
- Supply chain disruptions
- Liquidity concerns
- Profitability concerns
- Business discontinuity and sub-optimal digitalisation
- Non-availability of workforce
- Cyber threats
- Governance and regulatory risks
- Fraud

The COVID-19 response of the Government of India and the state governments have been proactive. Businesses and non-profit organisations also rallied together to help support the most vulnerable sections of society. Testing, clinical management and hospital support are being ramped up with speed.

Encouragingly, the Government of India's ₹ 20 Trillion economic package helped support the economy through various measures. The focus is on building 'Atmanirbhar Bharat', which can reduce dependence on imports, play a significant role in the global supply chain and emerge as a formidable manufacturing hub for the post-COVID world.

OUTLOOK

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

The challenges that now face the country are to flatten the COVID-19 curve with speed, restore employment as soon as possible (especially to displaced migrants), rebuild supply chains, repair and revive the economy and return life to normalcy. In FY 2020-21, the outlook remains largely conservative, with the first quarter GDP figures indicating a 23.9% decline (y-o-y). In FY 2021-22, contingent on the availability of a vaccine, we expect a thorough growth bounce-back.

The Government of India's ₹ 20 Trillion economic package helped support the economy through various measures. Interestingly, the focus is on building 'Atmanirbhar Bharat', which can reduce dependence on imports, play a significant role in the global supply chain and emerge as a formidable manufacturing hub.

Fashion industry

India's fashion market is the sixth largest of its kind in the world, with an estimated size of \$ 53.7 Billion. The country's textiles and apparels industry contributes nearly 4% to the global pie. It employs over 45 Million people and contributes 15% to India's total export bill.

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

ASSESSING IMPACT OF COVID-19 ON FASHION AND RETAIL

COVID-19 has significantly impacted the fashion and retail value chains, with each aspect getting affected at varying degrees. A snapshot is given below:

Aspect	Impact	Degree of impact
Consumers	Social distancing is leading to new customer behaviours which are defined by hygiene, affordability, availability and convenience Fear of going out for shopping or leisure is impacting the industry as a whole. Additional factors leading to low demand are job loss/decreasing income, low propensity to spend on non-essentials	
Raw material	Constraints in the import of key raw materials, excess inventory build-up, decline in production	
Labour	Temporary closure of factories and lay-offs of daily wage workers. Reverse migration is affecting production. Upskilling residual workforce is a key constraint	
Supply chain	Lockdown leading to restriction in interstate movement of goods, created supply chain disruptions. Location of warehouses in highly affected areas/red zones has also disrupted the forward supply chain	
Working capital	Slower credit approval mechanism by banks is a challenge. Other key issues include elongated cash conversion due to built-up inventory and stretched debtors leading to working capital issues	
Cash flows	Staff under quarantine, supply chain disruption, unutilised inventory, and sudden reductions in demand from customers are causing liquidity and cash crunch issues	
Technology	Accelerating the technological advancement and digital transitioning to engage with customers. Brands will need to maximise virtual connect in their brand messaging	

EMERGING TRENDS IN FASHION RETAILING

The fashion industry will need to make room for structural changes and other relevant adjustments to adapt to the new working environment and survive and thrive in the new normal. Here are a few focus areas:

Social distancing within retail spaces

To ensure the safety of both customers and employees, social-distancing norms need to be observed. This will also require stringent surveillance of people count inside a

closed space to provide customers a safer and comfortable shopping experience.

Sanitation and disinfecting of clothes

Fashion retailing invariably requires 'touch, feel and fit' to enable customers to make the right choice of purchase. However, in the wake of the pandemic, this aspect will require a relook on limiting physical contact with merchandise. It will also require an assurance from retailers that the products on display are well-sanitised and do not pose the risk of an infection.

Management Discussion and Analysis (contd.)

New-age payments and queue management

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

Employee safety and training

To alter customer behaviour and adapt their shopping journey to the new norm, employees at the retailer end need to be adequately trained. The right practices must be emphasised, mock sessions conducted and the employees must be empowered to correctly guide the shoppers. Since they spend over eight hours (on an average), SOPs on employee safety also need to be established and their implementation closely monitored.

The fashion industry will need to make room for structural changes and other relevant adjustments to adapt to the new working environment and survive and thrive in the new normal.

OUTLOOK

The fashion and apparel industry will continue to witness muted sentiment in the short term as the world adapts to the new normal. The priorities of industry players will be to re-open stores, liquidate inventory, manage cash flows, leverage digital platforms and ensure customer and employee safety. In terms of fashion trends, leisure wear and (owing to the mainstreaming of work from home) athletic wear (due to increased fitness focus) are expected to see a rise. Sales of formal wear, celebration wear and accessories will see a short-term dip as physical meetings and social gatherings remain largely restricted. However, in the medium to long term, we can expect the industry to bounce back, as India's consumption patterns revive.

Company overview

Future Lifestyle Fashions Limited (FLFL) is a leading integrated fashion business, home to distinguished fashion labels and well-established retail destinations. The flagship fashion company of the Future Group, FLFL strives to bring contemporary fashion to discerning customers and branded fashion to India's aspiring citizens.

FLFL is led by veterans in the fashion and retail spaces, and manages ~30 brands and operates 348 retail stores (across

Central, Brand Factory and Exclusive Brand Outlets) spread over 7.7 Million sq ft. It straddles both the high-definition end and the affordable branded end of the fashion ecosystem. FLFL's integrated business model of retailing both owned brands and third-party brands have become its key differentiator over the years.

BUSINESS PERFORMANCE

Despite a challenging external environment, FLFL grew its revenue by ~10% (y-o-y) in FY 2019-20; and managed to remain profitable at the operating level. Even the operating margin saw an attractive 4% rise vis-à-vis FY 2018-19.

During FY 2019-20, FLFL continued to expand its retail footprint and went on to launch new stores across Central and Brand Factory formats.

Quarter	Central	Brand Factory
Q1	03 (02 in Bengaluru and 01 in Hyderabad)	06 (Hyderabad, New Delhi, Anand, Dehradun, Cuttack, Thrissur)
Q2	01 (Ranchi)	03 (Tirupati, Gangtok, Ahmedabad)
Q3	01 (Vikhroli)	04 (Siliguri, Kollam, Ahmedabad)
Q4	00	04 (Latur, New Delhi, Kannur, Goa)

Key Events and campaigns

1. Central

- **Be A Hero:** The campaign was hosted by inviting customers to deposit their old apparels in exchange for a redeemable cash coupon. The old apparels were handed over to Goonj Foundation to be distributed among the needy.
- **3 Days Free Shopping:** Under this programme, customers could shop for ₹ 6,000 and get a discount of ₹ 3,000 on the purchase. Further, ₹ 3,000 worth of cashback was also offered, effectively providing customers an amazing 'free shopping' experience. It was also combined with 51% off on over 200 brands and an additional cashback for customers using credit/debit cards issued by ICICI Bank.
- **Wear Red With Central:** This campaign signified the 'red' aspect of Central and Valentine's Day. It witnessed a dominant representation across categories such as ladies' and men's fashion, cosmetics, fragrances and lingerie, among others.

2. Brand Factory

- **National Brand Week:** The Times of India (TOI) newspaper carried the National Brand Week full page advertisement in 22 cities. On digital media, ads on Facebook, Instagram and MX Player gathered significant eyeballs.
- **Happy Denims Day:** This in-store contest required each store to share a creative to communicate the

offer and the store code to their customer base before the start of campaign. The highly discounted denims campaign was carried by 51 print publications and three key digital platforms.

3. Power brands

- **Lee Cooper:** Roadshow of Autumn Wear conducted, which was appreciated by trade partners. New imagery for Spring Summer Wear was launched and executed across formats. Lee Cooper was also frequently covered on social media as a result of continued public relation efforts. The brand's engagement-led campaign helped it connect better with the young target audience.
- **End of Season Sale:** aLL executed a discount drive as part of its end of season sale for online and offline platforms for new collections, aLL has explored new imagery and novel ways of showcasing the merchandise, with more focus on the brand and the styles. Further, the #IamBetterCurvy campaign, complemented with a body positivity video, was very well received.

RISKS AND OPPORTUNITIES

During the year under review, we have identified certain factors, which help shape our key threats and opportunities. These broad factors comprise the following: interest rates, inflation, quick changes in fashion trends, growth in economic activity, job creation, emerging compliances, consumer sentiments and consumption patterns, 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 NGOs, and so on) and competition.

The COVID-19 outbreak has snowballed into a global pandemic and is the biggest social, health and economic crisis that we have faced in living memory. The nationwide lockdown imposed since the last week of March, 2020, associated with the pandemic had significantly impacted the Company's operational capabilities, as all the retail stores were temporary shut, as per the advisory issued by various local authorities and State/Central governments.

Further a sustained impact of the pandemic could also jeopardise prospects of fashion and organised retail. Therefore, the Company continues to regularly review its major risks, including risks on account of business continuity, supply chain management, third-party risks, legal compliance and other risks, which may affect or has affected its operations, employees,

customers, vendors and all other stakeholders (both internal and external). Basis this review, appropriate actions have been initiated to mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor such risks regularly.

Emerging compliances in the realm of data privacy/protection, cyber world, digital transformations, consumer protection will further drive consumer protection and help us win 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 is likely to pose 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, the athleisure segment that combines sport and comfort has also seen a rise in popularity. Additionally, aspirational consumer groups, particularly the middle-income population and urban youth, drive the demand for 'fast fashion'.

New-age Indian consumers have evolved from the traditional mindset of product-based shopping to experience-led shopping. Model departmental stores have thus taken shape and are offering 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.

Despite short-term challenges emanating from COVID-19 related disruptions and overall tepid demand, the domestic apparel market still promises to be one of the world's fastest growing apparel markets. This growth is expected to be driven by factors such as increased purchasing power, better access and availability of products, brand consciousness, increasing urbanisation and rising digitisation. The Company, with its portfolio of brands, multi-format stores and omnichannel presence is well positioned to leverage this opportunity.

Recently women's formal wear and men's casual wear segments have gained significance. As the market evolves, it will see the emergence of new categories, which will rapidly gain prominence. The Company continues to identify emerging trends and offer a comprehensive portfolio of brands to its customers.

Management Discussion and Analysis (contd.)

RISK MANAGEMENT

The Company has set up a Risk Management Committee to map potential and emerging risks and take corrective actions as a measure of good governance.

The Committee is tasked with the responsibility to formulate, implement and monitor an appropriate 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 its 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.

In the wake of the periodic lockdowns imposed by various State and Central Governments in India to flatten the COVID-19 curve, the Company has launched a digital-led innovative 'Shop at your Door' for Central and strengthened its BrandFactoryOnline.in, aLLOnlineStore.in and other e-commerce platforms that helped cater to customers' requirements.

While the Company continues to strengthen its digital platforms, such initiatives have increased its ability to engage and service customer demand across the country.

With the gradual unlocking of the economy, the Company continues to focus on restarting operations by adhering to all safety protocols. It has laid down a comprehensive roadmap for new normal with a strong focus on safeguarding the health and safety of its employees, customers and the communities it serves.

The Company has identified the various types of risks that it is exposed to, and the mitigation measures include:

- Improving supply chain technology, brand management (with partner brands), promotions and customer loyalty programmes, 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 economic slowdown and other disruptive events
- Sustaining a multi-format approach to help the Company remain in business even with changes in policies, and so on.
- Accelerated digital and omnichannel outreach
- Operating Stores at heightened intensity on safety and hygiene

Additionally, the management's efforts to increase per-store efficiency and improve product margins will deliver stronger profitability and enable it to sustain it in adversity. 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 unknown 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 consider them as our most treasured capital and constantly invest in them to create a distinct advantage for their careers and for us as an organisation. We focus on creating a workplace that fosters thought leadership, innovation and a culture of involvement, participation and transparency and strive to provide employees opportunities to collaborate, learn and

grow within the organisation. There were 7,898 permanent employees of the Company as on March 31, 2020.

Talent acquisition

A structured talent acquisition process through a behavioural assessment for mid-level and above is implemented. We follow a nine-grid model matrix for the assessment of employees across all levels. As an outcome of this model, we have introduced 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 the succession planning.

Support through the pandemic

The outbreak of the COVID-19 pandemic and the subsequent lockdowns created a lot of disruption, panic and uncertainty. And naturally, people were perturbed and stressed by such a scenario. Hence, to restore calm and keep employees engaged during the lockdown, there were several initiatives which the people team rolled out during this phase.

Firstly, to keep employees energised and motivated we rolled out a series of activities under the initiative – **'Stress Free Work from Home'**, which included regular virtual team meetings, mindfulness and meditation sessions, and an e-mailer campaign with ideas to adapt to the new normal. We also conducted fun engagement activities such as - My Lockdown Hobby, Unleash The Cook In You, Photography From Your Window, Stay Fit Stay Healthy, etc. to boost morale and ensure mental and physical health and wellbeing.

We also encouraged employees to focus on self-development, by providing them with a gamut of learning opportunities. An entire catalogue of **self-learning courses** was made available to all our employees on our e-learning platform **ALT Learning**, including courses on post-COVID guidelines, which every employee had to complete before resuming work. We rolled out a **Leadership Learning Series** in which industry

Subject Matter Experts (SMEs) were invited to speak to and enlighten our managers and leaders. We also partnered with renowned organisations and institutions such as LinkedIn, Amity University and Great Learning to make available to our employees, a plethora of relevant courses, to enable them to upgrade themselves and be better equipped for the new normal. Apart from this, there was also a series of webinars which were facilitated by the internal SMEs to keep the front-end team aware and abreast with the necessary changes in the time of this pandemic and be future ready.

Store-level training and skill development

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

Digital human resource management

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

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

Management Discussion and Analysis (contd.)

FINANCIAL PERFORMANCE

KEY RATIOS

Creditors turnover

138

Debtors turnover

22

Inventory turnover

145

Interest coverage ratio

3.2

Current ratio

0.8

Debt-equity ratio

0.8

Gross Margin

33.9%

Net Margin

(0.6%)

Return on Net Worth

(4.7%)

Details of significant changes in the key financial ratios:

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

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

THREE-YEAR PERFORMANCE TRENDS

Revenue

(₹ in Crore)

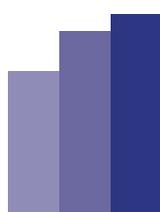
6,297.0

5,728.1

4,498.2

▲
10.0%

y-o-y change



FY18 FY19 FY20

Profit before tax

(₹ in Crore)

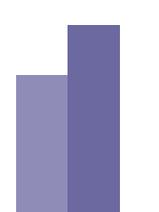
(36.0)

240.3

185.6

▼
(115.0%)

y-o-y change



FY18 FY19 FY20

THREE-YEAR PERFORMANCE TRENDS

Interest

(₹ in Crore)

301.3

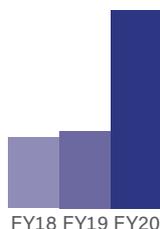
116.8

108.3



158.0%

y-o-y change



Net profit

(₹ in Crore)

(53.0)

189.0

126.0



(128.0%)

y-o-y change



Dividend

(in %)

0.0

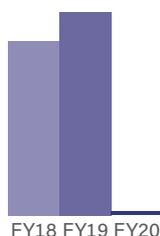
70.0

60.0



(100.0%)

y-o-y change



Equity share capital

(₹ in Crore)

40.3

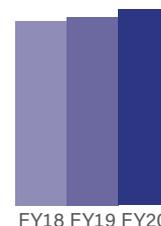
38.9

38.1



3.7%

y-o-y change



Net debt to EBITDA

(in times)

1.3

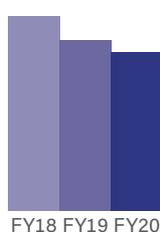
1.4

1.6



(7.1%)

y-o-y change



Basic Earnings Per Share (EPS)

(₹)

(2.2)

9.8

6.6



(122.7%)

y-o-y change



Board's Report

Dear Members,

Your Directors present the Eighth Annual Report of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2020.

FINANCIAL PERFORMANCE

The financial performance of the Company is as follows:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2019-20	Financial Year 2018-19
Revenue from Operations	6,297.30	5,728.12	5,985.78	5,377.41
Other Income	64.27	38.31	64.62	38.60
Total Revenue	6,361.57	5,766.43	6,050.40	5,416.01
Profit before Depreciation and Amortisation expense, Finance Costs and Tax expense	971.54	564.19	917.97	500.13
Less: Depreciation and Amortisation expense	701.53	207.10	682.17	196.65
Less: Finance Costs	305.54	116.82	301.33	104.38
Profit/(Loss) before Tax	(35.53)	240.27	(65.53)	199.10
Less: Tax expense	17.80	46.52	7.88	53.73
Profit/(Loss) after Tax	(53.33)	193.75	(73.41)	145.37
Share of Profit/(Loss) in Associates and Joint Ventures (Net)	0.29	(4.75)	0.00	0.00
Non-controlling interests	0.00	0.01	0.00	0.00
Other Comprehensive Income	8.95	1.23	9.04	1.16
Total Comprehensive Income	(44.09)	190.22	(64.37)	146.53
Earnings Per Equity Share of Face Value of ₹ 2/- each				
- Basic (in ₹)	(2.22)	9.82	(3.25)	7.57
- Diluted (in ₹)	(2.22)	9.79	(3.24)	7.54

REVIEW OF PERFORMANCE

During the year under review, your Company has recorded an increase of 9.94% in Consolidated Revenue from operations at ₹ 6,297.30 Crore as compared to ₹ 5,728.12 Crore in the previous financial year. Your Company reported a decrease of 127% in the Consolidated Profit / (Loss) after Tax of ₹ (53.33) Crore for the year under review as compared to ₹ 193.75 Crore for the previous financial year.

During the year under review, your Company on standalone basis recorded an increase of 11.31% in Revenue from operations at ₹ 5,985.78 Crore as compared to ₹ 5,377.41 Crore in the previous financial year and a decrease of 150% in the Profit / (Loss) after Tax of ₹ (73.41) Crore for the year under review as compared to ₹ 145.37 Crore for the previous financial year.

REVIEW OF OPERATIONS

The Company's retail network includes 48 Central stores (44 stores in the previous year), 104 Brand Factory stores (93 store in the previous year) and 196 Exclusive Brand Outlets (EBOs

(202 EBOs in the previous year), which are spread across the country. This retail network covers over 7.7 Million sq. ft. of retail space and collectively attracted over 66.70 Million customer footfalls during the year under review.

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 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.

The Profitability has taken a hit mainly due to impact of COVID-19 pandemic and consequent nationwide lockdown as well as provision for impairment of certain assets/investment(s).

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

DIVIDEND AND RESERVES

The Board, considering the Company's dividend distribution policy and the uncertainties created by COVID-19 pandemic on the business operations of the Company and in view of the losses for the year under review, has not recommended any dividend for the financial year ended March 31, 2020.

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

DIVIDEND DISTRIBUTION POLICY

As per regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the Company has a Dividend Distribution Policy, which endeavours for fairness, consistency and sustainability while distributing profits to the Members of the Company. It is given as **Annexure A**, which forms part of this Report and has also been disclosed on the Company's website www.futurelifestyle.in

SIGNIFICANT EVENTS OCCURRED DURING THE CURRENT YEAR

Impact/disruption on business operation due to COVID-19 pandemic and measures/initiatives taken by the Management

The rampant spread of novel coronavirus (COVID-19) outbreak, across India and globally, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook. The Government of India, in the wake of COVID-19 outbreak and considering the severity of this pandemic, had implemented nationwide lockdown, from the last week of March, 2020 and extended further from time to time to contain the spread of COVID-19.

The pandemic has set foot in India and is expected to lead the Country towards a slowdown over the next few months, consequent to supply disruptions, fall in consumption demand and stress on the banking and financial sectors.

The fashion retail business of the Company was significantly affected by temporary shut down of Company's fashion retail stores ("Central", "Brand Factory", "aLL" and other exclusive brand stores), drops in footfalls, de-growth of revenue, lack of disposable income and discretionary spending by the Customer. Your Company continued to assess the downturn in demand which may continue for a prolonged period of time, liquidity profile, rightsizing cost and re-calibrate its operations for business continuity and sustainability post COVID-19.

During the lockdown followed by gradual Unlock in some parts of the Country, your Company has intensively worked towards the re-opening of business and carrying out operation post

COVID-19 lockdown as "New Normal" criteria. It has laid down the roadmap for New Normal with a strong focus on safeguarding the health and safety of its employees, customers and communities it serves.

During the lockdown, the Company had launched a digital-led innovative 'Shop at your Door' for "Central" and strengthened its BrandFactoryOnline.in, aLLOnlineStore.in and other e-commerce platforms that helped cater to customers' requirements. While the Company continues to strengthen its digital platforms, such initiatives have increased its ability to engage and service customer demand across the Country.

Your Company believes that the business of the Company would be gradually picked up and reach to normal in due course of time. The present status update, as given above, is based on the current analysis of the situation by the Management. However, the uncertainty created by this pandemic and consequent lockdown and disruption were unforeseen and beyond the control of the Company.

ISSUE OF EQUITY SHARES

Allotment under Employee Stock Options Schemes

During the year under review, an aggregate of 7,27,316 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 August 26, 2019, the Company has allotted 64,79,481 Equity Shares of ₹ 2 each at a price of ₹ 463/- per Equity Share for an aggregate amount of ₹ 299.99 Crore, to Apollo India Private Equity IV (Mauritius) Limited, by way of preferential allotment on September 9, 2019.

Consequent to the above allotments, the paid-up Equity Share Capital of the Company as at March 31, 2020 was ₹ 40,35,49,748/- divided into 20,17,74,874 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,

Board's Report (contd.)

Listed, Rated, Redeemable Non-Convertible Debentures of face value of ₹ 10.00 Lakh each.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c. they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down Internal Financial Controls, which are adequate and are operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Retirement by rotation

Mr. Kishore Biyani, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Nominee Directors

During the year under review, Mr. Ravinder Singh Thakran, Non-Executive Director of the Company ceased to be a Director of the Company w.e.f. May 20, 2019, pursuant to the provisions of Section 167(1)(b) of the Act. Consequently, Mr. Narayan Ramachandran, an Alternate Director to Mr. Thakran also ceased to be an Alternate Director w.e.f. May 20, 2019.

Mr. Ravinder Singh Thakran, pursuant to the nomination letter received from Spectacular Investments Pte. Ltd., was further appointed as Nominee Director (Additional Director) by the

Board w.e.f. May 21, 2019. Subsequently, the Members of the Company at their Annual General Meeting held on July 30, 2019 have appointed Mr. Ravinder Singh Thakran as Nominee Director of the Company. The Board, based on the nomination received from Mr. Ravinder Singh Thakran appointed Mr. Chintamani Aniruddha Bhagat as an Alternate Director to Mr. Thakran w.e.f. February 12, 2020.

Mr. Ravinder Singh Thakran has resigned as Nominee Director on the Board of the Company, w.e.f. May 26, 2020. Consequently, Mr. Bhagat, an Alternate Director to Mr. Thakran, also ceased to be an Alternate Director w.e.f. May 26, 2020.

Mr. Chintamani Aniruddha Bhagat, pursuant to nomination letter received from Spectacular Investments Pte. Ltd., was appointed as Nominee Director (Additional Director) by the Board w.e.f. May 26, 2020. He holds office up to the date of the ensuing Annual General Meeting of the Company.

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

Mr. Luv Dinesh Parikh was appointed as Nominee Director (Additional Director) of the Company w.e.f. November 14, 2019. He holds office up to the date of the ensuing Annual General Meeting of the Company.

Mr. Rahul Garg was appointed as an Additional Director of the Company with effect from July 31, 2020. He holds office up to the date of the forthcoming Annual General Meeting of the Company.

Independent Directors

Mr. Shailesh Haribhakti and Dr. Darlie Koshy have been appointed as Independent Directors of the Company for the second term of five consecutive years w.e.f. August 8, 2019 by the Members of the Company at their Annual General Meeting held on July 30, 2019.

Ms. Sharda Agarwal was appointed as an Independent Director on the Board of the Company for a period of five years effective from March 27, 2015 to March 26, 2020.

The Board, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board, have unanimously re-appointed Ms. Sharda Agarwal as an Independent Director of the Company for the second term of five consecutive years w.e.f. March 27, 2020, subject to the approval of the Shareholders at the General Meeting of the Company.

Key Managerial Personnel

Mr. Kishore Biyani, Managing Director of the Company, was re-designated as Non-Executive Vice Chairperson of the Company w.e.f. March 5, 2020.

Mr. Vishnuprasad M was appointed by the Board as Chief Executive Officer of the Company w.e.f. November 14, 2019. Subsequent to the year under review, the Board based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Vishnuprasad M as Managing Director (Additional Director) of the Company for a period effective from April 30, 2020 till December 19, 2021, subject to the approval of the Members of the Company at the General Meeting of the Company.

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

Mr. Saurabh Bhudolia was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. May 1, 2020.

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

DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors.

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the evaluation criteria 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 July 31, 2020 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 overall evaluation results.

POLICY ON DIRECTORS' REMUNERATION

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

NUMBER OF MEETINGS OF THE BOARD

During the year under review, nine Board meetings were held on May 1, 2019, July 20, 2019, July 26, 2019, November 14, 2019, January 29, 2020, February 12, 2020, February 20, 2020, March 4, 2020 and March 30, 2020.

Board's Report (contd.)

AUDIT COMMITTEE

During the year under review, Mr. C. P. Toshniwal resigned as Member of the Audit Committee w.e.f. November 14, 2019. The Board has re-constituted the Committee and appointed Mr. Luv Dinesh Parikh as Member of the Committee w.e.f. November 14, 2019. The Audit Committee of the Company comprises of four Directors, (out of whom three are Independent Directors) viz., Ms. Sharda Agarwal, Chairperson of the Committee, Mr. Shailesh Haribhakti, Dr. Darlie Koshy and Mr. Luv Dinesh Parikh, Members of the Committee. All Members of the Committee possess accounting and financial management expertise. The Company Secretary of the Company is the Secretary of the Committee.

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

INVESTMENT IN SUBSIDIARY/ASSOCIATE COMPANIES FLFL Athleisure Limited (FAL)

FLFL Athleisure Limited was incorporated as a wholly owned subsidiary of the Company on May 29, 2019. The Company has subscribed 50,000 equity shares of ₹ 10 each aggregating to ₹ 5.00 Lakh. FAL would inter-alia carry on retail business including sportswear, athleisure wear, apparels, consumer products and general merchandise and accessories and providing related services, which is in line with the business of the Company.

DSK Media Private Limited (DMPL)

The Company had acquired 10,000 equity shares of ₹ 10 each of DMPL on January 29, 2020 for a consideration of ₹ 1.00 Lakh. Subsequently, DMPL was ceased to be a subsidiary of the Company w.e.f. February 5, 2020 consequent upon the issue of equity shares by DMPL to other Investor. Post such issue of equity shares, the Company's equity stake has been diluted to 5% of the paid-up equity capital of DMPL.

Future Trendz Limited (FTL)

The Company has subscribed to 35,78,170 Unsecured Optionally Convertible Debentures (OCDs) of Future Trendz Limited of face value of ₹ 1,000/- each at par for cash aggregating to ₹ 357.81 Crore. These funds were utilised to acquire 1000 Compulsorily Convertible Preference Shares and 100 Equity Shares of Future Speciality Retail Limited from the other Investor. Consequently, Future Speciality Retail Limited has become step down subsidiary of the Company.

FLFL Lifestyle Brands Limited (FLBL)

The Company has subscribed to 3,39,50,000 Unsecured Optionally Convertible Debentures (OCDs) of FLFL Lifestyle Brands Limited of face value of ₹ 10/- each at par for cash aggregating to ₹ 33.95 Crore.

Koovs plc.

During the year under review, your Company had subscribed 4,58,39,063 new Ordinary Shares of Koovs plc. at a price of ₹0.08 per Ordinary Share and 8,81,523 Compulsorily Convertible Preference Shares of Koovs plc. at a price of ₹0.2836 per Preference Share, for cash aggregating to ₹ 34.65 Crore.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES Subsidiary Companies

Future Trendz Limited (FTL)

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

Future Speciality Retail Limited (FSRL)

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

During the year under review, FSRL campaign 'Wear Your Mix' brought us a significant share of mind in the casualwear category. The brand's strategic approach to focus on social media and digital promotions has garnered the right targeted visibility to FSRL. Its public relation efforts in building and fortify relationship with fashion influencers and bloggers helped it to widening its reach to millennial & Gen Z. Footwear added to the existing apparel category for both men and women segments to cater to a complete family shopping requirement.

Over the years, Brand "Lee Cooper" has increased its footprint for both apparel and footwear and is now available at 1,500 doors in more than 200 cities. The year under review was the year to focus and establish the business with more distribution channels and partners for both footwear and apparel.

FLFL Athleisure Limited (FAL)

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

FLFL Business Services Limited (FBSL)

During the year under review, FBSL has voluntarily filed an application with Ministry of Corporate Affairs on December 27, 2019 for striking off its name from the Register of Companies. The said application is under process.

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 Companies**FLFL Lifestyle Brands Limited (FLBL)**

FLBL is inter-alia, engaged in the business of making investment in fast growing fashion companies and fashion brands such as Turtle, Clarks, Cover Story, Ancestry, Mineral, Celio, Holii, Tresmode, 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.

Koovs plc (Koovs)

Koovs is a public company, incorporated in England and listed on Alternative Investment Market of London Stock Exchange. Koovs is engaged in the e-commerce fashion business. Your Company holds 10,37,15,663 Ordinary Shares i.e. 25.80% of Ordinary Share Capital of Koovs and 8,81,523 Compulsorily Convertible Preference Shares as on March 31, 2020.

Your Company had made investment to 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 and 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.

During the year under review, Koovs plc. owing to unsustainable cash-flow pressures and failing to secure funding and further it didn't receive any viable offers in a competitive sale process conducted to help it continued as a going concern. Consequently, the Board of Koovs plc., on December 10, 2019 issued a public statement that it had resolved to place Koovs plc. into administration. Subsequently, the business and assets of Koovs plc. were sold by the Administrators of Koovs plc. to its largest creditor. Presently, Koovs plc. is under administration and accordingly, the effect has been accounted for in the books of accounts of the Company.

Joint Ventures**Clarks Future Footwear Private Limited (Clarks)**

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

Celio Future Fashion Private Limited (Celio)

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

CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2020, the Company has seven direct subsidiaries, one step down subsidiary and two associate company.

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

Pursuant to the provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries, associates and Joint Venture companies as on March 31, 2020 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

Board's Report (contd.)

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 Annual General Meeting.

The aforesaid documents relating to subsidiary companies would be made available to any Member interested in obtaining the same upon a request made to the Company.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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

The Company has received a certificate from the Statutory Auditors confirming that they are eligible to continue as Statutory Auditors of the Company under section 141 of the Act.

The Auditors' Report on the Financial Statements of the Company for the financial year ended March 31, 2020 is issued with unmodified opinion.

Secretarial Auditor

M/s. Sanjay Dholakia & Associates, Practising 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 2019-20, as required under section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2019-20 is given as **Annexure B**, which forms part of this Report.

The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to Section 204 of the Act and Regulation 24A of the Listing Regulations, the Secretarial Audit for the financial year 2019-20 of Future Speciality Retail Limited ("FSRL"), a material subsidiary of the Company has been carried out by Mr. Anant Gude, Practising Company Secretary. The Secretarial Audit Report of FSRL issued by Mr. Anant Gude, Practising Company

Secretary, does not contain any qualification, reservation or adverse remark.

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 including cyber risk and cyber security such as prevention measures taken on threats, Malware, Virus and web application threats, were being periodically reviewed by the Management at 'Samiksha' meetings and updates on risk management were presented to the Risk Management Committee.

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

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

SECRETARIAL STANDARDS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

CORPORATE GOVERNANCE

The Company's Corporate Governance Report for the year under review, forms part of this Annual Report.

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

BUSINESS RESPONSIBILITY REPORT

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

EMPLOYEES STOCK OPTIONS

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

During the year under review, the Nomination and Remuneration Committee has granted 88,059 Stock Options to the eligible employee under FLFL ESOS-2013 and cancelled 36,000 unvested Stock Options under the FLFL Employees Stock Option 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

PARTICULARS OF EMPLOYEES

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

In terms of the provisions of section 197(12) of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement of particulars of the employees as required under the said Rules is provided in a separate Annexure forming part of this Report. In accordance with the provisions of the second proviso to section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said

information is available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of forthcoming Annual General Meeting.

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

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

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

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

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) and section 92(3) 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 Annual Return is also available on the Company's website at www.futurelifestyle.in

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees, investments and security, as required under the provisions of section 186 of the Act are provided in the note no. 38 in Notes forming part of the Standalone Financial Statements, which forms part of this Annual Report.

Board's Report (contd.)

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

Disclosure of transactions with related parties as required under Listing Regulations and the applicable Accounting Standards is given in the note no. 34 in the Notes forming part of the Standalone Financial Statements, which forms part of this Annual Report.

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

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

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2020.

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 be transferred 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 8, 2014	September 13, 2021
Dividend 2014-15	August 26, 2015	October 1, 2022
Dividend 2015-16	August 29, 2016	October 4, 2023
Dividend 2016-17	August 29, 2017	October 4, 2024
Dividend 2017-18	August 29, 2018	October 3, 2025
Dividend 2018-19	July 30, 2019	September 3, 2026

CREDIT RATINGS

Your Company has obtained ratings from CRISIL Limited (CRISIL) and CARE Ratings Limited (formerly known as Credit

Analysis & Research Limited) (CARE). During the year under review, CRISIL and CARE have reaffirmed the credit ratings and outlook assigned 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.

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/corporate_governance.aspx#parentHorizontalTab4
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link: https://www.futurelifestyle.in/statutory_documents.aspx#parentHorizontalTab6
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link: https://www.futurelifestyle.in/statutory_documents.aspx#parentHorizontalTab6
- Policy for archival of documents of the Company is available on the website of the Company at the link: https://www.futurelifestyle.in/statutory_documents.aspx#parentHorizontalTab6
- 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/corporate_governance.aspx
- Policy on dealing with related party transactions is available on the website of the Company at the link: https://www.futurelifestyle.in/statutory_documents.aspx#parentHorizontalTab6
- 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.
- Except as disclosed elsewhere in this Report, there are no material changes affecting the financial position of the Company, subsequent to the end of the financial year 2019-20 till the date of this Report.
- During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

- The Managing Director of the Company did not receive any remuneration or commission from any of the subsidiary of the Company.
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- There has been no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS

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

AWARDS AND RECOGNITION

The Company has won "Asia's Best Integrated Report (Design) under Gold category", an Asia's most prestigious Sustainability Reporting Awards, for the Company's Annual Report – 2019.

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
July 31, 2020

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, 2020

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

To,
The Members
FUTURE LIFESTYLE FASHIONS LIMITED
CIN L52100MH2012PLC231654
Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period); and
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees of Board

Board's Report (contd.)

of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

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

For **Sanjay Dholakia & Associates**

(Sanjay Dholakia)

Practising Company Secretary
Membership No. 2655 / CP No. 1798
UDIN: F002655B000513726

Date: July 31, 2020

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**

(Sanjay Dholakia)

Practising Company Secretary
Membership No. 2655 / CP No. 1798

Date: July 31, 2020

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.

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.

CSR Policy of the Company is available on the website of the Company at the link:

https://www.futurelifestyle.in/Admin/pdf/FLFL_CSR_Policy.pdf

2. The Composition of the CSR Committee

Mr. Kishore Biyani – Chairperson
Dr. Darlie Koshy – Member
Ms. Sharda Agarwal – Member
Mr. C. P. Toshniwal – Member

3. Average net profit of the Company for last three financial years. ₹ 164.66 Crore

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above). ₹ 3.29 Crore

5. Details of CSR spent during the financial year 2019-20:

- a. Total amount to be spent for the financial year 2019-20 ₹ 3.29 Crore

- b. Amount unspent, if any Nil

- c. Manner in which the amount spent during the financial year in detailed below:

(₹ in Crore)						
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 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. Extending support to children's welfare through 'Akshaya Patra Foundation'	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	Andhra Pradesh Visakhapatnam Gujarat Vadodara, Surat, Ahmedabad, Karnataka Hubli, Chhattisgarh Bhilai	2,817	2,817	2,817	Implementing agency [#]

Board's Report (contd.)

(₹ in Crore)						
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 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.
b. Creating access to basic needs for marginalised communities through 'Action Aid' [§]	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	Karnataka Bengaluru, Puducherry Kerala Belgaum, Idukki, Alappuzha, Pathanamthita, Telangana Hyderabad, Tamil Nadu Ranipet	0.3201	0.3201	0.3201	Implementing agency [#]
c. Addressing basic needs of underprivileged children through 'Responset Development Services' and 'Navjyoti India Foundation' [§]	Reducing Inequalities (Activity No. (iii) of Schedule VII of t/he Act)	Delhi Chandigarh	0.1559	0.1559	0.1559	Implementing agency [#]

Notes:

Overheads: NIL

[§] Not for profit Organisation

[#] 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. 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
July 31, 2020

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, 2020

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. 32 in Notes forming part of the Standalone Financial Statements.	
C.	Description and general terms and conditions of ESOSs		
		FLFL ESOS - 2013	FLFL ESOP - 2015
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 for Grant I, II and III and ₹ 2/- per option for Grant IV.	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, 2020		
	Number of Options outstanding at the beginning of the year	1,34,592	13,97,224
	Number of Options granted during the year	88,059	Nil
	Number of Options forfeited / lapsed during the year	-	36,000
	Number of Options vested during the year	-	4,73,900
	Number of Options exercised during the year	1,34,592	5,92,724
	Number of shares arising as a result of exercise of Options	1,34,592	5,92,724
	Money realised by exercise of Options, if scheme is implemented directly by the Company	₹ 13,45,920/-	₹ 10,08,41,990/-

Board's Report (contd.)

Sl. No.	Particulars	FLFL ESOS - 2013	FLFL ESOP - 2015
	Loan repaid by the Trust during the year from N.A. exercise price received		N.A.
	Number of Options outstanding (in force) at the end of the year	88,059	7,68,500
	Number of Options exercisable at the end of the year		2,62,900

Weighted average Fair Value/Exercise Price of Options granted under FLFL ESOS-2013 during the financial year ended on March 31, 2020

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	₹ 389.14	₹ 2.00

Employee-wise details of Options granted under FLFL ESOS-2013 during the financial year ended on March 31, 2020

Particulars	Name of Employee	No. of Options
(i) Senior managerial personnel / Key managerial personnel	Ms. Bharati Balakrishnan	88,059
(ii) Employees who were granted, during any one year, Options amounting to five percent or more of the Options granted during the year	Ms. Bharati Balakrishnan	88,059
(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	None	N.A.

F. Method and significant assumptions used to estimate the fair value of Options granted during the financial year ended March 31, 2020

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Particulars	Grant III
Date of Grant	February 12, 2020
Risk-free Interest Rate	5.82%
Expected Option Life	3.5 Years
Expected Volatility	27.69%
Dividend Yield	1.4
Price of the underlying share in market at the time of the Option grant	₹ 395.65
Stock Price	The share price as on the date of grant has been considered.
Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period taken into account match the expected life of the option.
Risk-free rate of return	Zero coupon sovereign bond yields as on the February 12, 2020 were utilised with maturity equal to expected term of the option.
Exercise Price	₹ 2.00
Expected Option Life/ Time to Maturity	The expected option life is assumed to be approximately half way between the option vesting period and contractual term of the option. Since the vesting period and contractual term is different, the expected life of the option will be different. The expected option life is calculated as Year to Vesting + (Contractual Option Term)/2.
Expected divided yield	It is considered to be 1.4 per share based on the dividend declared by the Company for financial year 2018-19.

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	₹ 13,11,53,597.00
Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 13,11,53,597.00
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	
a. Number of shares held at the beginning of the year	Nil
b. Number of shares acquired during the year through:	
i. primary issuance	Nil
ii. secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Aggregating 3,63,864 Equity Shares acquired by the Trust constituting 0.18% of the total paid-up and issued capital of the Company as on March 31, 2020.
	Weighted average cost of acquisition per share is ₹ 333.47
c. Number of shares transferred to the employees / sold along with the purpose thereof	Nil
d. Number of shares held at the end of the year	3,63,864
III. In case of secondary acquisition of Shares by the Trust	
a. Held at the beginning of the year	Nil
b. Acquired during the year	3,63,864
c. Sold during the year	Nil
d. Transferred to the employees during the year	Nil
e. Held at the end of the year	3,63,864

Board's Report (contd.)

Annexure E

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

I. The ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company and the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP), for the financial year 2019-20 are as under:

II.

Particulars	Increase / (Decrease) in Remuneration (%)	Ratio of remuneration of each Director to MRE
Managing Director:		
Mr. Kishore Biyani	(39.74)	108
Independent Directors:		
Mr. Shailesh Haribhakti	(100.00)	16.34
Dr. Darlie Koshy	(100.00)	16.34
Ms. Sharda Agarwal	(100.00)	16.34
Mr. Bijou Kurien	(100.00)	16.34
Non-Executive Director:		
Mr. Ravinder Singh Thakran*	Nil	Nil
Mr. Chintamani Bhagat*	Nil	Nil
Mr. Luv Parikh*	Nil	Nil
Mr. Rakesh Biyani	Nil	Nil
Mr. C. P. Toshniwal	Nil	Nil
Ms. Avni Biyani	Nil	Nil
Key Managerial Personnel:		
Mr. Vishnuprasad M, Chief Executive Officer	N.A.	N.A.
Mr. Kaleeswaran Arunachalam, Chief Financial Officer	(25.28)	N.A.
Mr. Sanjay Kumar Mutha, Company Secretary	(11.07)	N.A.

Note:

- * Voluntarily waived to receive the sitting fees and commission.
- No commission would be payable to Independent Directors for the financial year 2019-20. The Remuneration to Non-Executive Directors does not include sitting fees paid during the financial year 2019-20.
- Remuneration is excluding of perquisite on Employee Stock Options (ESOPs) exercised during the year under review.

III. The increase in MRE in the financial year 2019-20, as compared to the financial year 2018-19 was 16%;

IV. There were 7,898 permanent employees of the Company as on March 31, 2020;

V. Average percentage increase in the salaries of employees other than the managerial personnel for the financial year 2019-20 was in the range of 4% to 10%. There was an decrease of 39.74% in the remuneration to Managing Director for the same period;

VI. 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
July 31, 2020

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, 2020, 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, 2020 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 advance, if any
Future Enterprises Limited (FEL)	The Company enters into transactions including sale, purchase and supply of goods and assets and availing or rendering of any services with FEL in ordinary course of business and at arm's length basis. The maximum value of the above related party transaction(s) to be entered into individually or taken together with previous transactions, would be in aggregate of ₹ 900.75 Crore, during the financial year 2019-20.	FY 2019-20	The aggregate value of the contracts / arrangements/ transactions entered into by the Company was ₹ 551.29 Crore.	Necessary approvals of the Board and Shareholders have been obtained on March 27, 2019 and July 30, 2019, respectively.	
Future Retail Limited (FRL)	The Company enters into transactions including sale, purchase and supply of goods and assets and availing or rendering of any services with FRL in ordinary course of business and at arm's length basis. The maximum value of the above related party transaction(s) to be entered into individually or taken together with previous transactions, would be in aggregate of ₹ 870.00 Crore, during the financial year 2019-20.	FY 2019-20	The aggregate value of the contracts / arrangements / transactions entered into by the Company was ₹ 496.42 Crore.	Necessary approvals of the Board and Shareholders have been obtained on March 27, 2019 and July 30, 2019, respectively.	

For and on behalf of the Board of Directors

Mumbai
July 31, 2020

Shailesh Haribhakti
Chairperson

Board's Report (contd.)

Annexure G

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

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

(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, use of natural lights in offices/stores premises. Display of signages have also been created to promote awareness on conservation of energy.
ii. the steps taken by the Company for utilising alternate sources of energy	
iii. the capital investment on energy conservation equipment's	
(B) Technology absorption:	
i. the efforts made towards technology absorption	During the year under review the Company is exploring an IOT based solution which would help the HVAC (Heating, ventilation, and air conditioning) systems adjust to changes in external climatic conditions and occupancy levels of the store whilst meeting the desired temperatures. The platform also rectifies anomalies caused due to changes in operating hours. The Company would focus on increasing the number of stores connected to such centralised consumption management platform and which is capable of monitoring the energy consumption the network of connected stores so that they can adapt to the energy consumption reduction objectives.
ii. the benefits derived like product improvement, cost reduction, product development or import substitution	
iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) the details of technology imported;	N.A.
(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.	

(C) Foreign Exchange Earnings and Outgo:

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

Particulars	₹ in Crore)	
	FY 2019-20	FY 2018-19
Foreign Exchange Earnings*	30.01	54.55
Foreign Exchange Outgo	94.30	111.64

* Included ₹ 28.78 Crore (FY 2018-19: ₹ 54.47 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
July 31, 2020

Shailesh Haribhakti
Chairperson

Annexure H

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[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 4055 2200 Fax No: +91 22 4055 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: rnt.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	Future Trendz Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2016PLC285892	Subsidiary	100.00	section 2(87)
2	Future Speciality Retail Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2016PLC286295	Subsidiary [#]	100.00	section 2(87)
3	FLFL Business Services Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2017PLC292998	Subsidiary	100.00	section 2(87)
4	FLFL Athleisure Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U52609MH2019PLC326010	Subsidiary	100.00	section 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	section 2(87)

Board's Report (contd.)

Sl. No.	Name of the company	Address of the company	CIN / GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
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	section 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	section 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	section 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	section 2(6)
10	Koovs Plc	York House, 23 Kingsway, London WC2B 6UJ	N.A.	Associate [§]	25.80	section 2(6)

[#] Under process of strike off

[§] Koovs Plc. is under Administration

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 / Nominee of Promoter	38,933	-	38,933	0.02	38,933	-	38,933	0.02	(0.00)
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	10,40,09,238	-	10,40,09,238	53.46	9,23,24,522	-	9,23,24,522	45.76	(7.70)
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	10,40,48,171	-	10,40,48,171	53.48	9,23,63,455	-	9,23,63,455	45.78	(7.70)
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Promoter Companies	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	10,40,48,171	-	10,40,48,171	53.48	9,23,63,455	-	9,23,63,455	45.78	(7.70)

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	
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/ UTI	1,04,03,058	-	1,04,03,058	5.35	96,87,555	-	96,87,555	4.80	(0.55)
(b)	Financial Institutions/ Banks	1,12,459	-	1,12,459	0.06	1,05,072	-	1,05,072	0.05	(0.01)
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	62,00,000	-	62,00,000	3.19	62,00,000	-	62,00,000	3.07	(0.11)
(e)	Insurance Companies	84,00,268	-	84,00,268	4.32	1,41,72,733	-	1,41,72,733	7.02	2.71
(f)	Foreign Institutional Investors	2,93,54,468	-	2,93,54,468	15.09	4,59,05,196	-	4,59,05,196	22.75	7.66
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
(i)	Alternate Investment fund	77,37,079	-	77,37,079	3.98	77,37,079	-	77,37,079	3.83	(0.14)
	Sub-Total (B)(1)	6,22,07,332	-	6,22,07,332	31.97	8,38,07,635	-	8,38,07,635	41.54	9.56
(2)	Non-Institutions									
(a)	Bodies Corporate	1,42,42,244	9,214	1,42,51,458	7.32	1,24,25,567	9,210	1,24,34,777	6.16	(1.16)
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1.00 Lakh	41,52,531	3,30,603	44,83,134	2.30	36,85,799	3,14,020	39,99,819	1.98	(0.32)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1.00 Lakh	89,43,596	-	89,43,596	4.60	84,53,398	-	84,53,398	4.19	(0.41)
(c)	Any Other									
	1. N R I	1,05,296	733	1,06,029	0.05	86,098	733	86,831	0.04	(0.01)
	2. Directors & Relatives	1,02,154	-	1,02,154	0.05	86,615	-	86,615	0.04	(0.01)
	3. Clearing Member	2,40,780	-	2,40,780	0.12	21,228	-	21,228	0.01	(0.11)
	4. Trust	334	-	334	0.00	3,63,898	-	3,63,898	0.18	0.18
	5. Hindu Undivided Family	1,84,767	322	1,85,089	0.10	1,56,896	322	1,57,218	0.08	(0.02)
	Sub-Total (B)(2)	2,79,71,702	3,40,872	2,83,12,574	14.55	2,52,79,499	3,24,285	2,56,03,784	12.69	(1.86)
	Total Public Shareholding (B) = (B)(1)+(B)(2)	9,01,79,034	3,40,872	9,05,19,906	46.52	10,90,87,134	3,24,285	10,94,11,419	54.22	7.70
	Total (A)+(B)	19,42,27,205	3,40,872	19,45,68,077	100.00	20,14,50,589	3,24,285	20,17,74,874	100.00	-
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	19,42,27,205	3,40,872	19,45,68,077	100.00	20,14,50,589	3,24,285	20,17,74,874	100.00	-

Board's Report (contd.)

(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	10,16,64,765	52.25	2,20,21,528	11.32	7,54,41,490	37.39	7,54,41,490	37.39	(14.86)
4	Future Ideas Company Limited	17,13,576	0.88	17,13,576	0.88	17,13,576	0.85	17,13,576	0.85	(0.03)
5	**Future Corporate Resources Private Limited	4,69,440	0.24	3,50,789	0.18	4,69,440	0.22	4,69,238	0.23	(0.02)
6	Surplus Finvest Private Limited	1,58,827	0.09	-	-	1,58,827	0.09	-	-	-
7	Future Capital Investment Private Limited	2,197	-	-	-	2,197	-	-	-	-
8	Akar Estate and Finance Private Limited	333	-	-	-	333	-	-	-	-
9	Central Departmental Stores Private Limited	100	-	-	-	100	-	-	-	-
10	RSCL Trading Private Limited	-	-	-	-	1,45,38,559	7.21	1,45,38,559	7.21	7.21
11	Retail Trust #	-	-	-	-	-	-	-	-	-
12	Consumer Goods Trust #	-	-	-	-	-	-	-	-	-
13	Infra Trust #	-	-	-	-	-	-	-	-	-
14	Ashni Biyani	16,770	0.01	-	-	16,770	0.01	-	-	-
15	Avni Biyani	19,499	0.01	-	-	19,499	0.01	-	-	-
16	Vivek Biyani	333	-	-	-	333	-	-	-	-
17	Sunil Biyani	333	-	-	-	333	-	-	-	-
18	Anil Biyani	333	-	-	-	333	-	-	-	-
19	Kishore Biyani	333	-	-	-	333	-	-	-	-
20	Gopikishan Biyani	333	-	-	-	333	-	-	-	-
21	Laxminarayan Biyani	333	-	-	-	333	-	-	-	-
22	Rakesh Biyani	333	-	-	-	333	-	-	-	-
23	Vijay Biyani	333	-	-	-	333	-	-	-	-
	Total	10,40,48,171	53.48	2,40,85,893	12.38	9,23,63,455	45.78	9,21,62,863	45.68	(7.70)

* 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)

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
	At the beginning of the year	10,40,48,171	53.48	10,40,48,171	53.48
	August 02, 2019 - Decrease*	(1,16,84,716)	(6.00)	9,23,63,455	47.41
	At the end of the year			9,23,63,455	45.78

* Sold to BTO FPI III Pte. Ltd.

(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. Ltd.				
	At the beginning of the year	1,94,04,207	9.97	1,94,04,207	9.97
	At the end of the year			1,94,04,207	9.62
2	Life Insurance Corporation of India				
	At the beginning of the year	84,96,421	4.37	84,96,421	4.21
	April 05, 2019 - Increase	1,17,694	0.06	86,14,115	4.27
	April 12, 2019 - Increase	3,17,773	0.16	89,31,888	4.43
	April 19, 2019 - Increase	98,330	0.05	90,30,218	4.48
	April 26, 2019 - Increase	4,96,373	0.26	95,26,591	4.72
	May 03, 2019 - Increase	2,91,978	0.15	98,18,569	5.05
	May 10, 2019 - Increase	6,87,177	0.35	1,05,05,746	5.40
	May 17, 2019 - Increase	7,98,515	0.41	1,13,04,261	5.81
	May 24, 2019 - Increase	6,108	0.00	1,13,10,369	5.81
	May 31, 2019 - Increase	3,80,613	0.20	1,16,90,982	6.01
	June 07, 2019 - Increase	2,46,755	0.13	1,19,37,737	6.13
	June 14, 2019 - Increase	7,53,000	0.39	1,26,90,737	6.52
	June 21, 2019 - Increase	3,51,366	0.18	1,30,42,103	6.70
	June 29, 2019 - Increase	3,15,789	0.16	1,33,57,892	6.86
	July 05, 2019 - Increase	15,409	0.01	1,33,73,301	6.87
	July 12, 2019 - Increase	9,543	0.00	1,33,82,844	6.87
	July 19, 2019 - Increase	1,22,092	0.06	1,35,04,936	6.93
	July 26, 2019 - Increase	91,471	0.05	1,35,96,407	6.98
	August 02, 2019 - Increase	1,00,694	0.05	1,36,97,101	7.03
	August 09, 2019 - Increase	1,22,241	0.06	1,38,19,342	7.10
	August 16, 2019 - Increase	1,19,805	0.06	1,39,39,147	7.16
	August 23, 2019 - Increase	97,628	0.05	1,40,36,775	7.21
	August 30, 2019 - Increase	1,40,000	0.07	1,41,76,775	7.28
	September 06, 2019 - Increase	92,567	0.05	1,42,69,342	7.33
	January 31, 2020 - Decrease	(2,070)	(0.00)	1,42,67,272	7.08
	At the end of the year			1,42,67,272	7.07
3	BTO FPI III Pte. Ltd.				
	At the beginning of the year	-	-	-	-
	August 02, 2019 - Increase	1,16,84,716	6.00	1,16,84,716	6.00
	At the end of the year			1,16,84,716	5.79
4	Pioneer Investment Fund				
	At the beginning of the year	77,37,079	3.98	77,37,079	3.98
	At the end of the year			77,37,079	3.83

Board's Report (contd.)

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
5	Bennett, Coleman and Company Limited				
	At the beginning of the year	79,59,770	4.09	79,59,770	4.09
	April 19, 2019 - Decrease	(5,000)	(0.00)	79,54,770	4.09
	April 26, 2019 - Decrease	(10,000)	(0.01)	79,44,770	4.08
	May 03, 2019 - Decrease	(10,000)	(0.01)	79,34,770	4.08
	May 10, 2019 - Decrease	(10,000)	(0.01)	79,24,770	4.07
	May 17, 2019 - Decrease	(5,000)	(0.00)	79,19,770	4.07
	May 24, 2019 - Decrease	(20,000)	(0.01)	78,99,770	4.06
	May 31, 2019 - Decrease	(10,000)	(0.01)	78,89,770	4.05
	June 07, 2019 - Decrease	(5,000)	(0.00)	78,84,770	4.05
	June 21, 2019 - Decrease	(3,716)	(0.00)	78,81,054	4.05
	June 29, 2019 - Decrease	(15,500)	(0.01)	78,65,554	4.04
	July 05, 2019 - Decrease	(13,500)	(0.01)	78,52,054	4.03
	July 12, 2019 - Decrease	(3,000)	(0.00)	78,49,054	4.03
	July 19, 2019 - Decrease	(1,57,516)	(0.08)	76,91,538	3.95
	July 26, 2019 - Decrease	(10,000)	(0.01)	76,81,538	3.94
	At the end of the year			76,81,538	3.81
6	L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund				
	At the beginning of the year	69,76,386	3.59	69,76,386	3.59
	April 05, 2019 - Increase	2,23,404	0.11	71,99,790	3.70
	April 12, 2019 - Increase	50,000	0.03	72,49,790	3.73
	April 19, 2019 - Increase	2,50,000	0.13	74,99,790	3.85
	April 26, 2019 - Increase	89,213	0.05	75,89,003	3.90
	May 10, 2019 - Increase	67,610	0.03	76,56,613	3.93
	May 17, 2019 - Increase	96,477	0.05	77,53,090	3.98
	June 14, 2019 - Increase	17,000	0.01	77,70,090	3.99
	June 21, 2019 - Increase	7,490	0.00	77,77,580	4.00
	June 29, 2019 - Increase	25,218	0.01	78,02,798	4.01
	August 02, 2019 - Increase	28,000	0.01	78,30,798	4.02
	August 09, 2019 - Increase	15,000	0.01	78,45,798	4.03
	August 16, 2019 - Increase	29,314	0.02	78,75,112	4.04
	August 23, 2019 - Decrease	(2,00,000)	(0.10)	76,75,112	3.94
	September 13, 2019 - Increase	10,000	0.00	76,85,112	3.82
	September 20, 2019 - Increase	15,000	0.01	77,00,112	3.83
	September 27, 2019 - Increase	24,715	0.01	77,24,827	3.84
	September 30, 2019 - Increase	5,000	0.00	77,29,827	3.84
	October 04, 2019 - Decrease	(2,890)	(0.00)	77,26,937	3.84
	October 18, 2019 - Increase	1,39,785	0.07	78,66,722	3.91
	November 22, 2019 - Decrease	(10,70,956)	(0.53)	67,95,766	3.37
	December 06, 2019 - Decrease	(3,430)	(0.00)	67,92,336	3.37
	February 28, 2020 - Decrease	(16,899)	(0.01)	67,75,437	3.36
	March 27, 2020 - Decrease	(1,326)	(0.00)	67,74,111	3.36
	At the end of the year			67,74,111	3.36
7	Apollo India Private Equity IV (Mauritius) Limited				
	At the beginning of the year	-	-	-	-
	September 09, 2019 - Increase - Allotment	64,79,481	3.22	64,79,481	3.22
	At the end of the year			64,79,481	3.21

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
8	PI Opportunities Fund I				
	At the beginning of the year	62,00,000	3.19	62,00,000	3.19
	At the end of the year			62,00,000	3.07
9	Lata Bhanshali				
	At the beginning of the year	33,63,410	1.73	33,63,410	1.73
	At the end of the year			33,63,410	1.67
10	IDFC Sterling Value Fund				
	At the beginning of the year	33,01,455	1.70	33,01,455	1.70
	April 05, 2019 - Increase	5,449	0.00	33,06,904	1.70
	April 12, 2019 - Increase	15,000	0.01	33,21,904	1.71
	May 17, 2019 - Increase	20,000	0.01	33,41,904	1.72
	May 24, 2019 - Increase	20,500	0.01	33,62,404	1.73
	May 31, 2019 - Increase	10,094	0.01	33,72,498	1.73
	June 07, 2019 - Increase	10,000	0.01	33,82,498	1.74
	July 05, 2019 - Increase	18,000	0.01	34,00,498	1.75
	August 09, 2019 - Decrease	(1,37,447)	(0.07)	32,63,051	1.68
	August 16, 2019 - Decrease	(94,210)	(0.05)	31,68,841	1.63
	August 23, 2019 - Decrease	(1,25,121)	(0.06)	30,43,720	1.56
	August 30, 2019 - Decrease	(1,47,083)	(0.08)	28,96,637	1.49
	September 06, 2019 - Decrease	(53,000)	(0.03)	28,43,637	1.46
	September 20, 2019 - Increase	2,500	0.00	28,46,137	1.41
	September 27, 2019 - Increase	12,500	0.01	28,58,637	1.42
	October 04, 2019 - Increase	5,000	0.00	28,63,637	1.42
	October 11, 2019 - Increase	5,000	0.00	28,68,637	1.43
	October 18, 2019 - Increase	7,500	0.00	28,76,137	1.43
	October 25, 2019 - Increase	7,325	0.00	28,83,462	1.43
	November 01, 2019 - Increase	15,175	0.01	28,98,637	1.44
	November 08, 2019 - Increase	5,000	0.00	29,03,637	1.44
	December 13, 2019 - Increase	5,000	0.00	29,08,637	1.44
	January 17, 2020 - Decrease	(22,513)	(0.01)	28,86,124	1.43
	February 28, 2020 - Increase	17,513	0.01	29,03,637	1.44
	At the end of the year			29,03,637	1.44

*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 (contd.)

(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. Shailesh Haribhakti - Chairperson				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
2	Mr. Kishore Biyani - Vice-Chairperson				
	At the beginning of the year	333	0.00	333	0.00
	At the end of the year			333	0.00
3	Dr. Darlie Koshy - Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
4	Mr. Bijou Kurien - Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5	Ms. Sharda Agarwal - Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
6	Mr. Ravinder Singh Thakran - Nominee Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
7	Mr. Chintamani Aniruddha Bhagat - Alternate Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
8	Mr. Luv Parikh - Nominee Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
9	Mr. Rakesh Biyani - Non-Executive Director				
	At the beginning of the year	333	0.00	333	0.00
	At the end of the year			333	0.00
10	Mr. C. P. Toshniwal - Non-Executive Director				
	At the beginning of the year	93,465	0.05	93,465	0.05
	May 01, 2019 - Increase - ESOP Allotment	36,232	0.02	1,29,697	0.07
	May 06, 2019 - Decrease	(93,465)	(0.05)	36,232	0.02
	August 19, 2019 - Increase - ESOP Allotment	49,180	0.03	85,412	0.04
	November 21, 2019 - Decrease	(50,000)	(0.02)	35,412	0.02
	December 19, 2019 - Increase - ESOP Allotment	49,180	0.02	84,592	0.04
	At the end of the year			84,592	0.04
11	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
12	Mr. Vishnuprasad M - Chief Executive Officer				
	At the beginning of the year	1,86,517	0.10	1,86,517	0.10
	March 17, 2020 - Increase - ESOP Allotment	2,19,000	0.11	4,05,517	0.20
	At the end of the year			4,05,517	0.20
13	Mr. Kaleeswaran Arunachalam - Chief Financial Officer				
	At the beginning of the year	Nil	Nil	Nil	Nil
	February 01, 2020 - Increase - ESOP Allotment	1,17,000	0.06	1,17,000	0.06
	At the end of the year			1,17,000	0.06

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
14	Mr. Sanjay Kumar Mutha - Company Secretary				
	At the beginning of the year	8,190	0.00	8,190	0.00
	May 01, 2019 - Increase - ESOP Allotment	5,000	0.00	13,190	0.01
	August 19, 2019 - Increase - ESOP Allotment	2,500	0.00	15,690	0.01
	August 20, 2019 - Decrease	(1,200)	(0.00)	14,490	0.01
	September 20, 2019 - Decrease	(3,000)	(0.00)	11,490	0.01
	September 25, 2019 - Decrease	(1,800)	(0.00)	9,690	0.00
	February 01, 2020 - Increase - ESOP Allotment	5,000	0.00	14,690	0.01
	At the end of the year			14,690	0.01

V. INDEBTEDNESS

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

Particulars	(₹ in Crore)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	860.86	Nil	Nil	860.86
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	14.74	Nil	Nil	14.74
Total (i+ii+iii)	875.60	Nil	Nil	875.60
Change in Indebtedness during the financial year				
i) Addition in principal amount	356.74	150.00	Nil	506.74
ii) Reduction in principal amount	Nil	Nil	Nil	Nil
Net Change	356.74	150.00	Nil	506.74
Indebtedness at the end of the financial year				
i) Principal Amount	1,217.60	150.00	Nil	1,367.60
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	16.56	0.75	Nil	17.31
Total (i+ii+iii)	1,234.91	150.00	Nil	1,384.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Kishore Biyani Managing Director	(₹ in Crore)	
			Total Amount	
(1)	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2.25	2.25
	(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		-	-
(5)	Others, specify			
	Contribution to Funds		0.07	0.07
	Total (A)		2.32	2.32
	Ceiling as per the Act		₹ 3.57 Crore (being 5% of net profits calculated as per section 198 of the Act)	

Board's Report (contd.)

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	0.08	0.07	0.08	0.05	0.28
	Commission	0.35	0.35	0.35	0.35	1.40
	Others, please specify	-	-	-	-	-
	Total (1)	0.43	0.42	0.43	0.40	1.68
(2)	Other Non-Executive Directors	C. P. Toshniwal [#]	Rakesh Biyani	Avni Biyani	Kishore Biyani	
	Fee for attending board/committee Meetings	0.06	0.05	0.03	0.01	0.15
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	- [#]	-	-	-	-
	Total (2)	0.06	0.05	0.03	0.01	0.15
	Total (B) = (1 + 2)					1.83
	Total Managerial Remuneration (A+B)					4.15
	Overall Ceiling as per the Act	₹ 4.28 Crore (being 6% of net profits) and ₹ 7.84 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/WTD

(₹ in Crore)				
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Executive Officer*	Chief Financial Officer	Company Secretary
(1)	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.16	1.31	0.42
	(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	-	-	-
(5)	Others, specify -Contribution to Funds	-	-	-
(6)	Contribution to Funds	0.03	0.04	0.02
	Total (A)	1.19	1.35	0.44

* Appointed Mr. Vishnuprasad M as Chief Executive Officer w.e.f. November 14, 2019

[#] 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, 2020.

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy is based on the principles of good governance, integrity, transparency, fairness, responsibility and accountability. The Company is committed to uphold its Group's core values of Indianness, Leadership, Respect & Humility, Introspection, Openness & Adaptability, Valuing and Nurturing Relationships, Simplicity & Positivity and Flow.

The Company's philosophy has been further strengthened to create an organisation working towards sustainable growth 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 laid down a Code of Conduct ("Code") for Directors and Senior Management Personnel of the Company. The Company has also adopted Code of Conduct for Independent Directors as prescribed under Schedule IV of Companies Act, 2013 ("the Act"). The Code aims to ensure consistent standards of conduct and ethical business practices across the Company.

The Company has complied with all the provisions as stipulated in regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), for the financial year ended March 31, 2020.

BOARD OF DIRECTORS

The composition of the Board of Directors of the Company ("the Board") is in conformity with the requirement of regulation 17 of the Listing Regulations read with Section 149 of the Act. As on March 31, 2020, the Board of Directors of the Company comprises of eleven Directors.

The Board consists of a balanced combination of Executive Directors, Independent Directors, Nominee Directors, Non-Executive 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 17A 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, 2020 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	8	10	5
Mr. Kishore Biyani#	00005740	Vice - Chairperson - Non Executive (Promoter Group)	6	1	2	1
Dr. Darlie Koshy	00023527	Independent	1	-	2	1
Mr. Bijou Kurien	01802995	Independent	6	3	6	3
Ms. Sharda Agarwal	00022814	Independent	3	1	2	1
Mr. Ravinder Singh Thakran [§]	01077387	Nominee Director	1	1	-	-
Mr. Luv Parikh [@]	01538519	Nominee Director	1	2	1	-
Mr. Chintamani Aniruddha Bhagat ^{§§}	07282200	Alternate Director	1	1	-	-
Mr. Rakesh Biyani	00005806	Non-Executive (Promoter Group)	5	4	3	-
Mr. C. P. Toshniwal	00036303	Non-Executive	6	2	2	1
Ms. Avni Biyani	02177900	Non-Executive (Promoter Group)	1	3	-	-

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

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

Mr. Kishore Biyani, Managing Director of the Company has been re-designated as Vice-Chairperson (Non-Executive) of the Board w.e.f. March 5, 2020.

Corporate Governance Report (contd.)

^s Mr. Ravinder Singh Thakran ceased to be a Non-executive Director of the Company with effect from May 20, 2019, pursuant to the provisions of Section 167(1)(b) of the Companies Act, 2013. Mr. Ravinder Singh Thakran has been further appointed as a Nominee Director (Additional Director) on the Board of the Company w.e.f. May 21, 2019 and subsequently, he was appointed as Nominee Director by the Members of the Company at their Annual General Meeting held on July 30, 2019.

[@] Mr. Luv Parikh was appointed as a Nominee Director (Additional Director) by the Board with effect from November 14, 2019.

^{ss} Mr. Chintamani Aniruddha Bhagat was appointed as an Alternate Director to Mr. Ravinder Singh Thakran with effect from February 12, 2020.

The details of directorships held by Directors in other listed entities as on March 31, 2020 are as under:

Name of Director	Name of the other listed entities where he/she is a director	Category of directorship
Mr. Shailesh Haribhakti	Torrent Pharmaceuticals Limited	Independent
	ACC Limited	Independent
	Ambuja Cements Limited	Independent
	Blue Star Limited	Independent
	Bajaj Electricals Limited	Independent
Mr. Kishore Biyani	L&T Finance Holdings Limited	Independent – Non-executive Chairperson
	Future Retail Limited	Executive - Chairperson
	Future Enterprises Limited	Non-executive - Vice Chairperson
Mr. Rakesh Biyani	Future Consumer Limited	Non-executive
	Future Retail Limited	Jt. Managing Director
Mr. C. P. Toshniwal	Future Supply Chain Solutions Limited	Non-executive - Chairperson
	Future Supply Chain Solutions Limited	Non-executive
Mr. Bijou Kuriem	Timex Group India Limited	Independent
	Mindtree Limited	Independent
	Brigade Enterprises Limited	Independent
Ms. Sharda Agarwal	Motilal Oswal Financial Services Limited	Independent

The details of Shares held by the Directors in the Company as on March 31, 2020 are as follows:

Name of Director	Number of Shares held
Mr. Kishore Biyani	333
Mr. Rakesh Biyani	333
Mr. C. P. Toshniwal	84,592
Ms. Avni Biyani	19,499

Note: Except Shares held by the Directors as above, 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: https://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, nine Board meetings were held on May 01, 2019, July 20, 2019, July 26, 2019, November 14, 2019, January 29, 2020, February 12, 2020, February 20, 2020, March 04, 2020 and March 30, 2020.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in the Listing Regulations. Seventh Annual General Meeting (AGM) of the Company was held on July 30, 2019.

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	9	9	Yes
Mr. Kishore Biyani	9	8	Yes
Dr. Darlie Koshy	9	7	Yes
Mr. Bijou Kurien	9	9	Yes
Ms. Sharda Agarwal	9	8	Yes
Mr. Rakesh Biyani	9	7	Yes
Mr. C. P. Toshniwal	9	9	Yes
Ms. Avni Biyani	9	6	Yes
Mr. Ravinder Singh Thakran*	9	2	No
Mr. Narayan Ramachandran@	1	1	NA
Mr. Luv Parikh#	6	6	NA
Mr. Chintamani Aniruddha Bhagat§	4	4	NA

* Appointed as Nominee Director with effect from May 21, 2019.

@ Ceased to be an Alternate Director to Mr. Ravinder Singh Thakran with effect from May 21, 2019.

Appointed as Nominee Director with effect from November 14, 2019.

§ Appointed as an Alternate Director to Mr. Ravinder Singh Thakran with effect from February 12, 2020.

MATRIX SETTING OUT SKILLS/ EXPERTISE/ COMPETENCE AS IDENTIFIED BY THE BOARD

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

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

Name of Director	Strategy	Financial	Technology	Leadership	Industry experience	Business Development	Risk & compliance oversight
Mr. Shailesh Haribhakti	✓	✓	✓	✓	✓		✓
Mr. Kishore Biyani	✓	✓	✓	✓	✓	✓	✓
Dr. Darlie Koshy	✓	✓		✓	✓	✓	✓
Mr. Bijou Kurien	✓	✓		✓	✓	✓	✓
Ms. Sharda Agarwal	✓	✓	✓	✓	✓	✓	✓
Mr. Rakesh Biyani	✓	✓	✓	✓	✓	✓	✓
Mr. C. P. Toshniwal	✓	✓	✓	✓	✓	✓	✓
Ms. Avni Biyani	✓	✓	✓	✓	✓	✓	✓
Mr. Ravinder Singh Thakran*	✓	✓		✓	✓		✓
Mr. Narayan Ramachandran@	✓	✓		✓	✓		✓
Mr. Luv Parikh#	✓	✓		✓	✓	✓	✓
Mr. Chintamani Aniruddha Bhagat§	✓	✓		✓	✓	✓	✓

* Appointed as Nominee Director with effect from May 21, 2019.

@ Ceased to be an Alternate Director to Mr. Ravinder Singh Thakran with effect from May 21, 2019.

Appointed as Nominee Director with effect from November 14, 2019.

§ Appointed as an Alternate Director to Mr. Ravinder Singh Thakran with effect from February 12, 2020.

BOARD EVALUATION

The board carry's out an annual assessment of its own performance, including with respect to their composition, diversity and how effectively their members work together, with the aim of helping to improve the effectiveness of both the Board and the Committees. Committees of the Board evaluate themselves annually under supervision of their respective Chairs taking into account the views of respective Committee members and the Board.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Non-executive 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.

Corporate Governance Report (contd.)

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 Seventh Annual General Meeting of the Company held on July 30, 2019.

The Company Secretary functions as Secretary to the Committee.

During the year under review, five meetings of the Committee were held on May 01, 2019, July 20, 2019, November 14, 2019, January 29, 2020 and February 12, 2020. 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	5	5
Mr. Shailesh Haribhakti	Member	5	5
Dr. Darlie Koshy	Member	5	4
Mr. C. P. Toshniwal*	Member	3	3
Mr. Luv Parikh**	Member	2	2

* Resigned as Member w.e.f. November 14, 2019.

** Appointed as Member w.e.f. November 14, 2019.

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.

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

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance and effectiveness of audit process;
- (iii) examine, review and recommend the financial results, financial statements and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties including granting of omnibus approval for related party transactions;
- (v) scrutiny of inter-corporate loans and investments;

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

NOMINATION AND REMUNERATION COMMITTEE

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

During the year under review, four meetings of the Committee were held on May 01, 2019, November 14, 2019, February 12, 2020 and March 04, 2020.

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	4	4
Mr. Shailesh Haribhakti	Member	4	4
Mr. Rakesh Biyani	Member	4	4
Ms. Sharda Agarwal	Member	4	4
Mr. Luv Parikh*	Member	2	2

* Appointed as Member w.e.f. November 14, 2019.

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) Regulations 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 a 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 the Meetings of the Board and Committee's 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.

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	1.72	0.00	0.07	0.53	2.32	June 25, 2019 to March 04, 2020*	6	N.A.

* Mr. Kishore Biyani, Managing Director of the Company has been re-designated as Vice-Chairperson (Non-Executive) of the Board w.e.f. March 5, 2020.

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.

Corporate Governance Report (contd.)

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 2019-20	Payable for FY 2019-20	Paid for FY 2018-19
Mr. Shailesh Haribhakti	Independent	0.08	Nil	0.35
Dr. Darlie Koshy	Independent	0.07	Nil	0.35
Ms. Sharda Agarwal	Independent	0.08	Nil	0.35
Mr. Bijou Kurien	Independent	0.05	Nil	0.35
Mr. Rakesh Biyani	Non-Executive	0.05	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. Luv Parikh*	Non-Executive	Nil	Nil	Nil
Mr. Chintamani Aniruddha Bhagat*	Alternate	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.

During the year under review, two meetings of the Committee were held on May 01, 2019 and November 14, 2019.

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	2	2
Mr. Kishore Biyani	Member	2	2
Mr. Rakesh Biyani	Member	2	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, fourteen 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	Nil	Nil	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 01, 2019. 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, one meeting of the Committee was held on May 01, 2019.

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.

In terms of relaxation granted by the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26 March 2020, one meeting of the Risk Management Committee for the Financial Year 2019-20 was held on 23 June 2020.

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. Thirty meetings of the Committee were held during the year under review.

Corporate Governance Report (contd.)

GENERAL BODY MEETINGS

Annual General Meeting

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

Year	Date and Time of AGM	Venue	Special Resolutions passed
2019	July 30, 2019 at 02:30 pm	Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400021.	<ul style="list-style-type: none">Re-appointment of Mr. Shailesh Haribhakti (DIN: 00007347) as an Independent Director of the Company.Re-appointment of Dr. Darlie Koshy (DIN: 00023527) as an Independent Director of the Company.Re-appointment of Mr. Kishore Biyani (DIN: 00005740) as the Managing Director of the Company.
2018	August 29, 2018 at 02:30 pm	- do -	<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.

Extraordinary General Meeting

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

Year	Date and Time of AGM	Venue	Special Resolutions passed
2019	August 26, 2019 at 10:00 am	Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400021.	<ul style="list-style-type: none">To offer and issue of Equity Shares on preferential basis to Apollo India Private Equity IV (Mauritius) Limited.Increase in limits for making investments, giving loans and guarantees or providing security under Section 186 of the Companies Act, 2013.

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 of 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

The Eighth Annual General Meeting of the Company will be held on December 29, 2020 at 10:00 a.m. through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.

Financial Year

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

Dividend Payment Date

No Dividend was recommended by the Board of Directors of the Company for the financial year 2019-20.

Listing on Stock Exchanges

Equity Shares

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

- BSE Limited (BSE)
Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai - 400 001.
- 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	NA

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. The Rating assigned to the Company’s bank facilities / instruments as on March 31, 2020 are as under:

Rating Details:

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- (Negative)	CARE AA- (Positive)
4.	Non-Convertible Debentures (Series IV)	CRISIL AA- (Negative)	CARE AA- (Positive)

Corporate Identification Number (CIN)

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

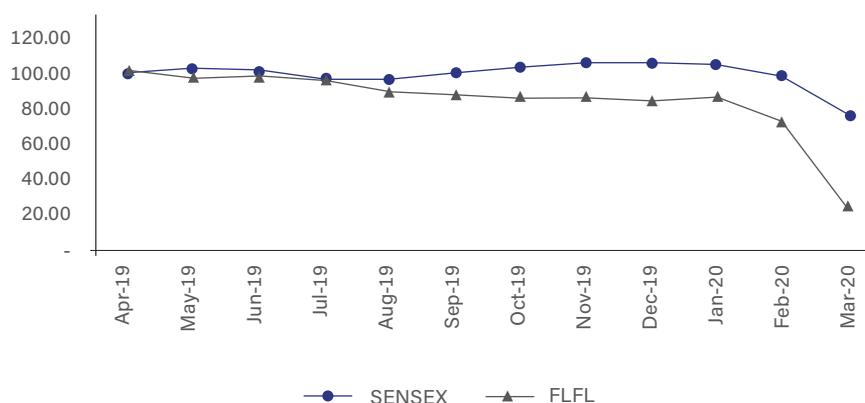
Stock Performance

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-19	502.00	458.00	504.35	451.60
May-19	494.80	433.55	499.50	432.50
Jun-19	477.80	430.60	477.00	430.55
Jul-19	500.00	426.20	500.70	427.55
Aug-19	487.00	398.35	456.40	398.70
Sep-19	470.00	400.50	475.00	400.55
Oct-19	436.50	391.00	436.95	392.10
Nov-19	464.00	380.75	426.40	382.10
Dec-19	416.15	383.75	420.00	389.40
Jan-20	430.00	388.45	424.95	395.05
Feb-20	415.60	336.60	415.05	335.00
Mar-20	360.00	118.05	377.70	117.95

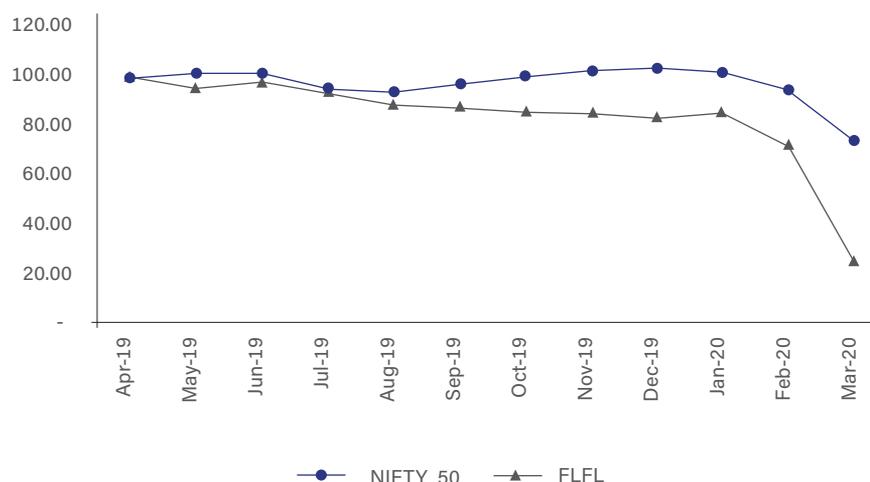
[Source: This information is compiled from the data available on the websites of BSE and NSE]

PRICE PERFORMANCE COMPARED TO SENSEX



Corporate Governance Report (contd.)

PRICE PERFORMANCE COMPARED TO NIFTY 50



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, 2020 is as under:

Particulars	No. of Shares	% of total Shares
NSDL	19,65,72,841	97.42
CDSL	48,77,748	2.42
Total Dematerialised	20,14,50,589	99.84
Physical	3,24,285	0.16
Total	20,17,74,874	100.00

Distribution of Shareholding as on March 31, 2020

No. of Shares held	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1-500	34,944	96.62	19,95,191	0.99
501-1000	599	1.66	4,25,335	0.21
1001-2000	220	0.61	3,23,661	0.16
2001-3000	84	0.23	2,11,909	0.11
3001-4000	55	0.15	1,84,374	0.09
4001-5000	44	0.12	2,00,211	0.10
5001-10000	82	0.23	5,86,658	0.29
10000 and above	138	0.38	19,78,47,535	98.05
Total	36,166	100.00	20,17,74,874	100.00

Shareholding Pattern as on March 31, 2020

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	9,23,63,455	45.78
Mutual Funds	96,87,555	4.80
Banks, Financial Institutions	1,05,072	0.05
Venture Capital Funds	62,00,000	3.07
Alternate Investment Funds	77,37,079	3.84
Insurance Companies	1,41,72,733	7.03
Foreign Portfolio Investors	4,59,05,196	22.75
Non-Resident Indians	86,831	0.04
Bodies Corporate	1,24,27,740	6.16
Indian Public (Individual)	1,24,53,217	6.17
Directors and their Relatives	86,615	0.04
Clearing Members	21,228	0.01
Trust	34	0.00
FLFL Employee Benefit Trust	3,63,864	0.18
Hindu Undivided Family	1,57,218	0.08
NBFCs registered with RBI	7,037	0.00
Total	20,17,74,874	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, 2020.

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, 2019	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, 2020	186	34,170

The voting rights on the Shares outstanding in the suspense account as on March 31, 2020, 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 6000, 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 4055 2200, Fax No.: +91 22 4055 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.

Corporate Governance Report (contd.)

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, 2020 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.

Material 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 Stores expansion, investment in fashion brands, capital expenditure, working capital requirements 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)	0.76
Tax audit and other services	0.14
Total	0.90

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, 2020 as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable, for the financial year ended on March 31, 2020.

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

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN: 20042472AAAACQ9029

Mumbai
July 31, 2020

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,
The Members of
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 financial year ended March 31, 2020.

For Future Lifestyle Fashions Limited

Mumbai
July 31, 2020

Vishnuprasad M
Managing Director

Business Responsibility Report

OVERVIEW

The Company is the flagship fashion business of the Future Group. The Company operates 348 stores in 90+ cities, occupying 7.8 mn. sq. feet of retail space. The Company sets the trend for Indian lifestyle fashion business through integrating some of India's most popular lifestyle retail destinations like Central, Brand Factory and 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. The Company empowers its consumers with the "Power of Choice", the business has been designed to capture the needs and aspirations of consumers getting more attuned to fashion and brand preferences, increasing access and fulfilling these desires.

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

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, 2020, pursuant to regulation 34 (2)(f) of the Securities and 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	Financial Year 2019-20
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)	(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, 2020
	(b) Number of National Locations	As on March 31, 2020, the Company has a pan India presence with 348 stores in more than 90 cities covering various formats of the Company.
10	Markets served by the Company - Local/State/National/International	National

Business Responsibility Report (contd.)

Part B: Financial details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹40.35 Crore
2	Total Turnover (INR)	₹6050.40 Crore (standalone)
3	Total profit/(loss) after taxes (INR)	₹(73.41) Crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year under review, the Company has spent ₹3.29 Crore on CSR activities (equivalent to 2% of the average net profits of the Company made during the three immediately preceding financial years), as calculated under section 198 of the Companies Act, 2013 ("the Act")
5	List of activities in which expenditure in 4 above has been incurred	<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. (For further details please refer Principle 8 given herein)

Part C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has seven subsidiaries and one step down subsidiary as on March 31, 2020.
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%]	The Company encourages adoption of BR initiatives by its business partners. 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	Company Information
1	Director Identification Number (if applicable)	07189877
2	Name	Mr. Vishnuprasad M
3	Designation	Managing Director*
4	Telephone number	022-4055 2200
5	E-mail ID	investorrelations@futurelifestyle.in

* Mr. Vishnuprasad M has been appointed as Managing Director w.e.f. April 30, 2020.

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

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

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

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes, the policies have been approved by the Board and signed by the Managing Director.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes, the FLFL'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?	Yes, the policies have been disseminated to all relevant internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	FLFL 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.								

Business Responsibility Report (contd.)

3. Governance related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.	The Managing Director of the Company periodically reviews the BR performance. The Board of Directors of the Company and its Committees assess BR initiatives undertaken by the Company annually.
b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This Report is forming part of the Annual Report for the financial year 2019-20 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

The Company's compliance framework embraces the principles of good corporate governance with the objective to create long term sustainable and profitable growth. The Company's compliance framework stands on the foundation of integrity and stewardship and consistently follows the principles of good corporate governance, the Company strives to enhance the stakeholders' relationship through its e-governance initiatives.

Governance

The Company's ongoing efforts encompass financial stewardship in strategic and daily business decisions to ensure accurate financial reporting and effective controls.

The 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.

The Company's business affairs are required to be conducted in full compliance to applicable laws, rules and regulations, as a responsible corporate citizen. Policies and guidelines including the Anti-Bribery and Anti-Corruption Policy, Code of Fair Disclosure of Unpublished Price Sensitive Information, Code for Prevention of Insider Trading, Intellectual Property Rights, Conflict of Interest, Sexual Harassment and Sustainability Policies including Health & Safety provide necessary guidelines to manage business risks.

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

The Company discloses all necessary legal and financial disclosures to its stakeholders through the Stock Exchanges, Company's website, Annual Report, Newspapers and other media as required.

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

Vigil Mechanism and Whistle Blower Policy

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

The Company's vigil mechanism empowers employees to bring to the attention of the management, any concerns about suspected misconduct, unethical behaviour, suspected fraud or violations without fear of punishment or unfair treatment by reporting at email details / aapkiaawaaz@futuregroup.in or 022 61994735 / 61995510.

The Loss Prevention Cell of the Company undertakes regular training to sensitise employees with regards to recognition and understanding of potential corruption risks, outcomes of risk assessment studies conducted, root cause analysis and improvement measures. Suspicious incidents are analysed and corrective action taken to strengthen the process.

Formal investigations are undertaken as required by the Loss Prevention Cell (LPC) in cases of theft or pilferage.

37 complaints were received during the reporting year which has been successfully resolved.

Customer Privacy

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

The Company's privacy policy provides appropriate information about data collection, storage and processing practices and security measures to protect against unauthorised access, alteration, disclosure or destruction of user's personal

information and data stored on online platform. Sensitive and private data exchange between the platform and its users happens over an encryption-based internet security protocol.

Grievance Redressal Mechanism

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

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

Investors

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

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

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

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

Employees

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

Prevention of Sexual Harassment (“POSH”) at workplace.

The Company has in place a 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 and the reporting and resolution procedure of such complaints.

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

The ICC receives the complaints, investigates the issue and resolves the grievance. The grievance box made available at most of the locations. Such grievances are reviewed and resolved by the local management at the location itself.

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

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

The ICC which is responsible for redressal of complaints follows the redressal guidelines provided in the policy.

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

During the year under review, awareness raising trainings on POSH and the complaints resolution process were organised by the store’s training team and the respective format’s Learning and Development team. The training undertaken was of two types – an intensive workshop for the senior management for the deployment of the policy and mechanism; and a basic awareness training for employees. (For details on the training content refer to Principle 3)

Training Programme	Male	Female
Number of Participants	40	50
Training Man Hours	100	125

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

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

Customers

The Company has a well deployed grievance redressal mechanism for its customers to raise complaint regarding a product or service.

Customers can raise a complaint vide the following communication channels, the same is also available on the product packaging.

- a. Electronic mail at email id sharewithus@futuregroup.in
- b. Contacting the toll-free number 18002666888

Business Responsibility Report (contd.)

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

There were 362 consumer cases which were pending at the beginning of the reporting year. 469 cases were filed and 204 cases were resolved during the reporting year. There were 627 consumer cases pending at the end of the reporting year.

Principle 2: Product Stewardship / Products contributing to Sustainability

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

The Company operates through its retail formats viz., 'Central' which operates in 48 Stores, 'Brand Factory' which operates in 104 Stores and 196 Exclusive Brand Outlets (EBOs), across India.

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

Responsible Suppliers

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

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

Capacity building

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

The Company also interacts with its suppliers to build transparency and traceability within the supply chain, ensure that quality considerations are met and there is a

constant up-gradation in knowledge with respect to latest technologies, trends and sampling. (For further details refer to Principles 4 and 5).

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

Footwear

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

Sustainable Sourcing

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

The Company's Investment company holds majority equity stake approx. 72% stake in ethnic products firm Industree Crafts Pvt. Ltd., which designs, exports, retails and distributes a range of environmentally and socially sustainable products under the Brand 'Mother Earth'.

Local Procurement

Your Company strives to promote social enterprise networks and sourcing from local suppliers. The Ethnic lines brand promotes the traditional Bagru and 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

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

The product label provides information with regards to use and wash care of garments, customer feedback, email id and

contact point in addition to the labelling requirements as per the Legal Metrology Act, 2009.

Product Recycling

In order to promote responsible consumption and disposal, 'Central' stores pan India partnered with 'Goonj,' a not-for-profit organisation to launch the campaign "Central Recycle Fashion Week" and incentivised customers to bring back their reusable merchandise.

Over a lakh merchandises were collected through this campaign which were distributed amongst beneficiaries served by Goonj. Merchandises received in non-reusable condition were re-processed and upcycled at Goonj Processing Centres and converted into sitting mats and quilts to benefit children in schools located in extreme climatic regions, thereby creating a better learning environment, providing comfort and also promoting good hygiene practices.

Principle 3: Welfare of employees

Businesses should promote the well-being of all employees

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

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

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

The company's recruitment process employs gender neutral job descriptions and removes potential biases in screening, shortlisting and sourcing of candidate which is also consistent with the Group's Values.

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

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

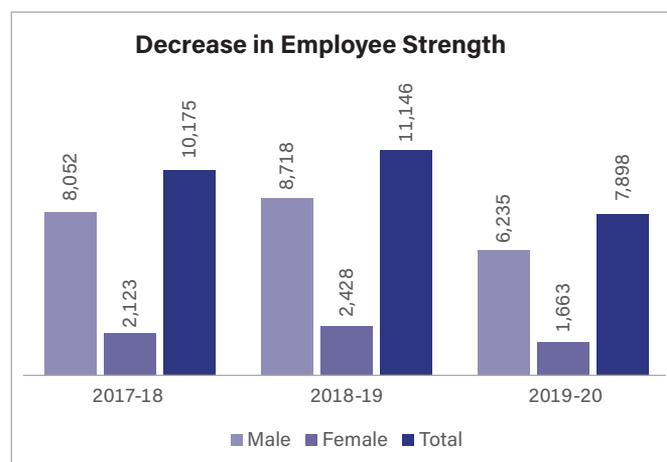
Employee strength* as on March 31, 2020:

Employee Type	Stores/Warehouses		Offices	
	Male	Female	Male	Female
Permanent Employees	5,686	1,532	549	131
Apprentices/Contract Workers/NEEM (Require clarity by gender)	1,100	390	0	0
Differently abled Employees (Permanent)	12	2	3	0

The permanent employees of the Company are classified as under:

Level (Band)	Head Office		Store		Grand Total
	Male	Female	Male	Female	
1	35	12	4,518	1,422	5,987
2	162	52	964	101	1,279
3	212	45	163	8	428
4	108	19	38	1	166
5	32	3	3	0	38
Grand Total	549	131	5,686	1,532	7,898

FLFL strives towards increasing the efficiency of its operations by optimising its resources, with the motto "Doing more with less". During the reporting period the Company optimised its manpower by over 29.14%.



*National Employability enhancement scheme (NEEM) workers on contract and apprentices accounted for 17% of employees at stores as on March 31, 2020.

Diversity and Inclusion

The Company is striving to improve diversity in the workplace by increasing women's representation in the workforce. FLFL currently employs around 21% women in their workforce at Company level and women represent 8% of the senior management.

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

During the reporting year, the Company trained and hired 35 Persons with Disabilities (PWD) across Mumbai, Nasik and Hyderabad stores.

Business Responsibility Report (contd.)

Hiring and Promotion during FY 2019-20

FLFL does not discriminate while with respect to recruitment and promotion of its employees. The Company's campus connect programs with institutions are provided below

Internships and Graduation Projects

Young interns are provided summer internships for a period of 2 months and graduation project for a period of 4 months. They are mentored by Department Heads and gain hands on experience. Based on the project evaluation of the interns, the Company issues pre-placement offers to exceptional candidates. In the reporting year, the Company had 23 internships and 17 graduation projects.

Strengthening the Leadership pipeline

Leadership Academy: Mentoring and growing its leadership pipeline:

FLFL looks at cultivating its future leaders across various businesses through its Leadership Academy, an intricately curated 10 months intervention helps identify and develop employees with leadership potential, strengthen their capacities through adequate training and project exposure. The Company invested 272 man-hours in mentoring 17 employees in the reporting period.

Assessor Certification:

A six day training programme for senior management is conducted annually. The Company invested 1,632 man-hours in 34 senior managers to strengthen their evaluation capabilities and become eligible to participate in the Company's recruitment drives and annual promotion cycle.

During the reporting period 1,770 employees were hired 26.7% of which were female employees

Level (Band)	Head Office		Store	
	Male	Female	Male	Female
1	25	9	1,094	421
2	21	8	120	33
3	11	1	12	0
4	11	2	1	0
5	1	0	0	0
Total	69	20	1,227	454

Promotions and Recognitions:

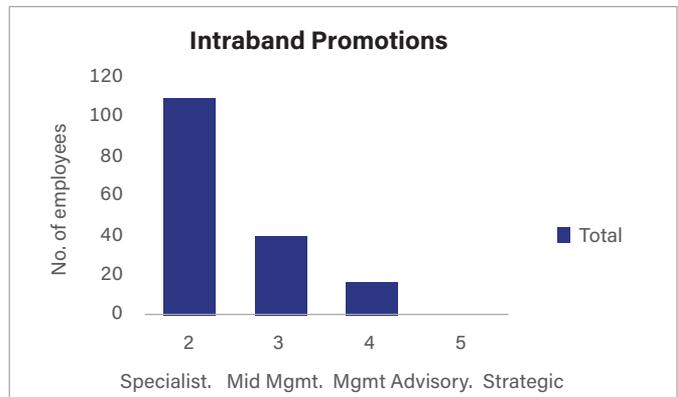
The Company's promotion process evaluates candidates through their journey on a values based assessment process.

Employees are assessed on fair and equal basis through an integrated appraisal system and are rated by their reporting manager against the person's alignment to the Future Group values and set goals and targets for the reporting period. The Company undertakes a 360 degree appraisal process for senior managers to build confidence in its decisions to promote and increase remuneration.

Bands	Description
2	Specialist
3	Mid-Management
4	Management Advisory
5	Strategic

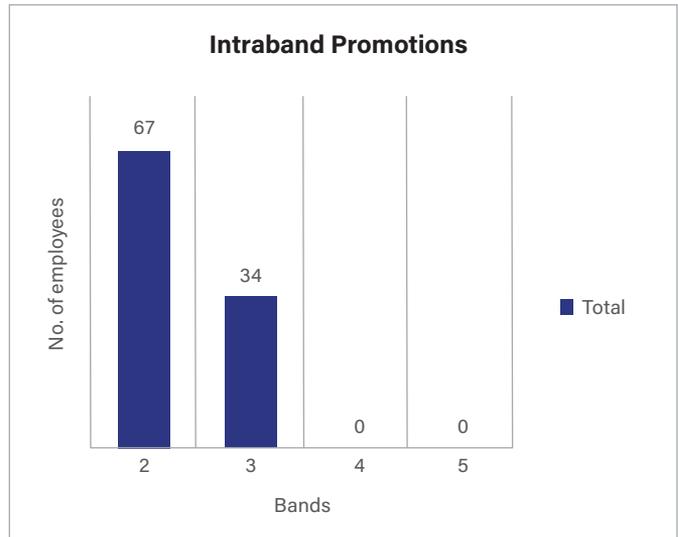
Inter Band Promotion for financial year 2019-20

166 employees, viz. 2.09% of permanent employees received inter-band promotions in the course of the reporting period.



Intra Band Promotion for 2019-20

A total of 101 permanent employees viz. 1.30% received intra band promotions in the course of the reporting period.



Long Stay Recognition

Rewards in the form of gold and silver coins minted with the Company's logo and a certificate of appreciation were awarded for 566 employees, 493 employees received silver coins and 73 employees received gold coins minted with the Company logo for completing five years and ten years Service milestones.

Facilities for employee well-being ('Khushali')

Well-being at workplace plays a central role in creating happiness, increasing competence and satisfaction in the roles and responsibilities discharged by the employee. Employees and their dependents are benefitted through a plethora of corporate partnerships under the Group's Khushali program focusing on well-being, home and health.

Home-builder

The Company negotiated with reputed real estate developers to offer to the employees with attractive discounts and benefits such as lower EMI (in some cases providing EMI holidays) and flexi-payment plan for houses. During the reporting period, these offers were extended by Godrej Properties, Rustomjee Developers, Ashray Group, Sheth Creators, Aaradhya Eastwind and JP Corp.

Crèche Facilities

The Company also negotiated with Wonderkidz and the Learning Curve for providing cost effective crèche facilities for parents to enable a suitable environment for their children to feel at home while parents are away at work, thus supporting them to take decisions that allow them to pursue career ambitions and meet financial goals.

Health Benefits

Taking cognizance of the outbreak of the pandemic COVID-19, the Company has negotiated with health care institutions like Wockhardt, Fortis and diagnostic centres like Apollo, Motherhood, Devaaya, Dr. Lal Pathlabs Welcome Cure and DocOnline so that Employees and their family members can avail of priority treatment, doctor consultations, free ambulance services, stay at home pathology test and diagnosis, up-to 20% discounts on consultations, radiological diagnostic services, check-ups and alternative health care packages.

Employee incentives

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

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

Flexi Time Benefits

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

The Company is aware of occupational stresses of employees working at stores and have also provided a dedicated fun zone for employee rest hours including tea and lunch break.

Facilities for employees with special needs

In the Company's endeavour to create an inclusive growth, the Company invests in creating access to people with disability. Individuals with locomotor disabilities visiting or employed at FLFL have access to facilities such as ramps and wheelchairs.

Employee Retention

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

Employee growth, training and development and overall well- being

FLFL provides its employees an assistance plan to help address personal and professional challenges and situations that might be hindering employee growth and well-being.

The Company is providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Training assessments are conducted on an annual basis for all employees for career development and job specific training purposes that cover a range of areas, including but not limited to skill and competence upgradations such as customer service, health and safety, digital capability, professional development and leadership.

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

Business Responsibility Report (contd.)

Training Performance

The company has invested a total of 5,825 man hours through these trainings.

Training Programme	Duration	Participants		Man Hours	
		Male	Female	Male	Female
Lakshya	2 Days	15	-	240	-
Customer Service Excellence and Retail Math	1 day	300	150	2,400	1,200
Excellence in store operations	1 day	30	10	240	80
Posh Training	2.5 Hours	40	50	100	125
Emotional Intelligence	1 day	5	14	40	112
Contextual Leadership	1 day	16	5	128	40
Assessors Certification	2 days	26	8	416	128
Leadership Academy	6 days	12	5	576	240

POSH Training

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

Intensive workshops for senior managers and those whose daily functions require contact with large groups of colleagues or customers focus upon the policy, overall approach to safeguard right culture, role modelling and its proper implementation, principles of natural justice, process to conduct POSH enquiry, report writing, statutory compliances including amendments and audit procedures.

Employee Health and Safety

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

The Company has a dedicated person at store level who is responsible for inspection of safety concerns. The Store People Officer along with the store operations manager or the admin manager reviews the safety actions at facilities on a weekly basis.

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

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

Regular health check-ups are undertaken like health camps, eye check-up, dental checkup and counselling for female employees.

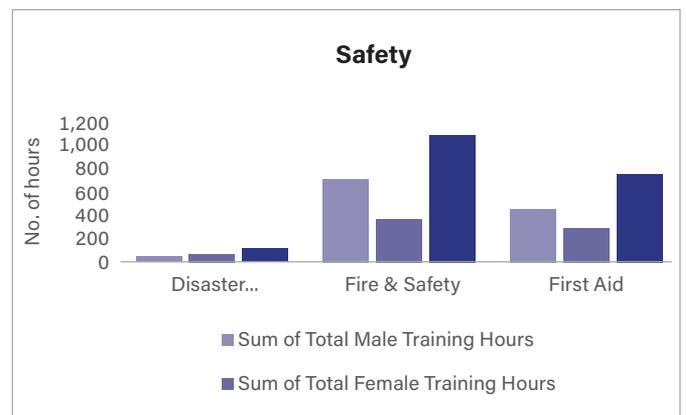
Fire Safety

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

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

First Aid

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



Access to safe drinking water, sanitation and hygiene

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

Washrooms and Sanitary installations are cleaned every day multiple times on a pre-determined schedule.

The Company ensures access to safe drinking water and sanitary facilities that are adequate based on the working population at its stores and offices and maintains a hygienic work environment.

Employees of all levels have equal access to the facilities without restrictions in movement while at work.

Potable drinking water dispensers and coolers are also available at the food gully and customer service desk in-store. Drinking water tanks are cleaned and disinfected on quarterly basis. The Company helps employees distinguish between portable and non-portable water through signages in local language.

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

Principle 4: Stakeholder Engagement

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

Proactive engagement with stakeholders allow FLFL to identify, prioritise, address and communicate sustainability impacts

and opportunities. The Company engages with a wide range of stakeholders including the investors, employees, customers, suppliers, community and media personnel with the purpose of collectively resolving challenges that arise due to its operations.

Engaging with Government and Regulators

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

Investor Engagement

The Board is committed to deliver long term value for its shareholders.

The Chief Financial Officer and the Investor Relations team attended Investors' conference / investors' meets and also held Investors call, one-on-one meetings and group meetings with institutional investors. The Annual General Meeting gives the shareholders an opportunity to engage directly with the Board of Directors and the Management.

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

Employee Engagement

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

Business Responsibility Report (contd.)

These engagements are summarised below:

Event Name	Location	Date/Frequency	Activities Undertaken
Birthday celebration	Stores and offices PAN India	Monthly	Cake cutting
Central 15th Anniversary	Offices in Bengaluru	Annually	Cake Cutting and games - giving employees the opportunity to win exciting prizes on the Wheel of Fortune.
Blood Donation Camps	Stores – BF, Central on Pan India Basis	Annually	Undertaken in collaboration with local medical authorities and Red Cross/NGO's
Monsoon photography competition	Offices	Annually	Best picture or Selfie clicked and showcased during the monsoon season wins a prize
Independence Day	Offices	Annually	Flag hoisting and snacks distribution.
Diwali Celebrations	Stores – BF, Central on Pan India Basis	Annually	Sweets and dry fruits distribution.
Retail Employee's Day (RED celebration)	Stores – BF, Central on Pan India Basis	Annually	Appreciation of employees by the store karta and the department managers. Refreshments are also organised.
Financial Wellness Workshop	Offices	Annually	Investment awareness and tips for tax saving in partnership with external financial experts.
Republic Day	Offices	Annually	Flag hoisting and snacks distribution.
Women's Day Celebration	Offices	Annually	Nail Art, Dance Workshop.
	Stores	Annually	Cake cutting, interactive games like musical chair
Holi Celebration	Offices	Annually	Antakshri (singing) and refreshments

Customer Engagement

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

Some of its campaigns include 'Surprise of the Day' and 'Brand of the Week', 'Knits on the Go', 'Sneakers Cult', 'Shades Carnival', 'Make a Wish' (15th Anniversary), 'Rajo', 'Ladies Day Out', 'All for Men' among various 'One Day Sale', 'Between Season Sale', 'Weekend Sale' and 'Happiness Sale' days.

The Company partnered with not-for-profit Goonj and incentivised customers to bring back their reusable merchandise to the Central store. Over a lakh units of merchandise has benefitted Goonj beneficiaries. (For more details refer to Principle 6)

Supplier / Vendor Engagement

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

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

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

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

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

- a. The United Nations Universal Declaration of Human Rights
- b. United Nations Convention on the Rights of the Child
- c. United Nations Convention on the Elimination of All Forms of Discrimination against Women
- d. The International Labour Organisation (ILO) Conventions
- a. The OECD Guidelines for Multinational Enterprises.

The Supplier code of conduct parallels the supplier audit requirements.

On deployment, the Company seeks to source products that have also been produced efficiently, responsibly and under environment friendly conditions, where labour and social

compliances for employees and workers particularly contract, migrant and women workers are met.

Media Engagement

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

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

During the reporting period various activities of The Company was recognised and appreciated by corporates, not for profits, government bodies and media houses, which include the following.

- Best Use of Social Media Platform Content, Social Samosa's SAMMIE 2019 Awards
- Video Content in a Social Media Marketing Content, Inkspell Media's vIDEA Awards 2019
- Best Promotional & Shopper Marketing, Adgully's DIGIXX 2019
- Best Use of Social Media Platform, ET Now's Global Award for Retail Excellence
- Best Use of Facebook, IAMAI's 9th India Digital Awards (IDA 2019)
- Social Media Brand of the Year 2019, ACEF's Global Customer Engagement Awards

Community Engagement

The Company, strives to build happy communities in and around its stores, the store outreach efforts undertaken in the reporting period are summarised below:

- Don't Drink & Drive - Traffic Safety Awareness (May 2019): Brand Factory stores in Hyderabad led traffic safety awareness drive with riders and sensitised them on the importance of adhering to safety measures and the dangers of drinking and driving.
- Water Conservation Drive (August 2019): Brand Factory stores in Hyderabad led water conservation awareness amongst community members.
- Traffic Safety Drive (September 2019): Brand Factory and the Traffic Police Team of Baruipur sensitised riders on following traffic rules and adhering to safety measures.

- Children's Day Celebration (November 2019): Brand Factory celebrated Children's Day with street children, by distributing snacks and playing motivational games.
- Blind School Support (December 2019): Brand Factory donated essentials to 90 children at the Blind School Bhubaneswar.
- Carol Singing and Wish Tree was organised for specially challenged students from Sarthak Trust, Andheri where the employees fulfilled the wishes of these students.

(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

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

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

No Child Labour

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

No Forced Labour

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

Non-Discrimination

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

A sound appraisal process (Refer to Principle 3) determines the need for training of an individual through nominations with

Business Responsibility Report (contd.)

the purpose of improving individual skills and adding value to the organisation.

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

Working Hours and Fair Wages

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

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

A wage documentation explicitly mentions wage calculations on basis of hours of work with transparency on all bonuses, incentives and deductions. A biometric attendance system maintains records of the shift schedules for all employees.

Freedom of Speech

The Company deploys an open door policy to allow employees to voice their ideas and concerns. A well-defined grievance redressal system (refer to Principle 1) allows concerns to be escalated and resolved through a designated channel. The Aap ki Awaaz web-based application supports employees to independently register complaints. The Whistle Blower Policy details out the procedures, confidentiality and the actions to be undertaken while registering the complaint.

Principle 6: Environment

Business should respect, protect and make efforts to restore the environment improving resource efficiency whilst making

a positive environmental impact is aligned with the business approach and in adherence to the Group's sustainability guidelines on key environmental aspects. During the reporting period the Company has initiated measures to understand its environmental impact, create awareness and identify solutions by partnering with technology service providers and not for profits.

Energy Efficiency:

Low-impact use of energy through the business is in keeping with the Group's Energy and Carbon Policy, the Company is committed to actively contributing to the protection of the environment, reducing its greenhouse gas (GHG) emissions and mitigating of climate change impacts.

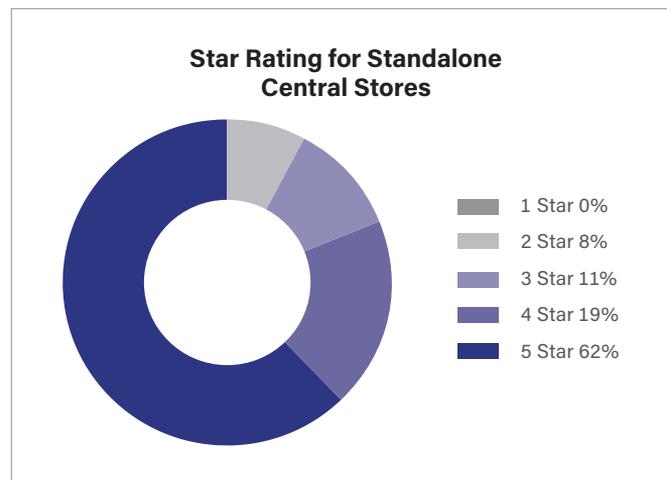
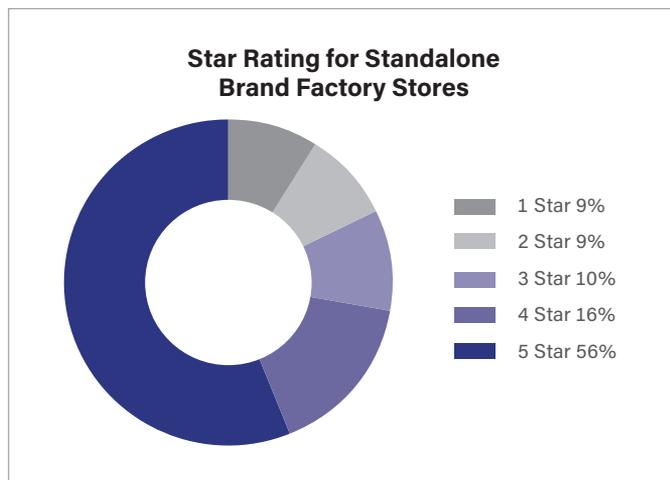
The Energy and Carbon Policy is one of the cornerstones of the commitment to environmental sustainability for promoting rational and efficient use of energy throughout the entire value chain, while at the same time reducing GHG emissions and helping to mitigate the risks associated with climate change.

During the reporting period, the Company initiated procurement of energy from renewable sources and benchmarked performances against an internal rating standard developed in accordance with the guidelines provided by the Bureau of Energy Efficiency.

The rating methodology factored in current energy consumptions per square foot, the Company operation's being pan - India, its energy consumption and efficiency technologies varies widely with temperatures and climate characteristics.

The Company launched an internal star rating programme in which standalone Brand Factory and Central stores participated.

Particular	FY 18-19	FY 19-20
Number of standalone stores	78	95
Electricity Purchased (Kwh)	5,34,65,384	6,67,65,972
Electricity generated from Diesel (Kwh)	95,83,078	65,276
Renewable energy (Kwh)	-	8,69,153
Total Electricity Consumed (Kwh)	6,30,48,462	6,77,00,400



Rating scale based on energy consumption per sq.ft. and climatic conditions

Rating Scale	Warm and Humid	Composite	Hot and Dry	Temperate
1 star	>400	>300	>250	>250
2 star	351 - 400	251 - 300	201 - 250	226 - 250
3 star	301 - 350	201 - 250	151 - 200	201 - 225
4 star	250 - 300	150 - 200	100 - 150	175 - 200
5 star	<250	<150	<100	<175

The Company works in a complex environment and maximises utilisation from its existing facilities to create the right ambience for its customers.

The Company invests in retrofits where support release clauses with landlords allow for assets to remain with the Company.

During the reporting period the Group as partnered with IBM to implementing the IBM Watson platform. This IOT based solution helps the HVAC systems adjust to changes in external climatic conditions and occupancy levels of the store whilst meeting the desired temperatures. The platform also rectifies anomalies caused due to changes in operating hours.

The technology will result in 8-10% reduction in electricity usage on an average per month per store.

The Company is focussing on increasing the number of stores connected to this centralised consumption management platform and which is capable of monitoring the energy consumption the network of connected stores so that they can adapt to the energy consumption reduction objectives.

Climate Steward

In keeping with the Paris Climate Agreement and limit the global temperature rise by 1.5oC, the Company endeavours to

become a climate steward and take necessary actions within operations to reduce energy consumption, the Company has also increased reliance on green energy sources.

During the financial year the Company commenced the process of capacity building, setting the scope and boundary for the business in the first phase.

The boundary includes all standalone stores, cut-in stores and offices of both Brand Factory and Central formats Pan India.

Performance

Due to challenges associated in data availability with stores operating in properties with shared amenities, data collection was completed for all 93 standalone stores, 56 cut-ins (stores located in malls) and two offices of Brand Factory and Central formats, located at Malad West, Mumbai and V K Kalyaninagar, Bangalore.

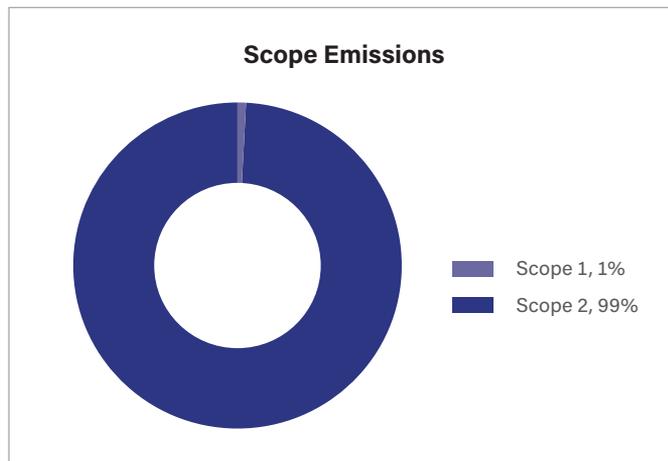
Data aggregation related to direct emissions includes (a) diesel consumed in DG sets and (b) fugitive emissions from fire suppressant systems of 151 participating stores and offices.

Indirect emissions from purchased energy for stores and offices have been considered.

- Scope 1 emissions amount to 1,189.67 tonnes carbon dioxide emitted to atmosphere from consumption (tCO2eq*) of diesel by gen-sets and fugitive emissions from fire suppression systems.
- Scope 2 emissions amounted 96601 tCO2eq* emitted from purchased electricity consumed by the offices and stores in the reporting period.

Business Responsibility Report (contd.)

Emission Category	Emission Source	Offices	Brand Factory		Central	Total tCO ₂ e*	
			Standalone (tCO ₂ e)	Cut-in (tCO ₂ e)	Cut-in (tCO ₂ e)		
Scope 1	Combustion of diesel used in Gen-sets		408.61 (68 stores)	198.96 (33 stores)	545.01 (25 stores)	26.41 (24 stores)	1,178.99
	Fugitive emissions from fire suppression systems		1.73 (68 stores)	1.11 (41 stores)	4.51 (25 stores)	3.33 (24 stores)	10.68
Scope 2	Purchased Electricity	1,169.63 (2 offices)	20,887.15 (68 stores)	11,169.80 (32 stores)	38,700.24 (25 stores)	24,674.20 (24 stores)	96,601.02



*Note: Data not included:

1. Diesel and gasoline consumption due to use of Company owned vehicles.

Initiative undertaken to mitigate climate change impacts are as follows:

- Sourcing 8,69,153 Kwh of renewable energy per month at a Central store in Pune, resulting in prevention of emissions amounting to 712 tCO₂e/month to atmosphere.

8 Central stores across Delhi, Kolkata, Mysore, Mumbai, Bengaluru, Hyderabad, Guwahati and Trivandrum have also launched electric buggies pick up and drop services to customers.

Next Steps

In the upcoming year the Company shall improve upon the data collection processes and achieve robustness in disclosing their Scope 1, Scope 2 emissions in its entirety across all offices and stores in PAN India.

Emissions Monitoring

A total of 92 cities utilise Diesel Gen-sets (DG) of 125 kVA capacity for backup power. FLFL audits its emissions and

conducts B checks in order to comply with emission norms from DG sets wherever applicable as defined by concerned Pollution Control Boards (PCBs) at periodic intervals.

Materials and Packaging

FLFL endeavours to address use of plastic packaging in value chain based on a Reduce- Recycle- Reuse strategy.

FLFL is sensitive towards pollution caused by consumption of materials especially due to packaging waste, disposable plastics and its negative impacts on ecosystems. As a responsible retailer FLFL is committed to addressing these challenges and shall endeavour to identify and eliminate all single use plastics utilised in packaging.

The Company is committed to creating awareness and engaging with stakeholders to reduce use of plastic and paper in its operations. During the financial year Brand Factory stores has undertaken a scoping activity to understand its front-end plastic footprint and its impact towards the environment.

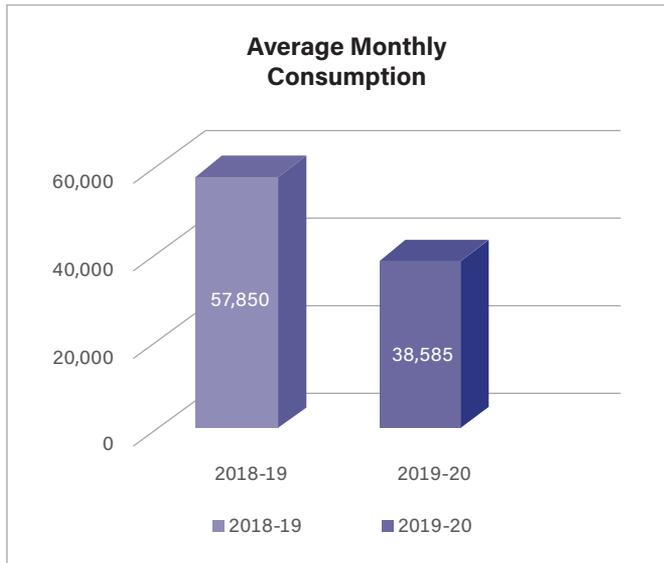
		Brand Factory	
Material	Packaging Item	FY 18-19**	FY 19-20**
		Total Weight (KG)	Total Weight (KG)
Cloth	Cloth Bag	--	20,672
Paper	Carry Bag	3,03,864	3,48,856

The coming years will examine the back-end plastic footprint and adopt strategies to reduce use of plastic where feasible, explore use of recycled, eco-friendly content in secondary and tertiary packaging and logistics of products.

The upcoming reporting period will measure, monitor and report progress against commitments and evaluate feasibility, review continual improvement on a periodic basis.

Accept the Challenge Go Paperless

The Company had initiated this programme in the previous financial year and have extended the challenge to reduce paper footprint across operations by 50% by 2021 over the established baseline in 2018-19. During the year the Company reduced its A4 paper consumption in offices by 33%***.



The Company has also undertaken the following initiatives to achieve its paper consumption targets across formats:

- National rollout of e-receipts across all formats and encouraging customers to not opt for physical bills.
- National rollout of printer server software across all offices to ensure duplex printing and reduce wastage due to unattended prints through pin-based printing.

***Note: Data provided include offices at Jogeshwari, Mumbai and VK Kalyaninagar, Bangalore.

Exclusion: Malad and SOBO, Mumbai Brand Factory offices

Waste to Wealth - the circular loop

FLFL recognises that every material has value not only at production and use but also at the end of life, the generation of any waste materials is the significant under utilisation of resources and products.

Waste generated at its offices and stores is managed as per applicable norms, is segregated at source and handed over to waste handlers.

Clothes Recycling Program

The Central stores Pan India have embraced this approach by engaging with the not-for-profit Goonj, collecting used clothing and facilitate reuse or up-cycling, thus extending the useful life of textile products and materials to create social and environmental value from waste.

Collected garments that are in good condition are packed for reuse or after repair and are given to persons facing poverty through Goonj' "cloth for work" program. In some cases

garments are sent to processing centres to be upcycled, thus creating livelihood opportunities for those involved.

The benefits achieved from the programme are:

- Offering customers the best collection channel for used clothing, footwear and accessories;
- Provide the best possible use for used garments, consequently extending product life cycle;
- Helping finance social and environmental projects.

Awareness Creation

World Environment Week

This year's World Environment Day theme on June 5, 2019 was #Beat Air Pollution. The World Environment Week was organised between June 5 to June 12 2019 at all offices and operating sites with the objective to spread awareness on improving air quality.

Children of employees were encouraged to spread awareness on the theme by posting entries in the form of pictures, poems, paintings and videos on how they can improve the environment. Participating children were rewarded with Tasty Treat goodies by the Company.

Further the Company tied up with a recycler with Pan-India capability for responsibly managing wastepaper in the form of loose sheets of paper, newspaper, cardboards, newsprints and old documentation. The campaign rewarded employees with plantable pens made of recycled paper containing seeds which have an inherent property to purify air such as neem and basil (tulsi).

Employees were encouraged to use the pen first, plant the same in moist soil to allow it to degrade organically and grow, and share photos of the plant as it grows.

The Company also participated by taking pledges to conserve the environment and planting saplings at their facilities.

Waste to Art

The Waste to Art initiative undertaken on the December 20 and December 21, 2019 at all offices sensitised employees on the value of common waste materials, responsibly managing such waste to increase its potential for reuse, recycle and up-cycle these into products of value.

The event saw the participation of organisations actively working in the areas of creating products from waste materials such as paper, cardboard, plastics, multi layered plastics, e-waste, textile wastes and coconut shells. It provided a unique gifting opportunity for employees during the festive period and act as influencers going forward.

Business Responsibility Report (contd.)

In addition to creating environment friendly products, the proceeds from sale also supported livelihoods of underprivileged communities.

Environmental Compliance

The 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 the Company's stores during the reporting period.

Principle 7: Public Advocacy

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

FLFL focuses on building excellence in fashion and retail, while interacting with key stakeholders. The senior leadership team continue to share invaluable experience to provide incisive insights at various round tables and conferences.

FLFL is committed to public good, however the Company has not actively advocated or lobbied directly with government officials or institutions. FLFL actively participates in industry events and is a member of the Retailers Association of India (RAI) and The Clothing Manufacturers Association of India.

Management and the senior leadership team interacts with various professional bodies and organisations to anticipate and understand the government regulations, economic scenario, industrial environment and advancement of public goods and services.

Principle 8: Inclusive Growth

Business should support inclusive growth and equitable development

Inclusive growth is key to achieving 'Happy Communities'.

FLFL makes effort to create a positive contribution and bring dignity to the lives of men, women and children from poor disadvantaged communities it serves through various not-for-profits organisations.

Social Responsibility Programs

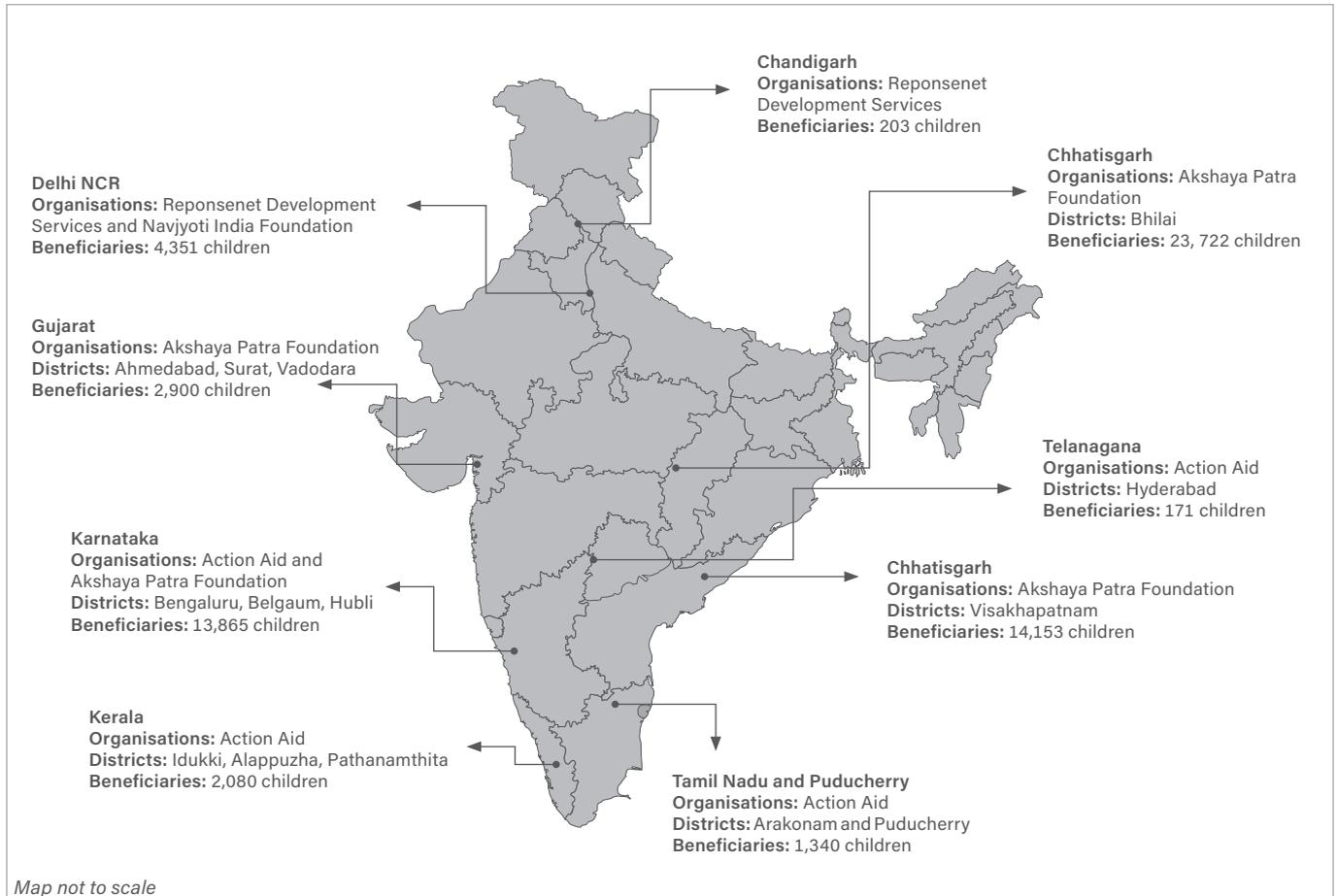
Pursuant to the requirements detailed in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs ("MCA") the Company has in place its Corporate Social Responsibility ("CSR") policy.

The Company implements its CSR programs through the Group's "Sone Ki Chidiya" Foundation ("SKC Foundation"), the organisation's activities are aligned to Schedule VII of the Act.

SKC Foundation has been set up inter-alia with objectives of undertaking projects that support community welfare thus creating social value, economic empowerment and environmental value. It seeks to inspire our employees and value chain members to volunteer and participate on key issues that affects communities in areas where stores, offices and warehouses are located.

During the reporting year, the Company has spent an amount aggregating to ₹ 3.29 Crore on CSR projects that aim at reducing inequalities amongst children (Kindly refer to Annexure IV to the Board's report for further details on CSR).

Through this effort the Company has created impact amongst 62,785 children in 8 states and 2 union territories.



Feedback from the Children

"I belong to a fisherman's family. It is very difficult for my family to afford good food and clothes. Thanks to Sone Ki Chidiya Foundation for providing me the clothes. I'm very happy that I have these new clothes for the coming festival".

-B. Nandini, 9th class, Zilla Parishad High School, Bheemli (Govt. School, Akshaya Patra Foundation-Vizag).

"Because of floods, all our belongings got washed away. We ran to the rehabilitation camps for shelter and had no other clothes to change except the ones we were wearing. We are happy for giving us the dress."

- A displaced child in care of Action Aid, Belgaum

"Every child thinks to buy new dresses and have a stock of beautiful dresses. But for me it is not possible. Thank you Navjyoti and Sone Ki Chidiya for gifting me a new dress."

Business Responsibility Report (contd.)

Testimonials from our Partners

"With the lack of resources with vulnerable families the priority of buying new clothes is a luxury which is mostly the last discretionary purchase. This affects hygiene and most crucially happiness of a child. The ongoing program of SKC Foundation bring the Happiness Quotient which is truly valuable."

-Kuldip Nar, Founder –Responset Development Services

"There is no better approach to challenges than collaborating to address them together. We are incredibly grateful to the Sone Ki Chidiya Foundation for providing the Bhawana community with that one joy that every child gets on receiving new clothes. The generous support will surely help us rewrite the story of India's underprivileged children."

-Ujjala Bedi, Director Navjyoti India Foundation

Principle 9: Value to customers and consumers

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

Creating customer value is primary, the Company consistently works to fulfil basic and aspirational needs of its customers, thereby increasing customer loyalty and satisfaction.

The Company is committed to build trust by disclosing information truthfully and factually including the use of cautionary statements and through transparent communication. FLFL ensures that its marketing and advertising campaigns and communications do not confuse or mislead consumers or violate any of the principles in these Guidelines. (For more details please refer to Principle 2 Product labelling section)

Customer privacy is zealously guarded – customers who choose to take a membership in programs offered by FLFL are informed at the time of enrolment for communication from the Company about offerings and promotional events. If they choose not to receive any communication from The Company then the same is honoured.

Regular trainings are conducted by Learning and Development Teams across Pan India stores for employees including Customer Service Teams to ensure that the customer service level is improved. These include improving product knowledge, focusing on enhancing the salesmanship skills, enhancing the soft skills required to have a polite and confident conversation with customers.

The Company requests customer feedback post campaign promotions. The learnings and feedback forms become a key resource for creating a better customer experience.

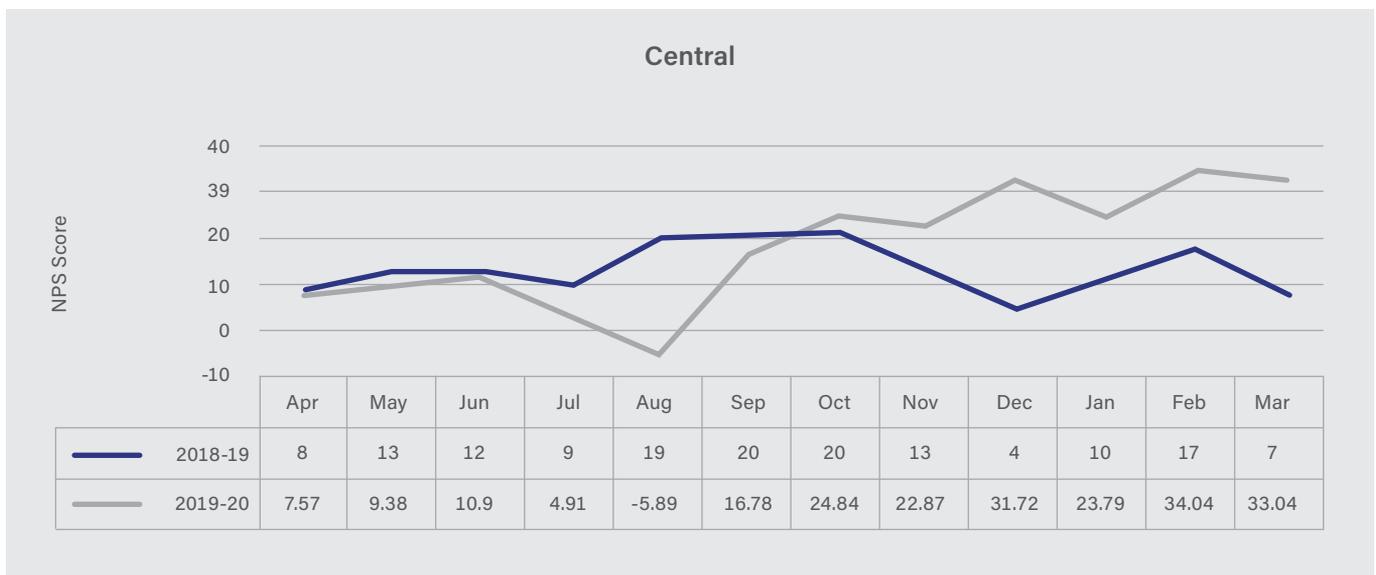
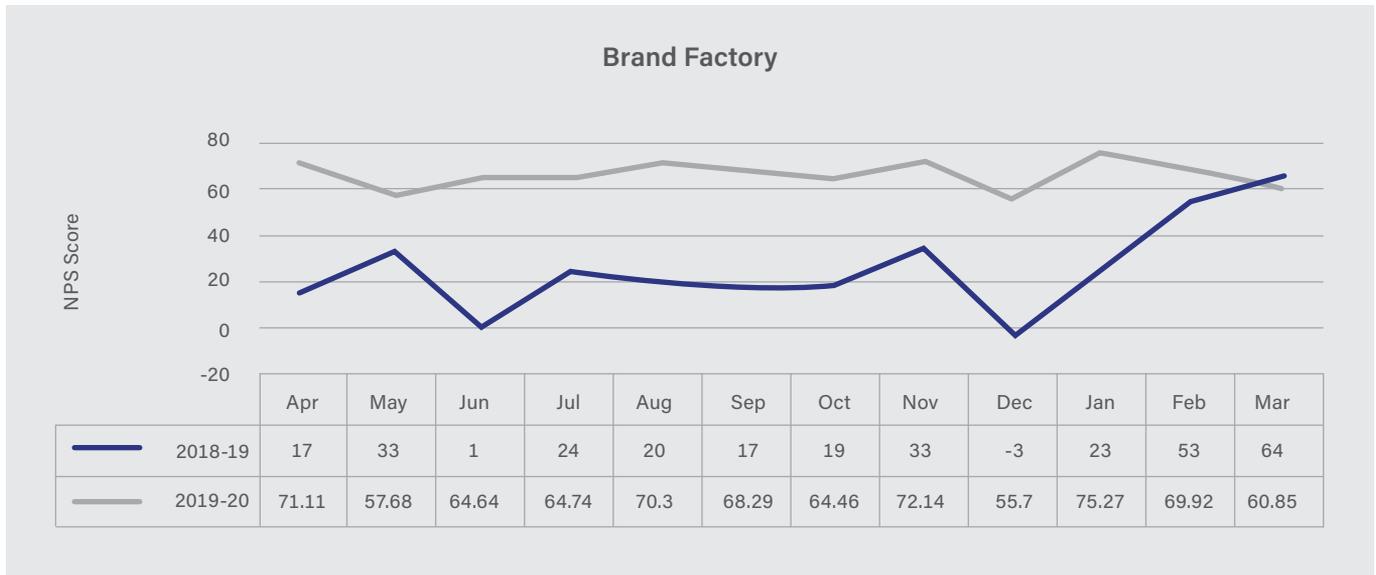
FLFL has integrated Microsoft CRM with Field Partner CRM for complete transparency and visibility of field service. Training is conducted to improve knowledge of technology especially the CRM which handles customer grievances and feedback.

Net Promoter Score

The customer-based survey, internally branded as Voice of Customer (VOC) runs on the Net Promoter Score (NPS) platform. The parameters that measure NPS include product quality and availability, store helpfulness and service quality, billing experience, store ambience and services, overall membership program experience. A customer receives an SMS post billing and is requested to provide feedback.

Parameters	Rating Scale
We request your valuable rating of the overall shopping experience. It will help us work to delight also your family & friends when they visit us	0-10
Product quality and availability	1 - 5
Store helpfulness & service quality	1 - 5
Billing experience	1 - 5
Store ambience & services	1 - 5
Overall membership program experience	1 - 5

During the reporting period, the Central format saw a marked improvement overall in the NPS score while the Company sets out internal targets going forward.



Business Responsibility Report (contd.)

The Google Ratings as an internal standard rating is 4.0 and the same is being tracked store-wise. For stores having a rating below 4.0, store managers are empowered to engage and resolve the issues promptly with the concerned customers.

Customer Grievances

The Company proactively interacts with customers for higher customer centricity and better response (Please refer to Principle 4 for more details related to customers) and have set in place a strong grievance mechanism, where the complaints are registered on the CRM software.

The customer grievance redressal mechanism is as follows:

- All complaints are tagged in e-CRM.
- Contact centre calls customers and confirms the resolution.
- Store calls customer to address the issue and resolution is provided as per nature of complaint.

- If customer is satisfied with resolution, then the case is closed.
- If the customer is not satisfied with resolution, then the case is re-opened and escalated for priority resolution.

Total customer grievances received during the reporting period were 3,91,725; Out of which 3,91,586 cases are closed. There are 139 open cases pending at the close of the reporting period.

Brand Factory ensures loyalty towards the brand is retained by providing better shopping experiences to customers and inviting detractors to revisit Brand Factory @ Free Shopping Weekend campaign with an assured "Free Pass Entry" for the preview.

There have been no cases filed by any stakeholder against the Company regarding irresponsible advertising and/or anti-competitive behaving during the last five years.

Independent Auditor's Report

To,
The Members of
Future Lifestyle Fashions Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Future Lifestyle Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics

issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note no. 42 of the statement, which describes management's assessment of the impact of the COVID-19 pandemic on the financial results of the Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1	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 rebates and 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 rebate and discount transactions recorded during the year and comparing the parameters used in the calculation of the rebate and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the rebates and discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.

2	<p>Valuation of Inventory</p> <p>We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.</p>	<p>Principal Audit Procedures</p> <p>Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</p> <p>Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</p> <p>Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</p> <p>Obtained an understanding of management's estimate of business impact of COVID-19 pandemic on provision on inventories.</p> <p>Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</p> <p>Verification of the determination of net realisable value on a representative sample basis</p>
3	<p>Implementation of Ind AS 116 - Leases (as described in Note 4a of the Standalone Ind AS Financial Statements)</p> <p>On March 30, 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The Company has applied the modified retrospective method to ongoing leases as of April 01, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 1,238.21 Crore of Right of Use asset, lease liability of ₹ 1,568.68 Crore and deferred tax of ₹ 48.16 Crore was debited to retained earnings. As at March 31, 2020, the Company has 1,103.34 Crore of Right of Use (RoU) assets and 1,365.70 Crore of Lease liabilities. Application of Ind AS 116, requires significant judgement and estimate in identification of lease arrangement, determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Assessed the Company's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116.</p> <p>Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116.</p> <p>Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved.</p> <p>Assessed the underlying assumptions and estimates including the applicable discount rates.</p> <p>We also assessed the Company's disclosures made in accordance with the requirements of Ind AS 116.</p>

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and

Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements

may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting on the Company's internal financial controls over financial reporting for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN: 20042472AAAACN8183

Mumbai
July 31, 2020

Annexure - A to the Auditor's 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, 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does hold any immovable properties of freehold or leasehold land and building as at March 31, 2020. Therefore, paragraph 3(i) (c) of the Order is not applicable.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits as during the year from the public as mentioned in the provision of Section 73 to 76 and any other relevant provisions of the Act and rules framed there under apply. Therefore Paragraph 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

However, according to information and explanations given to us, value added tax and Service Tax which have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
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
Orissa-ET	Entry Tax	0.12	2015-16	
Maharashtra-VAT	Sales Tax	2.28	2015-16	Dy. Commissioner of Sales Tax
Delhi-VAT	Sales Tax	0.49	2015-16	Dy. Commissioner of Sales Tax
Delhi-VAT	Sales Tax	0.14	2016-17	Dy. Commissioner of Sales Tax
Service Tax	Service Tax Act, 1994	16.60	2007-2011	Department of Service Tax
The Indian Stamp Act	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.
- 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
UDIN: 20042472AAAACN8183

Mumbai
July 31, 2020

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **FUTURE LIFESTYLE FASHIONS LIMITED** ("the Company") as of March 31, 2020 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ashok A. Trivedi
Partner

Membership No. 042472
UDIN: 20042472AAAACN8183

Mumbai
July 31, 2020

Balance Sheet

as at March 31, 2020

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,367.20	1,223.23
Capital work-in-progress		178.47	157.81
Other Intangible assets	3	13.68	5.30
Right-of-use assets	29	1,103.34	-
Net investment in sublease	29	13.83	-
Financial Assets			
Investments	4	497.66	139.16
Loans	5	140.26	138.27
Others financial assets	6	0.38	0.06
Deferred tax assets (net)	26	156.09	95.80
Non-current tax assets (net)		10.53	7.36
Other non-current assets	7	95.38	102.76
Total Non - Current Assets		3,576.82	1,869.75
Current Assets			
Inventories	8	2,401.55	1,976.60
Financial assets			
Investments	4	40.38	44.46
Trade receivables	9	168.69	194.35
Cash and cash equivalents	10	11.56	90.76
Bank balances other than the above	11	10.72	9.09
Loans	5	274.82	195.36
Others financial assets	6	18.93	6.14
Other current assets	7	554.06	246.72
Total Current Assets		3,480.71	2,763.48
Total Assets		7,057.53	4,633.23
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	40.35	38.91
Other equity	13	1,572.58	1,608.74
Total Equity		1,612.93	1,647.65
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	14	190.08	653.05
Other financial liabilities	15	7.56	6.26
Lease liabilities	29	957.08	-
Provisions	16	10.95	8.47
Total Non - Current Liabilities		1,165.67	667.78
Current Liabilities			
Financial liabilities			
Borrowings	14	697.60	136.31
Trade payables			
Dues of micro enterprises and small enterprises	36	70.71	15.53
Dues of creditors other than micro enterprises and small enterprises		2,235.18	1,653.68
Other financial liabilities	15	784.81	403.49
Lease liabilities	29	408.62	-
Provisions	16	59.70	52.81
Other current liabilities	17	22.31	55.98
Total Current Liabilities		4,278.93	2,317.80
Total Equity and Liabilities		7,057.53	4,633.23
The accompanying notes are forming part of the financial statements	1-44		

As per our report of even date attached

For and on behalf of the Board of Directors

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

Kishore Biyani
Vice Chairperson

Vishnu Prasad M
Managing Director

Ashok A. Trivedi
Partner
Membership No. 042472

Saurabh Bhudolia
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Mumbai
July 31, 2020

Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in INR crore, unless otherwise stated)

	Note	2019-2020	2018-2019
REVENUE			
Revenue from operations	18	5,985.78	5,377.41
Other Income	19	64.62	38.60
Total Revenue		6,050.40	5,416.01
EXPENSES			
Cost of materials consumed		-	1.65
Purchases of Stock-in-trade		4,390.56	3,982.74
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(424.95)	(525.40)
Employee benefits expense	21	314.75	296.91
Finance costs	22	301.33	104.38
Depreciation and amortisation expense	3	682.17	196.65
Other expenses	23	764.90	1,159.98
Total Expenses		6,028.76	5,216.91
Profit Before Exceptional Item and Tax		21.64	199.10
Exceptional Item - (Loss)	24	(87.17)	-
Profit/(Loss) before tax		(65.53)	199.10
Tax Expense	25	7.88	53.73
Profit/(Loss) for the Year		(73.41)	145.37
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans	33	(1.79)	0.84
(b) Equity Instrument at fair value through OCI		13.32	0.62
Income tax relating to items that will not be reclassified to profit or loss		(2.49)	(0.30)
Total Other Comprehensive Income, Net of Tax		9.04	1.16
Total comprehensive income/(loss) for the Year		(64.37)	146.53
Earnings per equity share of Face Value of ₹ 2 each	32		
Basic (₹)		(3.25)	7.57
Diluted (₹)		(3.24)	7.54
The accompanying notes are forming part of the financial statements	1-44		

As per our report of even date attached

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

Ashok A. Trivedi
Partner
Membership No. 042472

Mumbai
July 31, 2020

For and on behalf of the Board of Directors

Kishore Biyani
Vice Chairperson

Saurabh Bhudolia
Chief Financial Officer

Vishnuprasad M
Managing Director

Sanjay Kumar Mutha
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in INR crore, unless otherwise stated)

A) EQUITY SHARE CAPITAL

Balances as at March 31, 2018	38.08
Issue of Equity shares under employee share option plan (ESOP)	0.07
Issue on preferential basis	0.76
Balances as at March 31, 2019	38.91
Issue of Equity shares under employee share option plan (ESOP) Refer Note 37	0.14
Issue on preferential basis Refer Note 12	1.30
Balances as at March 31, 2020	40.35

B) OTHER EQUITY

	Reserve and Surplus							Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	
Balance as at April 01, 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	1608.74
Profit for the Year						(73.41)		(73.41)
Other Comprehensive income for the year, Net of Income tax						(4.29)	13.32	9.03
Total Comprehensive income for the year						(77.70)	13.32	(64.38)
Transfer to Securities premium on exercise of ESOP		11.64		(11.64)				-
Received on Issue of Equity shares		308.78						308.78
Impact of Ind AS 116			-			(226.29)		(226.29)
Impact of Change in Tax rate as per Section 115BAA						(27.95)		(27.95)
Recognition of Share-based payments				6.53		-		6.53
Payment of Dividend on Equity Shares						(27.26)		(27.26)
Payment of tax on Dividend on Equity Shares						(5.60)		(5.60)
Balance as at March 31, 2020	426.99	797.31	50.00	15.53	88.04	175.12	19.59	1,572.58

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
July 31, 2020

For and on behalf of the Board of Directors

Kishore Biyani
Vice Chairperson

Saurabh Bhudolia
Chief Financial Officer

Vishnuprasad M
Managing Director

Sanjay Kumar Mutha
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2020

(All amounts in INR crore, unless otherwise stated)

	2019-20	2018-19
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year	(73.41)	145.37
Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities		
Income tax expense	7.88	53.73
Finance costs	301.33	104.38
Interest income	(42.27)	(32.25)
Loss on disposal/discard of property, plant and equipment	35.72	27.44
Provision for Diminution/Striking of Investment	87.32	-
(Gain) on derecognition of lease	(2.63)	-
Expected credit loss allowance (for doubtful debts)	1.50	0.42
Depreciation and amortisation of property, plant and equipment and intangible assets	682.17	196.65
Expense recognised in respect of equity-settled share-based payments	6.53	12.48
Bad Debts/(Sundry Balances written back)	0.35	0.32
Cash Generated from operations before working capital changes	1,004.49	508.54
Movements in Working Capital:		
(Increase) in trade and other receivables	(296.32)	(111.73)
(Increase) in inventories	(424.95)	(524.44)
(Increase) in other assets	(15.30)	(37.55)
Increase in trade payables	636.69	622.08
Increase in provisions	7.58	5.26
Increase/(Decrease) in other liabilities	(59.46)	51.28
Cash generated from operations	852.73	513.44
Direct taxes paid	(25.67)	(38.95)
Net cash generated from operating activities	827.06	474.49
B CASH FLOWS FROM INVESTING ACTIVITIES		
Inter corporate deposit (Given) (Net)	(58.77)	(92.54)
Interest received	40.28	32.25
Payments for property, plant and equipment, intangible assets	(483.30)	(403.33)
Proceeds from disposal of property, plant and equipment	2.36	0.73
Payment to acquire financial assets - Investment	(428.42)	(132.83)
Rent receipt	13.14	-
Realisation of deposits/restricted deposits with banks	(1.95)	0.04
Net cash (used in) investing activities	(916.66)	(595.68)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity instruments of the Company	310.22	170.97
Proceeds from Borrowings	506.74	138.36
Interest paid	(147.84)	(104.38)
Payment of Lease liability and other incidental expenses	(625.85)	-
Dividend Paid (Including Dividend Distribution Tax)	(32.87)	(28.13)
Net cash used in financing activities	10.40	176.82
Net increase in cash and cash equivalents	(79.20)	55.63
Cash and cash equivalents at the beginning of the year	90.76	35.13
Cash and cash equivalents at the end of the year (Refer Note 10)	11.56	90.76

As per our report of even date attached

For and on behalf of the Board of Directors

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

Kishore Biyani
Vice Chairperson

Vishnuprasad M
Managing Director

Ashok A. Trivedi
Partner
Membership No. 042472

Saurabh Bhudolia
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Mumbai
July 31, 2020

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

1) CORPORATE INFORMATION ABOUT THE COMPANY

Future Lifestyle Fashions Ltd ("The Company") is a company incorporated in India under the provisions of Companies Act, 1956 on May 30, 2012. The registered address of the Company is located at knowledge House, Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East) Mumbai - 400060. The Company is engaged in the business of Retailing of Fashion products through Departmental and neighbourhood stores under various formats across the country. The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited. The Financial Statements were approved for issue by the Board of Directors on July 31, 2020. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crore except where otherwise indicated.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of Compliances with Indian Accounting Standards (Ind AS)

The financial statements of the Company comply in all material aspects with IND AS notified under Section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other applicable laws.

2.2. Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

2.3. Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the business. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except deferred tax assets or liabilities. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

2.4. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on De-recognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

Depreciation on property, plant and equipment has been provided on Straight Line Method over their useful lives. Estimated useful lives of the assets are as below:

Property, Plant and Equipment	Number of Years
Plant and Equipment	15 years
Office Equipment	5 years
Furniture, Fixture and other Fittings*	7 years
Leasehold Improvement*	Lease term or 7 years, whichever is lower
Vehicle	8 years
Computers (End User Device)	3 years
Computers (Other than End User Device)	6 years

* Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, estimated useful lives and methods of depreciation are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

2.5. Intangible Assets

Intangible Assets are carried at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Acquisition cost includes Information system related Costs as well as costs incurred for enhancement and improvements. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in estimates is accounted for prospectively.

Intangible Assets	Useful lives
Computer Software	6 years
License Rights	Over the period of License

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

2.6. Impairment of non-financial assets (including investment in subsidiary, associate and joint venture)

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (including investment in subsidiary, associates and joint venture) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

2.7. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Effective April 1, 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 1, 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 asset's net carrying amount on initial recognition.

2.8. Leases

The Company as a lessee

The Company's Lease assets classes primarily consist of leases for Buildings (Leased Stores). The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU" and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company

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Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

2.9. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference rises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10. Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.11. Borrowing costs

Borrowing costs that is directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

2.12. Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit

and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

Other long-term employee benefit

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Cost of other long-term benefits are determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period and the cost (including re-measurement) is recognised in statement of profit and loss.

2.13. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprise of cost of purchase, cost of conversion and other related cost incurred in bringing the inventories to their present location and condition.

2.14. Foreign currencies

Indian rupees (₹) is the functional currency of the Company. In preparing these financial statements, transactions in currencies other than the functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for exchange differences which are regarded as an adjustment to interest cost as per policy on borrowing cost.

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Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

2.15. Provisions, contingent liability and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting (when the effect of the time value of money is material) the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or it is probable but no reliable estimate is possible. Contingent liabilities are not recognised in financial statements however disclosed. Similarly, contingent assets are not recognised however disclosed.

2.16. Financial instruments

Classification as financial liability or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial assets and financial liabilities- Initial recognition.

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of investments, loans, deposits, trade receivables and cash and bank balances. Financial liabilities primarily comprise of borrowings, trade and other payables and financial guarantee contracts.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets/ issue of financial liabilities are added to the fair value of the financial assets/ subtracted from fair value of financial liabilities on initial recognition, except for financial asset/ liability is subsequently measured at fair value through profit or loss.

Subsequent measurement

Financial assets and financial liabilities at amortised cost
After initial recognition all financial assets (other than investment in equity instruments and derivative instruments) are subsequently measured at amortised cost using the effective interest method. All financial liabilities (other than derivative liabilities), subsequently after initial recognition, are measured at amortised cost using effective interest method. The Company has not designated any financial asset or financial liability as fair value through profit or loss ("FVTPL").

Financial assets and financial liabilities at FVTPL

All derivative assets and derivative liabilities are always measured at FVTPL with fair value changes is being recognised in statement of profit and loss.

Investment in equity instruments either at FVTPL or FVTOCI

Investment in equity instruments are measured at FVTPL with fair value changes is being recognised in statement of profit and loss. However, on initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

Financial guarantee obligation

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

After initial recognition of financial guarantee obligation at fair value, the Company subsequently measured it at the higher of:

- Amount of loss determined in accordance with impairment requirement under Ind AS 109 (see policy on impairment of financial asset); and
- The amount initially recognised less, when appropriate, the cumulative income recognised.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

2.17. Share-based payment arrangement

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option at the grant date.

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

2.18. Operating segment

The management views the Company's operation as a single segment engaged in business of Branding, Processing, Selling and Distribution of 'Fashion Products'. Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

2.19. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property, plant and equipment, investment in subsidiaries, joint ventures and associates

Determining whether the assets are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

Provisions, liabilities and contingencies

The timing of recognition of provision requires application of judgement to existing facts and circumstances which may be subject to change

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of estimate is required in establishing fair values.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

3) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Descriptions of Assets	Gross Block (At cost / deemed cost)			Depreciation / Amortisation		Net Block		
	As at April 01, 2019	Additions	Deletions	As at March 31, 2020	As at April 01, 2019	For the Year	As at March 31, 2020	As at March 31, 2019
A Property, plant and equipment								
Leasehold Improvements	283.91	103.78	9.09	378.60	59.07	57.63	112.58	224.83
Plant and Equipments	200.49	23.94	8.10	216.33	33.81	16.99	48.79	166.68
Office Equipments	33.42	7.91	1.07	40.26	11.32	7.08	17.80	22.10
Computer & IT Equipment	57.76	11.92	1.31	68.37	25.51	13.44	38.13	32.25
Furniture, Fixtures and Other Fittings	1,015.71	304.15	44.97	1,274.89	238.99	174.39	394.48	776.72
Vehicles	0.85	-	-	0.85	0.21	0.11	0.32	0.64
Total	1,592.14	451.70	64.54	1,979.30	368.91	269.64	612.10	1,223.23
B Other Intangible Assets								
Computer Software	14.21	10.93	0.00	25.14	9.31	2.49	11.80	4.90
Trademarks, Copyrights and Patents	0.54	-	-	0.54	0.14	0.06	0.20	0.40
Total	14.75	10.93	0.00	25.68	9.45	2.55	12.00	5.30
Grand Total	1,606.89	462.63	64.54	2,004.98	378.36	272.19	624.10	1,228.53
Previous Year	1,120.81	601.11	115.03	1,606.89	220.49	196.65	378.36	900.32

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

4) INVESTMENTS

	Number of Units		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Non-Current Investment				
Trade Investments fully paid up of ₹10 each unless otherwise stated				
Quoted				
KOOVS PLC (₹ 0.10 per share)	10,37,15,663	5,78,76,600	84.96	52.53
KOOVS PLC - CCPS	8,81,523	-	2.21	-
Less :- Provision for Diminution of Investment			(87.17)	
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	1.55	1.05
FLFL Business Services Limited	-	1,50,000	-	0.15
FLFL Athleisure Limited	50,000	-	0.05	-
Joint Venture (At cost / deemed cost)				
FLFL Lifestyle Brands Limited	50,000	50,000	1.54	1.12
FLFL Travel Retail Bhubaneswar Private Limited	5,100	5,100	0.01	0.01
FLFL Travel Retail Guwahati Private Limited	5,100	5,100	0.01	0.01
FLFL Travel Retail West Private Limited	5,100	5,100	0.01	0.01
FLFL Travel Retail Lucknow Private Limited	5,100	5,100	0.01	0.01
Others (at fair value through other comprehensive income)				
DSK Media Private Limited	10,000	-	18.42	-
Renew Wind Power Karnataka Private Limited	6,400	6,400	0.06	0.06
Investment in Optionally Convertible Debentures				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	11,16,80,000	7,77,30,000	111.68	77.73
Future Trendz Limited	35,78,170	-	357.82	-
Aggregate book value of unquoted Non-Current Investments			497.66	86.63
Current Investment				
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	4.63	3.63
Holii Accessories Limited	1,90,000	1,90,000	0.24	0.24
Others (at fair value through OCI)				
SSIPL Retail Limited	6,09,197	6,09,197	35.51	40.60
Aggregate book value of unquoted Current Investments			40.38	44.46

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

5) LOANS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Security Deposits	140.26	138.27
	140.26	138.27
Current		
Security Deposits	35.67	28.10
Inter Corporate Deposits	226.03	167.26
Loan given to Other	13.12	-
	274.82	195.36

6) OTHERS FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Bank deposits more than 12 months maturity	0.38	0.06
	0.38	0.06
Current		
Insurance Claim Receivable	4.06	5.17
Other Receivables	14.87	0.97
	18.93	6.14

7) OTHER ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital Advances	3.31	14.96
Prepaid Expenses	92.07	87.80
	95.38	102.76
Current		
Balance with Government authorities	161.32	163.15
Advance to suppliers	358.63	57.75
Prepaid Expenses	17.48	13.27
Others	16.63	12.55
	554.06	246.72

8) INVENTORIES

	As at March 31, 2020	As at March 31, 2019
Stock-in-Trade (Goods-in-Transit of ₹ 22.42 Crore, 2018-19: ₹42.78 Crore)	2,399.75	1,974.91
Packing Material	1.80	1.69
	2,401.55	1,976.60

Notes

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(All amounts in INR crore, unless otherwise stated)

9) TRADE RECEIVABLES (UNSECURED)

	As at March 31, 2020	As at March 31, 2019
Current		
Considered Good	168.69	194.35
Considered Doubtful	2.05	0.55
	170.74	194.90
Less :- Expected credit loss allowance (for doubtful receivables)	2.05	0.55
	168.69	194.35

10) CASH AND CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019
Cash on Hand	1.35	15.80
In Current Accounts	1.15	34.12
Balance with credit card and e-wallet companies	9.06	40.84
	11.56	90.76

11) OTHER BALANCES WITH BANKS

	As at March 31, 2020	As at March 31, 2019
Bank deposits (with maturity less than 12 months)	10.52	8.94
Earmarked Accounts (for unpaid dividend)	0.20	0.15
	10.72	9.09

12) EQUITY SHARE CAPITAL

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
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	20,17,74,874	40.35	19,45,68,077	38.91
	20,17,74,874	40.35	19,45,68,077	38.91

Reconciliation of number of shares :

Equity Share of ₹ 2/- each

Particulars	As at March 31, 2020	As at March 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	19,45,68,077	19,04,13,837
Add : Shares issued on exercise of employee stock option	7,27,316	3,31,776
Add : Issued during the year*	64,79,481	38,22,464
At the end of the year	20,17,74,874	19,45,68,077

* The Board of Directors at its meeting held on July 26, 2019 and the Shareholders of the Company at their meeting held on August 26, 2019, have approved issue of 64,79,481 equity shares of face value of ₹ 2 each fully paid-up at an issue price of ₹ 463 per equity share for cash, including a premium of ₹ 461 per equity share, aggregating to ₹ 299.99 Crore to Apollo India Private Equity IV (Mauritius) Limited under the preferential issue of the Company.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ryka Commercial Ventures Private Limited	7,54,41,490	37.39	10,16,64,765	52.25
RSCL Trading Private Limited	1,45,38,559	7.21	-	-
Spectacular Investments PTE Limited	1,94,04,207	9.62	1,94,04,207	9.97
BTO FPI III Pte. Ltd.	1,16,84,716	5.79	-	-
Life Insurance Corporation of India	1,41,72,733	7.02	84,96,421	4.37

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 37.

13) OTHER EQUITY

	As at March 31, 2020	As at March 31, 2019
Capital Reserve	426.99	426.99
Securities Premium	797.31	476.90
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	15.53	20.64
General Reserve	88.04	88.04
Retained Earning	175.12	539.90
Equity instruments through Other Comprehensive Income	19.59	6.27
	1,572.58	1,608.74

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

NATURE OF RESERVES

Capital Reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

Securities Premium

Securities premium is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act 2013.

Debenture Redemption Reserve

Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

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 37.

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.

14) BORROWINGS

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Secured - at amortised cost		
8.70% Redeemable Non Convertible Debentures (NCD)	-	349.08
Term Loans from Banks	190.08	303.97
	190.08	653.05
Current		
Secured - at amortised cost		
Working Capital Loans from Banks	547.60	136.31
Un-Secured - at amortised cost		
Short term loan Banks	150.00	-
	697.60	136.31

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, 2020	As at March 31, 2019
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 9, 2022. The instrument carries Put/ Call Option at the end of 3rd and 4th year from the deemed date of allotment.	349.65	349.08
		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.		

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

S. No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2020	As at March 31, 2019
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 5 Step up Quarterly installments (Next installment due in June, 2020). Interest :- Base Rate +1.10% i.e 10.25% p.a. Interest is paid as and when due.	55.93	85.16
(ii) a)	Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 19 step-up quarterly Installments. (Next Installment due in June, 2020)	129.58	140.40
b)	Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.55% p.a (as on March 31, 2020). Interest is paid as and when due.		
(iii) a)	Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 20 step-up quarterly Installments. (Next Installment due in April, 2020)	134.84	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% 9.55% p.a (as on March 31, 2020). Interest is paid as and when due.		
			670.00	724.55
	Less : Current Maturities of Long Term Borrowings		479.92	71.50
	Total		190.08	653.05

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

Nature of Security	Terms of Interest & 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 9.70 % in the Financial Year 2020.
a) First pari-passu charge on Current Assets (excluding credit/debit card receivables)	
b) Second pari-passu Charge on the Fixed Assets	

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

15) OTHER FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Derivative liability	7.56	6.26
	7.56	6.26
Current		
Current Maturities of Long-Term Borrowings (Refer Note 40)	479.92	71.50
Interest Accrued but Not Due on Borrowings	17.31	14.74
Unclaimed Dividend	0.20	0.15
Creditors for Capital supplies/services	134.19	180.57
Payable to employees	17.27	22.28
Security Deposits	118.48	99.32
Financial guarantee obligations	1.02	0.94
Other Payables	16.42	13.99
	784.81	403.49

16) PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Gratuity	10.95	8.47
	10.95	8.47
Current		
Leave encashment	9.27	7.47
Gratuity	1.42	1.30
Provision for right of return	49.01	44.04
	59.70	52.81

17) OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Advance received from Customers	22.31	55.98
	22.31	55.98

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

18) REVENUE FROM OPERATIONS

	2019-2020	2018-2019
Sale of Products	6,437.44	5,802.46
Less: Goods and Service Tax	576.85	529.29
	5,860.59	5,273.17
Other Operating Revenue	125.19	104.24
	5,985.78	5,377.41

19) OTHER INCOME

	2019-2020	2018-2019
Interest Income	42.27	32.25
Miscellaneous Income	22.35	6.35
	64.62	38.60

20) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2019-2020	2018-2019
Opening Inventories		
Finished Goods	-	27.23
Work-in-Progress	-	0.07
Stock- in-Trade	1,976.60	1,423.90
Closing Inventories		
Stock- in-Trade	2,401.55	1,976.60
	(424.95)	(525.40)

21) EMPLOYEE BENEFITS EXPENSE

	2019-2020	2018-2019
Salaries and Wages	283.47	261.98
Share-based payment to employees (Refer Note 37)	6.53	12.48
Contribution to Provident and Other Funds	19.70	15.20
Staff Welfare Expenses	5.05	7.25
	314.75	296.91

22) FINANCE COST

	2019-2020	2018-2019
Interest Expense	109.06	81.63
Other Borrowing Costs	38.78	22.75
Interest expense on lease liabilities	153.49	-
	301.33	104.38

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

23) OTHER EXPENSES

	2019-2020	2018-2019
Power and Fuel	140.53	136.32
Repairs and Maintenance		
Buildings	18.95	20.95
Others	9.97	8.65
Insurance	7.94	6.39
Rates and Taxes	8.67	7.91
Rent	100.00	546.45
Common Area Maintenance	60.46	58.52
Advertisement and Marketing	132.46	139.02
Loss on Disposal/Discard of Fixed Assets (Net)	35.72	27.44
Expected credit loss allowance (for doubtful receivables)	1.50	0.42
Bad Debts Written Off	0.35	0.32
Corporate Social Responsibility (CSR) (Refer Note 31)	3.29	2.15
Miscellaneous Expenses (Refer Note 41)	245.06	205.44
	764.90	1,159.98

24) EXCEPTIONAL ITEM - (LOSS)

	2019-2020	2018-2019
Provision for Diminution of Investment	87.17	-
	87.17	-

25) TAX EXPENSE

Income tax expense recognised in statement of Profit and Loss

	2019-2020	2018-2019
Current Tax	22.51	37.56
Deferred Tax	(14.63)	16.17
Total	7.88	53.73

Income Tax expense recognised in other comprehensive income

	2019-2020	2018-2019
Deferred Tax	2.49	0.30

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:

	2019-2020	2018-2019
Profit before tax from continuing operations	(65.53)	199.10
Income tax expense calculated at 25.168%/ 34.944%	(16.49)	69.57
Effect of:		
Expenses that are not deductible in determining taxable profit	30.02	6.41
Income exempt from tax	(7.57)	(5.45)
MAT Credit Availment /Utilisation	-	(7.63)
Other permanent differences	1.93	(9.17)
Income tax expense recognised in statement of Profit and Loss	7.88	53.73

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

26) DEFERRED TAX ASSETS

Movement of deferred tax assets/ liabilities

Deferred tax assets/ liabilities in relation to the year ended March 31, 2020

	Opening balance	Recognised in Retained Earnings	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to:					
Financial asset measured at fair value	4.58	-	-	2.94	7.52
Total deferred tax liabilities	4.58	-	-	2.94	7.52
Deferred tax assets in relation to:					
Property, plant and equipment and intangible assets	94.20	(27.94)	16.32	-	82.58
Ind AS 116 Opening and Current Year Impact	-	76.11	(0.90)	-	75.21
Employee benefit obligation	6.02	-	(1.03)	0.45	5.45
Provision for doubtful debts	0.15	-	0.23	-	0.38
Total deferred tax assets	100.38	48.16	14.63	0.45	163.61
Net deferred tax asset/ (liabilities)	95.80	48.16	14.63	(2.49)	156.09

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
Availment 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

27) CONTINGENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debt	28.92	7.25
Corporate Guarantees given	188.30	177.92
Guarantees given to the bank on behalf of the Company.	31.97	31.14

28) 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. Company does not have any non-current assets located outside India.

Notes

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(All amounts in INR crore, unless otherwise stated)

29) DISCLOSURE RELATING TO LEASES

Effective April 1, 2019, The Company adopted IND AS 116 and applied the standard to all existing Lease Contracts as on April 1, 2019 using Modified Retrospective Method and has taken Cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental Borrowing rate. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On Transition, Adoption of New Standard Resulted in Recognition of "Right of Use asset of ₹ 1238.21 Crore", "Net Investment in Sublease of ₹ 28.07 Crore" and "Lease Liability of ₹ 1568.68 Crore". The cumulative effect of applying the standard, amounting to ₹ 226.29 Crore (Net of taxes) was debited to retained earnings.

The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
4. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.20%
5. Estimated Life of Each Leased Store considered in this Standard is taken as Earlier of 7 years from Commencement or Actual Lease Contract End date.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

	As at March 31, 2020
Balance as at April 1, 2019	1,238.21
Additions During the Year	381.43
Deletions During the Year	(106.32)
Depreciation for the Year	(409.99)
Balance as at March 31, 2020	1,103.34

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

	As at March 31, 2020
Current Lease Liabilities	408.62
Non-Current Lease Liabilities	957.08
Total	1,365.70

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

The following is the movement in lease liabilities during the year ended March 31, 2020

	As at March 31, 2020
Balance as at April 1, 2019	1,568.68
Additions During the Year	380.57
Finance Cost Accrued During the Year	153.49
Payment of Lease Liabilities	(624.99)
Deletions During the Year	(112.04)
Balance as at March 31, 2020	1,365.70

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	As at March 31, 2020
Less than One Year	182.51
One to Five Years	192.14
More than Five Years	6.68
Total	381.33

Rental Expenses recorded for Short Term Leases was ₹ 33 Crore for the year ended March 31, 2020.

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2020:

	As at March 31, 2020
Balance as at April 1, 2019	28.07
Interest Income Accrued During the Year	1.99
Lease Receipts	(13.14)
Deletions During the Year	(3.09)
Balance as at March 31, 2020	13.83

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2020 on an undiscounted basis:

	As at March 31, 2020
Less than One Year	17.93
One to Five Years	12.27
More than Five Years	-
Total	30.20

30) PAYMENT TO AUDITORS

	2019-2020	2018-2019
Statutory Audit Fees	0.70	0.70
Tax Audit Fees	0.05	0.05
Other Services	0.02	0.04
Reimbursement of expenses	0.01	0.01
Total	0.78	0.80

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

31) CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with schedule VIII thereof:

	2019-2020	2018-2019
Gross amount required to be spent by the company	3.29	2.15
Details of amount spent are as under:		
Reducing inequalities faced by socially and economically backward groups	3.29	2.00
Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare	-	0.14
Promotion of education including special education and employment enhancing vocational skills among differently abled and livelihood enhancement projects	-	0.11
Measures for the benefit of armed forces veterans	-	-
Total	3.29	2.25

32) 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	2019-2020	2018-2019
Profit attributable to Equity Share holders	₹ in Crore	(64.37)	146.53
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in Crore	19.84	19.36
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in Crore	19.89	19.43
Earnings per share - Basic	₹	(3.25)	7.57
Earnings per share - Diluted	₹	(3.24)	7.54
Face value per share	₹	2.00	2.00

33) 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.

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(All amounts in INR crore, unless otherwise stated)

ii. The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2020	As at March 31, 2019
1 Discount rate	6.46%	7.05%
2 Salary Escalation	0% for first year and 5% thereafter	7% for first 2 years and 5% thereafter
3 Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
4 Withdrawal Rate	Service <5 Years: 46% Service >5 Years: 2%	Service <5 Years: 46% Service >5 Years: 2%
5 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

	2019-2020	2018-2019
Total Service Cost	2.81	2.51
Net Interest Expenses	0.64	0.66
Components of expense recognised in the statement of Profit and Loss (A)	3.45	3.17
Re-measurements on the net defined benefit liability:		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.01)	(1.52)
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.16	0.79
Actuarial (Gain)/Loss arising from experience adjustments	1.64	(0.11)
Total Amount recognised in other comprehensive income (B)	1.79	(0.84)
Total cost recognised (A+B)	5.24	2.33

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, 2020	As at March 31, 2019
Present value of unfunded defined benefit obligation	12.37	9.77

v. Movement in present value of the defined benefit obligation

	2019-2020	2018-2019
Opening defined benefit obligation	9.77	8.72
Total Service Cost	2.81	2.51
Net Interest Expenses	0.64	0.66
Re-measurements on the net defined benefit liability		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.01)	(1.52)
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.16	0.79
Actuarial (Gain)/Loss arising from experience adjustments	1.65	(0.11)
Benefits paid	(2.65)	(1.28)
Acquisition/Divestiture	-	-
Closing defined benefit obligation	12.37	9.77

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(All amounts in INR crore, unless otherwise stated)

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, 2020	As at March 31, 2019
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(11.02)	(8.80)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	14.00	10.93
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	13.73	10.76
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(11.20)	(8.89)

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 ₹ 5.45 Crore (2018-19: ₹ 4.29 Crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	2019-2020	2018-2019
Discounted Rate	6.46%	7.05%
Salary Increase Rate	0% for first year and 5% thereafter	7% for first 2 years and 5% thereafter
Attrition Rate	Service <5 Years: 46% Service >5 Years: 2%	Service <5 Years: 46% Service >5 Years: 2%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult

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Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

34) RELATED PARTY DISCLOSURES

a) Name of Related Parties and Nature of Relationship:

i. Holding Companies

Ryka Commercial Ventures Private Limited
(till October 15, 2019)

ii. Ultimate Controlling Entity

Lifestyle Trust (till October 15, 2019)

iii. Fellow Subsidiary

Future Hospitality Management Limited
(till October 15, 2019)

iv. Subsidiaries

DSK Media Private Limited (w.e.f. January 29, 2020 till
February 5, 2020)
FLFL Athleisure Limited (w.e.f. May 29, 2019)
FLFL Business Services Limited (till November 30, 2019)
Future Speciality Retail Limited
Future Trendz Limited

v. Joint Ventures

Celio Future Fashion Private Limited
Clarks Future Footwear Private Limited
FLFL Lifestyle Brands Limited
FLFL Travel Retail Bhubaneswar Private Limited
FLFL Travel Retail Guwahati Private Limited
FLFL Travel Retail Lucknow Private Limited
FLFL Travel Retail West Private Limited
Holii Accessories Limited

vi. Associates

Excellent Lifestyle Limited (Formerly Known as Elisir
Lifestyle Private Limited)
Future Style Lab Limited
Future Style Lab UK Limited
Indus Tree Producer Transform Limited
Koovs Marketing Consulting Private Limited
(w.e.f. May 30, 2019)
Mineral Fashions Limited
Rachika Trading Limited

vii. Key Management Personnel (KMP)

Managing Director : Kishore Biyani (Change of
Designation w.e.f.
March 5, 2020 from
Managing Director to
Non-Executive
Vice Chairperson)

Non-Executive Directors : Avni Biyani
C P Toshniwal
Luv Parikh (w.e.f.
November 14, 2019)
Rakesh Biyani
Ravinder Singh Thakran

Independent Directors : Bijou Kurien
Dr. Darlie Koshy
Shailesh Haribhakti
Sharda Agarwal

Alternate Director : Chintamani Bhagat
(w.e.f. February 12, 2020)
Narayan Ramachandran
(till May 19, 2019)

viii. Entities over which KMP are able to exercise significant influence

Apollo Design Apparel Parks Limited
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 Coupons Private Limited
Future Entertainment Private Limited
Future Enterprises Limited
Future Generali India Life Insurance Company Limited
Future Generali India Insurance Company Limited
Future Ideas Company Limited
Future Market Networks Limited
Future Retail Limited
Future Sharp Skills Limited.
Future Supply Chain Solutions Limited
Galaxy Cloud Kitchens Limited (Formerly known as
Galaxy Entertainment Corporation Limited)
Goldmohur Design & Apparel Park Limited
Idiom Design and Consulting Limited
Kamadgiri Fashion Limited
KFC Shoemaker Private Limited
Nufuture Digital India Limited
Praxis Home Retail Limited.
Resource World Exim Private Limited
Retail Light Techniques (India) Limited
Suhani Mall Management Company Private Limited
Turtle Limited
Unico Retail Private Limited

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(All amounts in INR crore, unless otherwise stated)

b) Transaction with Related Parties

Nature of transactions	Subsidiary	Associates and Joint Venture	Entities over which KMP exercise significant influence	KMP
Revenue	322.17 (0.31)	21.78 (18.11)	74.29 (40.05)	- (-)
Purchase of Goods and Services	161.93 (147.34)	67.04 (60.80)	979.35 (1,153.30)	- (-)
Sale of Gift Vouchers	- (-)	- (-)	81.43 (-)	- (-)
Purchase of Fixed Assets	- (-)	3.51 (-)	6.33 (19.25)	- (-)
Sale of Fixed Assets	0.02 (1.86)	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	2.32 (3.85)
Sitting Fees & Commission	- (-)	- (-)	- (-)	1.79 (1.76)
Investment Made	357.87 (-)	33.95 (77.73)	- (-)	- (-)
Loans & Advances Given	- (-)	58.77 (82.50)	324.12 (13.94)	- (-)
Loans & Advances Given Received Back	- (-)	- (9.35)	19.08 (-)	- (-)
Deposit Received	- (-)	0.14 (0.05)	0.45 (-)	- (-)
Outstanding Balances as on March 31, 2020	2.89	256.03	369.18	-
Receivable	(-)	(16.37)	(25.10)	(-)
Payable	123.29 (113.98)	27.70 (32.00)	126.96 (352.94)	- (-)

Figures in bracket represent previous year's figures

c) Disclosure in respect of Material Transactions with Related Parties

- (i) Revenue includes DSK Media Private Limited ₹ 312.50 Crore, FLFL Lifestyle Brands Limited ₹ 14.92 Crore (2018-19: ₹ 14.43 Crore), Future Enterprise Limited ₹ 26.00 Crore (2018-19 ₹ 20.01 Crore), Future Retail Limited ₹ 23.33 Crore, Future Specialty Retail Limited ₹ 3.67 Crore (2018-19: ₹ 0.31 Crore), Praxis Home Retail Limited ₹ 21.27 Crore, Rachika Trading Limited ₹ 3.11 Crore.
- (ii) Purchase of Goods and Service includes Celio Future Fashion Private Limited ₹ 18.07 Crore (2018-19: ₹ 10.93 Crore), Future Enterprises Limited ₹ 525.23 Crore (2018-19: ₹ 629.92 Crore), Future Retail Limited ₹ 148.71 Crore (2018-19: ₹ 348.21 Crore), Future Specialty Retail Limited ₹ 158.28 Crore (2018-19: ₹ 147.34 Crore), Future Style Lab Limited ₹ 11.26 Crore (2018-19: ₹ 13.68 Crore), Indus Tree producer Transform Limited ₹ 5.84 Crore, Koovs Marketing Consulting Private Limited ₹ 4.38 Crore, Rachika Trading Limited ₹ 15.80 Crore (2018-19: ₹ 10.00 Crore).
- (iii) Sale of Gift Vouchers include Future Coupons Private Limited ₹ 81.43 Crore.
- (iv) Purchase of Fixed Assets includes Retail Light Techniques (India) Limited ₹ 5.99 Crore (2018-19: ₹ 16.72 Crore), Koovs Marketing Consulting Private Limited ₹ 3.51 Crore.
- (v) Sale of Fixed Assets includes Future Specialty Retail Limited ₹ 0.02 Crore (2018-19: ₹ 1.86 Crore).
- (vi) Investment made includes FLFL Lifestyle Brands Limited ₹ 33.95 Crore (2018-19: ₹ 77.73 Crore), Future Trendz Ltd ₹ 357.82 Crore.
- (vii) Loans and Advance given includes FLFL Lifestyle Brands Limited ₹ 58.77 Crore (2018-19: ₹ 82.46), Future Retail Limited ₹ 324.04 Crore.
- (viii) Loans and Advance given received back includes Future Corporate Resources Private Limited ₹ 17.83 Crore.

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(All amounts in INR crore, unless otherwise stated)

35) 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, 2020 is ₹ 32.63 Crore (2018-19: ₹ 80.55 Crore)

36) DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

	As at March 31, 2020	As at March 31, 2019
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	70.71	15.53
Interest due on above.	1.75	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.	5.37	0.19
The amount of interest accrued and remaining unpaid at the end of each accounting year	5.37	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	5.37	0.19

37) 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.

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(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
FLFL ESOS-2013	88,059	12/02/2020	Note-1	2.00	395.86	389.14

* Share Price on Grant Date considered as the Volume Weighted Average Price at NSE.

Note-1 The vested Stock Options can be exercised within a period of three years from the respective date of vesting.

Stock Options were priced using a Black Scholes option pricing model. Expected Volatility was calculated using standard deviation of daily change in stock price. The historical period for Expected Volatility taken into account to match the expected life of the option. There are no market conditions attached to grant and vest.

	FLFL ESOP - 2013		FLFL ESOP - 2015	
	2019-2020	2018-2019	2019-2020	2018-2019
Date of Grant	12/02/2020	N.A.	N.A.	N.A.
Expected volatility (%)	27.69%	N.A.	N.A.	N.A.
Option life (Years)	3.50	N.A.	N.A.	N.A.
Dividend yield (%) (As a % of FMV)	1.40%	N.A.	N.A.	N.A.
Risk-free interest rate (Average)	5.82%	N.A.	N.A.	N.A.

Movement in Stock Options during the year

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

	2019-2020		2018-2019	
	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	1,34,592	10	1,75,824	10
FLFL ESOP 2015-Primary	13,97,224	10 and 189	16,87,768	10 and 189
Granted during the period				
FLFL ESOS - 2013	88,059	2	-	-
FLFL ESOP 2015-Primary	Nil	-	-	-
Forfeited during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
Exercised during the period				
FLFL ESOS - 2013	1,34,592	10	41,232	10
FLFL ESOP 2015-Primary	5,92,724	189	2,90,544	10 and 189
Expired during the period				
FLFL ESOS - 2013	Nil	NA	-	-
FLFL ESOP 2015-Primary	36,000	189	-	-

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(All amounts in INR crore, unless otherwise stated)

	2019-2020		2018-2019	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
Balance at the end of Year				
FLFL ESOS - 2013	88,059	2	1,34,592	10
FLFL ESOP 2015-Primary	7,68,500	189	13,97,224	10 and 189
Exercisable at the end of the Year				
FLFL ESOS - 2013	Nil	NA	1,34,592	10
FLFL ESOP 2015-Primary	2,62,900	189	3,81,724	10 and 189

The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS - 2013	1,34,592	Various dates	422.85
FLFL ESOP 2015-Primary	5,92,724	Various dates	381.37

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	2019-2020	2018-2019
FLFL ESOS - 2013	1,777 Days	185 Days
FLFL ESOP - 2015-Primary	1,029 Days	1,253 Days

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	Purpose of Loan	As at March 31, 2020		As at March 31, 2019	
		Outstanding Amount	Maximum Amount Outstanding	Outstanding Amount	Maximum Amount Outstanding
Loans					
FLFL Employee Welfare Trust	For acquisition of equity shares under FLFL ESOP 2015	13.12	13.12	-	-
Inter Corporate Deposits					
Idiom Design and Consulting Limited	Operational	1.54	1.54	1.37	1.37
Unico Retail Private Limited	Operational	0.36	0.44	0.42	0.42
FLFL Lifestyle Brands Limited	Operational & Investment in Fashion brands.	239.00	239.00	166.43	166.43

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

Name of the Company	Purpose of Loan	As at March 31, 2020		As at March 31, 2019	
		Outstanding Amount	Maximum Amount Outstanding	Outstanding Amount	Maximum Amount Outstanding
Corporate Guarantees Given					
Indus Tree Producer Transform Limited	To Secure Working Capital Facility	9.30	9.30	9.30	9.30
Rachika Trading Limited	To Secure Working Capital Facility	14.00	14.00	18.62	18.62
Clarks Future Footwear Private Limited	To Secure Working Capital Facility	100.00	100.00	100.00	100.00
Future Speciality Retail Limited	To Secure Working Capital Facility	50.00	50.00	50.00	50.00
Future Style Lab Limited	To Secure Working Capital Facility	15.00	15.00	-	-

Security

The Company has created security by way of pledge on investments held in FLFL Lifestyle Brands Limited, SSIPL Retail Limited, Holii Accessories Limited, Clarks Future Footwear Private Limited and FLFL Athleisure Limited, in favour of the Debenture Trustee to secure the 4,500 Non-Convertible Debentures of ₹ 10 Lakh each, issued by FLFL Lifestyle Brands Limited.

Investments

Refer Note 4 to Notes forming part of Financial Statements

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, 2020	As at March 31, 2019
Total debt including interest accrued	1,384.92	875.60
Less: cash and bank balances	22.28	99.84
Net debt	1,362.64	775.76
Equity	1,612.93	1,647.65
Net debt to equity ratio	84%	47%

Categories of financial instruments

	As at March 31, 2020	As at March 31, 2019
Financial assets		
(i) Measured at Amortised Cost		
Cash and bank balances	22.28	99.84
Trade receivables	168.69	194.35
Loans - Inter corporate deposit	226.03	167.26
Security deposits	175.93	166.37
Loans Given - Others	13.12	-
Other financial assets	19.30	6.14
(ii) Mandatorily measured at fair value through profit and loss	-	-
(iii) Designated at fair value through other comprehensive income		
Investment in equity shares - SSIPL Retail Limited	35.51	40.60
Investment in equity shares - DSK Media Private Limited	18.42	-

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Financial liabilities		
(i) Measured at Amortised Cost		
Borrowing	1,367.60	860.86
Trade payable	2,305.89	1,669.19
Security deposit received	118.48	99.32
Other financial liabilities	186.41	232.68
(ii) Mandatorily measured at fair value through profit and loss		
Derivative liabilities	7.56	6.26

Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	As at March 31, 2020	As at March 31, 2019	
Investments in equity instruments – SSIPL Retail limited	35.51	40.60	Level 2
Investments in equity instruments – DSK Media	18.42	-	Level 2
Derivative liability – written option	7.56	6.26	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 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, 2020	As at March 31, 2019
Amount Payable		
US Dollar (USD)	0.33	5.84
GBP	-	-

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ 0.02 Crore (2018-19: ₹ 0.29 Crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ 0.02 (2018-19: ₹ 0.29 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.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company borrows the money at variable interest rate and therefore it is exposed to interest rate risk.

The interest rate risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The company is not exposed to significant interest rate risk as at the respective reporting dates.

- **Other price risk**

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

If equity prices had been 5% higher/lower, other comprehensive income for the year would increase/decrease by ₹ 1.78 Crore (2018 - 2019: 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.

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.

	2019-2020	2018-2019
Opening Balance	0.55	0.13
Provided during the year	1.50	0.42
Closing Balance	2.05	0.55

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

(ii) **Liquidity risk**

Liquidity risk is the risk that the company will fail in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It includes both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes

Forming Part of the Financial Statements

(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, 2020					
Borrowing including Interest accrued	1,384.92	1,194.84	190.08	-	1,384.92
Trade payable	2,305.89	2,305.89	-	-	2,305.89
Security deposit received	118.48	118.48	-	-	118.48
Other financial liabilities	169.10	169.10	-	-	169.10
Derivative liabilities (net basis)	7.56	-	7.56	-	7.56

	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	1,669.19	1,669.19	-	-	1,669.19
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

- 40)** Reserve Bank of India vide circular number: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 have permitted to grant a moratorium of three months on payment of all installments falling due between March 1, 2020 and May 31, 2020. The said moratorium was further extended for another period of 3 months vide circular number: DOR.No.BP.BC.71/21.04.048/2019-20 from June 1, 2020 to August 31, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by six months after the moratorium period. Accordingly, the following installments falls due between March 1, 2020 and August 31, 2020.

Name of Bank	March 20	April 20	June 20	July 20
Canara Bank	11.25	-	11.25	-
State Bank of India TL I	-	5.63	-	5.63
State Bank of India TL II	4.00	-	11.50	-
Closing Balance	15.25	5.63	22.75	5.63

Also, the rating downgrade has stepped-up the coupon by 25 Bps from the existing coupon of 8.70% per annum to 8.95% per annum.

Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

41) MISCELLANEOUS EXPENSES

Miscellaneous expenses consist of the following:

	2019-2020	2018-2019
House Keeping and Security Expenses	57.10	51.68
Credit Card Charges	42.91	39.09
Legal and Professional Charges	21.21	20.37
Travelling and Conveyance Expenses	12.95	11.61
Other Expenses	110.89	82.69
Total	245.06	205.44

- 42)** COVID 19 pandemic and consequent lockdown imposed throughout the country has had a significant adverse impact on the business operations and the financial results of the Company for the year ended March 31, 2020. The Company has assessed the impact of the lock down on its business operations and financial status and has considered all relevant information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of its financial assets and non-financial assets. The impact of COVID-19 pandemic and consequent global slowdown of business and uncertain overall economic environment may affect the underlying assumptions and estimates used to prepare the Company's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions and take various precautionary measures to ensure health and safety of its customers, employees and other stakeholders from COVID-19 pandemic.
- 43)** The Company alongwith the other parties have entered into a Put and Call Option Agreement dated March 28, 2017 (the 'Agreement') with subscribers of 4500 Non-convertible debentures each having a face value of ₹ 10 Lakh issued by FLFL Lifestyle Brands Limited for an amount of ₹ 450 Crore, which inter-alia defined put options obligations on the Company, to be only exercised on failure of Promoters to perform their obligations under the said Agreements.
- 44)** The Company alongwith the other parties have entered into an Option cum Indemnity Agreement dated January 30, 2020 (the 'Agreement') with subscriber(s) of equity shares (equivalent to 95% of the equity capital) issued by DSK Media Private Limited for an amount of ₹ 350 Crore, which inter-alia defined an option cum indemnity obligations on the Company, to be only exercised on failure of Promoters' entity to perform their obligations under the said Agreements.

As per our report of even date attached

For and on behalf of the Board of Directors

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

Kishore Biyani
Vice Chairperson

Vishnuprasad M
Managing Director

Ashok A. Trivedi
Partner
Membership No. 042472

Saurabh Bhudolia
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Mumbai
July 31, 2020

Independent Auditor's Report

To
The Members of
Future Lifestyle Fashions Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **FUTURE LIFESTYLE FASHIONS LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2020, 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, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial

Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter:

We draw attention to Note no. 40 of the statement, which describes management's assessment of the impact of the COVID-19 pandemic on the financial results of the company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements

Sr No	Key Audit Matter	Auditor's Response
1	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)	<p>Principal Audit Procedures</p> <p>We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with new revenue accounting standard.</p> <p>Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system.</p> <p>We performed substantive testing by selecting samples of rebate and discount transactions recorded during the year and comparing the parameters used in the calculation of the rebate and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the rebates and discounts was in accordance with the terms and conditions defined in the corresponding schemes.</p> <p>Performed analytical procedures for reasonableness of revenues.</p>
2	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.	<p>Principal Audit Procedures</p> <p>Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</p> <p>Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</p> <p>Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</p> <p>Obtained an understanding of management's estimate of business impact of COVID-19 pandemic on provision on inventories.</p> <p>Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</p> <p>Verification of the determination of net realisable value on a representative sample basis</p>

Sr No	Key Audit Matter	Auditor's Response
3	<p>Implementation of Ind AS 116 - Leases (as described in Note 4a of the Consolidated Ind AS Financial Statements)</p> <p>On March 30, 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The Company has applied the modified retrospective method to ongoing leases as of April 1, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 1,246.03 Crore of Right of use asset, lease liability of ₹ 1,576.78 Crore and deferred tax of ₹ 48.27 Crore was debited to retained earnings. As at March 31, 2020, the Company has ₹ 1,111.02 Crore of Right of use (RoU) assets and ₹ 1,374.04 Crore of Lease liabilities.</p> <p>Application of Ind AS 116, requires significant judgement and estimate in identification of lease arrangement, determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Assessed the Company's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116.</p> <p>Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116.</p> <p>Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved.</p> <p>Assessed the underlying assumptions and estimates including the applicable discount rates.</p> <p>We also assessed the Company's disclosures made in accordance with the requirements of Ind AS 116.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies and jointly controlled entities which are companies, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets (net) of ₹ 908.88 Crore as at March 31, 2020, total revenues of ₹ 444.20 and net cash inflows amounting to ₹ (24.87) Crore 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 include the Group's share of Profit after tax of ₹ 0.43 Crore for the year ended March 31, 2020, 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, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies and jointly controlled entities. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the

best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the

Mumbai
July 31, 2020

Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entities.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN:20042472AAAACO1519

Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the **FUTURE LIFESTYLE FASHIONS LIMITED** on the consolidated financial statements for the year ended March 31, 2020, 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 programmed 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 have immovable properties of freehold or leasehold land and building as at March 31, 2020. Therefore, paragraph 3(i) (c) of the Order is applicable.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits as during the year from the public as mentioned in the provision of Section 73 to 76 and any other relevant provisions of the Act and rules framed there under apply. Therefore Paragraph 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

However, according to information and explanations given to us, value added tax and Service Tax which have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
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
Orissa-ET	Entry Tax	0.12	2015-16	
Maharashtra-VAT	Sales Tax	2.28	2015-16	Dy. Commissioner of Sales Tax
Delhi-VAT	Sales Tax	0.49	2015-16	Dy. Commissioner of Sales Tax
Delhi-VAT	Sales Tax	0.14	2016-17	Dy. Commissioner of Sales Tax
Service Tax	Service Tax Act,1994	16.60	2007-2011	Department of Service Tax
The Indian Stamp Act	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.
- 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 consolidated 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
UDIN:20042472AAAACO1519

Mumbai
July 31, 2020

Annexure - B to the Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (1) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ART")

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2020, 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Ind as financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with 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, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies and jointly controlled entities, is based on the corresponding reports of the auditors of such company.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN:20042472AAAACO1519

Mumbai
July 31, 2020

Consolidated Balance Sheet

as at March 31, 2020

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,374.22	1,229.55
Capital work-in-progress		178.50	157.81
Other Intangible assets	3	36.11	44.18
Goodwill on Consolidation		140.30	-
Right-of-use assets	29	1,111.02	-
Net investment in sublease	29	13.83	-
Financial assets			
Investments	4	305.80	305.09
Loans	5	141.31	145.31
Others financial assets	6	0.40	0.08
Deferred tax assets (net)	26	83.54	28.27
Non-current tax assets (net)		12.54	7.44
Other non-current assets	7	95.60	89.56
Total Non - Current Assets		3,493.17	2,007.29
Current Assets			
Inventories	8	2,503.79	2,031.48
Financial assets			
Investments	4	39.44	43.95
Trade receivables	9	381.81	390.29
Cash and cash equivalents	10	12.44	116.51
Bank balances other than the above	11	10.72	9.09
Loans	5	274.82	189.19
Others financial assets	6	18.93	6.14
Other current assets	7	562.90	266.65
Total Current Assets		3,804.85	3,053.30
Total Assets		7,298.02	5,060.59
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	40.35	38.91
Convertible non-participating preference share capital	12	0.01	0.01
Other Equity	13	1,597.26	1,788.12
Equity attributable to owners of the Group		1,637.62	1,827.04
Non-controlling interests		-	0.01
Total Equity		1,637.62	1,827.05
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	14	190.08	673.28
Other financial liabilities	15	7.56	6.26
Lease liabilities	29	964.22	-
Provisions	16	11.63	8.93
Total Non - Current Liabilities		1,173.49	688.47
Current Liabilities			
Financial liabilities			
Borrowings	14	712.50	136.31
Trade payables			
Dues of micro enterprises and small enterprises	35	75.48	18.79
Dues of creditors other than micro enterprises and small enterprises		2,313.79	1,781.11
Other financial liabilities	15	797.38	434.00
Lease liabilities	29	409.82	-
Provisions	16	146.98	107.56
Other current liabilities	17	30.90	67.30
Current Tax liabilities(Net)		0.06	-
Total Current Liabilities		4,486.91	2,545.07
Total Equity and Liabilities		7,298.02	5,060.59
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

Kishore Biyani
Vice Chairperson

Vishnu Prasad M
Managing Director

Ashok A. Trivedi
Partner
Membership No. 042472

Saurabh Bhudolia
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Mumbai
July 31, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in INR crore, unless otherwise stated)

	Note	2019-2020	2018-2019
REVENUE			
Revenue from operations	18	6,297.30	5,728.12
Other Income	19	64.27	38.31
Total Revenue		6,361.57	5,766.43
EXPENSES			
Cost of materials consumed		-	1.65
Purchases of Stock-in-trade		4,641.38	4,237.35
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(472.31)	(549.56)
Employee benefits expense	21	348.34	330.79
Finance costs	22	305.54	116.82
Depreciation and amortisation expense	3	701.53	207.10
Other expenses	23	788.84	1,182.01
Total Expenses		6,313.32	5,526.16
Profit Before Exceptional Item and Tax		48.25	240.27
Exceptional Item - (Loss)	24	(83.78)	-
Profit/(Loss) before tax		(35.53)	240.27
Tax Expense	25	17.80	46.52
Profit/(Loss) Before Non-Controlling Interests/Share in Net Loss of Associates and Joint Ventures		(53.33)	193.75
Share in Net Profit/(Loss) of Associates and Joint Ventures		0.29	(4.75)
Profit/(Loss) for the Year		(53.04)	189.00
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans	32	(1.91)	0.94
(b) Equity Instrument at fair value through OCI		13.32	0.62
Income tax relating to items that will not be reclassified to profit or loss		(2.46)	(0.33)
Total Other Comprehensive Income, Net of Tax		8.95	1.23
Total comprehensive income/(loss) for the Year		(44.09)	190.23
Profit for the year Attributable to:			
Owners of the Group		(53.04)	188.99
Non-controlling interests		-	0.01
Total Comprehensive Income for the Year Attributable to:			
Owners of the Group		(44.09)	190.22
Non-controlling interests		-	0.01
Earnings per equity share of Face Value of ₹ 2 each			
	31		
Basic (₹)		(2.22)	9.82
Diluted (₹)		(2.22)	9.79
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

Kishore Biyani
Vice Chairperson

Vishnuprasad M
Managing Director

Ashok A. Trivedi
Partner
Membership No. 042472

Saurabh Bhudolia
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

 Mumbai
July 31, 2020

(All amounts in INR crore, unless otherwise stated)

	Reserve and Surplus										
	Equity Component of Compound Financial Instruments	Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earning	Equity instruments through Other Comprehensive Income	Attributable to Owners of the group	Non-controlling Interests	Total other equity
Profit for the Year							(53.04)	(53.04)			(53.04)
Other Comprehensive income for the year, Net of Income tax							(4.37)	13.32	8.95		8.95
Total Comprehensive income for the year							(57.41)	13.32	(44.09)		(44.09)
Transfer to Securities premium on exercise of ESOP			11.64		(11.64)						
Received on Issue of Equity shares			308.78						308.78		308.78
Impact of Ind AS 116							(254.39)		(254.39)		(254.39)
Transfer to Securities Premium Reserve	(174.83)								(174.83)		(174.83)
Non-controlling Interests										(0.01)	(0.01)
Recognition of Share-based payments					6.53				6.53		6.53
Payment of Dividend on Equity Shares							(27.26)		(27.26)		(27.26)
Payment of tax on Dividend on Equity Shares							(5.60)		(5.60)		(5.60)
Balance as at March 31, 2020	-	426.99	822.31	50.00	15.53	88.04	174.80	19.59	1,597.26	-	1,597.26

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Firm Registration No. 119860W

Ashok A. Trivedi

Partner

Membership No. 042472

Mumbai

July 31, 2020

For and on behalf of the Board of Directors

Kishore Bijyani

Vice Chairperson

Vishnu Prasad M

Managing Director

Saurabh Bhudolia

Chief Financial Officer

Sanjay Kumar Mutha

Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(All amounts in INR crore, unless otherwise stated)

	2019-20	2018-19
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(53.04)	189.00
Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities		
Income tax expense	17.80	46.52
Finance costs	305.54	116.82
Interest income	(41.77)	(31.96)
Loss on disposal/discard of property, plant and equipment	35.85	28.01
Provision for Diminution of Investment	83.78	-
(Gain) on derecognition of lease	(2.63)	-
Expected credit loss allowance (for doubtful debts)	9.52	0.42
Depreciation and amortisation of property, plant and equipment and intangible assets	701.53	207.10
Share of (Profit)/Loss of Associates and Joint Ventures	(0.29)	4.75
Expense recognised in respect of equity-settled share-based payments	6.53	12.48
Bad Debts/(Sundry Balances written back)	0.35	0.32
Cash Generated from operations before working capital changes	1,063.17	573.46
Movements in working capital:		
(Increase) in trade and other receivables	(310.43)	(84.18)
(Increase) in inventories	(472.31)	(548.60)
(Increase) in other assets	(28.90)	(111.17)
Increase in trade payables	588.66	706.65
Increase in provisions	40.22	20.80
Increase/(Decrease) in other liabilities	(57.67)	51.52
Cash generated from operations	822.74	608.48
Direct taxes paid	(31.71)	(46.30)
Net cash generated by operating activities	791.03	562.18
B CASH FLOWS FROM INVESTING ACTIVITIES		
Inter corporate deposit (Given)(Net)	(58.77)	(92.54)
Interest received	39.78	31.96
Payments for property, plant and equipment, intangible assets	(485.43)	(432.08)
Proceeds from disposal of property, plant and equipment	2.49	0.79
Payment to acquire financial assets - Investment	(381.49)	(136.12)
Rent Income	13.14	-
Realisation of deposits/restricted deposits with banks	(1.95)	0.04
Net cash (used in) investing activities	(872.23)	(627.95)

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(All amounts in INR crore, unless otherwise stated)

	2019-20	2018-19
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity instruments of the Company	310.22	170.97
Proceeds from Borrowings	478.95	120.20
Interest received	(151.20)	(116.82)
Payment of Lease liability and other incidental expenses	(627.97)	-
Dividend Paid (Including Dividend Distribution Tax)	(32.87)	(28.13)
Net cash used in financing activities	(22.87)	146.22
Net increase in cash and cash equivalents	(104.07)	80.45
Cash and cash equivalents at the beginning of the year	116.51	36.06
Cash and cash equivalents at the end of the year (Refer Note 10)	12.44	116.51

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
July 31, 2020

For and on behalf of the Board of Directors

Kishore Biyani
Vice Chairperson

Saurabh Bhudolia
Chief Financial Officer

Vishnu Prasad M
Managing Director

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 July 31, 2020. 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.

Notes

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, 2020	As at March 31, 2019
Future Trendz Limited	Subsidiary	India	Fashion Retail and investment in fashion Brand(s)	100.00%	100.00%
Future Speciality Retail Limited	Subsidiary	India	Fashion Retail	100.00%	99.96%
FLFL 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	51%	51%
FLFL Travel Retail Guwahati Private Limited	Joint Venture	India	managing retail outlets /	51%	51%
FLFL Travel Retail West Private Limited	Joint Venture	India	space at	51%	51%
FLFL Travel Retail Lucknow Private Limited	Joint Venture	India	Air Ports	51%	51%
FLFL Lifestyle Brands Limited	Joint Venture	India	Fashion Retail and investment in fashion Brands	49.02%	49.02%
Clarks Future Footwear Private Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%
Holii Accessories Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%

2.4 Investments in Associate and Joint Venture

Associate is an entity over which the Group has significant influence but not having control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate and joint venture is accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the associate/ joint venture after the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, if any.

2.5. Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except deferred tax assets or liabilities. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree over the net of the acquisition date

amounts of the identifiable assets acquired and the liabilities assumed.

2.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

Depreciation on property, plant and equipment has been provided on Straight Line Method over their useful lives. Estimated useful lives of the assets are as below:

Property, Plant and Equipment	Number of Years
Plant and Equipment	15 years
Office Equipment	5 years
Furniture, Fixture and other Fittings*	7 years
Leasehold Improvement*	Lease term or 7 years, whichever is lower
Vehicle	8 years
Computers (End User Device)	3 years
Computers (Other than End User Device)	6 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Notes

Forming Part of the Consolidated Financial Statements

The residual values, estimated useful lives and methods of depreciation are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

2.7. 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 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 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 on selling 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.

Notes

Forming Part of the Consolidated Financial Statements

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

2.11. Leases

The Group as a lessee

The Group's Lease assets classes primarily consist of leases for Buildings (Leased Stores). The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU" and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate

that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

2.12. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of consolidated profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities

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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 arises 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.

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.

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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.

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

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cash and bank balances. Financial liabilities primarily comprise of borrowings, trade and other payables and financial guarantee contracts.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets/ issue of financial liabilities are added to the fair value of the financial assets/ subtracted from fair value of financial liabilities on initial recognition, except for financial asset/ liability is subsequently measured at fair value through profit or loss.

Subsequent measurement

Financial assets

Financial assets are measured subsequent based on their classification. The Company classifies its financial assets in the following measurement categories:

- a. At amortised cost - Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- b. At fair value through other comprehensive income - Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to Statement of profit and loss.
- c. At fair value through Statement of profit and loss) Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss. Dividend income from these financial assets is included in other income.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Investment in equity instruments either at FVTPL or FVTOCI

Investment in equity instruments are measured at FVTPL with fair value changes is being recognised in consolidated statement of profit and loss. However, on initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

Financial guarantee obligation

A financial guarantee contract is a contract that requires the issuer to make specified payments to 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.

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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 dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property, plant and equipment, investment in joint venture and associate and impairment of goodwill

Determining whether the assets are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

Provisions, liabilities and contingencies

The timing of recognition of provision requires application of judgement to existing facts and circumstances which may be subject to change

Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of estimate is required in establishing fair values.

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(All amounts in INR crore, unless otherwise stated)

3) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Descriptions of Assets	Gross Block (At cost / deemed cost)			Depreciation / Amortisation			Net Block		
	As at April 01, 2019	Additions	Deletions	As at March 31, 2020	As at April 01, 2019	For the Year	Deletions	As at March 31, 2020	As at March 31, 2019
A Property, plant and equipment									
Leasehold Improvements	284.45	104.35	9.11	379.69	59.13	57.75	4.13	112.75	225.32
Plant & Equipments	202.00	24.02	8.12	217.90	33.85	17.08	2.02	48.91	168.15
Office Equipments	34.17	7.94	1.08	41.03	11.38	7.23	0.60	18.01	22.79
Computer & IT Equipment	58.50	12.12	1.33	69.29	25.70	13.67	0.83	38.54	32.80
Furniture, Fixtures & Other Fittings	1,019.20	305.36	45.28	1,279.28	239.35	174.94	19.00	395.29	779.85
Vehicles	0.85	-	-	0.85	0.21	0.11	-	0.32	0.64
Total	1,599.17	453.79	64.92	1,988.04	369.62	270.78	26.58	613.82	1,229.55
B Other Intangible Assets									
Computer Software	14.36	10.94	0.00	25.30	9.32	2.52	-	11.84	5.04
Trademarks, Copyrights & Patents	53.42	-	-	53.42	14.28	16.49	-	30.77	39.14
Total	67.78	10.94	0.00	78.72	23.60	19.01	-	42.61	44.18
Grand Total	1,666.95	464.73	64.92	2,066.76	393.22	289.79	26.58	656.43	1,273.73
Previous Year	1,149.51	633.28	115.84	1,666.95	225.05	207.10	38.93	393.22	924.46

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(All amounts in INR crore, unless otherwise stated)

4) INVESTMENTS

	Number of Units		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Non-Current Investment				
Trade Investments fully paid up of ₹10 each unless otherwise stated				
Quoted				
KOOVS PLC (₹ 0.10 per ordinary share)	10,37,15,663	5,78,76,600	81.56	52.53
KOOVS PLC - CCPS	8,81,523	-	2.22	-
Less :- Diminution in value of Investment	-	-	(83.78)	-
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	165.57	168.27
FLFL Travel Retail Bhubaneswar Private Limited	5,100	-	0.61	-
FLFL Travel Retail Guwahati Private Limited	5,100	-	1.56	-
FLFL Travel Retail West Private Limited	5,100	-	1.40	-
Others (at fair value through other comprehensive income)				
DSK Media Private Limited	10,000	-	18.42	-
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	11,16,80,000	7,77,30,000	111.68	77.73
Aggregate book value of unquoted Non-Current Investments			305.80	252.56
			305.80	305.09
Current Investment				
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	3.78	3.19
Holii Accessories Limited	1,90,000	1,90,000	0.15	0.16
Others (at fair value through other comprehensive income)				
SSIPL Retail Limited	6,09,197	6,09,197	35.51	40.60
Aggregate book value of unquoted Current Investments			39.44	43.95

5) LOANS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Security Deposits	141.31	145.31
	141.31	145.31
Current		
Loan given to Others	13.12	-
Security Deposits	35.67	21.93
Inter Corporate Deposits	226.03	167.26
	274.82	189.19

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(All amounts in INR crore, unless otherwise stated)

6) OTHERS FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Bank deposits more than 12 months maturity	0.40	0.08
	0.40	0.08
Current		
Insurance Claim Receivable	4.06	5.17
Other Receivables	14.87	0.97
	18.93	6.14

7) OTHER ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital Advances	3.38	15.02
Prepaid Expenses	92.22	74.54
	95.60	89.56
Current		
Balance with Government authorities	169.23	164.04
Advance to suppliers	358.95	63.16
Prepaid Expenses	17.87	26.76
Others	16.85	12.69
	562.90	266.65

8) INVENTORIES

	As at March 31, 2020	As at March 31, 2019
Stock-in-Trade (Goods-in-Transit of ₹ 52.58 Crore, 2018-19: ₹44.16 Crore)	2,501.88	2,029.31
Packing Material	1.9	2.17
	2,503.79	2,031.48

9) TRADE RECEIVABLES (UNSECURED)

	As at March 31, 2020	As at March 31, 2019
Current		
Considered Good	381.81	390.29
Considered Doubtful	10.07	0.55
	391.88	390.84
Less :- Expected credit loss allowance (for doubtful receivables)	10.07	0.55
	381.81	390.29

10) CASH AND CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019
Cash on Hand	1.37	15.81
In Current Accounts	2.01	34.33
Cheques on Hand	-	25.50
Balance with credit card and e-wallet companies	9.06	40.87
	12.44	116.51

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(All amounts in INR crore, unless otherwise stated)

11) OTHER BALANCES WITH BANKS

	As at March 31, 2020	As at March 31, 2019
Bank deposits (with maturity less than 12 months)	10.52	8.94
Earmarked Accounts (for unpaid dividend)	0.20	0.15
	10.72	9.09

12) SHARE CAPITAL

(a) Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
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	20,17,74,874	40.35	19,45,68,077	38.91
	20,17,74,874	40.35	19,45,68,077	38.91

Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2020	As at March 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	19,45,68,077	19,04,13,837
Add : Shares issued on exercise of employee stock option	7,27,316	3,31,776
Add : Issued during the year*	64,79,481	38,22,464
At the end of the year	20,17,74,874	19,45,68,077

* The Board of Directors at its meeting held on July 26, 2019 and the Shareholders of the Company at their meeting held on August 26, 2019, have approved issue of 64,79,481 equity shares of face value of ₹ 2 each fully paid-up at an issue price of ₹ 463 per equity share for cash, including a premium of ₹ 461 per equity share, aggregating to ₹ 299.99 Crore to Apollo India Private Equity IV (Mauritius) Limited under the preferential issue 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, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited	7,54,41,490	37.39	10,16,64,765	52.25
Spectacular Investments PTE Limited	1,94,04,207	9.62	1,94,04,207	9.97
RSCL Trading Private Limited	1,45,38,559	7.21	-	-
Life Insurance Corporation of India	1,41,72,733	7.02	84,96,421	4.37
BTO FPI III Pte. Ltd.	1,16,84,716	5.79	-	-

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(All amounts in INR crore, unless otherwise stated)

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.

(b) Compulsory Convertible Preference Shares Series II

	As at March 31, 2020		As at March 31, 2019	
	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

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	100	100
Add : Issued during the year	-	-
At the end of the year	100	100

Terms/Rights Attached to CCPS Series II

CCPS Series II: The Company has CCPS Series II having a par value of INR 910 per share. Each share is convertible into equity shares of the company such that the percentage of CCPS holder's shareholding post conversion is at least 2.5% of the equity shares of the Company on a fully diluted basis. In the event of liquidation of the Company, the holder of CCPS shall rank senior to equity shares and other classes or series of the share capital of the Company.

Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
India Customer Insight Fund (an alternate Investment Fund)	100	100.00	100	100.00

13) OTHER EQUITY

	As at	As at
	March 31, 2020	March 31, 2019
Capital Reserve	426.99	426.99
Securities Premium	822.31	501.89
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	15.53	20.64
General Reserve	88.04	88.04
Retained Earning	174.80	519.46
Equity instruments through Other Comprehensive Income	19.59	6.27
Equity Component of Compound Financial instruments	-	174.83
	1,597.26	1,788.12

For addition and deduction under each of the above heads refer statement of change 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 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.

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, 2020	As at March 31, 2019
Non-Current		
Secured - at amortised cost		
8.70% Redeemable Non Convertible Debentures (NCD)	-	349.08
Term Loans from Banks	190.08	303.97
Liability Component of Compound Financial Instruments	-	20.23
	190.08	673.28
Current		
Secured - at amortised cost		
Working Capital Loans from Banks	562.50	136.31
Un-Secured - at amortised cost		
Short term loan Banks	150.00	-
	712.50	136.31

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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, 2020	As at March 31, 2019
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 9, 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.	349.65	349.08
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 5 Step up Quarterly installments. (Next installment due in June, 2020). Interest :- Base Rate +1.10% i.e 10.25% p.a. Interest is paid as and when due.	55.93	85.16
(ii) a)	Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 19 step-up quarterly Installments. (Next Installment due in June, 2020)	129.58	140.40
b)	Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.55% p.a (as on March 31, 2020). Interest is paid as and when due.		
(iii) a)	Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 20 step-up quarterly Installments. (Next Installment due in April, 2020)	134.84	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% 9.55% p.a (as on March 31, 2020). Interest is paid as and when due.		
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 INR 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 INR 24.38 Crore per annum, 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. The presentation of the liability and equity components of these shares is explained below:		-	42.69
			670.00	767.24
	Less : Current Maturities of Long Term Borrowings		479.92	93.96
	Total		190.08	673.28

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(All amounts in INR crore, unless otherwise stated)

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

Nature of Security	Terms of Interest & Repayment
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 9.70 % in the Financial Year 2020.
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, 2020	As at March 31, 2019
Non-Current		
Derivative liability	7.56	6.26
	7.56	6.26
Current		
Current Maturities of Long-Term Borrowings	479.92	93.96
Interest Accrued but Not Due on Borrowings	17.44	14.74
Unclaimed Dividend	0.20	0.15
Creditors for Capital supplies/services	135.60	184.80
Payable to employees	19.20	24.83
Security Deposits	119.69	100.76
Financial guarantee obligations	0.84	0.77
Other Payables	24.49	13.99
	797.38	434.00

16) PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Gratuity	11.63	8.93
	11.63	8.93
Current		
Leave encashment	9.93	7.93
Gratuity	1.44	1.32
Provision for right of return	135.61	98.31
	146.98	107.56

17) OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Advance received from Customers	22.42	55.99
Other Current Liabilities	8.48	11.31
	30.90	67.30

Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

18) REVENUE FROM OPERATIONS

	2019-2020	2018-2019
Sale of Products	6,804.78	6,200.29
Less: Goods and Service Tax	622.95	576.04
	6,181.83	5,624.25
Other Operating Revenue	115.47	103.87
	6,297.30	5,728.12

19) OTHER INCOME

	2019-2020	2018-2019
Interest Income	41.77	31.96
Miscellaneous Income	22.50	6.35
	64.27	38.31

20) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2019-2020	2018-2019
Opening Inventories		
Finished Goods	-	27.23
Work-in-Progress	-	0.07
Stock- in-Trade	2,031.48	1,454.62
Closing Inventories		
Stock- in-Trade	2,503.79	2,031.48
	(472.31)	(549.56)

21) EMPLOYEE BENEFITS EXPENSE

	2019-2020	2018-2019
Salaries and Wages	314.61	294.09
Share-based payment to employees (Refer Note 36)	6.53	12.48
Contribution to Provident and Other Funds	22.05	16.82
Staff Welfare Expenses	5.15	7.40
	348.34	330.79

22) FINANCE COST

	2019-2020	2018-2019
Interest Expense	109.78	93.31
Interest expense on borrowings	1.75	-
Other Borrowing Costs	39.67	23.51
Interest expense on lease liabilities	154.34	-
	305.54	116.82

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Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

23) OTHER EXPENSES

	2019-2020	2018-2019
Power and Fuel	140.53	136.68
Repairs and Maintenance		
Buildings	18.95	20.97
Others	10.01	8.65
Insurance	8.28	6.65
Rates and Taxes	8.73	7.98
Rent	102.91	549.92
Common Area Maintenance	60.73	58.81
Advertisement and Marketing	140.72	149.52
Loss on Disposal/Discard of Fixed Assets (Net)	35.85	28.01
Expected credit loss allowance (for doubtful receivables)	9.52	0.42
Bad Debts Written Off	0.35	0.32
Corporate Social Responsibility (CSR) (Refer Note 30)	3.60	2.47
Miscellaneous Expenses (Refer Note 39)	248.66	211.61
	788.84	1,182.01

24) EXCEPTIONAL ITEM - (LOSS)

	2019-2020	2018-2019
Provision for Diminution of Investment	83.78	-
	83.78	-

25) TAX EXPENSE

Income tax expense recognised in statement of Profit or Loss

	2019-2020	2018-2019
Current Tax	26.67	43.16
Adjustment of tax relating to earlier periods	-	(7.24)
Deferred Tax	(8.87)	10.60
Total	17.80	46.52

Income Tax expense recognised in other comprehensive income

	2019-2020	2018-2019
Deferred Tax	2.46	0.33

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:

	2019-2020	2018-2019
Profit before tax from continuing operations	(35.53)	240.27
Income tax expense calculated at 25.168%/ 34.944%	(8.94)	83.96
Effect of:		
Expenses that are not deductible in determining taxable profit	40.36	11.83
Availment of Mat Credit	3.45	(3.45)
Utilisation of tax credit	-	(4.70)
Adjustment in respect of current income tax of earlier years	-	(7.24)
Other permanent differences	(17.07)	(33.88)
Income tax expense recognised in statement of Profit and Loss	17.80	46.52

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Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

26) DEFERRED TAX ASSETS

Movement of deferred tax assets/ (liabilities)

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2020

	Opening balance	Recognised in Retained Earnings	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities in relation to:					
Financial asset measured at fair value	4.56	-	-	2.94	7.50
Others	76.55	-	-	-	76.55
Total deferred tax liabilities	81.11	-	-	2.94	84.05
Deferred tax assets in relation to:					
Property, plant and equipment and intangible assets	96.19	(27.94)	15.32	-	83.57
IND AS 116 Opening and Current Year Impact	-	76.21	(0.81)	-	75.40
Employee benefit obligation	7.37	-	(1.85)	0.48	6.00
Provision for doubtful debts	0.15	-	0.23	-	0.38
Availment of MAT Credit	3.45	-	(3.45)	-	-
Others	2.22	-	0.02	-	2.24
Total deferred tax assets	109.38	48.27	9.46	0.48	167.59
Net deferred tax asset/ (liabilities)	28.27	48.27	9.46	(2.46)	83.54

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

27) CONTINGENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debt	28.92	7.25
Corporate Guarantees given	188.30	177.92
Guarantees given by the bank on behalf of the Group	31.97	31.14

28) 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.

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(All amounts in INR crore, unless otherwise stated)

29) DISCLOSURE RELATING TO LEASES

Effective April 1, 2019, The Group adopted IND AS 116 and applied the standard to all existing Lease Contracts as on April 1, 2019 using Modified Retrospective Method and has taken Cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental Borrowing rate. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On Transition, Adoption of New Standard Resulted in Recognition of "Right of Use asset of ₹ 1,246.03 Crore", "Net Investment in Sublease of ₹ 28.07 Crore" and "Lease Liability of ₹ 1,576.78 Crore". The cumulative effect of applying the standard, amounting to ₹ 226.47 Crore (net of taxes) was debited to retained earnings.

The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
4. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.20%.
5. Estimated Life of Each Leased Store considered in this Standard is taken as Earlier of 7 years from Commencement or Actual Lease Contract End date.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

	As at March 31, 2020
Balance as at April 1, 2019	1,246.03
Additions During the Year	383.57
Deletions During the Year	(106.84)
Depreciation for the Year	(411.74)
Balance as at March 31, 2020	1,111.02

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

	As at March 31, 2020
Current Lease Liabilities	409.82
Non-Current Lease Liabilities	964.22
Total	1,374.04

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(All amounts in INR crore, unless otherwise stated)

The following is the movement in lease liabilities during the year ended March 31, 2020

	As at March 31, 2020
Balance as at April 1, 2019	1,576.78
Additions During the Year	382.71
Finance Cost Accrued During the Year	154.34
Payment of Lease Liabilities	(627.12)
Deletions During the Year	(112.67)
Balance as at March 31, 2020	1,374.04

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	As at March 31, 2020
Less than One Year	187.88
One to Five Years	194.18
More than Five Years	10.23
Total	392.29

Rental Expenses recorded for Short Term Leases was ₹ 36.18 Crore for the year ended March 31, 2020.

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2020:

	As at March 31, 2020
Balance as at April 1, 2019	28.07
Interest Income Accrued During the Year	1.99
Lease Receipts	(13.14)
Deletions During the Year	(3.09)
Balance as at March 31, 2020	13.83

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2020 on an undiscounted basis:

	As at March 31, 2020
Less than One Year	17.93
One to Five Years	12.27
Total	30.20

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:

	2019-2020	2018-2019
Gross amount required to be spent by the Group	3.60	2.47
Details of amount spent are as under:		
Measures for reducing inequalities faced by socially and economically backward groups	3.29	2.32
Creating access to better healthcare facilities	-	0.14
Enabling better livelihood through education	-	0.11
Total	3.29	2.57

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Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

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	2019-2020	2018-2019
Profit attributable to Equity Share holders	₹ in Crore	(44.09)	190.22
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in Crore	19.84	19.36
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in Crore	19.89	19.43
Earnings per share - Basic	₹	(2.22)	9.82
Earnings per share - Diluted	₹	(2.22)	9.79
Face value per share	₹	2.00	2.00

32. 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, 2020	As at March 31, 2019
Discount rate	6.46%	7.05%
Salary Escalation	0% for first year and 5% thereafter	7% for first 2 years and 5% thereafter
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Service <5 Years: 46% Service >5 Years: 2%	Service <5 Years : 46% Service >5 Years : 2%
Retirement Age	58 years	58 years

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(All amounts in INR crore, unless otherwise stated)

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

	2019-2020	2018-2019
Total Service Cost	2.97	2.71
Net Interest Expenses	0.68	0.68
Components of expense recognised in the statement of Profit and Loss (A)	3.65	3.39
Remeasurements on the net defined benefit liability:		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.01)	(1.63)
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.19	0.82
Actuarial (Gain)/Loss arising from experience adjustments	1.73	(0.13)
Total Amount recognised in other comprehensive income (B)	1.91	(0.94)
Total cost recognised (A+B)	5.56	2.45

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, 2020	As at March 31, 2019
Present value of unfunded defined benefit obligation	13.06	10.25

v. Movement in present value of the defined benefit obligation

	2019-2020	2018-2019
Opening defined benefit obligation	10.25	9.09
Total Service Cost	2.97	2.71
Net Interest Expenses	0.68	0.68
Remeasurements on the net defined benefit liability		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(0.01)	(1.63)
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.19	0.82
Actuarial (Gain)/Loss arising from experience adjustments	1.73	(0.13)
Benefits paid	(2.75)	(1.29)
Closing defined benefit obligation	13.06	10.25

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.

Increase/(decrease) in defined benefit liability	As at March 31, 2020	As at March 31, 2019
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(11.12)	(8.87)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	14.12	11.00
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	13.84	10.83
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(11.29)	(8.96)

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(All amounts in INR crore, unless otherwise stated)

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 ₹ 5.88 Crore (2018-19: ₹ 4.60 Crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	2019-2020	2018-2019
Discounted Rate	6.46%	7.05%
Salary Increase Rate	0% for first year and 5% thereafter	7% for first 2 years and 5% thereafter
Attrition Rate	Service <5 Years: 46% Service >5 Years: 2%	Service <5 Years : 46% Service >5 Years : 2%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult

33. RELATED PARTY DISCLOSURES

a) Name of Related Parties and Nature of Relationship:

i. Holding Companies

Ryka Commercial Ventures Private Limited
(till October 15, 2019)

ii. Ultimate Controlling Entity

Lifestyle Trust (till October 15, 2019)

iii. Fellow Subsidiary

Future Hospitality Management Limited
(till October 15, 2019)

iv. Joint Ventures

Celio Future Fashion Private Limited
Clarks Future Footwear Private Limited
FLFL Lifestyle Brands Limited
FLFL Travel Retail West Private Limited
FLFL Travel Retail Bhubaneswar Private Limited
FLFL Travel Retail Guwahati Private Limited
FLFL Travel Retail Lucknow Private Limited
Holii Accessories Limited

v. Associates

Excellent Lifestyle Limited (Formerly Known as Elisir Lifestyle Private Limited)
Future Style Lab Limited
Future Style Lab UK Limited
Indus Tree Producer Transform Limited
Koovs Marketing Consulting Private Limited
Mineral Fashions Limited
Rachika Trading Limited

vi. Key Management Personnel (KMP)

Managing Director : Kishore Biyani (Change of Designation w.e.f. March 5, 2020 from Managing Director to Non-Executive Vice Chairperson)

Non-Executive Directors : Avni Biyani
C P Toshniwal
Rakesh Biyani
Ravinder Singh Thakran
Luv Parikh (w.e.f. November 14, 2019)

Independent Directors : Bijou Kurien
Dr. Darlie Koshy
Shailesh Haribhakti
Sharda Agarwal

Alternate Director : Chintamani Bhagat (w.e.f. February 12, 2020)
Narayan Ramachandran (till May 20, 2019)

Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

vii. Entities over which KMP are able to exercise significant influence

Apollo Design Apparel Parks Limited
 Banshi 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 Coupons Private Limited
 Future Entertainment Private Limited
 Future Enterprises Limited
 Future Generali India Life Insurance Company Limited
 Future Generali India Insurance Company Limited
 Future Ideas Company Limited
 Future Market Networks Limited

Future Retail Limited
 Future Sharp Skills Limited
 Future Supply Chain Solutions Limited
 Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited)
 Goldmohur Design & Apparel Park Limited
 Idiom Design and Consulting Limited
 KFC Shoemaker Private Limited
 Kamadgiri Fashion Limited
 Nufuture Digital India Limited
 Praxis Home Retail Limited.
 Resource World Exim Private Limited
 Retail Light Techniques (India) Limited
 Suhani Mall Management Company Private Limited
 Turtle Limited
 Unico Retail Private Limited

b) Transaction with Related Parties

Nature of transactions	Associates and Joint Venture	Entities over which KMP exercise significant influence	KMP
Revenue from Operations	21.78 (18.11)	74.29 (40.05)	- (-)
Purchase of Goods and Services	67.04 (60.80)	979.35 (1,153.30)	- (-)
Sale of Gift Vouchers	- (-)	81.43 (-)	- (-)
Purchase of Fixed Assets	3.51 (-)	6.33 (19.25)	- (-)
Sale of Fixed Assets	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	2.32 (3.85)
Sitting Fees & Commission	- (-)	- (-)	1.79 (1.76)
Investment Made	33.95 (77.73)	- (-)	- (-)
Loans & Advances Given	58.77 (82.50)	324.12 (13.94)	- (-)
Loans & Advances Given Received Back	- (9.35)	19.08 (-)	- (-)
Deposit Received	0.14 (0.05)	0.45 (-)	- (-)
Outstanding Balances as on March 31,2020 Receivable	256.03 (16.37)	369.18 (25.10)	- (-)
Payable	27.70 (32.00)	126.96 (352.94)	- (-)

Figures in bracket represent previous year's figures

Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

c) Disclosure in respect of Material Transactions with Related Parties

- (i) Revenue from Operations includes Future Enterprise Limited ₹ 26.00 Crore (2018-19: ₹ 20.01 Crore), FLFL Lifestyle Brands Limited ₹ 14.92 Crore (2018-19: ₹ 14.43 Crore), Future Retail Limited ₹ 23.33 Crore (2018-19: ₹ 16.40 Crore), Praxis Home Retail Limited ₹ 21.27 Crore, Rachika Trading Limited ₹ 3.11 Crore.
- (ii) Purchase of Goods and Service includes Celio Future Fashion Private Limited ₹ 18.07 Crore (2018-19: ₹ 10.93 Crore), Future Enterprises Limited ₹ 525.23 Crore (2018-19: ₹ 629.92 Crore), Future Retail Limited ₹ 148.71 Crore (2018-19: ₹ 348.21 Crore), Future Style Lab Limited ₹ 11.26 Crore (2018-19: ₹ 13.68 Crore), Indus Tree producer Transform Limited ₹ 5.84 Crore, Koovs Marketing Consulting Private Limited ₹ 4.38 Crore, Rachika Trading Limited ₹ 15.80 Crore (2018-19: ₹ 10.00 Crore).
- (iii) Sale of Gift Vouchers include Future Coupons Private Limited ₹ 81.43 Crore
- (iv) Purchase of Fixed Assets includes Retail Light Techniques (India) Limited ₹ 5.99 Crore (2018-19: ₹ 16.72 Crore), Koovs Marketing Consulting Private Limited ₹ 3.51 Crore.
- (v) Investment made includes FLFL Lifestyle Brands Limited ₹ 33.95 Crore (2018-19: ₹ 77.73 Crore).
- (v) Loans and Advance given includes FLFL Lifestyle Brands Limited ₹ 58.77 Crore (2018-19: ₹ 82.46), Future Retail Limited ₹ 324.04 Crore.
- (vi) Loans and Advance given received back includes Future Corporate Resources Private Limited ₹ 17.83 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, 2020 is ₹ 32.74 Crore (2018-19: ₹ 81.13 Crore)

35) DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

	As at March 31, 2020	As at March 31, 2019
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	75.48	18.79
Interest due on above.	1.79	0.11
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.	5.86	0.19
The amount of interest accrued and remaining unpaid at the end of each accounting year	5.90	0.27
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	5.37	0.19

36) 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, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and in due compliance with other applicable laws and regulations.

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Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

The Stock Options granted under FLFL ESOS - 2013 would vest after 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of vested Stock Options is 3 years from the respective date of vesting of Stock Options.

b) FLFL Employees Stock Options Plan – 2015 (FLFL ESOP – 2015):

The Shareholders of the Company at their Annual General Meeting held on August 26, 2015 had approved the FLFL ESOP - 2015 and also approved the issue of 35,00,000 Stock Options exercisable into equivalent number of Equity Shares, to be issued and allotted under primary issue or to be acquired by way of secondary acquisition, to or for the benefit of Eligible Employees under FLFL ESOP 2015, not exceeding 35,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be determined by NRC, in accordance with the provisions of this FLFL ESOP 2015, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the SEBI SBEB Regulations, the Company has set up a 'Future Lifestyle Fashions Limited Employees' Welfare Trust' ("Trust") for implementation of FLFL ESOP 2015.

Stock Options granted under FLFL ESOP - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

The following share-based payment arrangements were in existence during the current and prior years:

	Number of Stock Options Granted	Grant date	Expiry date	Exercise Price	*Share Price on Grant Date (in ₹)	Average Fair value of Option at Grant Date (in ₹)
FLFL ESOS-2013	3,01,161	17/01/2014	Note-1	10.00	69.51	82.19
FLFL ESOS-2013	4,64,622	29/10/2014	Note-1	10.00	94.14	84.21
FLFL ESOS-2013	3,95,476	31/08/2015	Note-1	10.00	70.10	60.79
FLFL ESOP-2015	5,87,086	11/11/2016	Note-1	10.00	129.67	102.77
FLFL ESOP-2015	39,428	15/12/2016	Note-1	10.00	125.26	94.56
FLFL ESOP-2015	13,54,000	16/10/2017	Note-1	189.00	337.36	191.28
FLFL ESOS-2013	88,059	12/02/2020	Note-1	2.00	395.86	389.14

* Share Price on Grant Date considered as the Volume Weighted Average Price at NSE.

Note-1 The vested Stock Options can be exercised within a period of three years from the respective date of vesting.

Stock Options were priced using a Black Scholes option pricing model. Expected Volatility was calculated using standard deviation of daily change in stock price. The historical period for Expected Volatility taken into account to match the expected life of the option. There are no market conditions attached to grant and vest.

	FLFL ESOP – 2013		FLFL ESOP – 2015	
	2019-2020	2018-2019	2019-2020	2018-2019
Date of Grant	12/02/2020	N.A.	N.A.	N.A.
Expected volatility (%)	27.69%	N.A.	N.A.	N.A.
Option life (Years)	3.50	N.A.	N.A.	N.A.
Dividend yield (%) (As a % of FMV)	1.40%	N.A.	N.A.	N.A.
Risk-free interest rate (Average)	5.82%	N.A.	N.A.	N.A.

Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

Movement in Stock Options during the year

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

	2019-2020		2018-2019	
	Number of Stock Options	Weighted average exercise price	Number of Stock Options	Weighted average exercise price
Balance at beginning of Year				
FLFL ESOS - 2013	1,34,592	10	1,75,824	10
FLFL ESOP 2015-Primary	13,97,224	10 and 189	16,87,768	10 and 189
Granted during the period				
FLFL ESOS - 2013	88,059	2	-	-
FLFL ESOP 2015-Primary	Nil	-	-	-
Forfeited during the period				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
Exercised during the period				
FLFL ESOS - 2013	1,34,592	10	41,232	10
FLFL ESOP 2015-Primary	592,724	189	2,90,544	10 and 189
Expired during the period				
FLFL ESOS - 2013	Nil	NA	-	-
FLFL ESOP 2015-Primary	36,000	189	-	-
Balance at the end of Year				
FLFL ESOS - 2013	88,059	2	134,592	10
FLFL ESOP 2015-Primary	7,68,500	189	13,97,224	10 and 189
Exercisable at the end of the Year				
FLFL ESOS - 2013	Nil	NA	1,34,592	10
FLFL ESOP 2015-Primary	2,62,900	189	3,81,724	10 and 189

The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS - 2013	1,34,592	Various dates	422.85
FLFL ESOP 2015-Primary	5,92,724	Various dates	381.37

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	2019-2020	2018-2019
FLFL ESOS - 2013	1,777 Days	185 Days
FLFL ESOP - 2015-Primary	1,029 Days	1,253 Days

Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

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, 2020	As at March 31, 2019
Total debt including interest accrued	1,399.94	918.29
Less: cash and bank balances	23.16	125.59
Net debt	1,376.78	792.70
Equity	1,637.62	1,827.04
Net debt to equity ratio	84%	43%

Categories of financial instruments

	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at Amortised Cost		
Cash and bank balances	23.16	125.59
Trade receivables	381.81	390.29
Loans – Inter corporate deposit	226.03	167.26
Security deposits	176.98	167.24
Other financial assets	19.33	6.14
Mandatorily measured at fair value through profit and loss		
Designated at fair value through other comprehensive income		
Investment in equity shares - SSIPL Retail Limited	35.51	40.60
Investment in equity shares - DSK Media Private Limited	18.42	-
Financial liabilities		
Measured at Amortised Cost		
Borrowing	1,382.50	903.55
Trade payable	2,389.27	1,799.90
Security deposit received	119.69	100.76
Other financial liabilities	197.77	239.28
Mandatorily measured at fair value through profit and loss		
Derivative liabilities	7.56	6.26

Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	As at March 31, 2020	As at March 31, 2019	
Investments in equity instruments – SSIPL retail limited	35.51	40.60	Level 2
Investments in equity instruments – DSK Media	18.42	-	Level 2
Derivative liability – written option	7.56	6.26	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 Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

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, 2020	As at March 31, 2019
Amount Payable		
US Dollar (USD)	0.33	5.89
GBP	-	-

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ 0.02 Crore (2018-19: ₹ 0.29 Crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ 0.02 Crore (2018-19: ₹ 0.29 Crore). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group borrows the money at variable interest rate and therefore it is exposed to interest rate risk.

The interest rate risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group is not exposed to significant interest rate risk as at the respective reporting dates.

Other price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

If equity prices had been 5% higher/lower, other comprehensive income for the year would increase/decrease by ₹ 1.78 Crore (2018 - 2019: 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.

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(All amounts in INR crore, unless otherwise stated)

Most of the Group's sales is on the counter sale i.e. cash and carry basis on which no credit risk arises, however credit risk arises to the Group on sales to institutional customers/ wholesale customers. Group manages the credit risk arising from trade receivables through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers. Group's customer base is widely spread and therefore it does not have concentration of credit risk. Group manages credit risk on store deposits by timely advance negotiation with landlord of store or through legal action.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that there is no substantial change in the economic environment affecting customers of the Group, the Group expects the historical trend of immaterial credit losses to continue. Following is the change in the loss allowance measured using life-time expected credit loss.

	2019-2020	2018-2019
Opening Balance	0.55	0.13
Provided during the year	9.52	0.42
Closing Balance	10.07	0.55

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will fail in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Group monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
As at March 31, 2020					
Borrowing including Interest accrued	1,399.94	1,209.86	190.08	-	1,399.94
Trade payable	2,389.27	2,389.27	-	-	2,389.27
Security deposit received	119.69	119.69	-	-	119.69
Other financial liabilities	180.33	180.33	-	-	180.33
Derivative liabilities (net basis)	7.56	-	7.56	-	7.56
As at March 31, 2019					
Borrowing including Interest accrued	918.29	246.94	627.55	49.87	924.36
Trade payable	1,799.90	1,799.90	-	-	1,799.90
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

- 38)** Reserve Bank of India vide circular number: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 have permitted to grant a moratorium of three months on payment of all installments falling due between March 1, 2020 and May 31, 2020. The said moratorium was further extended for another period of 3 months vide circular number: DOR.No.BP.BC.71/21.04.048/2019-20 from June 1, 2020 to August 31, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by six months after the moratorium period. Accordingly, the following installments falls due between March 1, 2020 and August 31, 2020.

Notes

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(All amounts in INR crore, unless otherwise stated)

Name of Bank	March 20	April 20	June 20	July 20
Canara Bank	11.25	-	11.25	-
State Bank of India TL I	-	5.63	-	5.63
State Bank of India TL II	4.00	-	11.50	-
Closing Balance	15.25	5.63	22.75	5.63

Also, The rating downgrade has stepped-up the coupon by 25 Bps from the existing coupon of 8.70% per annum to 8.95% per annum.

39) MISCELLANEOUS EXPENSES

Miscellaneous Expenses consist of the following:

	2019-2020	2018-2019
Stock Options scheme		
House Keeping and Security Expenses	57.10	51.69
Credit Card Charges	43.01	39.15
Legal and Professional Charges	22.78	21.79
Travelling and Conveyance Expenses	15.16	14.74
Other Expenses	110.61	84.24
Total	248.66	211.61

- 40)** COVID-19 pandemic and consequent lockdown imposed throughout the country, has had a significant adverse impact on the business operations and the financial results of the Group for the quarter ended March 31, 2020. The Group has assessed the impact of the lockdown, on its business operations and financial status and has considered all relevant information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of its financial assets and non-financial assets. The impact of COVID-19 pandemic and consequent global slowdown of business and uncertain overall economic environment may affect the underlying assumptions and estimates used to prepare the Company's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic conditions and to take various precautionary measures to ensure health and safety of its customers, employees and other stakeholders from COVID-19 pandemic.
- 41)** The Company alongwith the other parties have entered into a Put and Call Option Agreement dated March 28, 2017 (the 'Agreement') with subscribers of 4500 Non-convertible debentures each having a face value of ₹ 10 Lakh issued by FLFL Lifestyle Brands Limited for an amount of ₹ 450 cr., which inter-alia defined put options obligations on the Company, to be only exercised on failure of Promoters to perform their obligations under the said Agreements.
- 42)** The Company alongwith the other parties have entered into an Option cum Indemnity Agreement dated January 30, 2020 (the 'Agreement') with subscriber(s) of equity shares (equivalent to 95% of the equity capital) issued by DSK Media Private Limited for an amount of ₹ 350 cr., which inter-alia defined an option cum indemnity obligations on the Company, to be only exercised on failure of Promoters' entity to perform their obligations under the said Agreements.

As per our report of even date attached

For and on behalf of the Board of Directors

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

Kishore Biyani
Vice Chairperson

Vishnu Prasad M
Managing Director

Ashok A. Trivedi
Partner
Membership No. 042472

Saurabh Bhudolia
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Mumbai
July 31, 2020

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, 2020

(All amounts in INR crore, unless otherwise stated)

Sr. No	Name of the Company	Date since when subsidiary was acquired	Reporting Period of the subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover	Profit/(loss) Before taxation	Provision for Tax	Profit/(loss) After taxation	Proposed Dividend	% of Share Holding
1	Future Trendz Limited	September 09, 2016	March 31, 2020	0.55	357.57	358.12	0.00	-	-	(0.04)	-	(0.04)	-	100.00%
2	Future Speciality Retail Limited*	September 27, 2016	March 31, 2020	0.36	245.49	550.76	304.91	-	444.20	(24.70)	9.91	(34.61)	-	100.00%
3	FLFL Athleisure Limited	March 29, 2017	March 31, 2020	0.05	0.09	42.64	42.50	-	38.78	0.12	0.03	0.09	-	100.00%

* 100% Subsidiary of Future Trendz Limited

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(All amounts in INR crore, unless otherwise stated)

Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year		
		No. Associates/Joint Venture	Amount of Investment in Holding %				Considered in Consolidation	Not Considered in Consolidation	
Holi Accessories Limited	March 31, 2020	1,90,000	0.24	1.00%	Due to Shareholders Agreement	(0.02)	(0.02)	-	-
Clarks Future Footwear Private Limited	March 31, 2020	9,80,000	4.63	1.00%	Due to Joint Venture Agreement	(0.40)	(0.40)	-	-
FLFL Lifestyle Brands Limited	March 31, 2020	50,000	1.54	49.02%	Due to Investment Agreement	58.32	(3.13)	-	-
FLFL Travel Retail Bhubaneswar Private Limited	March 31, 2020	5,100	0.01	51.00%	Due to Shareholders Agreement	(0.83)	1.18	-	-
FLFL Travel Retail Guwahati Private Limited	March 31, 2020	5,100	0.01	51.00%	Due to Shareholders Agreement	(0.16)	1.98	-	-
FLFL Travel Retail West Private Limited	March 31, 2020	5,100	0.01	51.00%	Due to Shareholders Agreement	(4.03)	3.38	-	-
FLFL Travel Retail Lucknow Private Limited	March 31, 2020	5,100	0.01	51.00%	Due to Shareholders Agreement	(2.76)	0.70	-	-
KOOVS PLC*	March 31, 2019	10,45,97,186	87.17	25.80%	Due to Shareholding	34.36	-	-	-

* The Board of Koovs plc on December 10, 2019, had resolved to place Koovs plc into administration. As on March 31, 2020, Koovs plc was under administration.

As per our report of even date attached

For and on behalf of the Board of Directors

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

Kishore Biyani
Vice Chairperson

Vishnuprasad M
Managing Director

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
July 31, 2020

Saurabh Bhudolia
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

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, 2020

Sr. No.	Employee Name	Designation	Remuneration received (in ₹)	Qualification	Age	Date of Joining	Experience in Yrs	Last Employment	Last Designation
1	M. Vishnu Prasad*	Chief Executive Officer	2,88,65,749	B. Com., MBA	58	01-06-2013	33	Future Retail Limited	Chief Executive Officer - Central & Brand Factory
2	Kishore Biyani@	Managing Director	2,32,25,738	B. Com.	59	25-06-2013	37	Future Consumer Enterprises Limited	Managing Director
3	Raj Kumar Piniseti	Chief Merchandising Officer	1,45,21,581	B.Com, CA	51	01-06-2013	27	Future Retail Limited	Chief Merchandising Officer
4	Krishna Thingbaijam	Head - Designing	1,37,12,821	PGDBM-NIFT	49	01-01-2014	26	Future Retail Limited	Head - Design
5	Kaleeswaran Arunachalam	Chief Financial Officer	1,35,49,103	CA, MBA, B.Com.	39	22-05-2016	19	Mondelez International, INC.	Director Finance - Malaysia & Thailand
6	Suresh Sathwani	Business Head - Brand Factory	98,74,665	B.Com.	43	01-12-2013	20	Pantaloon Fashions Retail Limited	Head - Operations
7	Dipayan Baishya	Head-Strategy & Communication, Group CEOs Office	85,82,549	B.Sc. Statistics	38	01-06-2013	17	Future Retail Limited	Chief Strategy & Communication, Group CEO's Office
8	Vijaya N.#	Chief - Operation - Central	69,57,225	PGMD	59	01-06-2013	34	Future Retail Limited	Senior - Manager Operations
9	Zubair Fareed Patel (M)	Business Manager	68,63,784	MBA Finance	45	01-06-2013	20	Future Retail Limited	Senior - Manager
10	Dharmesh Jain	CFO - Brand Factory & aLL	64,71,406	CA, B.Com.	46	01-04-2016	24	Future Retail Limited	Chief - Commercial

for part of year

* He was appointed as Chief Executive Officer of the Company w.e.f. November 14, 2019, subsequently he was elevated and appointed as Managing Director of the Company w.e.f. April 30, 2020.

@ redesignated from Managing Director to Non-Executive Vice Chairperson w.e.f. March 05, 2020.

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

Shailesh Haribhakti
Chairperson

Mumbai
July 31, 2020



KNOWLEDGE HOUSE, SHYAM NAGAR, OFF JOGESHWARI VIKHROLI LINK ROAD
JOGESHWARI (EAST), MUMBAI - 400 060. MAHARASHTRA, INDIA

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