



# **ANNUAL REPORT**

## **2021-22**

**FUTURE LIFESTYLE FASHIONS LIMITED**

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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. Rahul Mehta**

Chairperson and Independent Director

### **Mr. Kishore Biyani**

Vice Chairperson

### **Mr. Vishnuprasad M**

Managing Director

### **Ms. Neelam Chhiber**

Independent Director

### **Mr. Bharat Ram**

Independent Director

## CHIEF FINANCIAL OFFICER

### **Mr. Dharmesh Jain**

## STATUTORY AUDITOR

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

## INTERNAL AUDITORS

### **S Tandon & Associates**

## BANKERS

### **Axis Bank**

### **Bank of Baroda**

### **Bank of India**

### **Canara Bank**

### **HDFC Bank**

### **HSBC Bank**

### **IDBI Bank**

### **IDFC First Bank**

### **IndusInd Bank**

### **Jammu & Kashmir Bank**

### **State Bank of India**

## SHARE TRANSFER AGENTS

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

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

Tel: +91 22 4918 6270

Fax: +91 22 4918 6060

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

## DEBENTURE TRUSTEE

### **Centbank Financial Services Limited**

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

Tel: (022) 2261 6217

Fax: (022) 2261 6208

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

## REGISTERED OFFICE AND

## CORPORATE OFFICE

### **Future Lifestyle Fashions Limited**

CIN: L52100MH2012PLC231654

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

Tel: +91 22 4055 2200

Fax: +91 22 4055 2201

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY

According to the International Monetary Fund (IMF), the global economy witnessed growth of 5.9% in the year 2021 vis-à-vis contraction by 4.4% in the year 2020. The economic recovery continued in the year 2021 amid a resurging pandemic. Rapid spread of Delta and the threat of new variants increased uncertainty about economic recovery. As vaccination rate increased and COVID cases started declining, economy started opening-up. As restrictions were relaxed, demand accelerated, but supply was slower to respond since entire supply chain ecosystem got disrupted amidst pandemic.

Global growth is expected to slow from 5.9% in 2021 to 3.2% in the year 2022 and 2.7% in the year 2023. This is going to be the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecasted to rise from 4.7% in the year 2021 to 8.8% in FY 2022 but to decline to 6.5% in the year 2023 and to 4.1% by the year 2024. Various structural reforms and policy measures should stay the course to restore price stability.

## INDIAN ECONOMY

India's real GDP growth in FY 2022 stood at 8.7%, 1.5% higher than the real GDP of FY 2020. This indicates that overall economic activity recovered past the pre-pandemic levels. Almost all indicators showed that the economic impact of the "second wave" in Q1 FY 2022 was much smaller than that experienced during the full lockdown phase in FY 2021 even though the health impact was more severe.

Total Consumption has grown by 7.0 per cent in FY 2022 with significant contributions from government spending. Similarly, Gross Fixed Capital Formation exceeded pre-pandemic levels on the back of ramped up public expenditure on infrastructure. Exports of both goods and services have been exceptionally strong in FY 2022, but imports also recovered strongly with recovery in domestic demand as well as higher international commodity prices.

One of the key growth enablers has been Indian government's emphasis on supply-side reforms rather than a total reliance on demand management. These supply-side reforms include deregulation of numerous sectors, simplification of processes, removal

of legacy issues like 'retrospective tax', privatisation, production-linked incentives and so on. Even the sharp increase in capital spending by the Government can be seen both as demand and supply enhancing response as it creates infrastructure capacity for future growth.

## OUTLOOK

With the vaccination programme having covered the bulk of the population, economic momentum building back and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is expected to grow by 6.5-7% in FY 2023. The inflationary concerns remain high and may impact growth rate, especially from elevated global energy prices.

## INDIAN RETAIL AND FASHION INDUSTRY

Indian retail sector is estimated at USD 836 Bn in FY 2022. Owing to COVID pandemic, retail sector witnessed a decline in FY 2021 for the first time ever. However, the sector bounced back as economy recovered.

India's fashion market is estimated at USD 65 Bn in FY 2022. India's fashion market is the sixth largest of its kind in the world and one of the key sectors for Indian market. The country's textiles and apparels industry contribute nearly 2.3% to GDP, 13% to industrial production and 12% to exports and employs over 45 million people.

In the wake of the pandemic in FY 2021, a large-scale cut in discretionary spending, reduced income levels and restricted people movement caused demand to dip significantly. Since fashion is a discretionary spend for consumers, the industry has taken a large-scale fallout, with significant headwinds left to navigate. In FY 2022, sector showed signs of recovery post recovery from Delta wave in Q1 FY 2022. By the end of FY 2022, fashion retailers reached close to pre-pandemic levels in terms of revenues.

## EMERGING TRENDS IN FASHION RETAILING

The fashion industry went through several changes in terms of structural, strategic or operational changes in FY 2021 to adapt to the new working environment and survive and thrive in the new normal. Companies maintained the same standards in FY 2022 as it was intermittently disturbed by multiple COVID waves. Here are a few focus areas:

## Management Discussion and Analysis (contd.)

### Social distancing within retail spaces

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

### Sanitation and disinfecting of clothes

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

### New-age payments and queue management

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

### Employee safety and training

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

### Product level changes

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

### E-commerce push

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

### Direct-to-Consumer or D2C brands

D2C brands have grown exponentially in every category and every market in the past two years. These are new brands for a new generation of customers and developed with a Digital-First approach. The brand, product, packaging, sourcing, and fulfillment are all designed keeping in mind the customer will buy these brands only on digital platforms.

### Outlook

The fashion and apparel industry witnessed signs of recovery since Q2, FY 2022 and gained momentum from Q3 FY 2022 during the festive period. The sector is expected in FY 2023 to rebound, as economy returns back to normal. The priorities of industry players will be that customer needs are serviced well by offering them new trends and designs in a safe environment and continue to invest in building omni-channel capabilities. In addition to this, industry players are still cautious on costs front and do not intend to invest heavily in fixed costs, given the uncertainties around the external global environment.

## COMPANY OVERVIEW

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

FLFL is led by veterans in the fashion and retail spaces, and operates 180 retail stores (across Central, Brand Factory and Exclusive Brand Outlets) spread over 2.5 Million sq ft. It straddles both the premium end and the affordable branded end of the fashion ecosystem. FLFL's integrated business model of retailing own brands as well as third-party brands have become its key differentiator over the years.

## Management Discussion and Analysis (contd.)

### BUSINESS PERFORMANCE

FY 2022 was a challenging year for the business. Revenues declined sharply in Q1 FY 2022 due to the Delta wave and thereby facing lockdowns and closures. However, business recovery improved during Q2 FY 2022 and Q3 FY 2022, reaching over 70% in Q3 FY 2022. Business recovery again got impacted by the Omicron wave in the month of January, 2022 and later in February, 2022 a large number of FLF stores received termination letters on account of non-payment of rentals. This led to a decline in store base from 331 stores in Q3 FY 2022 to 180 stores in Q4 FY 2022. This also resulted in a significant increase in attrition rate for human resources.

### RISKS AND OPPORTUNITIES

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

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

### RISK MITIGATION

The COVID pandemic has impacted the way fashion business works. The Company has amid COVID-19 pandemic, reviewed the major risks including risks on account of business continuity, supply chain management, third party risks, legal compliance and other risks which may affect or have affected its operations, employees, customers, vendors and all other stakeholders from both the external and the internal environment perspective. Based on this review, appropriate actions have been initiated to mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor such risks on a regular basis. On the consumer side, we believe, many consumer habits may have permanently changed due to COVID

and the prolonged lockdowns. Many emerging trends that may have taken years to become mainstream, has accelerated at a steady pace and disrupted existing rules or strategies in business.

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

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

### 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

## Management Discussion and Analysis (contd.)

counter such risks is established. The Company also makes appropriate use of its ERP system (SAP) and various applications to put checks and controls to strengthen the internal control framework for financial reporting, organisational structure, authorities and procedures, which are also reviewed and validated by the external experts.

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

### HUMAN RESOURCES

The Company valued human capital as its most treasured capital and constantly invest in them to create a distinct advantage for their careers and for us as an organisation. The Company focus on creating a workplace that fosters thought leadership, innovation and a culture of involvement, participation and transparency and strive to provide employees opportunities to collaborate, learn and grow within the organisation. There were 3,841 permanent employees of the Company as on March 31, 2022.

The Company's initiatives towards employees' Welfare and engagement are elaborated in the Business Responsibility Report which is annexed to this Annual Report.

## FINANCIAL PERFORMANCE

### KEY RATIOS

	FY 2021-22	FY 2020-21
Interest coverage ratio	(4.68)	0.09
Gross Margin (%)	19.50	27.50
Debtors Turnover	14.20	5.56
Current ratio	0.59	0.92
Net Margin (%)	(81.51)	(40.34)
Inventory Turnover	1.63	0.83
Debt-Equity ratio	(0.92)	2.44
Return on Net Worth (%)	137.00	(133.00)

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

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



# BOARD'S REPORT

## Dear Members,

Your Directors present the Tenth Annual Report of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2022.

## FINANCIAL PERFORMANCE

The financial performance of the Company is as follows:

(All amounts in INR Crore, unless otherwise stated)

Particulars	Consolidated		Standalone	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Revenue from Operations	2,993.93	2,276.72	2,838.31	2,160.51
Other Income	(255.79)	50.36	(255.47)	49.99
Total Revenue	2,738.14	2,327.08	2,582.84	2,210.50
Profit before Depreciation and Amortisation expense, Finance Costs and Tax expense	(1,505.42)	29.75	(1,534.45)	49.75
Less: Depreciation and Amortisation expense	613.43	598.41	609.09	581.88
Less: Finance Costs	321.55	349.68	314.28	338.62
Profit/(Loss) before Tax	(2,440.39)	(918.34)	(2,292.82)	(870.75)
Less: Tax expense	72.97	(7.01)	156.09	0.82
Share of Profit/(Loss) in Associates and Joint Ventures (Net)	(35.54)	(22.02)	-	-
Profit/(Loss) after Tax	(2,548.90)	(933.35)	(2,448.91)	(871.57)
Non-controlling interests	0.00	0.00	-	-
Other Comprehensive Income	(25.81)	(0.44)	(25.81)	(0.64)
Total Comprehensive Income	(2,574.71)	(933.79)	(2,474.72)	(872.21)
Earnings Per Equity Share of Face Value of ₹ 2/- each				
- Basic (in ₹)	(127.60)	(46.28)	(122.65)	(43.23)
- Diluted (in ₹)	(127.60)	(46.28)	(122.65)	(43.23)

## OPERATIONAL PERFORMANCE

The Financial year 2022 was very challenging year for the business operations. The COVID-19 pandemic had deeply impacted the long-term business viability and led to significant financial stress on the business of the Company. Post second wave of COVID-19 pandemic, your Company tried to reset and rescale its operations and entire ecosystem for sustainable business. Your Company has adopted several measures including drastic cost reductions to address the liquidity crunch and to maintain operational cashflows.

In spite, the retail sector witnessed bounce back as the economy recovered, your Company was incapable to participate in such business recoveries, owing to severe liquidity position and banking restrictions which also led to significant number of stores becoming non-operational

due to non-payment of rent and significant attrition of key human resources.

Your Company has recorded a increase of 31.50% in Consolidated Revenue from operations at ₹2,993.93 Crore as compared to ₹2,276.72 Crore in the previous financial year and reported an increase of 173.09% in the Consolidated (Loss) after Tax of ₹(2,548.90) Crore for the year under review as compared to ₹(933.35) Crore for the previous financial year.

During the year under review, your Company on standalone basis recorded an increase of 31.37% in Revenue from operations at ₹2,838.31 Crore as compared to ₹2,160.51 Crore in the previous financial year and an increase of 180.98% in (Loss) after Tax of ₹(2,448.91) Crore for the year under review as compared to ₹(871.57) Crore for the previous financial year.



## Board's Report (contd.)

The following events occurred during the year under review, have significantly impacted the business operation of the Company:

### One Time Restructuring of Debt

In order to facilitate the revival of business and mitigate the impact of COVID-19 related stress, the Reserve Bank of India ("RBI") had provided Resolution Framework for COVID-19 related stress vide its circular dated 06 August, 2020 to enable the lenders to implement a resolution plan in respect of corporate exposures without change in ownership, subject to specified conditions.

The Company opted to avail the relaxations so proposed by the RBI by restructuring its financial debt so as to manage the cash flow and ensure the business continuity. During the financial year, the lenders and the Company had agreed to restructure its financial debt and implemented One-time Resolution (OTR) Plan and executed Framework Agreement and other additional financing and security documents on April 30, 2021 in relation to the financial assistance restructured/availed by the Company.

The said OTR plan inter-alia included extension of the residual tenor of term loan, conversion of fund base limits into working capital term loan, funded interest term loan, in line with the Resolution Framework issued by RBI.

### Restructuring of Non-Convertible Debentures

During the year under review, the terms of 3,500 8.70% Non-Convertible Debentures of face value of ₹10.00 lakh each issued by the Company under Series IV ("NCDs") were also restructured, pursuant to the requisite consents obtained from NCDs holders and Debenture Trustee on April 27, 2021, in line with the One-time Resolution plan approved by other lenders of the Company. The Company has also obtained requisite approval from the Stock Exchange (BSE Limited), where the NCDs are listed, on June 21, 2021.

The revised terms of NCDs inter-alia provided extension of repayment of NCDs by 24 months and deferment of annual interest due thereon, to be paid in phased manner upto March 31, 2024.

### Significant stores becoming Non-operational

During the fourth quarter of the year under review, significant number of retail stores became non-operational, mainly due to the Company's inability to pay timely rent for the leased properties for its retail

stores. This led to decline in store base from 331 stores in Q3 FY 2022 to 180 stores in Q4 FY 2022.

## SIGNIFICANT EVENTS OCCURRED SUBSEQUENT TO YEAR UNDER REVIEW

### Composite Scheme of Arrangement with Future Enterprises Limited along with other transferor companies

The Composite Scheme of Arrangement which was involved: (i) merger of Future Lifestyle Fashions Limited ("the Company" or Transferor Company 2"), and other 18 Transferor Companies with Future Enterprises Limited ("FEL" or "Transferee Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS ("The Composite Scheme of Arrangement"/ Scheme"), pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, was considered and approved by the Board and subsequently, filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 for seeking its approval.

During the year, the Scheme was admitted by the NCLT vide its order dated 28 September 2021. Thereafter, NCLT vide its order dated February 28, 2022 had directed convening of meeting of Equity shareholders of the Company on April 20, 2022 and meeting of Secured and Unsecured Creditors of the Company on April 21, 2022. The said meetings were duly convened on their scheduled dates and pursuant to the e-voting result of NCLT convened meeting the Scheme was approved by equity shareholders and unsecured creditors of the Company at their respective meetings. However, as per the e-voting result, the Scheme was not approved by Secured Creditors of the Company. As most of the secured creditors of various companies involved in the Scheme voted against the Scheme as per the e-voting result of their respective meetings, hence, the subject Scheme was not implemented.

### Composite Scheme of Arrangement with wholly owned subsidiaries

During the financial year under review, the Board of Directors of the Company at its meeting held on September 20,

## Board's Report (contd.)

2021 has, inter-alia, approved the Composite Scheme of Arrangement between Future Trendz Limited ("Transferor Company 1"/ "FTL"), Future Specialty Retail Limited ("Transferor Company 2"/ "FSRL") and Future Lifestyle Fashions Limited ("Transferee Company" /"FLFL") and their respective shareholders ("The Composite Scheme of Arrangement"/ Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The Company has submitted draft Scheme with BSE Limited and National Stock Exchange of India Limited for obtaining Observation letter on the draft Scheme. The Company is awaiting Observation letter from Stock Exchanges, to further proceed with the filing of the Scheme with National Company Law Tribunal.

### Inability for repayment of principal amount of loans and payment of interest on Debentures

Subsequent to the year under review, the Company has been unable to service its obligations towards repayment of amount of principal due on Loans I working capital facilities availed by the Company from the banks, as agreed under the OTR.

The Bank of India ("Lead bank") and State Bank of India have classified the accounts of the Company in the system as Non- Performing Assets (NPAs) on May 31, 2022, followed by other banks during the month of June 2022. Since classification as NPA, the Company has already repaid the principal amount of debt amounting to ₹ 74.56 Crore and has also been regular in servicing of Interest on all facilities.

Subsequently, the Bank of India has also filed a petition against the Company before the Hon'ble National Company Law Tribunal ("NCLT") under Section 7 of the Insolvency and Bankruptcy Code, 2016 (the "Code").

In the meanwhile, the Lenders have allowed the Company to carry on its day-to-day operations of the Company under the Holding on Operations in the account including monitoring and releasing operational payments under the said arrangement.

The Company was also unable to service its obligations in respect of annual interest on the Non-Convertible Debentures – Series IV ("NCDs"), due and payable on November 09, 2022.

Your Company has put significant efforts for business revival, and initiated the monetisation of identified assets, subject to requisite approvals and would also

be taking necessary steps to further restructure its debts and fulfil other commitments as agreed with the Lenders under the OTR.

### Change in status of Wholly owned Subsidiary (WOS), Associate and Investment in Joint Ventures/ Investee Companies

Subsequent to year under reviewed, the pledged created on the investments held by the Company, in FLFL Athleisure Limited (FAL) – WOS and FLFL Lifestyle Brands Limited (FLBL) – Associate, Clarks Reliance Footwear Private Limited (CRFPL) – Joint Venture, SSIPL Retail Limited (SRL) and Holii Accessories Limited (HAL), Investee Companies, as security in favour of the IDBI Trusteeship Services Limited, acting as the Debenture Trustee for the holders of 4500 non-convertible debentures of the face value of ₹10,00,000 each aggregating up to ₹ 450.00 Crore (NCDs) issued in FLBL, has invoked by the Debenture Trustee for the reason that FLBL has failed to redeem the entire NCDs and pay the outstanding principal amount of NCDs together with the Final Redemption amount.

Consequent to the aforesaid invocations, the FAL ceased to be wholly owned subsidiary and FLBL ceased to be an Associate of the Company. SRL and HAL ceased to be investee companies of the Company. With regard to the joint venture status, the same has continued, as agreement continues with the FLBL.

An 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, 2022.

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"),

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

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

**ISSUE OF EQUITY SHARES**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in the preparation of the annual accounts for the financial year ended March 31, 2022, 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 reappointment.

**Nominee Directors**

Mr. Luv Dinesh Parikh, who was appointed as Nominee Director (representing Vistra ITCL (India) Ltd., ("the Trustee")) on the Board of the Company, had ceased to be Nominee Director of the Company, with effect from close of business hours on May 28, 2021, consequent to nomination of Mr. Himanshu Dodeja as Nominee Director in his place by the Trustee.

Subsequently, pursuant to the nomination letter received from the Trustee and based on the recommendation of the Nomination and Remuneration Committee, the Board vide its Circular Resolution passed on May 28, 2021, had appointed Mr. Himanshu Dodeja as a Nominee Director (Additional Director) on the Board of the Company with effect from close of the business hours on May 28, 2021. The same was approved by the Members of the Company at their 9th Annual General Meeting held on September 29, 2021.

Mr. Himanshu Dodeja, Nominee Director has resigned from the Board of the Company, with effect from March 10, 2022.

Ms. Ketki Bapat, who was appointed as Alternate Director for Mr. Chintamani Aniruddha Bhagat, has resigned with effect from August 13, 2021.

The Board, based on the request received from Mr. Bhagat, appointed Mr. Saurabh Mehta as an Alternate Director to Mr. Bhagat w.e.f. August 13, 2021.

Pursuant to the provisions of section 161(2) of the Companies Act, 2013, Mr. Mehta who was appointed as an Alternate Director to Mr. Bhagat, had vacated his office in view of Mr. Chintamani Bhagat having visited India on March 01, 2022. Subsequently, the Board, based on the request received from Mr. Bhagat, appointed Mr. Saurabh Mehta as an Alternate Director to Mr. Bhagat w.e.f. March 03, 2022.

During the year under review, Mr. Chintamani Aniruddha Bhagat has resigned as a Nominee Director from the Board of the Company with effect from March 13, 2022. Consequently, Mr. Saurabh Mehta, an Alternate Director

## Board's Report (contd.)

to Mr. Chintamani Aniruddha Bhagat has also ceased to be an Alternate Director with effect from March 13, 2022.

### Non-Executive Director

During the year, Ms. Avni Biyani, Mr. Rakesh Biyani and Mr. Rahul Garg have resigned from the position of Non-Executive Directors of the Company with effect from June 28, 2021, August 24, 2021, and March 14, 2022, respectively.

Subsequent to the year under review, Mr. Chandra Prakash Toshniwal has resigned from the Board of Directors of the Company with effect from September 3, 2022.

### Independent Directors

During the year, Mr. Bijou Kurien, who was appointed as an Independent Director of the Company for a period of five years w.e.f. May 26, 2016, has ceased to be an Independent Director of the Company w.e.f. close of business hours on May 25, 2021, after completion of his first term as an Independent Director.

Ms. Sharda Agarwal who was appointed as an Independent Director of the Company for the second term of five consecutive years with effect from March 27, 2020 to March 26, 2025 has resigned from the position of the Independent Director of the Company with effect from May 29, 2021.

The Board based on the recommendations of the Nomination and Remuneration Committee, appointed Ms. Sharada Sunder as an Additional (Independent) Director of the Company for a term for five consecutive years with effect from June 22, 2021. The same was approved by the Members of the Company at their 9th Annual General Meeting held on September 29, 2021.

Dr. Darlie Koshy who was appointed as an Independent Director of the Company for the second term of five consecutive years with effect from August 8, 2019 has resigned from the position of the Independent Director of the Company with effect from December 10, 2021.

The Board based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Rahul Mehta as an Additional (Independent) Director of the Company for a term for five consecutive years with effect from February 11, 2022. The same was approved by the Members of the Company by passing of special resolution on May 9, 2022, through Postal Ballot.

Subsequent to the year under review, Ms. Sharada Sunder has resigned from the position of the Independent Director of the Company with effect from April 13, 2022.

Mr. Shailesh Haribhakti, Chairperson of the Board has resigned from the position of the Chairperson and Independent Director of the Company with effect from April 22, 2022.

The Board based on the recommendations of the Nomination and Remuneration Committee, appointed Ms. Neelam Chhiber and Mr. Bharat Ram as an Additional (Independent) Directors of the Company for a term for five consecutive years with effect from July 19, 2022. The same was approved by the Members of the Company by passing of special resolutions on October 13, 2022, through Postal Ballot.

The Board recorded its appreciation on behalf of the Company for the valuable services rendered by Mr. Shailesh Haribhakti, Dr. Darlie Koshy, Mr. Bijou Kurien, Ms. Sharda Agarwal, Mr. Luv Parikh, Mr. Chintamani Bhagat, Ms. Ketaki Bapat, Mr. Saurabh Mehta, Mr. Himanshu Dodeja, Mr. Rakesh Biyani, Mr. Chandra Prakash Toshniwal and Ms. Avni Biyani during their tenure as Directors of the Company.

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

### Key Managerial Personnel

The Members of the Company based on the recommendations of the Nomination and Remuneration Committee and Board of the Company, at their 9th Annual General Meeting held on September 29, 2021, approved the re-appointment of and payment of remuneration to Mr. Vishnuprasad M as Managing Director of the Company for a period of three years with effect from December 20, 2021.

Subsequent to the year under review, Mr. Sanjay Kumar Mutha has resigned as Company Secretary and Compliance Officer (Key Managerial Person) of the Company w.e.f. September 30, 2022.



## Board's Report (contd.)

### DECLARATION BY INDEPENDENT DIRECTORS

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

### BOARD EVALUATION

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

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

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

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

Considering the volatility of business environment and recent changes in the Board of Directors, the Independent Director reviewed evaluation process and noted the feedbacks received from directors.

### POLICY ON DIRECTORS' REMUNERATION

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

### NUMBER OF MEETINGS OF THE BOARD

During the year under review, nine Board meetings were held on April 27, 2021, June 28, 2021, August 13, 2021, September 20, 2021, November 13, 2021, February 11, 2022, March 02, 2022, March 21, 2022 and March 30, 2022.

### AUDIT COMMITTEE

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

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

Dr. Darlie Koshy ceased to be member of the Audit Committee w.e.f. December 10, 2021.

Subsequent to the year under review, Ms. Sharada Sunder has ceased to be a Chairperson and Member of the Audit Committee w.e.f. April 13, 2022 and Mr. Shailesh Haribhakti has ceased to be a Member of the Committee w.e.f. April 22, 2022.

The Board has re-constituted the Committee and appointed Mr. Rahul Mehta as Chairperson of the Committee w.e.f. July 19, 2022 and Mr. Bharat Ram and Ms. Neelam Chhiber as Members of the Committee w.e.f. July 19, 2022, respectively.

The present composition of the Audit Committee of the Company is three Directors (all three are Independent Directors) viz., Mr. Rahul Mehta, Chairperson of the Committee, Mr. Bharat Ram and Ms. Neelam Chhiber,



## Board's Report (contd.)

Members of the Committee. All Members of the Committee possess accounting and financial management expertise.

During the year under review, the Company Secretary of the Company was the Secretary of the Committee.

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

### SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

#### Subsidiary Companies

##### Future Trendz Limited (FTL)

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

##### Future Speciality Retail Limited (FSRL)

FSRL is carrying on fashion retail business of the Brand 'Lee Cooper'. During the year under review, FSRL had received notices for termination of agreements for use of Brand "Lee Cooper" for apparel and footwear, from the license owner upon occurrence of event of default due to financial impact amid COVID-19 pandemic. The license owner denied the request of FSRL to restore the license and subsequently, terminated the aforesaid license agreements.

Subsequently, FSRL has entered into a Master Distribution Agreement (Agreement) with new Licensee of Brand "Lee Cooper". As per the Agreement FSRL will continue to have distribution rights for the Indian territory to distribute products under the Brand "Lee Cooper" through permitted third-party (excluding Licensee) offline stores including department retail stores, multi brand stores, Shop in Shop stores, hypermarkets, national footwear chain ("Retail storers").

##### FLFL Travel Retail West Private Limited

##### FLFL Travel Retail Lucknow Private Limited

##### FLFL Travel Retail Guwahati Private Limited

##### FLFL Travel Retail Bhubaneswar Private Limited

FLFL Travel Retail companies were engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at Goa, Lucknow, Guwahati and Bhubaneshwar airports. Presently, your Company holds 51.00% of the paid-up equity capital of each of FLFL Travel Retail companies.

Airport retailers faced the biggest disruption to their business owing to temporally shut down of Airport operations and long lockdowns imposed amid COVID 19 pandemic, which resulted in unsustainable operations and inability to pay guaranteed payments to Airport Authorities, which led to gradually closure of business operations at the above airports.

#### 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. FLBL believes in nurturing the brands value by making them recognisable and competitive in the fashion industry. Your Company holds 49.02% of the paid-up equity capital of FLBL.

#### Joint Ventures

##### Clarks Reliance 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 1.80% of the paid-up equity capital of Celio.

### CONSOLIDATED FINANCIAL STATEMENTS

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, 2022 in the prescribed Form AOC-1 is attached to the Financial

## Board's Report (contd.)

Statements of the Company, which forms part of this Annual Report.

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

### AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

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

Subsequent to the year under review, pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on August 27, 2022, has considered and approved the appointment of M/s. Bipin B. Shah & Co., Chartered Accountants (Registration number 101511W) as Statutory Auditors of the Company, subject to the approval of Shareholders of the Company at their ensuing Annual General Meeting, for a term of 5 years, from the conclusion of Tenth Annual General Meeting till the conclusion of Fifteenth Annual General Meeting.

#### Auditors' Report

The Auditors' Reports on the Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2022 are issued with unmodified opinion.

The Auditors has specifically drawn attention to the observations made in their Reports to material uncertainty

related to Going Concern. They mentioned in the Report that the entire net worth of the Company has been eroded due to losses incurred in the previous year and its current liabilities exceeded its current assets which indicates a material uncertainty exists, that might cast a significant doubt on the Company's ability to continue as a going concern.

The Company was in the process of implementing business revival plans which in the opinion of the management would enable the Company to have sustainability and turnaround of its business operations. The Company's ability to generate positive cash flows was dependent on the successful implementation of such business revival plans. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

#### Secretarial Auditor

M/s. Sanjay Dholakia & Associates, Practicing Company Secretary (Membership No. 2655 / Certificate of Practice No.1798) were appointed as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2021-22, as required under section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2021-22 is given as Annexure B, which forms part of this Report. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to section 204 of the Act and Regulation 24A of the Listing Regulations, Mr. Anant Gude, Practising Company Secretary has been appointed Secretarial Auditor of Future Speciality Retail Limited ("FSRL"), an unlisted material subsidiary of the Company to carry out the Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report of FSRL to be issued by Mr. Anant Gude, Practicing Company Secretary would be annexed to the Annual Report.

### RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

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



## Board's Report (contd.)

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

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

Other Risks associated to the business of the Company including cyber risk and cyber security such as prevention measures taken on threats, Malware, Virus and web application threats, were being periodically reviewed by the Management 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 cancelled 29,353 vested and 58,706 unvested Stock Options granted under FLFL Employee Stock Option Scheme 2013 (FLFL ESOS 2013) and 37,500 vested Stock Options granted under Employee Stock Option Plan - 2015 (FLFL ESOP 2015), pursuant to terms of the FLFL ESOS 2013 and FLFL ESOP 2015, respectively.

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

### PARTICULARS OF EMPLOYEES

The information pertaining to remuneration and other details as required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and

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

Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure E, which forms part of this Report.

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

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

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

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

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

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

**VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders of the Company to report genuine concerns that could have serious impact on

the operations and performance of the business of the Company and also available on the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

**ANNUAL RETURN**

In accordance with section 134(3)(a) and section 92(3) of the Act, the annual return as on March 31, 2022, in prescribed format is available on the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

**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.

**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, 2022.

**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.

## Board's Report (contd.)

During the year under review, the Company has transferred an amount of ₹ 1,86,245 pertaining to unpaid / unclaimed dividend pertaining to the financial year 2013-14 and transferred 2,04,838 Equity Shares in respect of which dividend remained unpaid / unclaimed for seven consecutive years or more, to IEPF, in accordance with the provisions of the IEPF Rules.

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

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

### CREDIT RATINGS

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

### DISCLOSURE REQUIREMENTS

- Details of familiarisation programs imparted to Independent Directors are available on the website of the Company at the link: [http://futurelifestyle.in/corporate\\_governance.aspx](http://futurelifestyle.in/corporate_governance.aspx)
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link: [http://futurelifestyle.in/statutory\\_documents.aspx](http://futurelifestyle.in/statutory_documents.aspx)
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link: [http://futurelifestyle.in/statutory\\_documents.aspx](http://futurelifestyle.in/statutory_documents.aspx)

- Policy for archival of documents of the Company is available on the website of the Company at the link: [http://futurelifestyle.in/statutory\\_documents.aspx](http://futurelifestyle.in/statutory_documents.aspx)
- The code of conduct for Directors and senior management of the Company is available on the website of the Company at the link: [http://futurelifestyle.in/corporate\\_governance.aspx](http://futurelifestyle.in/corporate_governance.aspx)
- Policy on dealing with related party transactions is available on the website of the Company at the link: [http://futurelifestyle.in/statutory\\_documents.aspx](http://futurelifestyle.in/statutory_documents.aspx)
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are not 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 2021-22 till the date of this Report.
- During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.
- The Managing Director of the Company did not receive any remuneration or commission from any of the subsidiary of the Company.
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014.
- There has been no change in the nature of business of the Company.

### SIGNIFICANT AND MATERIAL ORDERS

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

## Board's Report (contd.)

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Mumbai  
December 6, 2022

**Rahul Mehta**  
Chairperson

## Board's Report (contd.)

# ANNEXURE A

### DIVIDEND DISTRIBUTION POLICY

#### a) Company's Philosophy :

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

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

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

#### b) Declaration of Dividend:

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

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

#### c) Per share basis:

The dividend will be declared on per share basis only.

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

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

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

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

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

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

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

##### Internal:

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

##### External:

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

#### g) Usage of retained earnings:

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

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

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

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2022**

[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, 2022 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, 2022 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 and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - 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



## Board's Report (contd.)

- 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.

### **MATERIAL EVENTS OCCURRED AFTER BALANCE SHEET DATE TILL THE DATE OF SIGNING THIS REPORT:-**

1. The Meeting of Secured Creditors & Unsecured Creditors of the company were convened on April 21, 2022 to consider and approve the proposed Composite Scheme of Arrangement between Future Consumer Limited ("the Transferor Company 1"), Future Lifestyle Fashions Limited ("Transferor Company 2"), Future Market Networks Limited ("Transferor Company 3"), Future Retail Limited ("Transferor Company 4"), Future Supply Chain Solutions Limited ("Transferor Company 5"), Futurebazaar India Limited ("Transferor Company 6"), Acute Retail Infra Private Limited ("Transferor Company 7"), Basuti Sales and Trading Private Limited ("Transferor Company 8"), Brattle Foods Private Limited ("Transferor Company 9"), Chirag Operating Lease Co. Private Limited ("Transferor Company 10"), Hare Krishna Operating Lease Private Limited ("Transferor Company 11"), Nice Texcot Trading & Agency Private Limited ("Transferor Company 12"), Nishta Mall Management Company Private Limited ("Transferor Company 13"), Ojas Tradelease and Mall Management Private Limited ("Transferor Company 14"), Precision Realty Developers Private Limited ("Transferor Company 15"), Rivaaz Trade Ventures Private Limited ("Transferor Company 16"), Syntex Trading & Agency Private Limited ("Transferor Company 17"), Taquito Lease Operators Private Limited ("Transferor Company 18") Unique Malls Private Limited ("Transferor Company 19") and Future Enterprises Limited ("Transferee Company" or "FEL") & their respective shareholders and creditors ("Part 1") And Future Enterprises Limited ("FEL") and Reliance Retail Ventures Limited ("RRVL") & their respective shareholders and creditors ("Part 2") And Future Enterprises Limited ("FEL") and Reliance Retail and Fashion Lifestyle Limited ("RRVL WOS") & their respective shareholders and creditors ("Part 3") ("Scheme"). pursuant to the order dated 28

September 2021 read with February 28, 2022, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT).

Pursuant to the Scrutinizer report submitted to the Chairman of NCLT convened meetings of Secured Creditors & Unsecured Creditors, dated April 22, 2022, aforesaid composite Scheme could not be implemented on account of failure to obtain approval from Secured Creditors of the Company

2. Subsequent to the year under review, due to resignation of Directors, the composition of the Board of Directors and Audit Committee of the Company had become imbalanced, in line with the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations. The Board of Directors at its meeting held July 19, 2022 appointed two Independent Directors, subject to the approval of the shareholders of the Company, to comply with the composition of the Board and its Committee, with the provisions of the Act and the Listing Regulations.
3. The Company was unable to fulfil certain obligations under the One Time Resolution plan for restructuring of debts with the Lenders of the Company, on or before March 31, 2022. The Company's account is classified as non-performing assets on May 31, 2022 by Bank of India (Lead Bank) & State Bank of India on account of default to service its obligations towards repayment of amount of principal due on Loans / working capital facilities availed by the Company from the banks, as agreed under the One Time Resolution Plan (OTR).

We further report that:

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

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



## Board's Report (contd.)

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.

We have relied on the records as made available by the Company and explanations given by the officers of the Company and also on the management Representation Letter issued by the Company.

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

For **SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**

Practicing Company secretary

Proprietor

Membership No. 2655

C P No.: 1798

Place: Mumbai

Date: August 16, 2022

UDIN: F002655D000796162

## 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)**

Practicing Company secretary

Proprietor

Membership No. 2655

C P No.: 1798

Place: Mumbai

Date: August 16, 2022

UDIN: F002655D000796162

## Board's Report (contd.)

# ANNEXURE C

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

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

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

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

### 2. Composition of CSR Committee:

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

@Appointed as Member w.e.f. February 11, 2022.

# Ceased to be member of the Committee w.e.f. December 10, 2021.

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

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

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

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

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

### 6. Average net profit of the Company as per section 135(5). : Not Applicable due to average net loss of ₹ 177.63 Crore incurred during the three immediately preceding financial years.

### 7. Two percent of average net profit of the company as per section 135(5) : Not Applicable

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

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

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

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

**8. (a) CSR amount spent or unspent for the financial year:**

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

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (₹ in Crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State District			Name CSR registration number
Not Applicable							

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): NIL

## Board's Report (contd.)

### (g) Excess amount for set off, if any

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

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

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

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

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

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

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

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

Mumbai  
August 16 , 2022

Vishnuprasad M  
Managing Director

Kishore Biyani  
Chairperson CSR Committee

## Board's Report (contd.)

## ANNEXURE D

**DISCLOSURE WITH RESPECT TO FLFL EMPLOYEES STOCK OPTIONS SCHEME – 2013 (FLFL ESOS – 2013) AND FLFL EMPLOYEES STOCK OPTIONS PLAN – 2015 (FLFL ESOP – 2015) OF THE COMPANY AS AT MARCH 31, 2022**

Sl. No.	Particulars	FLFL ESOS - 2013	FLFL ESOP - 2015
A.	Disclosures in terms of the relevant Indian Accounting Standards, as prescribed from time to time	Refer note. no. 36 in Notes forming part of the Standalone Financial Statements.	
B.	Diluted Earnings Per Share (EPS) on issue of Shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard 33, as prescribed from time to time	Refer note. no. 31 in Notes forming part of the Standalone Financial Statements.	
C.	Description and general terms and conditions of ESOSs		
		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.	Exercise price for Options granted under the Scheme was ₹10/- per Option for Grant – I & II and ₹189/- per Option for Grant –III.
V.	Maximum term of Options granted	Three years from the respective date of vesting of Options.	Three years from the respective date of vesting of Options.
VI.	Source of shares (primary, secondary or combination)	Primary	Primary and Secondary
VII.	Variation in terms of Options	None	None
VIII.	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method	Fair Value Method

## Board's Report (contd.)

Sl. No.	Particulars	FLFL ESOS - 2013	FLFL ESOP - 2015
IX.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.	N.A.
X.	Option movement during the financial year ended on March 31, 2022		
	Number of Options outstanding at the beginning of the year	88,059	5,26,250
	Number of Options granted during the year	NIL	NIL
	Number of Options forfeited / lapsed / cancelled during the year	88,059	2,91,250
	Number of Options vested during the year	NIL	NIL
	Number of Options exercised during the year	NIL	NIL
	Number of shares arising as a result of exercise of Options	NIL	NIL
	Money realised by exercise of Options, if scheme is implemented directly by the Company	NIL	NIL
	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
	Number of Options outstanding (in force) at the end of the year	NIL	2,35,000
	Number of Options exercisable at the end of the year	NIL	2,35,000

## Board's Report (contd.)

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

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

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



## Board's Report (contd.)

# ANNEXURE E

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

- I. The ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company and the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP), for the financial year 2021-22 are as under:

Name and Designation	Increase / (Decrease) in Remuneration (%)	Ratio of remuneration of each Director to MRE
<b>Independent and Non-Executive Directors</b>	Please refer note	
<b>Managing Director:</b>		
Mr. Vishnuprasad M	7.40	194
<b>Key Managerial Personnel:</b>		
<b>Chief Financial Officer</b>		
Mr. Dharmesh Jain	18.00	N.A.
<b>Company Secretary</b>		
Mr. Sanjay Kumar Mutha	10.00	N.A.

**Note:**

- No commission for the previous financial year 2020-21 was paid to the Independent / Non-Executive Directors and no commission would be payable for the financial year 2021-22.
  - Independent / Non-Executive Directors was paid sitting fees for attending meetings of the Board or Committee thereof (unless voluntarily waived by directors), during the year under review. The remuneration excludes sitting fees paid to the directors. Hence, no remuneration was paid to Independent / Non-Executive Directors, during the year under review.
- II. The increase in MRE in the financial year 2021-22, as compared to the financial year 2020-21 was (6.61) %;
- III. There were 3,841 permanent employees on the rolls of the Company as on March 31, 2022;
- IV. Average percentage increase in the salaries of employees other than the managerial personnel for the financial year 2021-22 was 10%. There was an increase of 7.40% in the remuneration to Managing Director for the same period; and
- V. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Mumbai  
August 16, 2022

**Rahul Mehta**  
Chairperson

**Board's Report (contd.)****ANNEXURE F****FORM NO. AOC. 2**

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, 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, 2022 are as follows:

Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ₹ in core)	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
None	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Mumbai  
August 16, 2022

**Rahul Mehta**  
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:

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

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

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

(₹ in Crore)		
Particulars	Financial Year 2021-22	Financial Year 2020-21
Foreign Exchange Earnings*	-	2.28
Foreign Exchange Outgo	14.86	23.36

\* Included ₹ NIL (FY 2020-21: ₹2.28 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  
August 16, 2022

**Rahul Mehta**  
Chairperson

# Corporate Governance Report

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

The Company has complied with all the provisions as stipulated in regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), for the financial year ended March 31, 2022.

## 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, 2022, the Board of Directors of the Company comprises of six Directors.

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

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

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

The information on composition of the Board, Category and their Directorships and Committees' Membership / Chairpersonship across all the companies in which they are Directors, as on March 31, 2022 is as under:

Name of Director	DIN	Category	No. of Directorships*		**No. of Memberships / Chairpersonships of Committees in public companies	
			Public	Private / Non Profit	Memberships	Chairpersonships
Mr. Shailesh Haribhakti	00007347	Chairperson-Independent	10	9	10	2
Mr. Kishore Biyani	00005740	Vice-Chairperson (Non-Executive) (Promoter Group)	7	1	3	1
Mr. Vishnuprasad M	07189877	Managing Director	3	-	-	-
Ms. Sharada Sunder	07599164	Independent	2	1	1	1
Mr. Rahul Mehta \$	00165521	Independent	3	4	4	1
Mr. C. P. Toshniwal	00036303	Non-Executive	7	3	2	1

\* 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. Rahul Mehta was appointed as Independent Director with effect from February 11, 2022.

## Corporate Governance Report (contd.)

The details of directorships held by Directors in other listed entities as on March 31, 2022 are as under:

Name of Director	Name of the other listed entities where he/she is a director	Category of directorship
Mr. Shailesh Haribhakti	Torrent Pharmaceuticals Limited	Independent
	ACC Limited	Independent
	Ambuja Cements Limited	Independent
	Blue Star Limited	Independent
	Bajaj Electricals Limited	Independent
	L&T Finance Holdings Limited	Independent - Chairman
Mr. Kishore Biyani	Future Retail Limited	Executive - Chairman
	Future Enterprises Limited	Non-executive - Vice Chairman
	Future Consumer Limited	Non-executive
Mr. C. P. Toshniwal	Future Supply Chain Solutions Limited	Non-executive
	Future Enterprises Limited	Non-executive
Mr. Rahul Mehta	Kamadgiri Fashion Limited	Independent

The details of Shares held by the Directors in the Company as on March 31, 2022 are as follows:

Name of Director	Number of Shares held
Mr. Kishore Biyani	333
Mr. Rahul Mehta	16

Note:

1. Mr. Rahul Mehta holds 16 jointly with other relatives.
2. Mr. C. P. Toshniwal holds 84,592 shares in the capacity of a Trustee of Chandra Prakash Toshniwal Family Trust.
3. Except Shares held by the Directors as above, and 1,46,000 vested employee stock options held by Mr. Vishnuprasad M, none of the directors holds shares/ convertible instruments in the Company.

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

In terms of regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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

### BOARD MEETINGS

During the year under review, nine Board meetings were held on April 27, 2021, June 28, 2021, August 13, 2021, September 20, 2021, November 13, 2021, February 11, 2022, March 02, 2022, March 21, 2022 and March 30, 2022.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in the Listing Regulations. Ninth Annual General Meeting (AGM) of the Company was held on September 29, 2021.

## Corporate Governance Report (contd.)

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	9	Yes
Mr. Vishnuprasad M	9	9	Yes
Dr. Darlie Koshy*	5	5	Yes
Mr. Bijou Kurien**	1	1	N.A.
Ms. Sharda Agarwal@	1	1	N.A.
Mr. Rakesh Biyani@@	3	2	N.A.
Mr. C. P. Toshniwal	9	8	Yes
Ms. Avni Biyani\$	2	2	N.A.
Mr. Luv Parikh\$\$	1	1	N.A.
Mr. Chintamani Aniruddha Bhagat#	7	4	Yes
Mr. Rahul Garg##	7	6	Yes
Ms. Ketki Bapat%	2	2	N.A.
Mr. Himanshu Dodeja%%	6	5	No
Mr. Saurabh Mehta^	4	1	Yes
Ms. Sharada Sunder^^	8	8	Yes
Mr. Rahul Mehta^^^	2	2	N.A.

\* Resigned with effect from December 10, 2021.

\*\* Retired with effect from May 25, 2021.

@ Resigned with effect from May 29, 2021.

@@ Resigned with effect from August 24, 2021.

\$ Resigned with effect from June 28, 2021.

\$\$ Resigned with effect from May 28, 2021.

# Resigned with effect from March 13, 2022.

## Resigned with effect from March 14, 2022.

% Resigned with effect from August 13, 2021.

%% Appointed as Nominee Director with effect from May 28, 2021, and Resigned with effect from March 10, 2022.

^ Appointed as an Alternate Director to Mr. Chintamani Bhagat with effect from August 13, 2021 and ceased to be an Alternate Director with effect from March 13, 2022.

^^ Appointed as an Independent Director with effect from June 26, 2021.

^^^ Appointed as an Independent Director with effect from February 11, 2022.

### 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:

## Corporate Governance Report (contd.)

Name of Directors	Strategy	Financial	Technology	Leadership	Industry experience	Business Development	Risk & compliance oversight
Mr. Shailesh Haribhakti	✓	✓	-	✓	✓	-	✓
Mr. Kishore Biyani	✓	✓	✓	✓	✓	✓	✓
Mr. Vishnuprasad M	✓	-	✓	✓	✓	✓	-
Mr. C. P. Toshniwal	✓	✓	-	-	✓	✓	-
Ms. Sharada Sunder	✓	✓	-	-	✓	-	-
Mr. Rahul Mehta	✓	✓	-	✓	✓	✓	✓

### BOARD EVALUATION

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

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

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

The performance evaluation of individual Directors are reviewed on parameters such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards

stakeholders, contribution, attendance, inter-personal relationship, etc.

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

### AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Directors (Independent Directors). Ms. Sharda Sunder, 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 Ninth Annual General Meeting of the Company held on September 29, 2021.

The Company Secretary functions as Secretary to the Committee.

During the year under review, six meetings of the Committee were held on April 27, 2021, June 28, 2021, August 13, 2021, September 20, 2021, November 13, 2021, and February 11, 2022.

The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.



## Corporate Governance Report (contd.)

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 <sup>@</sup>	Chairperson	1	1
Mr. Shailesh Haribhakti	Member	6	6
Dr. Darlie Koshy <sup>*</sup>	Member	5	5
Mr. Luv Parikh <sup>\$\$</sup>	Member	1	1
Ms. Sharada Sunder <sup>^^</sup>	Chairperson	5	5
Mr. Rahul Mehta <sup>^^^</sup>	Member	1	-

<sup>@</sup> Resigned with effect from May 29, 2021.

<sup>\*</sup> Resigned with effect from December 10, 2021.

<sup>\$\$</sup> Resigned with effect from May 28, 2021.

<sup>^^</sup> Appointed as an Independent Director with effect from June 26, 2021.

<sup>^^^</sup> Appointed as an Independent Director with effect from February 11, 2022.

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

### Terms of Reference

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

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

including granting of omnibus approval for related party transactions;

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

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Directors (Independent Directors). Ms. Sharada Sunder, Chairperson of the Committee is an Independent Director.

During the year under review, three meetings of the Committee were held on April 27, 2021, June 28, 2021, and February 11, 2022.

## Corporate Governance Report (contd.)

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

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy*	Chairperson	3	2
Mr. Shailesh Haribhakti	Member	3	3
Mr. Rakesh Biyani@@	Member	2	1
Ms. Sharda Agarwal@	Member	1	1
Mr. Luv Parikh\$\$	Member	1	1
Ms. Sharada Sunder^^	Chairperson	2	2
Mr. Rahul Mehta^^^	Member	1	-

\* Resigned with effect from December 10, 2021.

@@ Resigned with effect from August 24, 2021.

@ Resigned with effect from May 29, 2021.

\$\$ Resigned with effect from May 28, 2021.

^^ Appointed as an Independent Director with effect from June 26, 2021.

^^^ Appointed as an Independent Director with effect from February 11, 2022.

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

### Terms of Reference

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

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

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent director, on the

basis of the report of performance evaluation of Independent directors;

- To establish and from time to time review the policy for ESOP and ESOS as well as issuance of SWEAT equity shares and recommend the grants to be made under ESOP / ESOS;
- To review Company's remuneration and human resources policy; and
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

### REMUNERATION TO DIRECTORS

#### Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retrial benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The remuneration policy is in consonance with the existing industry practice.

#### Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to the Managing Director and/or the Executive

## Corporate Governance Report (contd.)

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

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

The eligible Non-Executive Directors may be paid commission upto an maximum limit of 1% of the net profits of the Company as specifically computed for this purpose and as may be approved by Board of Directors of the Company. The criteria of making payments to Non-Executive Directors cover, inter-alia,

number of meetings attended, Chairpersonship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

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

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

### Remuneration paid to Directors

#### a. Managing Director

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

(₹ in Crore)								
Name	Salary and Allowances	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Vishnuprasad M	3.71	-	0.12	-	3.83	Apr 30, 2020 to Dec 19, 2021 Dec 20, 2021 to Dec 19, 2024	6	-

#### 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.
3. Mr. Vishnuprasad M holds 1,46,000 vested Employee Stock Options to be exercisable at a price of ₹ 189 per Option over a period of three years from the date of vesting.
4. An amount of ₹ 0.64 Crore was paid to managing Directors towards deferred remuneration for FY 2021

## Corporate Governance Report (contd.)

### b. Non-Executive Directors

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

Name of Director	Category	(₹ in Crore)
		Sitting Fees Paid for FY 2021-22
Mr. Shailesh Haribhakti	Chairperson – Independent	0.07
Mr. Kishore Biyani	Vice-Chairperson (Non-Executive) (Promoter Group)	0.03
Dr. Darlie Koshy	Independent	0.06
Ms. Sharda Agarwal	Independent	0.01
Mr. Bijou Kurien	Independent	0.01
Mr. Rakesh Biyani	Non-Executive (Promoter Group)	0.01
Mr. C. P. Toshniwal	Non-Executive	0.03
Ms. Avni Biyani	Non-Executive (Promoter Group)	0.01
Mr. Luv Parikh*	Nominee Director	NIL
Mr. Chintamani Aniruddha Bhagat*	Nominee Director	NIL
Mr. Rahul Garg*	Non-Executive	NIL
Ms. Ketki Bapat*	Alternate Director	NIL
Mr. Himanshu Dodeja*	Nominee Director	NIL
Ms. Sharada Sunder	Independent	0.06
Mr. Saurabh Mehta*	Alternate Director	NIL
Mr. Rahul Mehta	Independent	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 Mr. Rahul Mehta, Chairperson of the Committee, Mr. Kishore Biyani and Mr. C P Toshniwal as the other Members of the Committee.

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

During the year under review, one meeting of the Committee were held on June 28, 2021.

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

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy*	Chairperson	1	1
Mr. Kishore Biyani	Member	1	1
Mr. Rakesh Biyani@@	Member	1	-
Mr. Rahul Mehta^^^	Chairperson	-	-
Mr. C P Toshniwal	Member	-	-

\* Resigned with effect from December 10, 2021.

@@ Resigned with effect from August 24, 2021.

^^^ Appointed as an Independent Director with effect from February 11, 2022.

## Corporate Governance Report (contd.)

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

### Investors' Grievance Redressal

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

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

### 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 - [http://futurelifestyle.in/corporate\\_governance.aspx](http://futurelifestyle.in/corporate_governance.aspx)

### INDEPENDENT DIRECTORS' MEETING

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

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company constituted under the provisions of section 135 of the Act, comprises of Mr. Kishore Biyani as a Chairperson, Mr. Rahul Mehta and Mr. C. P. Toshniwal as the other Members of the Committee.

The Committee functions in accordance with the terms of reference as specified under the Act and as may

## Corporate Governance Report (contd.)

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 Ms. Sharada Sunder, Mr. C. P. Toshniwal and Mr. Dharmesh Jain.

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.

### 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
2021	September 29, 2021 at 02:00 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Vishnuprasad M as the Managing Director</li> <li>Approval for remuneration payable to Mr. Vishnuprasad M as the Managing Director</li> </ul>
2020	December 29, 2020 at 10:00 am	Through video conferencing ("VC") / other audio-visual means ("OAVM").	<ul style="list-style-type: none"> <li>Re-appointment of Ms. Sharda Agarwal as an Independent Director for the second term of 5 years;</li> <li>Appointment of Mr. Vishnuprasad M as the Managing Director;</li> </ul>
2019	July 30, 2019 at 02:30 pm	Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400021.	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Shailesh Haribhakti (DIN: 00007347) as an Independent Director of the Company.</li> <li>Re-appointment of Dr. Darlie Koshy (DIN: 00023527) as an Independent Director of the Company.</li> <li>Re-appointment of Mr. Kishore Biyani (DIN: 00005740) as the Managing Director of the Company.</li> </ul>

During the year under review, two meetings of the Committees were held i.e. on February 10, 2022 and on March 29, 2022.

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



## Corporate Governance Report (contd.)

### Extraordinary General Meeting

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

### Postal Ballot

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

### MEANS OF COMMUNICATION

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

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

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

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

### GENERAL SHAREHOLDERS INFORMATION

The Tenth Annual General Meeting of the Company will be held on December 31, 2022 at 2:00 p.m. IST through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.

### Financial Year

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

### Dividend Payment Date

No Dividend was recommended by the Board of Directors of the Company for the financial year 2021-22.

### 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)	INE452O07054	957150	-

### Credit ratings

During the year under review, CRISIL Limited ("CRISIL") and Credit Analysis & Research Limited ("CARE") have affirmed the credit 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, 2022 are as under:

## Corporate Governance Report (contd.)

### CRISIL and CARE

Sl. No.	Type / Facility	As on 31.03.2022	As on 31.03.2022
1.	Long Term Bank Facilities	CRISIL C	CARE C
2.	Short Term Bank Facilities	CRISIL A4	CARE A4
3.	Non-Convertible Debentures	CRISIL D	CARE D

### Corporate Identification Number (CIN)

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

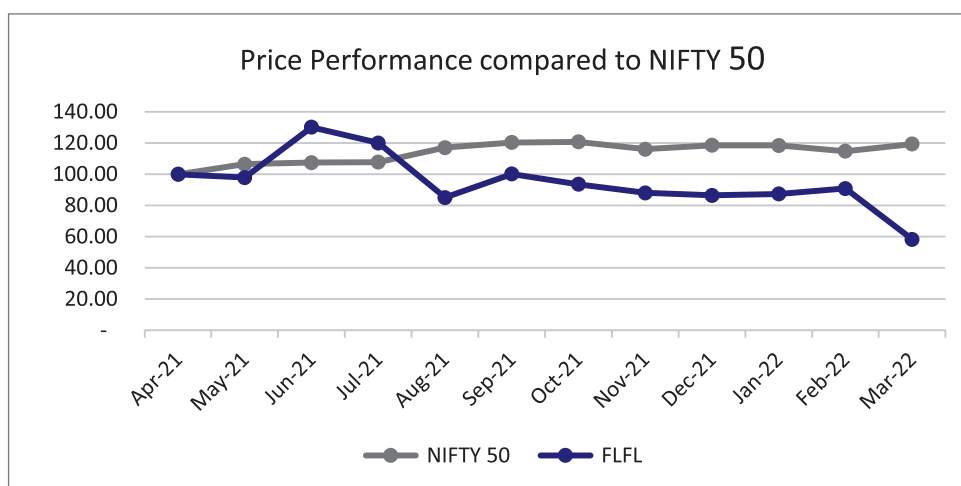
### Stock Performance

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-21	65.90	46.95	65.80	46.50
May-21	60.45	51.05	61.00	51.20
Jun-21	89.55	56.75	89.60	56.50
Jul-21	77.15	67.20	77.50	67.20
Aug-21	73.80	46.60	73.50	46.65
Sep-21	62.40	50.00	62.20	50.25
Oct-21	70.30	52.90	70.00	53.55
Nov-21	58.40	51.00	58.90	50.30
Dec-21	63.15	49.60	62.45	49.55
Jan-22	58.50	49.50	58.50	47.00
Feb-22	56.35	43.55	60.35	46.10
Mar-22	64.05	31.50	58.30	31.40

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

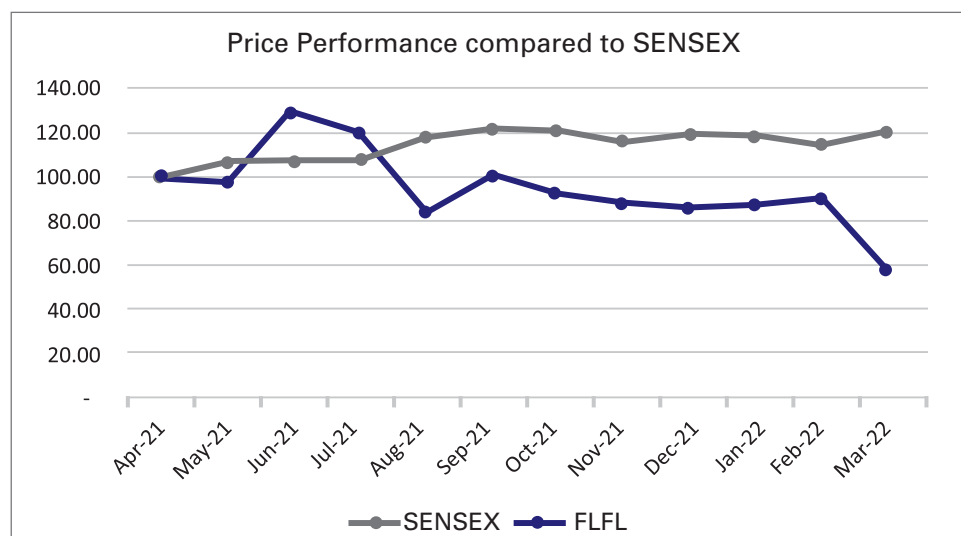
### PRICE PERFORMANCE COMPARED TO NIFTY 50



**Note:** Base 100 = Closing price of Equity Share and Value of Nifty 50 on the last trading day of April, 2021.

## Corporate Governance Report (contd.)

## PRICE PERFORMANCE COMPARED TO SENSEX



**Note:** Base 100 = Closing price of Equity Share and Value of SENSEX on the last trading day of April, 2021.

**Share Transfer System**

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

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

**De-materialisation of Shares**

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

**Status of Dematerialisation of Equity Shares as on March 31, 2022**

Particulars	No. of Shares	% of total Shares
NSDL	181,631,475	90.02
CDSL	20,012,253	9.92
<b>Dematerialised</b>	<b>201,643,728</b>	<b>99.94</b>
Physical	131,146	0.06
<b>Total</b>	<b>20,17,74,874</b>	<b>100.00</b>

## Corporate Governance Report (contd.)

### Distribution of Shareholding as on March 31, 2022

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-500	62405	88.58	55,09,491	2.73
501-1000	3683	5.23	28,56,838	1.41
1001-2000	2009	2.85	30,00,077	1.49
2001-3000	734	1.04	18,62,199	0.92
3001-4000	365	0.52	12,88,934	0.64
4001-5000	288	0.41	13,29,838	0.66
5001-10000	537	0.76	38,95,643	1.93
10000 and above	430	0.61	18,20,31,854	90.22
<b>Total</b>	<b>70451</b>	<b>100.00</b>	<b>20,17,74,874</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2022

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	4,11,51,230	20.40
Mutual Funds	183	0.00
Banks, Financial Institutions	0	0.00
Venture Capital Funds	62,00,000	3.07
Alternate Investment Funds	77,37,079	3.83
Insurance Companies	1,41,72,733	7.02
Foreign Portfolio Investors	4,03,30,574	19.99
Non-Resident Indians	7,07,869	0.35
Bodies Corporate	6,07,43,796	30.01
Body Corporate-Ltd Liability-Partnership-DR	38,989	0.02
Indian Public (Individual)	2,90,68,913	14.41
Directors and their Relatives	86,631	0.04
Clearing Members	2,97,875	0.15
IEPF	204838	0.10
Trust	1	0.00
FLFL Employee Benefit Trust	3,63,864	0.18
Hindu Undivided Family	6,70,299	0.33
<b>Total</b>	<b>20,17,74,874</b>	<b>100.00</b>

### 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, 2022.

## Corporate Governance Report (contd.)

### 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, 2021	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, 2022	186	34,170

The voting rights on the Shares outstanding in the suspense account as on March 31, 2022, shall remain frozen till the rightful owner of such Shares claims the Shares.

### Plant Locations

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

### Address for Correspondence Registrar and Transfer Agents

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

### For securities held in demat form

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

### Registered Office of the Company:

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

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

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

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

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

## DISCLOSURES

### Related Party Transactions

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

Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI Listing Regulations and the applicable Accounting Standards have been given in the note no. 33 in the Notes forming part of the Financial Statements. Policy on dealing

## Corporate Governance Report (contd.)

with related party transactions is available on the website of the Company at the link [http://www.futurelifestyle.in/Admin/pdf/RPT\\_Policy.pdf](http://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, 2022 as required under regulation 17(8) of Listing Regulations.

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

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

### Subsidiary Company

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

### Details of non-compliance

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India

or any statutory authority, on any matter related to the capital markets.

### Vigil Mechanism and Whistle Blower Policy

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

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

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

### Certificate on Non-disqualification of Directors

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

### Recommendations of the Committees of the Board

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

### Total fees paid to Statutory Auditors

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

Particulars	(₹ in Crore)
Audit fees (includes audit related services)	0.50
Tax audit and other services	0.10
<b>Total</b>	<b>0.60</b>

**Corporate Governance Report (contd.)****Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

<b>Number of complaints filed during the financial year</b>	<b>Number of complaints disposed of during the financial year</b>	<b>Number of complaints pending as on end of the financial year.</b>
NIL	NIL	NIL

**Compliance with Mandatory requirements**

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

**Compliance with discretionary requirements**

The Board: The Chairperson of the Board is an Independent Director. The Company did not maintain a Chairperson's office at the Company's expense or reimburse expenses

incurred in performance of his duties, during the year under review.

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

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

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



## Corporate Governance Report (contd.)

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Future Lifestyle Fashions Limited ('the Company') for the financial year ended on March 31, 2022 as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable, for the year ended on March 31, 2022.

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: 22042472APBAES1610

Mumbai  
August 16, 2022

### DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

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

I hereby declare that the Directors and Senior Management of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, for Directors and Senior Management during the year ended March 31, 2022.

For Future Lifestyle Fashions Limited

Mumbai  
August 16, 2022

**Vishnu Prasad M**  
Managing Director

# BUSINESS RESPONSIBILITY REPORT

## OVERVIEW

Your Directors present the Business Responsibility Report (“BRR”) of the Company for the financial year ended March 31, 2022, pursuant to regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). This BRR delineates the Company’s endeavors to conduct its business with responsibility and accountability towards all its stakeholders and focus on creating environmental, social and economic value.

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

Your Directors bring to the Notice of the Shareholders that various unprecedented events occurred during the year under review, which adversely affected the operations of the Company. During such unprecedented period, the Company has endeavored to take all reasonable efforts to follow business responsibility initiatives undertaken by the Company.

### 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	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Fashion Retail Business NIC Code: 477
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Retailing of: (i) Apparels / Garments (ii) Footwear (iii) Other fashion goods / accessories
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	The Company does not have any stores in International markets as on March 31, 2022
	(b) Number of National Locations	As on March 31, 2022, the Company has a pan India presence with 180 stores across pan India covering various formats of the Company.  It may be noted that in last week of Feb, 2022, 34 Central stores and 78 Brand Factory stores became non-operational on account of non-payment of rentals.
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)	₹ 2,582.84 Crore (standalone)
3	Total profit/(loss) after taxes (INR)	₹ (2,448.91) Crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The average net profits of the Company made during the three immediately preceding financial years was negative. The Company was not required to spend any amount during the year under review, in terms of the Companies Act, 2013.
5	List of activities in which expenditure in 4 above has been incurred	Though, the Company was not required to spend any amount during the year under review, in terms of the Companies Act, 2013. During the financial year 2021-22, the Company has worked on enhancing vocation skills and skills development and contributed by imparting training to the Apprentices and Students under the National Employability Enhancement Mission (NEEM) and National Apprenticeship Promotion Scheme (NAPS), schemes launched by Ministry of Skill Development and Entrepreneurship, Government of India. (For further details please refer Principle 8 given herein)

### Part C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has six subsidiaries and one step down subsidiary as on March 31, 2022.
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Subsidiary companies define their own initiatives, specific to their business context whilst having access to information and expertise residing with the Parent Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The Company encourages adoption of BR initiatives by its business partners.

### Part D: BR Information

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

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	07189877
2	Name	Mr. Vishnuprasad M
3	Designation	Managing Director
4	Telephone number	022-6644 2200
5	E-mail ID	investorrelations@futurelifestyle.in

**Business Responsibility Report (contd.)****2. Principle-wise BR Policy / Policies (as per NVGs) (Reply in Y/N):**

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

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

**Sl. Questions****No.**

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

## 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 assess 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 2021-22 and is also available on website of the Company at <a href="http://www.futurelifestyle.in">www.futurelifestyle.in</a>

### Part E: Principle-wise Performance

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

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

#### Governance

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

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

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

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

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

#### Vigil Mechanism and Whistle Blower Policy

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

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

#### Loss Prevention & Control

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

Suspicious incidents are analyzed and corrective actions taken to strengthen the process & reduce the losses. Formal investigations are undertaken as required by the Loss Prevention & Control team in above such cases with due corrective and remedial measures.

## Business Responsibility Report (contd.)

### Customer Privacy

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

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

### Grievance Redressal Mechanism

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

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

### Investors

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

The Company has designated e-mail id [investorrelations@futurelifestyle.in](mailto: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
-	-	-	-

### Employees

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

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

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

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

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

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

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

In each store attractive posters showcasing the POSH mechanism is displayed in local languages at fun zones, pantry and rest rooms. List of ICC with their contact details are displayed at entrances and noticeable places.

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.



## Business Responsibility Report (contd.)

### 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 [care@centralandme.com](mailto:care@centralandme.com) and [care@brandfactoryonline.com](mailto:care@brandfactoryonline.com)

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 1102 consumer cases which were pending at the beginning of the reporting year. 436 cases were filed and 929 cases were resolved during the reporting year. There were 609 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 11 Stores, 'Brand Factory' which operates in 28 Stores and 141 Exclusive Brand Outlets (EBOs), across India.

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

### Responsible Suppliers

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

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

### Capacity building

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

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

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

### Sustainable Sourcing

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

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

### Local Procurement

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



## Business Responsibility Report (contd.)

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

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

### Product labelling

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

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

### Principle 3: Welfare of employees

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

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

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

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

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

The Company undertake to look at everything through the employees' lens and first and foremost is the health and well being of the employees and their families.

There was an immediate need to:

- Protect and ensure the safety of the workforce during Covid 2nd wave
- Drive productivity with the necessary safety measures in place

#### Protect and ensure the safety of the workforce during Covid 2<sup>nd</sup> wave

The Company focused on regular sanitization and periodic deep cleans of the Offices, maintained safety and precautions with social distancing and regular checking of temperature for all the employees. Various measures were implemented by the organization to ensure how the organisation intended to protect it's employees

The Company constantly connected with our employees, kept them aware about the safety norms and regulations. Employees were allowed to follow work from home during lockdown between Apr-2021 and Jul 2021 and subsequently, offices were operated gradually with 50% employees strength.

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

##### Learning & Development

Due to the Pandemic (covid 2nd wave), the Company did manage with the Online Training Programs for our Leadership team and all other employees. After the pandemic situation improved, the Company organised following offline training programs:

- Microsoft Advanced Excel Training conducted by EC Analytics
- Art of Customer Centric Assortments by RAI
- Data-Driven Decision Making for Leaders by IIM Ahmedabad
- Presentation Skills by Orient Connect
- As a part of 'Knowledge Sharing Saturdays' - Advanced Excel training was initiated by our internal resource

A detailed 12 weeks Induction Program to help the new employee in integrating with team/other functions/management/corporate culture and effectively contribute in his/her role.

This induction program also includes mandatory store visits or customer and business insights.

## Business Responsibility Report (contd.)

### Employee Health and Safety

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

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

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

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

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.

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

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

### Non-Discrimination in recruitment and employment

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

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

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

### Employee strength\* as on March 31, 2022:

Employee Type	Stores/ Warehouses		Offices		Total	
	Male	Female	Male	Female	Male	Female
Permanent Employees	2695	882	206	58	2901	940
Apprentices/ Contract Workers/NEEM	400	173	0	0	400	173
Differently abled Employees (Permanent)	1	0	0	0	1	0

## Business Responsibility Report (contd.)

National Employability enhancement scheme (NEEM) workers on contract and apprentices accounted for 13.80% of employees at stores as on March 31, 2022.

The permanent employees of the Company are classified as under:

Level (Band)	Head Office		Store		Grand Total
	Male	Female	Male	Female	
1	3	0	2226	829	3058
2	87	36	377	46	546
3	54	12	76	7	149
4	42	9	15	0	66
5	20	1	1	0	22
Grand Total	206	58	2695	882	3841

### Diversity and Inclusion

The Company is striving to improve diversity in the workplace by increasing women's representation in the workforce. the Company currently employs around 25.21% women in their workforce at Company level and women represent 11.36% of the senior management.

### 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 encouraged Internship / Graduation Projects from NIFT / Pearl Academy / Amity University and had engaged 25 interns in Design team and 10 interns in Merchandising team, during the year under review.

### 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.

### Flexi Time Benefits

The Company's flexi time policy also provides employees to maintain a healthy work life balance which also takes care of emergency situations faced by the employee

through options of regularisation of biometric attendance log effected by their respective reporting managers.

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

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

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

### Employee Retention

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

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

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

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

## Business Responsibility Report (contd.)

### Training Performance

The company has invested a total of 578 man hours through these trainings.

Training Programme	Duration (hours)	Participants		Man Hours	
		Male	Female	Male	Female
Microsoft Advanced Excel Training	32	3	0	96	
QC Assessment	8	13	0	104	
The Art of Customer Centric Assortments by RAI	8	6	0	48	
Data-Driven Decision Making for Leaders by IIM Ahmedabad	24	8	0	192	
Excel Training	6	20	3	120	18

### POSH Training

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

Basic Training program on POSH was provided to employees online.

### Principle 4: Stakeholder Engagement

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

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

### Engaging with Government and Regulators

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

### Investor Engagement

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

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

### Employee Engagement

There was a definite need for effective means of engagement to build morale and motivation. We tried to ensure our employees felt connected to the organization and had a team outing, sports event, with all the necessary safety and precautions.

To promote a positive workplace culture and make the workplace lively and Fun, festivals and occasions, were part of FLF celebrations to bring people together and below are the initiatives organized for the employees:

- Sports activities - Badminton
- Festivities celebrations - Navratri, Diwali, Christmas
- Special Occasions - International Men's Day, International Women's Day

### 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)

### 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.

## Business Responsibility Report (contd.)

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

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

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

The Supplier code of conduct parallels the supplier audit requirements.

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

### Principle 5: Human Rights

#### Business should respect and promote human rights

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

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

#### No Child Labour

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

#### No Forced Labour

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

#### Non-Discrimination

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

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

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

#### Working Hours and Fair Wages

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

The Company does not encourage employees to work overtime beyond the prescribed working hours as per the Future Group policy. All workers are entitled to weekly off on completing 6 days of work. The Company



## Business Responsibility Report (contd.)

provides the employee with a compensatory day off for services provided on the entitled rest day. All holidays are pre decided based on local customs, national and international importance.

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

### Freedom of Speech

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

### Principle 6: Environment

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

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

#### Energy Efficiency:

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

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

Particular	FY 2021-22	FY 2020-21
Number of standalone stores	92	92
Total Electricity Consumed (Kwh)	3,88,66,766	3,32,72,244
<b>Consumption Type (Share)</b>		
Electricity Purchased	87.70	87.00%
Electricity generated from Diesel	3.30%	1.50%
Renewable energy	9.00%	11.50%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The Company works in a complex environment and maximises utilisation from its existing facilities to create the right ambience for its customers. The Company invests in retrofits where support release clauses with landlords allow for assets to remain with the Company.

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

### Climate Steward

In keeping with the Paris Climate Agreement and limit the global temperature rise by 1.5°C, the Company endeavours to become a climate steward and take necessary actions within operations to reduce energy consumption.

### Emissions Monitoring

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

### Materials and Packaging

The Company endeavours to address use of plastic packaging in value chain based on a Reduce- Recycle- Reuse strategy. The Company is sensitive towards pollution caused by consumption of materials especially due to packaging waste, disposable plastics and its negative impacts on ecosystems. As a responsible retailer, the Company is committed to addressing these challenges and shall endeavour to identify and eliminate all single use plastics utilised in packaging.

The Company is committed to creating awareness and engaging with stakeholders to reduce use of plastic

## Business Responsibility Report (contd.)

and paper in its operations. The Company has moved away from use of plastic carry bags and is using paper/cloth bags.

### Accept the Challenge Go Paperless

The Company had initiated this programme and have extended the challenge to reduce paper footprint across operations.

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

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

### Waste to Wealth – the circular loop

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

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

### Environmental Compliance

The Company received no cautionary/show-cause notices of non-compliance with regulations or penalties or fines from State Pollution Control Board (SPCB)/ Central Pollution Control Board (CPCB) concerning the activities undertaken at the Company's stores during the reporting period.

### Principle 7: Public Advocacy

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

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

The Company is committed to public good, however the Company has not actively advocated or lobbied directly with government officials or institutions. The Company actively participates in industry events and is a member of

the Retailers Association of India (RAI) and The Clothing Manufacturers Association of India.

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

### Principle 8: Inclusive Growth

#### Business should support inclusive growth and equitable development

##### Social Responsibility Programs

The Company believes that its business is built around strong social relevance of inclusive growth and creation of large societal capital would be as important as wealth creation for our stakeholders. The Company has been contributing to the societal wealth creation as a realisation of our above belief.

During the year under review, the Company has intensively worked on enhancing vocation skills and skills development and contributed by imparting training to the Apprentices and Students under the National Employability Enhancement Mission (NEEM) and National Apprenticeship Promotion Scheme (NAPS), schemes launched by Ministry of Skill Development and Entrepreneurship, Government of India.

The objective of the NEEM is to "offer on the job practical training to enhance employability of a person either pursuing his or her post-graduation/graduation/ diploma in any technical or non-technical stream or has discontinued studies after Class 10th to enhance his/her employability and to provide financial incentives, technology and advocacy support.

During the year under review, the Company has spent an amount of ₹ 10.47 Crore towards stipend / administrative fee and/or working capital spent on the aforesaid activity.

### 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.



## Business Responsibility Report (contd.)

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

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

Regular trainings are conducted by Learning and Development Teams across Pan India stores for employees including Customer Service Teams to ensure that the customer service level is improved. These include improving product knowledge, focusing on enhancing the salesmanship skills, enhancing the soft skills required to have a polite and confident conversation with customers. During COVID times, a lot of training and emphasis was given on new safety protocols to ensure safe and hygiene shopping environment for the customers.

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

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

### Net Promoter Score

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

A customer receives an SMS post billing and is requested to provide feedback.

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

Due to COVID pandemic, stores were closed during first half of the year under review. Hence, consumer surveys couldn't be conducted during that period.

### 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.

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.

# 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, 2022, 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, 2022, 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:

#### Material Uncertainty related to Going Concern

We draw attention to Note 38 of the Statement which states that the entire net worth of the company has been eroded due to losses incurred in the previous year and its current liabilities exceeded its current assets which indicates a material uncertainty exists, that may cast a significant doubt on the company's ability to continue as a going concern. We were informed that the Company is in the process of implementing business revival plans which in the opinion of the management would enable the Company to have sustainability and turnaround of its business operations. The Company's ability to generate positive cash flows depends on the successful implementation of such business revival plans. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

Our conclusion 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 determined the matters 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	<b>Revenue Recognition</b> 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)	<b>Principal Audit Procedures</b> <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	<b>Valuation of Inventory</b> 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.	<b>Principal Audit Procedures</b> <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 realizable value on a representative sample basis.</p>
3	<b>Accounting for Lease Concessions under Ind AS 116</b> The Company has renegotiated future lease rentals and escalations, thereby remeasuring the lease liability using the revised lease payments resulting in a decrease in the lease liability and a corresponding adjustment to the Right-of-use asset. The large volume of leases, the diverse nature thereof and the significance and impact of the estimates made led us to consider this matter to be a key matter to this audit.	<b>Principal Audit Procedures</b> <ol style="list-style-type: none"> <li>Assessing the design and implementation of the key controls established by the Company on significant estimates such as the revised lease term, lease payments and the discount rates.</li> <li>Our procedures to assess management's key modelling estimates and the completeness/accuracy of the underlying lease data included: <ul style="list-style-type: none"> <li>assessing the discount rates used to calculate the lease obligation,</li> <li>assessing the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation;</li> <li>assessing the completeness of the commercial arrangements for the waivers by testing lease payments and comparing the same with the original agreements with revised negotiations and</li> </ul> </li> </ol>

Sr No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>For a representative sample of rent concessions received as a consequence of covid-19 related renegotiations, verification of the correct accounting in accordance with the regulation in force.</li> </ul>
		3) Evaluating whether the disclosures included in the notes to the standalone financial statements are in conformity with the applicable standard

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

### Management's Responsibility for the Standalone financial statements

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

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (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 to the extent applicable.
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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.

- iv. A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:

- B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (II) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year. Hence the compliances with section 123 of Companies Act 2013, is not applicable.

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

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 22042472APAYZU1579

Mumbai  
August 16, 2022

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **FUTURE LIFESTYLE FASHIONS LIMITED** on the standalone financial statements for the year ended March 31, 2022, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangibles assets.  
  
(b) Some of the Property, Plant and Equipment are 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) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies were less than 10% in aggregate for each class of inventory which were noticed on such physical verification and have been properly dealt with in the books of account.  
  
(b) As disclosed in Note 15 to the standalone financial statements, the Company has been sanctioned/reviewed working capital limits in excess of ₹five Crore in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (d) The Company has not revalued its Property, Plant and The Company has not revalued its Property, Plant and assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- iii. (a) During the year the Company has provided loans to companies as follows:

	(₹ In Crore)		
	Guarantees	Loans	Advances in Nature of loans
Aggregate amount granted/ provided during the year:			
- Subsidiaries	NIL	NIL	NIL
- Joint Ventures	NIL	NIL	NIL
- Associates	NIL	NIL	NIL
- Others	NIL	NIL	NIL
Balance outstanding as a balance sheet date In respect of the above case:			
- Subsidiaries	50.00	NIL	NIL
- Joint Ventures	100.00	282.52	NIL
- Associates	NIL	NIL	NIL
- Others	NIL	0.41	NIL



- (b) There were no loans given to any company's, firms. Limited liability partnership or any parties during the year. Accordingly, the requirement to report on clause 3(iii)(a)(b)(c)(d) and (f) of the order is not applicable to the company.
- 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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, and other statutory dues applicable to it with some delay occasionally. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (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, 2022, 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, income tax and Stamp duty which have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
Orissa Entry Tax	Entry Tax	0.12	2015-2016	Deputy Commissioner of Commercial Tax
Maharashtra-VAT	VAT	2.28	2015-2016	Deputy Commissioner of Sales Tax (Appeals)
Service Tax Act, 1994	Service Tax Act, 1994	16.60	2007-2011	Hon'ble Supreme Court of India
The Income Tax Act, 1961	Tax deducted Source	13.40	2013-2014	Commissioner of Income Tax (Appeals)
The Indian Stamp Act	Stamp Duty	1.55	2008-2009	Upper Collector, Gaziabad

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to lender as per details below:

Sr. No.	Name of Bank	Type of Limits	Amount of Default as of 31/03/2022 (₹ Crore)	Whether Interest or Principal	No. of days of Delay or Unpaid	Remarks
1.	State Bank of India	Purchase Bills Discounting	38.85	Principal	18	The default is within 30 days as of 31/03/2022
2.	IndusInd Bank	Purchase Bills Discounting	15.87	Principal	13	
3.	Axis Bank	Letter of Credit	7.00	Principal	17	
4.	IDFC First Bank	Purchase Bills Discounting	1.58	Principal	14	
<b>Total</b>			<b>63.30</b>			

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) During the company has not received any whistle blower complaints hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- 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. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of ₹ 1,683.73 Crore during the financial year covered by our audit and ₹ 288.87 Crore in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. We draw an attention on “Emphasis of Matter” in our report and further to Note no.38 in Notes to Accounts. On the basis of the financial ratios disclosed in Note 40 to the standalone financial statements, ageing

and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we believe that material uncertainty exists as on the date of the audit report that Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance

sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub-section (5) and sub-section (6) of Section 135 of the Act.

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

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 22042472APAYZU1579

Mumbai  
August 16, 2022

## 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 standalone financial reporting of FUTURE LIFESTYLE FASHIONS LIMITED ("the Company") as of March 31, 2022 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 standalone 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 Standalone Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over standalone financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Standalone 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 standalone 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 standalone financial reporting and their operating effectiveness. Our audit of internal financial controls over standalone financial reporting included obtaining an understanding of internal financial controls over standalone 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 standalone financial reporting.

#### Meaning of Internal Financial Controls over Standalone Financial Reporting

A company's internal financial control over standalone 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 standalone 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 Standalone 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 standalone 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 standalone financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal

control over standalone 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 Standalone Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mumbai  
August 16, 2022

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 22042472APAYZU1579

# Balance Sheet

as at March 31, 2022

*(All amounts in INR Crore, unless otherwise stated)*

	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	283.81	1,233.30
Capital work-in-progress		58.64	60.83
Other Intangible assets	3	10.74	12.53
Right-of-use assets	28	363.20	916.39
Net investment in sublease	28	-	5.80
<b>Financial Assets</b>			
Investments	4	0.08	498.09
Security Deposits	5	178.21	101.95
Others financial assets	7	0.43	0.40
Deferred tax assets (net)		-	156.09
Non-current tax assets (net)		14.44	10.37
Other non-current assets	8	17.84	56.53
<b>Total Non - Current Assets</b>		<b>927.39</b>	<b>3,052.28</b>
<b>Current Assets</b>			
Inventories	9	1,398.52	1,877.50
<b>Financial Assets</b>			
Investments	4	34.06	39.90
Trade receivables	10	184.23	213.82
Cash and cash equivalents	11	52.68	40.63
Bank balances other than the above	12	4.97	5.24
Security Deposits	5	64.85	78.52
Loans	6	1.54	237.30
Others financial assets	7	1.15	36.62
Other current assets	8	1,005.54	490.16
		2,747.54	3,019.69
Assets held for sale	3	642.42	-
<b>Total Current Assets</b>		<b>3,389.96</b>	<b>3,019.69</b>
<b>Total Assets</b>		<b>4,317.35</b>	<b>6,071.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	40.35	40.35
Other Equity	14	(1,784.70)	697.78
<b>Total Equity</b>		<b>(1,744.35)</b>	<b>738.13</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	1,167.64	1,067.33
Other financial liabilities	16	24.92	7.56
Lease liabilities	28	287.25	874.88
Provisions	17	11.28	10.68
<b>Total Non - Current Liabilities</b>		<b>1,491.09</b>	<b>1,960.45</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	560.57	564.13
Trade payables	35		
Dues of micro enterprises and small enterprises		102.58	80.45
Dues of creditors other than micro enterprises and small enterprises		2,462.43	1,911.55
Other financial liabilities	16	1,227.39	361.13
Lease liabilities	28	147.13	359.12
Provisions	17	26.49	50.43
Other current liabilities	18	44.02	46.58
<b>Total Current Liabilities</b>		<b>4,570.61</b>	<b>3,373.39</b>
<b>Total Equity and Liabilities</b>		<b>4,317.35</b>	<b>6,071.97</b>
The accompanying notes are forming part of the financial statements	1-45		

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  
DIN 00005740

**Vishnuprasad M**  
Managing Director  
DIN 07189877

**Ashok A. Trivedi**  
Partner  
Membership No.042472

**Dharmesh Jain**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

Mumbai  
August 16, 2022

# Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in INR Crore, unless otherwise stated)

	Note	2021-2022	2020-2021
<b>REVENUE</b>			
Revenue from operations	19	2,838.31	2,160.51
Other Income	20	(255.47)	49.99
<b>Total Revenue</b>		<b>2,582.84</b>	<b>2,210.50</b>
<b>EXPENSES</b>			
Purchases of Stock-in-trade		1,813.54	1,007.76
Changes in inventories of stock-in-trade	21	478.98	524.05
Employee benefits expense	22	234.86	173.14
Finance costs	23	314.28	338.62
Depreciation and amortisation expense	3	609.09	581.88
Other expenses	24	650.89	455.80
<b>Total Expenses</b>		<b>4,101.64</b>	<b>3,081.25</b>
<b>Profit/(Loss) Before Exceptional Item and Tax</b>		<b>(1,518.80)</b>	<b>(870.75)</b>
Exceptional Item (Loss)		(774.02)	-
<b>(Loss) before tax</b>		<b>(2,292.82)</b>	<b>(870.75)</b>
Tax Expense	25	156.09	0.82
Current tax		-	-
Earlier year Income tax		-	0.82
Deferred tax		156.09	-
<b>Loss for the Year</b>		<b>(2,448.91)</b>	<b>(871.57)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans	32	(0.95)	1.24
(b) Equity Instrument at fair value through OCI		(24.86)	(1.88)
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>(25.81)</b>	<b>(0.64)</b>
<b>Total comprehensive income for the Year</b>		<b>(2,474.72)</b>	<b>(872.21)</b>
<b>Earnings per equity share of Face Value of ₹ 2 each</b>			
Basic (₹)		(122.65)	(43.23)
Diluted (₹)		(122.65)	(43.23)
The accompanying notes are forming part of the financial statements	1-45		

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  
August 16, 2022

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson  
DIN 00005740

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director  
DIN 07189877

**Sanjay Kumar Mutha**  
Company Secretary



# Statement of Changes in Equity

for the year ended March 31, 2022

(All amounts in INR Crore, unless otherwise stated)

## A) EQUITY SHARE CAPITAL

Particulars	Amount
Balances as at March 31, 2020	40.35
Issue of Equity shares under employee share option plan (ESOP)	-
Balances as at March 31, 2021	40.35
Issue of Equity shares under employee share option plan (ESOP)	-
<b>Balances as at March 31, 2022</b>	<b>40.35</b>

## B) OTHER EQUITY

	Reserve & Surplus							Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earning	Equity instruments through Other Comprehensive Income	
Balance as at March 31, 2020	426.99	797.31	50.00	15.53	88.04	175.12	19.59	1,572.58
Profit for the Year						(871.57)		(871.57)
Other Comprehensive income for the year, Net of Income tax						1.24	(1.88)	(0.63)
<b>Total Comprehensive income for the year</b>						(870.33)	(1.88)	(872.20)
Transfer to Securities premium on exercise of ESOP		0.00		(0.00)				-
Recognition of Share-based payments				(2.58)				(2.58)
<b>Balance as at March 31, 2021</b>	<b>426.99</b>	<b>797.31</b>	<b>50.00</b>	<b>12.94</b>	<b>88.04</b>	<b>(695.21)</b>	<b>17.71</b>	<b>697.78</b>
Profit for the Year						(2,448.91)		(2,448.91)
Other Comprehensive income for the year, Net of Income tax						(0.95)	(24.86)	(25.81)
<b>Total Comprehensive income for the year</b>						(2,449.86)	(24.86)	(2,474.72)
Recognition of Share-based payments				(7.77)				(7.77)
<b>Balance as at March 31, 2022</b>	<b>426.99</b>	<b>797.31</b>	<b>50.00</b>	<b>5.18</b>	<b>88.04</b>	<b>(3,145.07)</b>	<b>(7.15)</b>	<b>(1,784.70)</b>

As per our report of even date attached

### For NGS & Co. LLP

Chartered Accountants  
Firm Registration No 119850W

### Ashok A. Trivedi

Partner  
Membership No.042472

Mumbai  
August 16, 2022

For and on behalf of the Board of Directors

### Kishore Biyani

Vice Chairperson  
DIN 00005740

### Dharmesh Jain

Chief Financial Officer

### Vishnuprasad M

Managing Director  
DIN 07189877

### Sanjay Kumar Mutha

Company Secretary

# Statement of Cash Flows

for the year ended March 31, 2022

(All amounts in INR Crore, unless otherwise stated)

	2021-2022	2020-2021
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	(2,448.91)	(871.57)
<b>Adjustments for:</b>		
Income tax expense recognised in profit or loss	156.09	0.82
Finance costs recognised in profit or loss	314.28	338.62
Interest income recognised in profit or loss	(36.81)	(41.97)
Loss on disposal of property, plant and equipment	11.21	41.47
(Gain)/Loss on derecognition and remeasurement of lease	(152.83)	(10.34)
Expected credit loss allowance (for doubtful debts)	70.82	0.27
Depreciation and amortisation of property, plant and equipment	609.09	581.88
Exceptional Items	774.02	-
Net loss on financial liability measured at FVTPL	450.00	-
Net loss on derivative liability	17.36	-
Expense recognised in respect of equity-settled share-based payments	(7.77)	(2.58)
Bad Debts/(Sundry Balances written back)	0.19	0.74
	<b>(243.26)</b>	<b>37.34</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in trade and other receivables	(549.98)	0.06
(Increase)/Decrease in inventories	478.97	524.05
(Increase)/Decrease in other assets	(52.91)	35.32
Increase/ (Decrease) in trade payables	573.06	(313.89)
Increase/ (Decrease) in provisions	(24.29)	(8.31)
Increase/(Decrease) in other liabilities	454.71	39.49
<b>Cash generated from operations</b>	<b>636.30</b>	<b>314.06</b>
Income taxes paid	(4.07)	(0.65)
<b>Net cash generated by operating activities</b>	<b>632.23</b>	<b>313.41</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Inter corporate deposit (Given)/refunded (Net)	0.01	0.85
Interest received	36.60	41.03
Payments for property, plant and equipment	(11.37)	(68.67)
Proceeds from disposal of property, plant and equipment	1.85	1.00
Payment to acquire financial assets - Investment	(1.65)	(1.83)
Rent receipt	3.08	8.96
Realisation of deposits/restricted deposits with banks	0.24	5.45
<b>Net cash (used in)/generated by investing activities</b>	<b>28.76</b>	<b>(13.21)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	-
Proceed/(repayment) from Borrowings	55.74	304.87
Interest paid	(211.53)	(209.88)
Payment of Lease liability	(493.15)	(366.12)
<b>Net cash used in financing activities</b>	<b>(648.94)</b>	<b>(271.13)</b>
<b>Net increase in cash and cash equivalents</b>	<b>12.05</b>	<b>29.07</b>
Cash and cash equivalents at the beginning of the year	40.63	11.56
<b>Cash and cash equivalents at the end of the year (Refer Note 11)</b>	<b>52.68</b>	<b>40.63</b>

As per our report of even date attached

For and on behalf of the Board of Directors

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

**Kishore Biyani**  
Vice Chairperson  
DIN 00005740

**Vishnuprasad M**  
Managing Director  
DIN 07189877

**Ashok A. Trivedi**  
Partner  
Membership No.042472

**Dharmesh Jain**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

Mumbai  
August 16, 2022

# Notes

Forming Part of the Financial Statements

## 1) CORPORATE INFORMATION ABOUT THE COMPANY

Future Lifestyle Fashions Ltd ("The Company") is a company incorporated in India under the provisions of Companies Act, 1956 on May 30, 2012. The registered address of the Company is located at knowledge House, Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060. The Company is engaged in the business of Retailing of Fashion products through Departmental and neighbourhood stores under various formats across the country. The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited. The Financial Statements were approved for issue by the Board of Directors on June 28, 2021. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Crore except where otherwise indicated.

## 2) SIGNIFICANT ACCOUNTING POLICIES

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

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

### 2.2 Basis of Preparation and Presentation

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

### 2.3 Business Combination

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised

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

## 2.4 Property, Plant and Equipment

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

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

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

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

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

# Notes

Forming Part of the Financial Statements

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

## 2.5 Intangible Assets

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

Estimated useful lives of the Intangible assets are as follows:

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

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its

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

## 2.7 Revenue recognition

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

### Sale of Goods

The Company deals in fashion products including apparel, footwear and accessories to both the large format stores and directly to customers through its own retail outlets.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For sales of fashion products, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

### Rendering of services

Revenue from a contract to provide services is recognised as they are rendered based on arrangements with the customers.

### Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can

# Notes

## Forming Part of the Financial Statements

be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 2.8 Leases

### The Company as a lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU" and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

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

### The Company as a lessor

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

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

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

# Notes

Forming Part of the Financial Statements

## 2.9 Taxation

### Current tax

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

### Deferred tax

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 2.10 Earnings per share

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

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

## 2.11 Borrowing costs

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

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

## 2.12 Employee benefits

### Short term employee benefits

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



# Notes

Forming Part of the Financial Statements

## Post-employment defined contribution benefits

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

## Post-employment defined benefit benefits

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

## Other long term employee benefit

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

## 2.13 Inventories

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

## 2.14 Foreign currencies

Indian rupees (₹) is the functional currency of the Company. In preparing these financial statements, transactions in currencies other than the functional

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

## 2.15 Provisions, contingent liability and contingent assets

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

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

## 2.16 Financial instruments

### Classification as financial liability or equity

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

### Equity instruments

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

# Notes

Forming Part of the Financial Statements

## Financial assets and financial liabilities- Initial recognition.

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

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

## Subsequent measurement

### Financial assets and financial liabilities at amortised cost

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

### Financial assets and financial liabilities at FVTPL

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

### Investment in equity instruments either at FVTPL or FVTOCI

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

arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

## Financial guarantee obligation

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

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

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

## Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

he 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.

# Notes

## Forming Part of the Financial Statements

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

## 3) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(All amounts in INR Crore, unless otherwise stated)

Descriptions of Assets	Gross Block (At cost / deemed cost)			Depreciation / Amortisation			Net Block	
	As at April 01, 2021	Additions	Deletions	As at March 31, 2022	As at April 01, 2021	For the Year	As at March 31, 2022	As at March 31, 2021
<b>A. Property, plant and equipment</b>								
Leasehold Improvements	413.12	1.89	10.12	404.90	163.73	70.21	229.32	249.39
Plant & Equipment	218.26	0.29	4.27	214.28	64.72	21.22	84.49	153.53
Office Equipment	40.14	0.23	0.02	40.35	24.59	6.02	30.60	15.55
Computer & IT Equipment	67.61	1.03	0.30	68.34	47.86	7.86	55.48	19.75
Furniture, Fixtures & Fittings	1,338.28	9.31	9.09	1,338.50	543.38	201.44	740.41	794.89
Vehicles	0.46	-	-	0.46	0.28	0.06	0.34	0.18
<b>TOTAL</b>	<b>2,077.86</b>	<b>12.76</b>	<b>23.80</b>	<b>2,066.82</b>	<b>844.57</b>	<b>306.81</b>	<b>1,140.64</b>	<b>1,233.30</b>
<b>B. Other Intangible Assets</b>								
Computer Software	26.80	0.80	0.00	27.60	14.54	2.47	17.03	12.25
Trademarks, Copyrights & Patents	0.54	-	-	0.54	0.26	0.06	0.33	0.28
<b>TOTAL</b>	<b>27.34</b>	<b>0.80</b>	<b>0.00</b>	<b>28.14</b>	<b>14.81</b>	<b>2.54</b>	<b>17.34</b>	<b>12.53</b>
<b>Grand Total</b>	<b>2,105.20</b>	<b>13.56</b>	<b>23.80</b>	<b>2,094.96</b>	<b>859.38</b>	<b>309.35</b>	<b>1,157.98</b>	<b>1,245.83</b>
Previous Year	2,004.98	186.31	86.09	2,105.20	624.10	278.92	859.38	1,380.88
<b>C Ageing of Capital work-in-progress</b>								
As on March 31, 2022		0-60 Days	61-90 Days	91-180 Days	More than 180 Days	Total		
As on March 31, 2021		1.03	0.04	0.76	56.81	58.64		
		11.86	0.17	3.08	45.72	60.83		

# 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>NON-CURRENT INVESTMENT</b>				
<b>Trade Investments fully paid up of ₹ 10 each unless otherwise stated</b>				
<b>Quoted</b>				
KOOVS PLC (GBP 0.01 per ordinary share)	103,715,663	103,715,663	84.96	84.96
KOOVS PLC - CCPS (GBP 0.01 per share)	881,523	881,523	2.21	2.21
Less :- Diminution of Investment			(87.17)	(87.17)
<b>Aggregate book value of quoted Non-Current Investments</b>			-	-
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Subsidiaries (At cost)</b>				
Future Trendz Limited	550,000	550,000	2.55	2.05
Less :- Provision for Diminution of Investment			(2.55)	-
FLFL Athleisure Limited	50,000	50,000	0.05	0.05
<b>Joint Venture (At cost)</b>				
FLFL Lifestyle Brands Limited	50,000	50,000	2.08	1.93
Less :- Provision for Diminution of Investment			(2.08)	-
FLFL Travel Retail Bhubaneswar Private Limited	5,100	5,100	0.01	0.01
Less :- Provision for Diminution of Investment			(0.01)	-
FLFL Travel Retail Guwahati Private Limited	5,100	5,100	0.01	0.01
Less :- Provision for Diminution of Investment			(0.01)	-
FLFL Travel Retail West Private Limited	5,100	5,100	0.01	0.01
Less :- Provision for Diminution of Investment			(0.01)	-
FLFL Travel Retail Lucknow Private Limited	5,100	5,100	0.01	0.01
Less :- Provision for Diminution of Investment			(0.01)	-
<b>Others (at fair value through other comprehensive income)</b>				
DSK Media Private Limited	10,000	10,000	0.00	18.02
Renew Wind Power Karnataka Private Limited	3,100	3,100	0.03	0.03
<b>Investment in Optionally Convertible Debentures</b>				
<b>Subsidiaries (At cost)</b>				
Future Trendz Limited	3,578,170	3,578,170	357.82	357.82
Less :- Provision for Diminution of Investment			(357.82)	-
<b>Joint Venture (At cost)</b>				
FLFL Lifestyle Brands Limited -Series I	6,500,000	6,500,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	111,680,000	111,680,000	111.68	111.68
Less :- Provision for Diminution of Investment			(118.18)	-
<b>Aggregate book value of unquoted Non-Current Investments</b>			0.08	498.09

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

	Number of Units		Amount	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>CURRENT INVESTMENT</b>				
<b>Trade Investments fully paid up of ₹ 10 each unless otherwise stated</b>				
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Ventures (At cost)</b>				
Clarks Reliance Footwear Private Limited	980,000	980,000	6.63	5.63
Holii Accessories Limited	190,000	190,000	0.24	0.24
Others (at fair value through OCI)				
SSIPL Retail Limited	609,197	609,197	27.19	34.03
<b>Aggregate book value of unquoted Current Investments</b>			<b>34.06</b>	<b>39.90</b>

### 5) SECURITY DEPOSIT

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current (Unsecured)</b>		
Considered good	178.21	101.95
	<b>178.21</b>	<b>101.95</b>
<b>Current (Unsecured)</b>		
Considered good	93.85	78.52
Less :- Expected credit loss allowance (for doubtful receivables)	(29.00)	-
	<b>64.85</b>	<b>78.52</b>

### 6) LOANS CURRENT (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Inter Corporate Deposits	225.17	225.18
Less :- Expected credit loss allowance (for doubtful receivables)	(224.88)	-
	0.29	225.18
Loan given to Others	12.12	12.12
Less :- Expected credit loss allowance (for doubtful receivables)	(10.87)	-
	1.25	12.12
	<b>1.54</b>	<b>237.30</b>



# Notes

Forming Part of the Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

## 7) OTHERS FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Bank deposits more than 12 months maturity	0.43	0.40
	<b>0.43</b>	0.40
<b>Current</b>		
Insurance Claim Receivable	1.04	0.87
Other Receivables	57.75	35.75
Less :- Expected credit loss allowance (for doubtful receivables)	(57.64)	-
	0.12	35.75
	<b>1.15</b>	36.62

## 8) OTHER ASSETS

	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
Capital Advances	0.35	0.75
Prepaid Expenses	17.49	55.78
	<b>17.84</b>	56.53
<b>Current</b>		
Balance with Government authorities	160.37	153.30
Advance to suppliers	826.80	313.92
Prepaid Expenses	9.16	10.83
Others	9.21	12.11
	<b>1,005.54</b>	490.16

## 9) INVENTORIES

	As at March 31, 2022	As at March 31, 2021
Stock-in-Trade	1,397.33	1,875.91
Packing Material	1.19	1.59
	<b>1,398.52</b>	1,877.50

## 10) TRADE RECEIVABLES (UNSECURED)

	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Considered Good	184.23	213.82
Considered Doubtful	44.14	2.32
	<b>228.37</b>	216.14
Less :- Expected credit loss allowance (for doubtful receivables)	44.14	2.32
	<b>184.23</b>	213.82

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 11) CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Cash on Hand	1.20	3.01
In Current Accounts	44.53	25.31
Balance with credit card and e-wallet companies	6.95	12.31
	<b>52.68</b>	40.63

## 12) BANK BALANCES OTHER THAN THE ABOVE

	As at March 31, 2022	As at March 31, 2021
Bank deposits (with maturity less than 12 months)	4.81	5.06
Earmarked Accounts (for unpaid dividend)	0.16	0.18
	<b>4.97</b>	5.24

## 13) EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	<b>25,00,00,000</b>	<b>50.00</b>	25,00,00,000	50.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 2/- each	20,17,74,874	40.35	20,17,74,874	40.35
	<b>20,17,74,874</b>	<b>40.35</b>	20,17,74,874	40.35

### Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2022	As at March 31, 2021
	No. of Shares	No. of Shares
At the beginning of the year	20,17,74,874	20,17,74,874
Add : Shares issued on exercise of employee stock option	-	-
Add : Issued during the year*	-	-
At the end of the year	<b>20,17,74,874</b>	<b>20,17,74,874</b>

### 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.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited	3,71,04,265	18.39	3,71,04,265	18.39
Spectacular Investments PTE Limited	1,94,04,207	9.62	1,94,04,207	9.62
BTO FPI III Pte. Ltd.	1,16,84,716	5.79	1,16,84,716	5.79
Life Insurance Corporation of India	1,41,72,600	7.02	1,42,66,816	7.07
Vistra ITCL India Limited	5,12,45,095	25.40	5,12,45,095	25.40

## Share options granted under the Company's employee share option plan

Share options granted under the Company's employee share option plan carry no right to dividends and no voting rights. Further details of the employee share option plan are provided in Note 36.

## 14) OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
Capital Reserve	426.99	426.99
Securities Premium	797.31	797.31
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	5.18	12.94
General Reserve	88.04	88.04
Retained Earning	(3,145.07)	(695.21)
Equity instruments through Other Comprehensive Income	(7.15)	17.71
	<b>(1,784.70)</b>	697.78

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

### 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 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.

## 15) BORROWINGS

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
8.70% Redeemable Non Convertible Debentures (NCD)	350.00	350.00
Term Loans from Banks	568.42	565.98
Funded Interest Term Loans	172.10	80.62
<b>Un-Secured - at amortised cost</b>		
Term Loans from Banks	70.07	70.07
Funded Interest Term Loans	7.06	0.66
	<b>1,167.64</b>	<b>1,067.33</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Working Capital Loans from Banks	560.57	564.13
	<b>560.57</b>	<b>564.13</b>

# Notes

Forming Part of the Financial Statements

*(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, 2022	As at March 31, 2021
<b>1</b>	<b>8.70 % NCD Series IV</b>			
	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	<p>Redeemable at the end of 84 months from the deemed date of allotment falling due on November 09, 2024 basis the extension by 24 months from the original redemption date of November 09, 2022.</p> <p>Interest of 8.70% p.a payable annually from the deemed date of allotment. Next tranche of deferred interest due in June 2022.</p> <p>Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.</p>	350.00	350.00
<b>2</b>	<b>Term Loans from bank:</b>			
(i)	a) Secured By First Pari-Passu charge on Fixed Assets (movable and immovable) both present and future of the company. b) Personal Guarantee of promoters	<p>The Outstanding Loan is repayable in 5 Step up Quarterly installments. (Next installment due in September 2022).</p> <p>Interest :- 10.25% p.a. (as on March 31, 2022)</p>	56.41	56.08
(ii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company. b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of Promoters	<p>The Outstanding Loan is repayable in 20 quarterly Installments. (Next installment due in June 2022) Interest :- 9.90% p.a (as on March 31, 2022).</p>	125.49	123.37
(iii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company. b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of promoters	<p>The Outstanding Loan is repayable in 20 quarterly Installments. (Next installment due in June 2022)</p> <p>Interest :- 9.90% p.a (as on March 31, 2022).</p>	136.08	136.08

# 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, 2022	As at March 31, 2021
(iv)	a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company. b) Personal Guarantee of promoters	The Outstanding Loan is repayable as bullet repayment in the Quarter ended on March 2023.	75.00	75.00
<b>3</b>	<b>Working Capital Term Loans (WCTL) from Banks :-</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company, b) Secured By Second Pari-Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 4 quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30% p.a.	175.44	206.41
<b>4</b>	<b>Existing Funded Interest Term Loans (FITL) from Banks :-</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company, b) Secured By Second Pari-Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 2 Structured Quarterly Installments. (Next Installment due in March 2023) Interest :- 10.75 % p.a. The Interest is paid as and when due.	25.14	25.65
<b>5</b>	<b>New Funded Interest Term Loans (FITL) from Banks :-</b>			
<b>(A)</b>	<b>FITL against Working Capital Limits/ WCTL Limits</b>			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company, b) Secured By Second Pari-Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 3 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a. The Interest is paid as and when due.	82.46	39.68
<b>(B)</b>	<b>FITL against Short Term Loans</b>			
(i)	a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company. b) Personal Guarantee of promoters	The Outstanding Loan is repayable in 3 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a. The Interest is paid as and when due.	9.54	1.52



# 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, 2022	As at March 31, 2021
<b>(C)</b>	<b>FITL against Term Loans</b>			
(i)	a) Secured By First Pari-Passu charge on Fixed Assets (movable and immovable) both present and future of the company. b) Personal Guarantee of promoters	The Outstanding Loan is repayable in 5 Structured Quarterly Installments. (Next Installment due in September 2022) Interest :- 8.30 % p.a.  The Interest is paid as and when due.	10.40	6.58
(ii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.  b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 20 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a.  The Interest is paid as and when due.	22.22	4.81
<b>(D)</b>	<b>FITL against Non-Convertible Debentures</b>			
(i)	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	The Outstanding Loan is repayable in 9 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a.  The Interest is paid as and when due.	21.80	11.18
<b>(E)</b>	<b>FITL against Purchase Bills Discounting Limits</b>			
(i)	a) Secured By Subservient Charge on entire Current Assets of the company, both present and future of the company.  b) Personal Guarantee of promoters	The Outstanding Loan is repayable in 2 Structured Quarterly Installments. (Next Installment due in March 2023) Interest :- 8.30 % p.a.  The Interest is paid as and when due.	0.43	-
			<b>1,090.42</b>	<b>1,036.36</b>
	Less : Current Maturities of Long Term Borrowing (excluding unsecured loan)		-	39.76
	<b>Total</b>		<b>1,090.42</b>	<b>996.60</b>

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

Nature of Security	Terms of Interest & Repayment
<b>Working Capital Loans from Banks</b>	
Loans are secured by	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the WC Loan is 10.15 % in the Financial Year 2022.
a) First Pari-Passu charge on Current Assets (excluding credit / debit card receivables), both present & future of the company	
b) Second Pari-Passu Charge on the Movable Fixed Assets of the company.	

Note:- Working Capital Term Loans (WCTL), Funded Interest term Loans (FITL) against working capital and WCTL limits and Working capital limits are also secured by Term Deposit receipt of ₹31.00 Lacs.

\* Moratorium on Interest sanctioned up to December 31, 2021 and payment of interest started thereafter.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 16) OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Derivative liability	24.92	7.56
	<b>24.92</b>	7.56
<b>Current</b>		
Current Maturities of Long-Term Borrowings	-	41.01
Interest Accrued but Not Due on Borrowings	54.50	43.83
Unclaimed Dividend	0.16	0.18
Creditors for Capital supplies/services	59.31	120.52
Payable to employees	9.89	18.46
Security Deposits	110.45	119.46
Financial guarantee obligations	0.87	1.02
Other Payables	542.21	16.65
Derivative liability - written put option	450.00	-
	<b>1,227.39</b>	361.13

## 17) PROVISIONS

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Gratuity	11.28	10.68
	<b>11.28</b>	10.68
<b>Current</b>		
Leave encashment	7.91	8.28
Gratuity	0.70	0.61
Provision for right of return	17.88	41.54
	<b>26.49</b>	50.43

## 18) OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Advance received from Customers	44.02	46.58
	<b>44.02</b>	46.58

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 19) REVENUE FROM OPERATIONS

	2021-2022	2020-2021
Sale of Products	3,085.62	2,348.14
Less: Goods and Service Tax	285.94	215.43
	<b>2,799.69</b>	2,132.71
Other Operating Revenue	38.63	27.80
	<b>2,838.31</b>	2,160.51

## 20) OTHER INCOME

	2021-2022	2020-2021
Interest Income	36.81	41.97
Miscellaneous Income	10.82	8.02
Net (loss) on financial liability measured at FVTPL (Refer Note 41)	(450.00)	-
(Gain)/Loss on derecognition of lease	146.90	-
	<b>(255.47)</b>	49.99

## 21) CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	2021-2022	2020-2021
<b>Opening Inventories</b>		
Stock- in-Trade	1,877.50	2,401.55
<b>Closing Inventories</b>		
Stock- in-Trade	1,398.52	1,877.50
	<b>478.98</b>	524.05

## 22) EMPLOYEE BENEFITS EXPENSE

	2021-2022	2020-2021
Salaries and Wages	226.00	163.64
Share-based payment to employees	(7.77)	(2.58)
Contribution to Provident and Other Funds	13.10	9.73
Staff Welfare Expenses	3.53	2.35
	<b>234.86</b>	173.14

## 23) FINANCE COSTS

	2021-2022	2020-2021
Interest Expense	170.57	172.62
Other Interest expense (Interest on MSME)	8.58	-
Other Borrowing Costs	32.37	37.26
Interest expense on lease liabilities	102.76	128.74
	<b>314.28</b>	338.62

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 24) OTHER EXPENSES

	2021-2022	2020-2021
Power and Fuel	90.89	73.42
Repairs and Maintenance		
Buildings	13.64	8.18
Others	2.72	1.63
Insurance	7.09	7.89
Rates and Taxes	11.88	6.47
Rent	98.35	60.17
Common Area Maintenance	64.17	59.38
Advertisement and Marketing	68.08	48.39
Loss on Disposal/Discard of Fixed Assets (Net)	11.21	41.47
Expected credit loss allowance (for doubtful receivables)	70.82	0.27
Bad Debts Written Off	0.19	0.74
Corporate Social Responsibility (CSR) (Refer Note 30)	-	4.48
Miscellaneous Expenses (Refer Note 39)	211.85	143.31
	<b>650.89</b>	<b>455.80</b>

## 25) TAX EXPENSE

### Income tax expense recognised in statement of Profit and Loss

	2021-2022	2020-2021
Current Tax	-	-
Adjustment of tax relating to earlier periods	-	0.82
Deferred Tax	156.09	-
<b>Total</b>	<b>156.09</b>	<b>0.82</b>

### Income Tax expense recognised in other comprehensive income

	2021-2022	2020-2021
Deferred Tax	-	-

## 26) CONTINGENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debt	1034.18	1002.71
Corporate Guarantees given	150.00	188.30
Guarantees given to the bank on behalf of the Company.	23.43	31.14

## 27) SEGMENT INFORMATION

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of 'Fashion Products' which constitutes a single reporting Segment. Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

Company does not derive its revenue of 10% or more from any of its single customer.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 28. DISCLOSURE RELATING TO LEASES

Effective April 1, 2019, The Company adopted IND AS 116 and applied the standard to all existing Lease Contracts as on April 1, 2019 using Modified Retrospective Method and has taken Cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental Borrowing rate.

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

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
4. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 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, 2022

	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	916.39	1103.34
Additions During the Year	212.09	316.37
Deletions During the Year	(299.74)	(1.53)
Depreciation for the Year	(457.65)	(302.96)
Remeasurements for the Year	(7.89)	(198.83)
<b>Closing Balance</b>	<b>363.20</b>	916.39

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2022

	As at March 31, 2022	As at March 31, 2021
Current Lease Liabilities	287.25	359.12
Non-Current Lease Liabilities	147.13	874.88
<b>Total</b>	<b>434.38</b>	1234.00

# 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, 2022

	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	1234.00	1365.70
Additions During the Year	212.09	316.37
Finance Cost Accrued During the Year	102.76	128.74
Payment of Lease Liabilities	(493.15)	(366.12)
Deletions During the Year	(604.55)	(5.35)
Remeasurements for the Year	(16.76)	(205.35)
<b>Closing Balance</b>	<b>434.38</b>	1234.00

- (a) Short-term leases have been accounted for applying Paragraph 6 of Ind AS 116-Leases and accordingly recognised as expense in the statement of profit and loss.
- (b) The total cash outflow for the year ended March 31, 2022 amounts to ₹ 493.15 Crore (2020-21: ₹ 366.12 Crore).
- (c) To remeasure the lease liability to reflect the modification.

The difference of ₹ 16.76 Crore between the original lease liability ₹ 451.14 Crore and the modified lease liability ₹ 434.38 Crore on March 31, 2022 is adjusted against the ROU asset.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

	As at March 31, 2022	As at March 31, 2021
Less than One Year	10.01	111.62
One to Five Years	9.08	104.47
More than Five Years	-	1.72
<b>Total</b>	<b>18.99</b>	217.81

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2022:

	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	5.80	13.83
Interest Income Accrued During the Year	0.22	0.94
Lease Receipts	3.08	(8.96)
Deletions During the Year	2.94	-
<b>Closing Balance</b>	<b>-</b>	5.80

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2022 on an undiscounted basis:

	As at March 31, 2022	As at March 31, 2021
Less than One Year	-	5.11
One to Five Years	-	1.03
More than Five Years	-	-
<b>Total</b>	<b>-</b>	6.14



# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 29. PAYMENT TO AUDITORS

	2021-2022	2020-2021
Statutory Audit Fees	0.45	0.56
Tax Audit Fees	0.05	0.04
Other Services	0.05	0.04
Reimbursement of expenses	-	-
<b>Total</b>	<b>0.55</b>	<b>0.64</b>

## 30. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with schedule VIII thereof is ₹ NIL Crore (2020-21: ₹ 3.18 Crore).

	2021-2022	2020-2021
Gross amount required to be spent by the company	-	3.18
<b>Details of amount spent are as under:</b>	-	-
Reducing inequalities faced by socially and economically backward groups	-	-
Promoting education, including special education and employment enhancing vocation skills	-	3.18
<b>Total</b>	<b>-</b>	<b>3.18</b>

## 31. EARNINGS PER SHARE

The earnings and weighted average number of Equity Shares used in the calculation of Basic and Diluted Earnings per share (EPS) are as follows:

	Units	2021-2022	2020-2021
Profit attributable to Equity Share holders	₹ in Crore	(2472.72)	(872.20)
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in Crore	20.18	20.18
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in Crore	20.18	20.18
Earnings per share – Basic	₹	(122.65)	(43.23)
Earnings per share – Diluted	₹	(122.65)	(43.23)
Face value per share	₹	2.00	2.00

## 32. EMPLOYEE BENEFIT PLANS

### a. Defined Contribution Plan

The Company operates defined contribution plan (Provident Fund) for all qualifying employees of the Company as per Ind AS 19. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## b. Defined Benefit Plans - Gratuity

The Company operates a gratuity plan covering qualifying employees as per Ind AS 19. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1975 or the Company Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded.

### (i) The principal actuarial risk to which the Company is exposed are interest rate risk, longevity risk and salary risk.

Interest Risk	A decrease in the government bond interest rate will increase the plan liability.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### (ii) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	2021-2022	2020-2021
Discount rate	6.96%	6.70%
Salary Escalation	4.00%	4.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Withdrawal Rate	Service <5 Years: 50%	Service <5 Years: 50%
Retirement Age	Service >5 Years: 2%	Service >5 Years: 2%
	58 years	58 years

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

### (iii) Amount recognised in the statement of Profit and Loss, other comprehensive income

	2021-2022	2020-2021
Total Service Cost	1.42	1.56
Net Interest Expenses	0.73	0.75
<b>Components of expense recognised in the statement of Profit and Loss (A)</b>	<b>2.15</b>	<b>2.31</b>
<b>Re-measurements on the net defined benefit liability:</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	-	(0.62)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(0.39)	(1.73)
Actuarial (Gain)/Loss arising from experience adjustments	1.34	1.11
<b>Total Amount recognised in other comprehensive income (B)</b>	<b>0.96</b>	<b>(1.24)</b>
<b>Total cost recognized (A+B)</b>	<b>3.11</b>	<b>1.07</b>

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

**(iv) Amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

	2021-2022	2020-2021
Present value of unfunded defined benefit obligation	11.97	11.29

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

	2021-2022	2020-2021
Opening defined benefit obligation	11.29	12.37
Total Service Cost	1.42	1.56
Net Interest Expenses	0.73	0.75
<b>Re-measurements on the net defined benefit liability</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	-	(0.62)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(0.39)	(1.73)
Actuarial (Gain)/Loss arising from experience adjustments	1.34	1.10
Benefits paid	(2.43)	(2.14)
Acquisition/Divestiture	-	-
Closing defined benefit obligation	11.97	11.29

**(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.

	2021-2022	2020-2021
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(10.63)	(9.97)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	13.58	12.89
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	13.54	12.77
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(10.64)	(10.02)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## c. Other employee benefits

The Company has recognised an amount of ₹ 2.27 Crore (2020-21: ₹ 2.58 Crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	2021-2022	2020-2021
Discounted Rate	6.46%	6.70%
Salary Increase Rate	4.00%	4.00%
Attrition Rate	Service <5 Years: 50%	Service <5 Years: 46% Service >5 Years: 2%
Retirement Age	Service >5 Years: 2%	Service <5 Years: 50%
Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

## 33. RELATED PARTY DISCLOSURES

### Names of Related Parties and nature of relationship

#### Subsidiaries

- FLFL Athleisure Limited (FAL)
- Future Speciality Retail Limited (FSRL)
- Future Trendz Limited (FTL)

#### Joint Ventures

- Celio Future Fashion Private Limited (CFFPL)
- Clarks Reliance Footwear Private Limited (CRFTPL)
- FLFL Lifestyle Brands Limited (FLBL)
- FLFL Travel Retail Bhubaneswar Private Limited (FTRBPL)
- FLFL Travel Retail Guwahati Private Limited (FTRGPL)
- FLFL Travel Retail Lucknow Private Limited (FTRLPL)
- FLFL Travel Retail West Private Limited (FTRWPL)
- Holii Accessories Limited (HAL)

#### Others

#### Entities over which Company is able to exercise significant Influence

- Excellent Lifestyle Limited (ELL)
- Future Style Lab Limited (FSLL)
- Indus Tree Producer Transform Limited (ITPTL)
- Mineral Fashions Limited (MFL)
- Rachika Trading Limited (RTL)

#### Entities over which KMP are able to exercise significant Influence

- Apollo Design Apparel Parks Limited (ADAPL)
- Bansi Mall Management Company Private Limited (BMMCPL)
- Creative Casual India Private Limited (CC IPL)
- Future Brands Limited (FBL)
- Future Consumer Limited (FCL)
- Future Corporate Resources Private Limited (FCRPL)
- Future Coupons Private Limited (FCPL)
- Future Entertainment Private Limited (FEPL)
- Future Enterprises Limited (FEL)
- Future Generali India Insurance Company Limited (FGIICL)
- Future Generali India Life Insurance Company Limited (FGILICL)
- Future Ideas Company Limited (FICL)

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

- Future Market Networks Limited (FMNL)
- Future Media (India) Limited (FMIL)
- Future Retail Limited (FRL)
- Future Sharp Skills Limited (FSSL)
- Future Supply Chain Solutions Limited (FSCSL)
- Galaxy Cloud Kitchens Limited (GCKL)
- Goldmohur Design & Apparel Park Limited (GDAPL)
- Idiom Design and Consulting Limited (IDCL)
- Indus Tree Crafts Private Limited (ITCPL)
- Iskrupa Mall Management Company Private Limited (IMMCPL)
- Kamadgiri Fashion Limited (KFL)
- KFC Shoemaker Private Limited (KSPL)
- LivQuik Technology (India) Private Limited (LTIPL)
- Nufuture Digital (India) Limited (NFDIL)
- Ojas Tradelease And Mall Management Private Limited (OTMMPL)
- Praxis Home Retail Limited (PHRL)
- Retail Light Techniques India Limited (RLTIL)
- Suhani Mall Management Company Private Limited (SMMCPL)
- Turtle Limited (TL)
- Unico Retail Private Limited (URPL)
- Work Store Limited (WSL)

## Key Management Personnel(KMP):

- Kishore Biyani (Vice Chairperson)
- Vishnuprasad M (Managing Director)
- Shailesh Haribhakti (Independent Director)
- Dr. Darlie Koshy (till December 10, 2021) (Independent Director)
- Bijou Kurien (till May 25, 2021) (Independent Director)
- Sharda Agarwal (till May 29, 2021) (Independent Director)
- Rakesh Biyani (till August 24, 2021) (Non-Executive Director)
- Avni Biyani (till June 28, 2021) (Non-Executive Director)
- C P Toshniwal (Non-Executive Director)
- Luv Parikh (till May 28, 2021) (Nominee Director)
- Chintamani Bhagat (till March 13, 2022) (Nominee Director)
- Rahul Garg (till March 14, 2022) (Non-Executive Director)
- Ketki Bapat (till August 13, 2021) (Alternate Director)
- Sharada Sunder (w.e.f. June 22, 2021) (Independent Director)
- Himanshu Dodeja (till March 13, 2022) (Nominee Director)
- Saurabh Mehta (till March 13, 2022) (Alternate Director)
- Rahul Mehta (w.e.f. February 11, 2022) (Independent Director)

## During the year, following transactions were carried out with the related parties in the ordinary course of business

Revenue from subsidiary ₹ NIL (2020-21: ₹ 0.01 Crore), from joint venture ₹ 23.35 Crore (2020-21: ₹ 22.16 Crore) and from others ₹ 10.86 Crore (2020-21: ₹ 8.67 Crore). Purchase of goods and services from subsidiary ₹ 66.10 Crore (2020-21: ₹ 38.31 Crore), from joint venture ₹ 9.39 Crore (2020-21: ₹ 5.16 Crore) and from others ₹ 160.56 Crore (2020-21: ₹ 188.62 Crore). Sales of Gift vouchers from others ₹ 110.53 Crore (2020-21: ₹ 48.82 Crore). Purchase of Fixed Assets from subsidiary ₹ 0.07 Crore (2020-21: ₹ NIL) and from others ₹ NIL (2020-21: ₹ 0.01 Crore). Sale of Fixed Assets from others ₹ NIL (2020-21: ₹ 0.08 Crore). Managerial remuneration to KMP ₹ 4.49 Crore (2020-21: ₹ 2.09 Crore). Sitting fees and commission to KMP ₹ 0.30 Crore (2020-21: ₹ 0.35 Crore). Provision for Diminution of Investment in joint venture ₹ 120.28 Crore (2020-21: ₹ NIL) and in others ₹ 360.37 Crore (2020-21: ₹ NIL). Provision for

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

Doubtful debts in others for Sales of Gift Vouchers ₹ 40.97 Crore (2020-21: ₹ NIL). Provision for Doubtful debts in joint venture for ICD given ₹ 282.51 Crore (2020-21: ₹ NIL). Loans and advances given received back from others ₹ 0.01 Crore (2020-21: ₹ 0.85 Crore). Deposit received from others ₹ NIL (2020-21: ₹ 0.23 Crore). Payables (Net) to subsidiary ₹ 124.57 Crore (2020-21: ₹ 114.91 Crore) and to others ₹ 380.61 Crore (2020-21: ₹ NIL). Receivables (Net) from joint venture ₹ 274.83 Crore (2020-21: ₹ 216.89 Crore) and from others ₹ NIL (2020-21: ₹ 318.75 Crore).

### Break up of Material Related Party Transactions.

Revenue includes FSRL ₹ NIL (2020-21: ₹ 0.01 Crore), FLBL ₹ 23.27 Crore (2020-21: ₹ 22.07 Crore), FEL ₹ 1.00 Crore (2020-21: ₹ 1.59 Crore), FRL ₹ 4.15 Crore (2020-21: ₹ 5.15 Crore), PHRL ₹ 5.01 Crore (2020-21: ₹ 1.91 Crore). Purchase of Goods and Service includes FSRL ₹ 49.99 Crore (2020-21: ₹ 38.10 Crore), FAL ₹ 16.11 Crore (2020-21: ₹ NIL), FSLL ₹ 5.41 Crore (2020-21: ₹ 2.41 Crore), RTL ₹ 18.64 Crore (2020-21: ₹ 7.52 Crore), ITPTL ₹ 0.98 Crore (2020-21: ₹ 2.02 Crore), CFFPL ₹ 9.18 Crore (2020-21: ₹ 1.61 Crore), BMMCPL ₹ 11.05 Crore (2020-21: ₹ NIL), FBL ₹ 6.93 Crore (2020-21: ₹ NIL), FEL ₹ 7.67 Crore (2020-21: ₹ 9.38 Crore), FRL ₹ 4.19 Crore (2020-21: ₹ 27.07 Crore), FSCSL ₹ 27.81 Crore (2020-21: ₹ NIL), NFDIL ₹ 55.04 Crore (2020-21: ₹ NIL), TL ₹ 16.13 Crore (2020-21: ₹ NIL). Sale of Gift Vouchers include FCPL ₹ 110.53 Crore (2020-21: ₹ 48.82 Crore). Purchase of Fixed Assets includes FSRL ₹ 0.07 Crore (2020-21: ₹ NIL). Loans and Advance given received back includes URPL ₹ 0.01 Crore (2020-21: ₹ NIL), IDCL ₹ NIL (2020-21: ₹ 0.85 Crore). Deposit received includes TL ₹ NIL (2020-21: ₹ 0.17 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, 2022 is ₹ 6.01 Crore (2020-21: ₹ 9.25 Crore)

### 35. DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

	As at March 31, 2022	As at March 31, 2021
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	102.58	80.45
Interest due on above.	8.69	4.40
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.	4.98	2.65
The amount of interest accrued and remaining unpaid at the end of each accounting year	4.98	2.65
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	4.98	2.65



# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Age of Trade Payables

	2021-2022	2020-2021
Less than 60 days	480.83	613.07
61 to 90 days	228.13	143.46
91 to 180 days	645.37	234.42
more than 180 days	653.58	439.65
Acceptance	307.47	365.14
Unbilled	249.97	196.25
<b>Total</b>	<b>2,565.01</b>	<b>1,991.99</b>

## 36. SHARE BASED PAYMENTS

### Details of the employee share based plan of the Company

#### a) FLFL Employees Stock Options Scheme – 2013 (FLFL ESOS – 2013):

The Shareholders of the Company at their Extraordinary General Meeting held on December 16, 2013 had approved FLFL ESOS -2013 and also approved the issue of 15,00,000 Stock Options exercisable into 15,00,000 fully paid-up Equity Shares of ₹ 2 each of the Company, to the eligible employees in terms of the FLFL ESOS -2013 in one or more tranches and on such terms and conditions, as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of FLFL ESOS 2013, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and in due compliance with other applicable laws and regulations.

The Stock Options granted under FLFL ESOS - 2013 would vest after 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of vested Stock Options is 3 years from the respective date of vesting of Stock Options.

#### b) FLFL Employees Stock Options Plan – 2015 (FLFL ESOP – 2015):

The Shareholders of the Company at their Annual General Meeting held on August 26, 2015 had approved the FLFL ESOP - 2015 and also approved the issue of 35,00,000 Stock Options exercisable into equivalent number of Equity Shares, to be issued and allotted under primary issue or to be acquired by way of secondary acquisition, to or for the benefit of Eligible Employees under FLFL ESOP 2015, not exceeding 35,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be determined by NRC, in accordance with the provisions of this FLFL ESOP 2015, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the SEBI SBEB Regulations, the Company has set up a 'Future Lifestyle Fashions Limited Employees' Welfare Trust' ("Trust") for implementation of FLFL ESOP 2015.

Stock Options granted under FLFL ESOP - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

## Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

The following share-based payment arrangements were in existence during the current and prior years:

	Number of Stock Options Granted	Grant date	Expiry date	Exercise Price	*Share Price on Grant Date (in ₹)	Average Fair value of Option at Grant Date (in ₹)
FLFL ESOS-2013	3,01,161	17/01/2014	Note-1	10.00	69.51	82.19
FLFL ESOS-2013	4,64,622	29/10/2014	Note-1	10.00	94.14	84.21
FLFL ESOS-2013	3,95,476	31/08/2015	Note-1	10.00	70.10	60.79
FLFL ESOP-2015	5,87,086	11/11/2016	Note-1	10.00	129.67	102.77
FLFL ESOP-2015	39,428	15/12/2016	Note-1	10.00	125.26	94.56
FLFL ESOP-2015	13,54,000	16/10/2017	Note-1	189.00	337.36	191.28
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	
	2021-2022	2020-2021	2021-2022	2020-2021
Date of Grant	N.A.	N.A.	N.A.	N.A.
Expected volatility (%)	N.A.	N.A.	N.A.	N.A.
Option life (Years)	N.A.	N.A.	N.A.	N.A.
Dividend yield (%) (As a % of FMV)	N.A.	N.A.	N.A.	N.A.
Risk-free interest rate (Average)	N.A.	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:

	2021-2022		2020-2021	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Balance at beginning of Year</b>				
FLFL ESOS – 2013	88,059	2	88,059	2
FLFL ESOP 2015-Primary	5,26,250	189	768,500	189
<b>Granted during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Forfeited during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

	2021-2022		2020-2021	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Exercised during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Expired during the period</b>				
FLFL ESOS – 2013	88,059	2	-	-
FLFL ESOP 2015-Primary	2,91,250	189	2,42,250	189
<b>Balance at the end of Year</b>				
FLFL ESOS – 2013	-	-	88,059	2
FLFL ESOP 2015-Primary	2,35,000	189	5,26,250	189
<b>Exercisable at the end of the Year</b>				
FLFL ESOS – 2013	-	-	29,353	2
FLFL ESOP 2015-Primary	2,35,000	189	5,26,250	189

The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS – 2013	Nil	-	-
FLFL ESOP 2015-Primary	Nil	-	-

## Stock Options outstanding at the end of the year

The Stock Options outstanding at the end of the year had a weighted average remaining contractual life as under:

	2021-2022	2020-2021
FLFL ESOS - 2013	N.A.	1412 Days
FLFL ESOP - 2015-Primary	351 Days	650 Days

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 37. DISCLOSURE REQUIREMENT OF LOANS, GUARANTEE AND INVESTMENT UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013 AND UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Company		As at March 31,2022		As at March 31,2021	
	Purpose of Loan	Outstanding Amount	Maximum Amount Outstanding	Outstanding Amount	Maximum Amount Outstanding
Loans					
FLFL Employee Welfare Trust	Acquisition of shares under FLFL ESOP 2015	12.12	12.12	12.12	13.12
Inter Corporate Deposits					
Unico Retail Private Limited	Operational	0.41	0.41	0.39	0.39
FLFL Lifestyle Brands Limited	Operational & Investment in Fashion brands.	282.51	282.51	260.54	260.54
Corporate Guarantees Given					
Indus Tree Producer Transform Limited	To Secure Working Capital Facility	0.00	9.30	9.30	9.30
Rachika Trading Limited	To Secure Working Capital Facility	0.00	14.00	14.00	14.00
Clarks Reliance 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	0.00	15.00	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 Reliance 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					

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 38. FINANCIAL INSTRUMENTS AND RISK REVIEW

### Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (i.e. borrowings offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings). The Company monitors capital using a ratio of 'net debt' to equity. The Company's net debt to equity ratio was as follows.

	As at March 31, 2022	As at March 31, 2021
Total debt including interest accrued	1782.71	1716.30
Less: cash and bank balances	57.65	45.87
Net debt	1725.06	1670.42
Equity	(1744.37)	738.14
Net debt to equity ratio	(99%)	226%

### Categories of financial instruments

	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>(i) Measured at Amortized Cost</b>		
Cash and bank balances	57.65	45.87
Trade receivables	184.23	213.82
Loans –Inter corporate deposit	0.29	225.18
Security deposits	243.06	180.46
Loans Given – Others	1.25	12.12
Other financial assets	1.58	37.02
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
<b>(iii) Designated at fair value through other comprehensive income</b>		
Investment in equity shares.- SSIPL Retail Limited	27.19	34.03
Investment in equity shares.- DSK Media Private Limited	-	18.02
<b>Financial liabilities</b>		
<b>(i) Measured at Amortized Cost</b>		
Borrowing	1728.21	1672.47
Trade payable	2558.85	1992.00
Security deposit received	110.45	119.46
Other financial liabilities	672.53	199.64
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
Derivative liabilities	24.92	7.56
Financial guarantee obligations	0.87	1.02
Derivative liability - (put option)	450.00	0.00

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2022	March 31, 2021	
Investments in equity instruments – SSIPL Retail limited	27.19	34.03	Level 2
Investments in equity instruments – DSK Media Private Limited	-	18.02	Level 2
Derivative liability – (put option)	24.92	7.56	Level 2
Financial guarantee obligations	0.87	-	
Derivative liability - (put option)	450.00	-	

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates.

## Financial risk management objectives

The Company has a Risk Management Committee instituted by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

- Market risk**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rate risk and other price risk. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

- 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, 2022	As at March 31, 2021
<b>Amount Payable</b>		
US Dollar (USD)	-	-

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ NIL (2020-21: ₹ NIL Crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ NIL (2020-21: ₹ NIL 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 ₹ 1.36 Crore (2020-2021: increase/decrease by ₹ 1.70 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.

## Age of Trade receivables

	2021-2022	2020-2021
Less than 60 days	86.75	38.63
61 to 90 days	13.11	5.32
91 to 180 days	66.14	46.22
more than 180 days	72.73	145.41
Less :- Excepted credit loss allowance	44.14	2.32
Less :- Provision for Markdown/Income accrued	10.35	19.44
<b>Total</b>	<b>184.24</b>	<b>213.82</b>

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

	2021-2022	2020-2021
Opening Balance	2.32	2.05
Provided during the year	41.82	0.27
<b>Closing Balance</b>	<b>44.14</b>	<b>2.32</b>

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

## (ii) Liquidity risk

Liquidity risk is the risk that the company will fail in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It includes both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2022</b>					
Borrowing including Interest accrued*	1782.71	1782.71	-	-	1782.71
Trade payable	2558.85	2558.85	-	-	2558.85
Security deposit received	110.45	110.45	-	-	110.45
Other financial liabilities	618.03	618.03	-	-	618.03
Derivative liabilities (net basis)	24.92	24.92	-	-	24.92
Financial guarantee obligations	0.87	0.87	-	-	0.87
Derivative liability - (put option)	450.00	450.00	-	-	450.00
<b>As at March 31, 2021</b>					
Borrowing including Interest accrued	1716.30	648.97	760.79	306.53	1716.30
Trade payable	1992.00	1992.00	-	-	1992.00
Security deposit received	119.46	119.46	-	-	119.46
Other financial liabilities	156.83	156.83	-	-	156.83
Derivative liabilities (net basis)	7.56	-	7.56	-	7.56

# Notes

Forming Part of the Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

## (iii) Details of Quarterly Statements to Banking Lenders

As per the requirements of the respective Working Capital facilities, the Company has made available to all applicable banking lenders the periodic statements (DP filings) required for computation of Drawing Power as applicable. A reconciliation of the Trade Receivables, Trade Payables and Inventory balances included in such DP filings to the accounting records underlying the quarterly results of the Company are as below.

### (a) Trade Receivables

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Balance as per DP Filings (net of Impairment Allowance)	258.18	267.65	238.96	210.02
Increased provision recorded on reassessment of credit risk	-	-	-	-
Debit Notes from Customers toward post sale discounts	-	-	-	-
Other reclassifications based on nature of balances	(73.94)	(16.92)	(23.81)	(21.75)
<b>Balance as per underlying books of accounts</b>	<b>184.24</b>	<b>250.73</b>	<b>215.15</b>	<b>188.27</b>

### (b) Trade Payables

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Balance as per DP Filings	2450.78	2142.00	2070.00	2076.49
Reclassifications based on nature of balances	108.07	0.40	(4.06)	-
<b>Balance as per underlying books of accounts</b>	<b>2558.85</b>	<b>2142.40</b>	<b>2065.94</b>	<b>2076.49</b>

### (c) Inventories

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Balance as per DP Filings	1652.43	1620.75	1638.70	1788.74
Reclassifications based on nature of balances	(253.91)	18.41	13.09	10.26
<b>Balance as per underlying books of accounts</b>	<b>1398.52</b>	<b>1639.16</b>	<b>1651.79</b>	<b>1799.00</b>

## 39. MISCELLANEOUS EXPENSES

Miscellaneous expenses consist of the following:

	2021-2022	2020-2021
House Keeping and Security Expenses	21.79	23.11
Credit Card Charges	18.23	16.47
Legal and Professional Charges	10.97	16.36
Travelling and Conveyance Expenses	3.08	1.56
Brand Royalty	27.20	23.21
Infrastructure Management Fees	55.00	26.98
Other Expenses	75.58	35.22
<b>Total</b>	<b>211.85</b>	<b>143.31</b>

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Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 40. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change
<b>Current ratio</b>	Current assets (excluding Assets held for sale)	Current liabilities	0.60	0.90	66.67%
<b>Debt Equity ratio</b>	(Long term borrowings + Current maturities of Long term borrowings + Short term borrowings)	Equity (Equity includes total shareholder's funds)	(0.99)	2.27	-43.61%
<b>Debt Service Coverage ratio</b>	(Earnings before interest, tax and depreciation & amortisation expenses)	(Interest expenses + Repayment of long term borrowings during the period)	(3.81)	0.15	-2540.00%
<b>Return on Equity ratio</b>	Profit after tax	Shareholder's Equity	1.42	-1.18	-120.34%
<b>Inventory turnover ratio</b>	Cost of Goods sold	Inventory of Stock in Trade	1.64	0.82	200.00%
<b>Trade receivable turnover ratio</b>	Revenue from operations	Trade receivables	15.41	10.10	152.57%
<b>Trade payable turnover ratio</b>	Net Purchase	Trade payables	0.71	0.51	139.22%
<b>Net Capital turnover ratio</b>	Revenue from Operation	(Current assets (excluding Assets held for sale) - Current liabilities)	(1.56)	(6.11)	25.53%
<b>Net Profit ratio</b>	Profit after tax	Revenue from operations	(87.19)	(40.37)	215.98%
<b>Return on Capital employed</b>	Earnings before interest and tax	Capital employed = Net worth + Total Debt	4.01	(0.28)	-1432.14%
<b>Return on Investment</b>	Income from Investment	Investment	NIL	NIL	0.00%

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

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

said Agreements.

- a) The Carrying amounts of Investment pledged as security in favour of the Debenture Trustee to secure the 4,500 Non-Convertible Debentures of INR 10 Lakh each, issued by FLFL Lifestyle Brands Limited ("the Pledge").

	2021-2022	2020-2021
<b>Investment</b>		
<b>Non-Current</b>		
<b>Investment in Equity Instruments</b>		
FLFL Athleisure Limited	0.05	0.05
FLFL Lifestyle Brands Limited	-	1.93
<b>Investment in Optionally Convertible Debentures</b>		
FLFL Lifestyle Brands Limited -Series I	-	6.50
FLFL Lifestyle Brands Limited -Series II	-	116.68
<b>Total Non-Current Investment pledge as security</b>	<b>0.05</b>	<b>120.16</b>
<b>Current</b>		
<b>Investment in Equity Instruments</b>		
Clarks Reliance Footwear Private Limited	6.63	5.63
Holii Accessories Limited	0.24	0.24
SSIPL Retail Limited	27.19	34.03
<b>Total Current Investment pledge as Security</b>	<b>34.06</b>	<b>39.90</b>

**b) Events After Reporting Period**

Subsequent to the reporting period, the Debenture Trustee has invoked the Pledge. Upon discharge of liability to NCD holders in full, the securities in respect of which the NCD holders have invoked the Pledge against the Company will be released by Debenture Trustee.

Further, one of the investments held by FLBL have been sold subsequent to the reporting period for ₹ 150.14 Crore, which would be appropriated against the part payment of principal amount of the NCDs.

- c) As per the terms of Put & Call Option Agreement, upon satisfaction of put option obligations by the Company, the Company shall have the right over NCDs issued by FLFL Lifestyle Brands Limited.

42. a) The Company along with 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. The Bond Trustee has exercised the indemnity obligation rights and raised a demand of ₹ 484.88 Crore on the Company, for which the company has joint and several liability.

- b) The Bond Trustee has exercised the put option against Future Corporate Resource Private Limited (FCRPL). In case of failure of Future Corporate Resource Private Limited (FCRPL) to satisfy its put obligations, the Bond

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Forming Part of the Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

Trustee may exercise put option against the Company. Subsequently, upon satisfaction of the put obligation by the Company, 95% of equity capital in DSK Media Pvt. Ltd. will be transferred to the Company.

43. Under the OTR arrangements, the Company has debt servicing obligations aggregating to ₹ 505.08 Crore within the next twelve months, comprising of repayment of the principal amount of Long-Term debts amounting to ₹ 360.01 Crore and short-term borrowings of ₹ 145.07 Crore. The Company has incurred loss before tax during the quarter ended March 31, 2022 amounting to ₹ 1716.38 Crore (including exceptional item) primarily owing to provision for diminution of Investments, doubtful provision for receivables, the lower sales volumes, finance costs and depreciation. The Company's current liabilities exceeded its current assets (including asset held for sale) by ₹ 1180.66 Crore as at the year end date. Also, the Company has defaulted on repayment of principal amount on loans from banks/financial institution and unlisted debts securities as on March 31, 2022 amounting to ₹ 63.30 Crore. The Lead bank and State Bank of India have classified the accounts of the Company in the system as Non-Performing Assets (NPAs) on May 31, 2022. Since then, the Company has repaid the debt amount to the extent of ₹ 76.67 Crore. The Company has been regular in servicing of interest on all facilities till date.

To address the liquidity crunch and to maintain the sufficient working capital, the Company has adopted several measures including cost optimisation. The Company would be taking necessary steps to further restructure its debts under the proposed resolution plan. Further, the Company has initiated the process for the monetisation of some of the assets, to repay the debts and to manage the working capital requirements as part of the same plan.

44. Exceptional items for the quarter and year ended March 31, 2022 includes provision for diminution of Investments aggregating to ₹ 480.64 Crore held in the equity shares in Future Trendz Limited, FLFL Travel Retail Bhubaneswar Private Limited, FLFL Travel Retail Guwahati Private Limited, FLFL Travel Retail West Private Limited, FLFL Travel Retail Lucknow Private Limited and FLFL Lifestyle Brands Limited, provision for impairment for Intercompany Deposits and interest receivable thereon aggregating to ₹ 282.51 Crore, given to FLFL Lifestyle Brands Limited and provision for impairment of Loan of ₹ 10.87 Crore given to FLFL Employee Welfare Trust, in terms of the applicable accounting standards and prudent practice.

### 45. OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

# Notes

Forming Part of the Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

For and on behalf of the Board of Directors

**Kishore Biyani**

Vice Chairperson  
DIN 00005740

**Dharmesh Jain**

Chief Financial Officer

**Vishnuprasad M**

Managing Director  
DIN 07189877

**Sanjay Kumar Mutha**

Company Secretary

Mumbai  
August 16, 2022



# 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, 2022, 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, 2022, 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:

#### Material Uncertainty related to Going Concern

We draw attention to Note 36 of the Statement which states that the entire net worth of the company has been recorded due to losses incurred in the previous year and its current liabilities exceeded its current assets which indicates a material uncertainty exists, that may cast a significant doubt on the company's ability to continue as a going concern. We were informed that the Company is in the process of implementing business revival plans which in the opinion of the management would enable the Company to have sustainability and turnaround of its business operations. The Company's ability to generate positive cash flows depends on the successful implementation of such business revival plans. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

Our conclusion 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 determined the matters 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	<b>Revenue Recognition</b> 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)	<b>Principal Audit Procedures</b> <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	<b>Valuation of Inventory</b> 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.	<b>Principal Audit Procedures</b> <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 realizable value on a representative sample basis.</p>
3	<b>Accounting for Lease Concessions under Ind AS 116</b> The Company has renegotiated future lease rentals and escalations, thereby remeasuring the lease liability using the revised lease payments resulting in a decrease in the lease liability and a corresponding adjustment to the Right-of-use asset. The large volume of leases, the diverse nature thereof and the significance and impact of the estimates made led us to consider this matter to be a key matter to this audit.	<b>Principal Audit Procedures</b> <ol style="list-style-type: none"> <li>Assessing the design and implementation of the key controls established by the Company on significant estimates such as the revised lease term, lease payments and the discount rates.</li> <li>Our procedures to assess management's key modelling estimates and the completeness/accuracy of the underlying lease data included: <ul style="list-style-type: none"> <li>assessing the discount rates used to calculate the lease obligation,</li> <li>assessing the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation;</li> <li>assessing the completeness of the commercial arrangements for the waivers by testing lease payments and comparing the same with the original agreements with revised negotiations and</li> </ul> </li> </ol>

Sr No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>- For a representative sample of rent concessions received as a consequence of covid-19 related renegotiations, verification of the correct accounting in accordance with the regulation in force.</li> </ul>
3.	Evaluating whether the disclosures included in the notes to the financial statements are in conformity with the applicable standard.	

### Information Other than the 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 of which we are the independent auditors and whose financial information we have audited, 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 of which we are the independent auditors. For the other entities included in the

consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

The Consolidated financial Statement and other financial information, include total assets of ₹ 4.74 Crore as at March 31, 2022, total revenue of ₹205.51 Crore, total net loss after tax of ₹276.37 Crore for year ended March 31, 2022 and net cash outflow of ₹ 0.66 Crore for the year ended March 31, 2022, in respect of one subsidiary, as considered in the consolidated financial statement, whose financial statements have not been audited by any auditor. These unaudited financial statements have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates

to the amounts and disclosures included in respect of these joint ventures is based solely on such unaudited financial statements

The Consolidated financial statement also include Groups share of loss of ₹34.95 Crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of two Jointly Controlled Entities, whose have been furnished to us by the management and our opinion on the statement, in so far as it relates to the amount and disclosures included in respect of these jointly controlled entities, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the group.

Our opinion on the financial Statement is not modified in respect of these above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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, 2015.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiaries and jointly controlled entities, none of the directors of the Group companies is disqualified as on March 31, 2022 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 B" 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 read with Schedule V to 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
  - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards,



for material foreseeable losses, if any, on long term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entities.
- iv. A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (" Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:
- B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company

from any person or entity, including foreign entity (" Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (" Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (I) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year. Hence the compliances with section 123 of Companies Act 2013, is not applicable.

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

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 22042472APAXUR5831

Mumbai  
August 16, 2022

## Annexure – A to the Auditor's Report

### REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON THE OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except the report of the following component which has not been issued by its auditor till the date of our auditor's report.

Sr. No.	Name	CIN	Subsidiary/ associate/joint venture
1.	Future Speciality Retail limited (through Future Trendz Limited)	U74999MH2016PLC286295	Subsidiary
2.	FLFL Lifestyle Brands Limited	U74999MH2017PLC292590	Joint Venture
3.	Clarks Reliance Footwear Private Limited	U19200MH2010PTC335449	Joint Venture
4.	Holii Accessories Limited (formerly known as Holii Accessories Private Limited)	U93090MH2007PLC168048	Joint Venture



## 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, 2022, we have audited the internal financial controls over financial reporting of FUTURE LIFESTYLE FASHIONS LIMITED (“the Holding Company”) and its subsidiary companies and jointly controlled entities which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and its jointly controlled entities which are companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

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

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility

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

### **Opinion**

In our opinion and to the best of our information and according to explanation given and based on the consideration of report of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria

established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies and jointly controlled entities, is based on the corresponding reports of the auditors of such company.

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

**Ashok A. Trivedi**  
Partner  
Membership No. 042472  
UDIN: 22042472APAXUR5831

Mumbai  
August 16, 2022

# Consolidated Balance Sheet

as at March 31, 2022

(All amounts in INR Crore, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	288.55	1,239.10
Capital work-in-progress		58.64	60.84
Other Intangible assets	3	10.86	21.35
Goodwill on Consolidation		-	140.30
Right-of-use assets		368.52	923.37
Net investment in sublease		-	5.80
<b>Financial Assets</b>			
Investments	4	0.03	284.34
Security Deposits	5	179.28	103.02
Others financial assets	7	0.45	0.42
Deferred tax assets (net)		20.49	93.52
Non-current tax assets (net)		14.52	10.40
Other non-current assets	8	17.90	56.63
<b>Total Non - Current Assets</b>		<b>959.24</b>	<b>2,939.09</b>
<b>Current Assets</b>			
Inventories	9	1,481.37	1,942.14
<b>Financial Assets</b>			
Investments	4	31.75	38.21
Trade receivables	10	210.80	409.36
Cash and cash equivalents	11	56.71	44.52
Bank balances other than the above	12	4.97	5.24
Security Deposits	5	64.85	78.52
Loans	6	1.54	237.30
Others financial assets	7	1.15	36.62
Other current assets	8	1,008.46	495.71
		2,861.60	3,287.62
Assets held for sale		642.42	-
<b>Total Current Assets</b>		<b>3,504.02</b>	<b>3,287.62</b>
<b>Total Assets</b>		<b>4,463.26</b>	<b>6,226.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	40.35	40.35
Convertible non-participating preference share capital	13	0.01	0.01
Other Equity	14	(1,921.55)	660.88
<b>Total Equity</b>		<b>(1,881.19)</b>	<b>701.24</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	1,167.64	1,067.33
Other financial liabilities	16	24.92	7.56
Lease liabilities		287.25	881.47
Provisions	17	11.28	11.28
<b>Total Non - Current Liabilities</b>		<b>1,491.09</b>	<b>1,967.64</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	560.57	603.94
Trade payables			
Dues of micro enterprises and small enterprises		336.49	149.65
Dues of creditors other than micro enterprises and small enterprises		2,373.94	1,902.94
Other financial liabilities	16	1,234.45	370.03
Lease liabilities		153.72	360.58
Provisions	17	141.46	117.06
Other current liabilities	18	52.73	53.46
Current Tax liabilities(Net)		-	0.17
<b>Total Current Liabilities</b>		<b>4,853.36</b>	<b>3,557.83</b>
<b>Total Equity and Liabilities</b>		<b>4,463.26</b>	<b>6,226.71</b>
The accompanying notes are forming part of the financial statements	1-40		

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  
DIN 00005740

**Vishnuprasad M**  
Managing Director  
DIN 07189877

**Ashok A. Trivedi**  
Partner  
Membership No.042472

**Dharmesh Jain**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

Mumbai  
August 16, 2022



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in INR Crore, unless otherwise stated)

	Note	2021-2022	2020-2021
<b>REVENUE</b>			
Revenue from operations	19	2,993.93	2,276.72
Other Income	20	(255.79)	50.36
<b>Total Revenue</b>		<b>2,738.14</b>	<b>2,327.08</b>
<b>EXPENSES</b>			
Purchases of Stock-in-trade		1,948.39	1,053.66
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	461.23	561.65
Employee benefits expense	22	246.00	190.09
Finance costs	23	321.55	349.68
Depreciation and amortisation expense	3	613.43	598.41
Other expenses	24	913.03	491.92
<b>Total Expenses</b>		<b>4,503.63</b>	<b>3,245.41</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>(1,765.49)</b>	<b>(918.34)</b>
Exceptional Items - (Loss)		(674.90)	-
<b>(Loss) before tax</b>		<b>(2,440.39)</b>	<b>(918.34)</b>
<b>Tax Expense</b>	25	72.97	(7.01)
Current tax		-	0.14
Earlier year Income tax		-	2.84
Deferred tax		72.97	(9.99)
<b>(Loss) Before Non-Controlling Interests/Share in Net Loss of Associates and Joint Ventures</b>		<b>(2,513.36)</b>	<b>(911.33)</b>
Share in Net Profit/(Loss) of Associates and Joint Ventures		(35.54)	(22.02)
<b>(Loss) for the Year</b>		<b>(2,548.90)</b>	<b>(933.35)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans	31	(0.95)	1.50
(b) Equity Instrument at fair value through OCI		(24.86)	(1.88)
Income tax relating to items that will not be reclassified to profit or loss		-	(0.06)
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>(25.81)</b>	<b>(0.44)</b>
<b>Total comprehensive income/(Loss) for the Year</b>		<b>(2,574.71)</b>	<b>(933.79)</b>
<b>Loss for the year Attributable to:</b>			
Owners of the Group		(2,548.90)	(933.35)
Non-controlling interests		-	-
<b>Total Comprehensive Income for the Year Attributable to:</b>			
Owners of the Group		(2,574.71)	(933.79)
Non-controlling interests		-	-
<b>Earnings per equity share of Face Value of ₹ 2 each</b>			
Basic (₹)		(127.60)	(46.28)
Diluted (₹)		(127.60)	(46.28)

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

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson  
DIN 00005740

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director  
DIN 07189877

**Sanjay Kumar Mutha**  
Company Secretary

Mumbai  
August 16, 2022

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(All amounts in INR Crore, unless otherwise stated)

## A) EQUITY SHARE CAPITAL

Particulars		
<b>Balances as at April 01, 2020</b>		40.35
Issue of Equity shares under employee share option plan (ESOP)		-
Issue on preferential basis		-
<b>Balances as at March 31, 2021</b>		40.35
Issue of Equity shares under employee share option plan (ESOP)		-
Issue on preferential basis		-
<b>Balances as at March 31, 2022</b>		40.35

## B) OTHER EQUITY

	Reserve and Surplus					Attributable to Owners of the group	Non- controlling Interests	Total other equity
	Equity Component of Compound Financial instruments	Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income
<b>Balance as at March 31, 2020</b>	-	426.99	822.31	50.00	15.53	88.04	174.80	19.59
Profit for the Year	-	-	-	-	-	-	(933.35)	(933.35)
Other Comprehensive income for the year, Net of Income tax	-	-	-	-	-	-	1.44	(1.88)
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	(931.91)	(1.88)
Recognition of Share-based payments	-	-	-	-	(2.58)	-	-	-
<b>Balance as at March 31, 2021</b>	-	426.99	822.31	50.00	12.94	88.04	(757.11)	17.71
Profit for the Year	-	-	-	-	-	-	(2,548.90)	(2,548.90)
Other Comprehensive income for the year, Net of Income tax	-	-	-	-	-	-	(0.95)	(24.86)
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	(2,549.85)	(24.86)
Transfer to Securities premium on exercise of ESOP	-	-	-	-	-	-	-	-
Recognition of Share-based payments	-	-	-	-	(7.77)	-	-	-
<b>Balance as at March 31, 2022</b>	-	426.99	822.31	50.00	5.18	88.04	(3,306.93)	(7.15)

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  
DIN 00005740

### Vishnu Prasad M

Managing Director  
DIN 07189877

### Ashok A. Trivedi

Partner  
Membership No.042472

### Dharmesh Jain

Chief Financial Officer

### Sanjay Kumar Mutha

Company Secretary

Mumbai  
August 16, 2022

# Consolidated Statement of Cash Flow

for the year ended March 31, 2022

(All amounts in INR Crore, unless otherwise stated)

	2021-2022	2020-2021
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) for the year	(2,548.90)	(933.35)
<b>Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities</b>		
Income tax expense	72.97	(7.01)
Finance costs	321.55	349.68
Interest income	(36.81)	(42.34)
Loss on disposal of property, plant and equipment	11.58	41.71
(Gain) on derecognition and remeasurement of lease	(152.83)	(10.34)
Expected credit loss allowance (for doubtful debts)	308.74	16.26
Depreciation and amortisation of property, plant and equipment	613.43	598.41
Exceptional Items	674.90	-
Net loss on financial liability measured at FVTPL	450.00	-
Net loss on derivative liability	17.36	-
Share of (Profit)/Loss of Associates and Joint Ventures	35.54	22.02
Expense recognised in respect of equity-settled share-based payments	(7.77)	(2.58)
Bad Debts/(Sundry Balances written back)	0.19	0.74
<b>Cash Generated from operations before working capital changes</b>	<b>(240.07)</b>	<b>33.20</b>
<b>Movements in working capital:</b>		
(Increase)/ Decrease in trade and other receivables	(616.30)	4.95
(Increase)/ Decrease in inventories	460.77	561.65
(Increase)/ Decrease in other assets	(52.85)	35.42
Increase/ (Decrease) in trade payables	657.94	(336.70)
Increase/ (Decrease) in provisions	23.45	(28.78)
Increase/(Decrease) in other liabilities	454.71	34.12
<b>Cash generated from operations</b>	<b>687.67</b>	<b>303.86</b>
Income taxes paid	(4.29)	(0.73)
<b>Net cash generated by operating activities</b>	<b>683.38</b>	<b>303.13</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Inter corporate deposit (Given)/Received back	0.01	0.85
Interest received	36.60	41.40
Payments for property, plant and equipment	(11.80)	(69.00)
Proceeds from disposal of property, plant and equipment	1.85	0.99
Payment to acquire financial assets - Investment	(3.71)	(1.21)
Rent income	3.08	8.96
Realisation of deposits/restricted deposits with banks	0.25	5.45
<b>Net cash (used in) investing activities</b>	<b>26.28</b>	<b>(12.56)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	-
Proceed from Borrowings	15.93	329.78
Interest paid	(218.08)	(220.17)
Payment of Lease liability and other incidental expenses	(495.32)	(368.10)
<b>Net cash used in financing activities</b>	<b>(697.47)</b>	<b>(258.49)</b>
<b>Net increase in cash and cash equivalents</b>	<b>12.19</b>	<b>32.08</b>
Cash and cash equivalents at the beginning of the year	44.52	12.44
<b>Cash and cash equivalents at the end of the year (Refer Note 11)</b>	<b>56.71</b>	<b>44.52</b>

As per our report of even date attached

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

**Ashok A. Trivedi**  
Partner  
Membership No.042472

Mumbai  
August 16, 2022

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson  
DIN 00005740

**Dharmesh Jain**  
Chief Financial Officer

**Vishnuprasad M**  
Managing Director  
DIN 07189877

**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 June 28, 2021. The Financial Statements are presented in Indian Rupees(₹) and all values are rounded to the nearest Crore except where otherwise indicated.

## 2) SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements of the Group (defined herein after) comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other applicable laws.

### 2.2. Basis of Preparation and Presentation

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

### 2.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries ("Group").

Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Entities are consolidated from the date control commences until the date control ceases.

The financial statements of the Company and entities controlled by the Group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies by each entity in the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



# Notes

Forming Part of the Consolidated Financial Statements

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

Name of the Company	Relationship	Country of Incorporation	Principal Activities	Proportion of ownership interest	
				As at March 31, 2022	As at March 31, 2021
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%	100.00%
FLFL Travel Retail Bhubaneswar Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51%	51%
FLFL Travel Retail Guwahati Private Limited	Joint Venture	India		51%	51%
FLFL Travel Retail West Private Limited	Joint Venture	India		51%	51%
FLFL Travel Retail Lucknow Private Limited	Joint Venture	India		51%	51%
FLFL Lifestyle Brands Limited	Joint Venture	India	Fashion Retail and investment in fashion Brands	49.02%	49.02%
Clarks Reliance Footwear Private Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%
Holii Accessories Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%

## 2.4. Investments in Associate and Joint Venture

Associate is an entity over which the Group has significant influence but not having control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate and joint venture is accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the associate/ joint venture after the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, if any.

## 2.5. Business Combination

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

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

# Notes

Forming Part of the Consolidated Financial Statements

## 2.6. Property, Plant and Equipment

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

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

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

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

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

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

## 2.7. Intangible Assets

Intangible Assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in estimate are accounted for prospectively.

Estimated useful lives of the Intangible assets are as follows:

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

## 2.8. Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination (refer below policy on impairment of non-financial assets).

## 2.9. Impairment of non-financial assets (including investment in associate and joint venture)

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount

# Notes

Forming Part of the Consolidated Financial Statements

rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

## 2.10. Revenue recognition

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

### Sale of Goods

The Group deals in fashion products including apparel, footwear and accessories to both the large format stores and directly to customers through its own retail outlets.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For sales of fashion products, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

## Rendering of services

Revenue from a contract to provide services is recognised as they are rendered based on arrangements with the customers.

## Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

## 2.11. Leases

### The Group as a lessee

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU" and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

# Notes

Forming Part of the Consolidated Financial Statements

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

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

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

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

## The Group as a lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or

operating lease by reference to the right-of-use asset arising from the head lease.

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

## 2.12. Taxation

### Current tax

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

### Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates 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

# Notes

Forming Part of the Consolidated Financial Statements

and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 2.13. Earnings per share

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

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

## 2.14. Borrowing costs

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

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

## 2.15. Employee benefits

### Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as

salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in consolidated statement of profit and loss for the period in which the related service is rendered.

### Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Group has no further payment obligations once the contributions have been paid. Amount of expenses recognised is equal to the amount of contribution made by the group.

### Post-employment defined benefit benefits

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

### Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be 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



# Notes

Forming Part of the Consolidated Financial Statements

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.

# Notes

Forming Part of the Consolidated Financial Statements

## Financial assets and financial liabilities – initial recognition

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

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

## Subsequent measurement

### Financial assets

Financial assets are measured subsequent based on their classification. The Company classifies its financial assets in the following measurement categories:

- a. At amortised cost; - Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- b. At fair value through other comprehensive income - Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to Statement of profit and loss.
- c. At fair value through Statement of profit and loss) Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently

measured at fair value through profit or loss is recognised in the statement of profit and loss. Dividend income from these financial assets is included in other income.

## Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

## Investment in equity instruments either at FVTPL or FVTOCI

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

## Financial guarantee obligation

A financial guarantee contract is a contract that requires the issuer to make specified payments to 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.



# Notes

Forming Part of the Consolidated Financial Statements

## Impairment of financial asset

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

## Derecognition of financial asset

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

## 2.20. Share-based payment arrangement

### Share-based payment transactions of the Group

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

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that

will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

## 2.21. Operating segment

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

## 2.22. Key sources of estimation uncertainty and critical accounting judgements

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

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

### Key sources of estimation uncertainty

#### Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are 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.

# Notes

Forming Part of the Consolidated Financial Statements

## **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.

**3) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

(All amounts in INR Crore, unless otherwise stated)

Descriptions of Assets	Gross Block (At cost / deemed cost)			Depreciation / Amortisation			Net Block	
	As at April 01, 2021	Additions	Deletions	As at March 31, 2022	As at April 01, 2021	For the Year	As at March 31, 2022	As at March 31, 2021
<b>A. Property, plant and equipment</b>								
Leasehold Improvements	414.13	2.00	10.37	405.77	164.02	70.35	229.64	250.11
Plant & Machinery	219.88	0.32	4.29	215.91	64.95	21.32	84.83	154.91
Office Equipments	40.91	0.23	0.03	41.12	24.95	6.16	31.09	15.97
Computer & IT Equipment	68.52	1.03	0.30	69.25	48.51	8.00	56.26	20.02
Furniture, Fixtures & Fittings	1,342.66	9.62	9.52	1,342.76	544.72	202.04	742.17	797.91
Vehicles	0.46	-	-	0.45	0.28	0.06	0.33	0.18
<b>TOTAL</b>	<b>2,086.55</b>	<b>13.21</b>	<b>24.51</b>	<b>2,075.25</b>	<b>847.44</b>	<b>307.93</b>	<b>1,144.33</b>	<b>1,239.10</b>
<b>B. Other Intangible Assets</b>								
Computer Software	53.43	0.80	26.42	27.81	32.40	4.02	17.09	12.40
Trademarks, Copyrights & Patents	31.24	-	30.70	0.54	30.96	0.07	0.34	8.96
<b>Total</b>	<b>84.66</b>	<b>0.80</b>	<b>57.12</b>	<b>28.35</b>	<b>63.36</b>	<b>4.09</b>	<b>17.43</b>	<b>21.35</b>
<b>Grand Total</b>	<b>2,171.22</b>	<b>14.01</b>	<b>81.63</b>	<b>2,103.60</b>	<b>910.80</b>	<b>312.01</b>	<b>1,161.75</b>	<b>1,260.45</b>
Previous Year	2,066.76	186.67	86.46	2,166.97	656.43	293.84	906.52	1,273.73
<b>C Ageing of Capital work-in-progress</b>								
	0-60 Days	61-90 Days	91-180 Days	More than 180 Days	Total			
As on March 31, 2022	1.03	0.04	0.76	56.81	58.64			
As on March 31, 2021	11.86	0.17	3.08	45.73	60.84			

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 4) INVESTMENTS

	Number of Units		Amount	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Investment</b>				
<b>Trade Investments fully paid up of ₹10 each unless otherwise stated</b>				
<b>Quoted</b>				
KOOVS PLC (GBP 0.10 per share)	10,37,15,663	10,37,15,663	81.56	81.56
KOOVS PLC - CCPS	8,81,523	8,81,523	2.22	2.22
Less :- Diminution in value of Investment			(83.78)	(83.78)
<b>Aggregate book value of quoted Non-Current Investments</b>			-	-
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Venture (At cost / deemed cost)</b>				
FLFL Lifestyle Brands Limited	50,000	50,000	107.39	141.56
Less :- Provision for Diminution of Investment (FLBL)			(107.39)	
FLFL Travel Retail Bhubaneswar Private Limited	5,100	5,100	0.85	0.89
Less :- Provision for Diminution of Investment			(0.85)	
FLFL Travel Retail Guwahati Private Limited	5,100	5,100	2.30	2.40
Less :- Provision for Diminution of Investment			(2.30)	
FLFL Travel Retail West Private Limited	5,100	5,100	1.98	2.32
Less :- Provision for Diminution of Investment			(1.98)	
FLFL Travel Retail Lucknow Private Limited	5,100	5,100	0.83	0.94
Less :- Provision for Diminution of Investment			(0.83)	
<b>Others (at fair value through other comprehensive income)</b>				
DSK Media Private Limited	10,000	10,000	18.02	18.02
Less :- Provision for Diminution of Investment			(18.02)	
Renew Wind Power Karnataka Private Limited	6,400	6,400	0.03	0.03
<b>Investment in Optionally Convertible Debentures</b>				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	11,16,80,000	11,16,80,000	111.68	111.68
Less :- Provision for Diminution of Investment			(118.18)	
<b>Aggregate book value of unquoted Non-Current Investments</b>			0.03	284.34
<b>Current Investment-Unquoted</b>				
<b>Trade Investments fully paid up of ₹10 each unless otherwise stated</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Ventures (At cost / deemed cost)</b>				
Clarks Reliance Footwear Private Limited	9,80,000	9,80,000	4.43	4.05
Holii Accessories Limited	1,90,000	1,90,000	0.12	0.13
<b>Others (at fair value through OCI)</b>				
SSIPL Retail Limited	6,09,197	6,09,197	27.19	34.03
<b>Aggregate book value of unquoted Current Investments</b>			31.75	38.21

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 5) SECURITY DEPOSITS (UNSECURED)

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Considered good	179.28	103.02
	<b>179.28</b>	<b>103.02</b>
<b>Current</b>		
Considered good	93.85	78.52
Less :- Expected credit loss allowance (for doubtful receivables)	(29.00)	-
	<b>64.85</b>	<b>78.52</b>

## 6) LOANS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Loan given to Others	12.12	12.12
Less :- Expected credit loss allowance (for doubtful receivables)	(10.87)	-
	<b>1.25</b>	<b>12.12</b>
Inter Corporate Deposits	225.17	225.18
Less :- Expected credit loss allowance (for doubtful receivables)	(224.88)	-
	<b>0.29</b>	<b>225.18</b>
	<b>1.54</b>	<b>237.30</b>

## 7) OTHERS FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Bank deposits more than 12 months maturity	0.45	0.42
	<b>0.45</b>	<b>0.42</b>
<b>Current</b>		
Insurance Claim Receivable	1.04	0.87
Other Receivables	57.75	35.75
Less :- Expected credit loss allowance (for doubtful receivables)	(57.64)	-
	<b>0.12</b>	<b>-</b>
	<b>1.15</b>	<b>36.62</b>

## 8) OTHER ASSETS

	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
Capital Advances	0.35	0.75
Prepaid Expenses	17.55	55.88
	<b>17.90</b>	<b>56.63</b>
<b>Current</b>		
Balance with Government authorities	163.08	157.22
Advance to suppliers	826.81	314.15
Prepaid Expenses	9.36	11.69
Others	9.21	12.65
	<b>1,008.46</b>	<b>495.71</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 9) INVENTORIES

	As at March 31, 2022	As at March 31, 2021
Stock-in-Trade (Goods-in-Transit of ₹23.08 Crore, 2020-21: ₹52.58 Crore)	1,480.07	1,940.46
Packing Material	1.30	1.68
	<b>1,481.37</b>	<b>1,942.14</b>

## 10) TRADE RECEIVABLES (UNSECURED)

	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Considered Good	132.81	409.36
Considered Doubtful	384.07	26.33
	516.88	435.69
Less :- Expected credit loss allowance (for doubtful receivables)	306.08	26.33
	<b>210.80</b>	<b>409.36</b>

## 11) CASH AND BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
Cash and Cash equivalents		
Cash on Hand	1.21	3.01
In Current Accounts	48.55	29.20
Cheques on Hand	-	-
Balance with credit card and e-wallet companies	6.95	12.31
	<b>56.71</b>	<b>44.52</b>

## 12) BANK BALANCES OTHER THAN THE ABOVE

	As at March 31, 2022	As at March 31, 2021
Bank deposits (with maturity less than 12 months)	4.81	5.06
Earmarked Accounts (for unpaid dividend)	0.16	0.18
	<b>4.97</b>	<b>5.24</b>

## 13) SHARE CAPITAL

### (a) Equity Share Capital

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	<b>25,00,00,000</b>	<b>50.00</b>	<b>25,00,00,000</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 2/- each	20,17,74,874	40.35	20,17,74,874	40.35
	<b>20,17,74,874</b>	<b>40.35</b>	<b>20,17,74,874</b>	<b>40.35</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2022	As at March 31, 2021
	No. of Shares	No. of Shares
At the beginning of the year	20,17,74,874	20,17,74,874
Add : Shares issued on exercise of employee stock option	-	-
Add : Issued during the year*	-	-
At the end of the year	20,17,74,874	20,17,74,874

## Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

## Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited	3,71,04,265	18.39	3,71,04,265	18.39
Spectacular Investments PTE Limited	1,94,04,207	9.62	1,94,04,207	9.62
BTO FPI III Pte. Ltd.	1,16,84,716	5.79	1,16,84,716	5.79
Life Insurance Corporation of India	1,41,72,600	7.02	1,42,66,816	7.07
Vistra ITCL India Limited	5,12,45,095	25.40	5,12,45,095	25.40

## Share options granted under the Company's employee share option plan

Share options granted under the company's employee share option plan carry no right to dividends and no voting rights. Further details of the employee share option plan are provided in note 35.



## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### (b) Compulsory Convertible Preference Shares Series II

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
<b>Authorised</b>				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	100	0.01	100	0.01
	<b>100</b>	<b>0.01</b>	<b>100</b>	<b>0.01</b>
<b>Issued, Subscribed and Paid up</b>				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	100	0.01	100	0.01
	<b>100</b>	<b>0.01</b>	<b>100</b>	<b>0.01</b>

#### Reconciliation of number of shares :

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

	As at March 31, 2022	As at March 31, 2021
	No. of Shares	No. of Shares
At the beginning of the year	100	100
Add : Issued during the year*	-	-
At the end of the year	<b>100</b>	<b>100</b>

#### Terms/Rights Attached to CCPS Series II

CCPS Series II: The Company has CCPS Series II having a par value of INR 910 per share. Each share is convertible into equity shares of the company such that the percentage of CCPS holder's shareholding post conversion is at least 2.5% of the equity shares of the Company on a fully diluted basis. In the event of liquidation of the Company, the holder of CCPS shall rank senior to equity shares and other classes or series of the share capital of the Company.

#### Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
India Insight Fund(an alternate Investment Fund)	100	100.00	100	100.00

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 14) OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
Capital Reserve	426.99	426.99
Securities Premium	822.31	822.31
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	5.18	12.94
General Reserve	88.04	88.04
Retained Earning	(3,306.93)	(757.11)
Equity instruments through Other Comprehensive Income	(7.15)	17.71
	<b>(1,921.55)</b>	<b>660.88</b>

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

### NATURE OF RESERVES

#### Capital Reserve

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

#### Securities Premium

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

#### Debenture Redemption Reserve

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

#### Share Options Outstanding Account

This reserve relates to share option granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 35

#### General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

#### Retained Earnings

This represents the surplus/(deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

#### Equity instruments through other comprehensive income

Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

### 15) BORROWINGS

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
8.70% Redeemable Non Convertible Debentures (NCD)	350.00	350.00
Term Loans from Banks	568.42	565.98
Funded Interest Term Loans	172.10	80.62
<b>Un-Secured - at amortised cost</b>		
Term Loans from Banks	70.07	70.07
Funded Interest Term Loans	7.06	0.66
	<b>1,167.64</b>	<b>1,067.33</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Working Capital Loans from Banks	560.57	603.94
<b>Un-Secured - at amortised cost</b>		
Short term loan Banks	-	-
	<b>560.57</b>	<b>603.94</b>

#### 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, 2022	As at March 31, 2021
<b>1</b>	<b>8.70 % NCD Series IV</b>			
	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	<p>Redeemable at the end of 84 months from the deemed date of allotment falling due on November 09, 2024 basis the extension by 24 months from the original redemption date of November 09, 2022.</p> <p>Interest of 8.70% p.a payable annually from the deemed date of allotment. Next tranche of deferred interest due in June 2022.</p> <p>Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.</p>	350.00	350.00
<b>2</b>	<b>Term Loans from bank:</b>			
(i)	a) Secured By First Pari-Passu charge on Fixed Assets (movable and immovable) both present and future of the company. b) Personal Guarantee of promoters	<p>The Outstanding Loan is repayable in 5 Step up Quarterly installments. (Next installment due in September 2022.)</p> <p>Interest :- 10.25% p.a. (as on March 31, 2022)</p>	56.41	56.08

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

S.No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2022	As at March 31, 2021
(ii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.  b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of Promoters	The Outstanding Loan is repayable in 20 quarterly Installments. (Next installment due in June 2022) Interest :- 9.90% p.a (as on March 31, 2022).	125.49	123.37
(iii)	a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.  b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 20 quarterly Installments. (Next installment due in June 2022) Interest :- 9.90% p.a (as on March 31,2022).	136.08	136.08
(iv)	a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company.  b) Personal Guarantee of promoters	The Outstanding Loan is repayable as bullet repayment in the Quarter ended on March 2023.	75.00	75.00
3	Working Capital Term Loans (WCTL) from Banks :-			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company,  b) Secured By Second Pari-Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 4 quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30% p.a.	175.44	206.41
4	Existing Funded Interest Term Loans (FITL) from Banks :-			
(i)	a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present & future of the company,  b) Secured By Second Pari-Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters	The Outstanding Loan is repayable in 2 Structured Quarterly Installments. (Next Installment due in March 2023) Interest :- 10.75 % p.a.  The Interest is paid as and when due.	25.14	25.65

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

S.No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2022	As at March 31, 2021
<b>5</b>	<b>New Funded Interest Term Loans (FITL) from Banks :-</b>			
<b>(A)</b>	<b>FITL against Working Capital Limits/ WCTL Limits</b>			
(i)	<p>a) Secured By First Pari-Passu Charge on Current Assets (excluding Credit / Debit Card Receivables), both present &amp; future of the company,</p> <p>b) Secured By Second Pari-Passu Charge on moveable Fixed Assets c) Personal Guarantee of promoters</p>	<p>The Outstanding Loan is repayable in 3 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a.</p> <p>The Interest is paid as and when due.</p>	82.46	39.68
<b>(B)</b>	<b>FITL against Short Term Loans</b>			
(i)	<p>a) Secured By First Pari-Passu Charge through Hypothecation on entire Current Assets of the company, both present and future of the company.</p> <p>b) Personal Guarantee of promoters</p>	<p>The Outstanding Loan is repayable in 3 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a.</p> <p>The Interest is paid as and when due.</p>	9.54	1.52
<b>(C)</b>	<b>FITL against Term Loans</b>			
(i)	<p>a) Secured By First Pari-Passu charge on Fixed Assets (movable and immovable) both present and future of the company. b) Personal Guarantee of promoters</p>	<p>The Outstanding Loan is repayable in 5 Structured Quarterly Installments. (Next Installment due in September 2022) Interest :- 8.30 % p.a.</p> <p>The Interest is paid as and when due.</p>	10.40	6.58
(ii)	<p>a) Secured By First Pari-Passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.</p> <p>b) Secured By Second Pari-Passu Charge on entire current assets, both present and future of the company. c) Personal Guarantee of promoters</p>	<p>The Outstanding Loan is repayable in 20 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a.</p> <p>The Interest is paid as and when due.</p>	22.22	4.81
<b>(D)</b>	<b>FITL against Non-Convertible Debentures</b>			
(i)	Secured by First Pari-Passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	<p>The Outstanding Loan is repayable in 9 Structured Quarterly Installments. (Next Installment due in June 2022) Interest :- 8.30 % p.a.</p> <p>The Interest is paid as and when due.</p>	21.80	11.18

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

S.No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2022	As at March 31, 2021
(E)	<b>FITL against Purchase Bills Discounting Limits</b>			
a)	Secured By Subservient Charge on entire Current Assets of the company, both present and future of the company.	The Outstanding Loan is repayable in 2 Structured Quarterly Installments. (Next Installment due in March 2023) Interest :- 8.30 % p.a.	0.43	-
b)	Personal Guarantee of promoters	The Interest is paid as and when due.		
			<b>1,090.42</b>	<b>1,036.36</b>
	Less : Current Maturities of Long Term Borrowing (excluding unsecured loan)		-	39.76
	<b>Total</b>		<b>1,090.42</b>	<b>996.60</b>

Note :- Please refer detailed note on One Time Restructuring (OTR) of Credit Facilities

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

Nature of Security	Terms of Interest & Repayment
<b>Working Capital Loans from Banks</b>	
<b>Loans are secured by</b>	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the Working Capital Loan is 10.15 % in the Financial Year 2021.
a) First Pari-Passu charge on Current Assets (excluding credit / debit card receivables), both present & future of the company	
b) Second Pari-Passu Charge on the Movable Fixed Assets of the company.	

\* Moratorium on interest sanctioned up to December 31, 2021 and payment of interest started thereafter.

## 16) OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Derivative liability	24.92	7.56
	<b>24.92</b>	<b>7.56</b>
<b>Current</b>		
Current Maturities of Long-Term Borrowings	-	41.01
Interest Accrued but Not Due on Borrowings	54.50	43.83
Unclaimed Dividend	0.16	0.18
Creditors for Capital supplies/services	59.95	121.45
Payable to employees	14.02	20.28
Security Deposits	110.65	120.65
Financial guarantee obligations	0.57	0.84
Other Payables	544.60	21.79
Derivative liability - (put option)	450.00	-
	<b>1,234.45</b>	<b>370.03</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 17) PROVISIONS

	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Gratuity	11.28	11.28
	<b>11.28</b>	11.28
<b>Current</b>		
Leave encashment	7.91	8.94
Gratuity	0.70	0.63
Provision for right of return	132.85	107.49
	<b>141.46</b>	117.06

## 18) OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Advance received from Customers	43.99	46.59
Other Current Liabilities	8.74	6.87
	<b>52.73</b>	53.46

## 19) REVENUE FROM OPERATIONS

	2021-2022	2020-2021
Sale of Products	3,265.01	2,480.21
Less: Goods and Service Tax	309.71	231.30
	<b>2,955.30</b>	2,248.91
Other Operating Revenue	38.63	27.81
	<b>2,993.93</b>	2,276.72

## 20) OTHER INCOME

	2021-2022	2020-2021
Interest Income	36.81	42.34
Net gain/(loss) on financial liability mandatorily measured at FVTPL	(450.00)	-
(Gain)/Loss on derecognition of lease	146.90	-
Miscellaneous Income	10.50	8.02
	<b>(255.79)</b>	50.36

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

	2021-2022	2020-2021
<b>Opening Inventories</b>		
Stock- in-Trade	1,942.50	2,503.79
<b>Closing Inventories</b>		
Stock- in-Trade	1,481.27	1,942.14
	<b>461.23</b>	561.65



# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 22) EMPLOYEE BENEFITS EXPENSE

	2021-2022	2020-2021
Salaries and Wages	236.52	179.78
Share-based payment to employees (Refer Note.....)	(7.77)	(2.58)
Contribution to Provident and Other Funds	13.63	10.45
Staff Welfare Expenses	3.62	2.44
	<b>246.00</b>	<b>190.09</b>

## 23) FINANCE COSTS

	2021-2022	2020-2021
Interest Expense	174.49	182.35
Other Interest expense (Interest on MSME)	10.71	-
Other Borrowing Costs	32.87	37.82
Interest expense on lease liabilities	103.48	129.51
	<b>321.55</b>	<b>349.68</b>

## 24) OTHER EXPENSES

	2021-2022	2020-2021
Power and Fuel	90.89	73.42
Repairs and Maintenance		
Buildings	13.64	8.18
Others	2.74	1.67
Insurance	7.29	8.19
Rates and Taxes	12.35	6.47
Rent	98.28	60.95
Common Area Maintenance	64.17	59.58
Advertisement and Marketing	69.00	50.43
Loss on Disposal/Discard of Fixed Assets (Net)	11.58	41.71
Expected credit loss allowance (for doubtful receivables)	308.74	16.26
Bad Debts Written Off	0.19	0.74
Corporate Social Responsibility (CSR) (Refer Note 29)	-	4.70
Miscellaneous Expenses(Refer Note 37)	234.16	159.63
	<b>913.03</b>	<b>491.92</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 25) TAX EXPENSE

### Income tax expenses recognised in statement of Profit and Loss

	2021-2022	2020-2021
Current Tax	-	0.14
Adjustment of tax relating to earlier periods	-	2.84
Deferred Tax	72.97	(9.99)
<b>Total</b>	<b>72.97</b>	<b>(7.01)</b>

### Income Tax expense recognized in other comprehensive income

	2021-2022	2020-2021
Deferred Tax	-	(0.06)

## 26) CONTINGENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debt	1034.18	1002.71
Corporate Guarantees given	150.00	188.30
Guarantees given by the bank on behalf of the Group	23.43	31.14

## 27) SEGMENT INFORMATION

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of 'Fashion Products' which constitutes a single reporting Segment. Hence there is no separate reportable segment under Ind AS 108 Operating segment.

## 28) DISCLOSURE RELATING TO LEASES

Effective April 1, 2019, The Group adopted IND AS 116 and applied the standard to all existing Lease Contracts as on April 1, 2019 using Modified Retrospective Method and has taken Cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental Borrowing rate.

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

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
4. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 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.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	923.27	1111.02
Additions During the Year	212.19	317.28
Deletions During the Year	(301.40)	(1.53)
Depreciation for the Year	(457.65)	(304.57)
Remeasurements for the Year	(7.89)	(198.83)
<b>Closing Balance</b>	<b>368.52</b>	923.37

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2022

	As at March 31, 2022	As at March 31, 2021
Current Lease Liabilities	153.72	360.58
Non-Current Lease Liabilities	287.25	881.47
<b>Total</b>	<b>440.77</b>	1242.05

The following is the movement in lease liabilities during the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	1242.05	1,374.04
Additions During the Year	212.19	317.28
Finance Cost Accrued During the Year	103.48	129.51
Payment of Lease Liabilities	(495.32)	(368.10)
Deletions During the Year	(604.87)	(5.35)
Remeasurements for the Year	(16.76)	(205.35)
<b>Closing Balance</b>	<b>440.77</b>	1242.05

- Short-term leases have been accounted for applying Paragraph 6 of Ind AS 116-Leases and accordingly recognized as expense in the statement of profit and loss.
- The total cash outflow for the year ended March 31, 2022 amounts to 495.32 Crore (Previous year: 368.10 Crore).
- To remeasure the lease liability to reflect the modification.

The difference of ₹ 16.76 Crore between the original lease liability ₹ 457.53 Crore and the modified lease liability ₹ 440.77 Crore on March 31, 2022 is adjusted against the ROU asset.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

	As at March 31, 2022	As at March 31, 2021
Less than One Year	10.01	116.99
One to Five Years	9.08	112.30
More than Five Years	-	5.27
<b>Total</b>	<b>18.99</b>	<b>234.56</b>

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2022:

	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	5.80	13.83
Interest Income Accrued During the Year	0.22	0.94
Lease Receipts	3.08	(8.96)
Deletions During the Year	2.94	-
<b>Closing Balance</b>	<b>-</b>	<b>5.80</b>

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2022 on an undiscounted basis:

	As at March 31, 2022	As at March 31, 2021
Less than One Year	-	5.11
One to Five Years	-	1.03
More than Five Years	-	-
<b>Total</b>	<b>-</b>	<b>6.14</b>

## 29) CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with schedule VIII thereof ₹ NIL Crore (2020-21: ₹ 3.71 Crore)

	2021-2022	2020-2021
Gross amount required to be spent by the Group	-	3.40
<b>Details of amount spent are as under :</b>		
Reducing inequalities faced by socially and economically backward groups	-	-
Promoting education, including special education and employment enhancing vocation skills	-	3.18
Other	-	0.53
<b>Total</b>	<b>-</b>	<b>3.71</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 30) EARNINGS PER SHARE

The earnings and weighted average number of Equity Shares used in the calculation of Basic and Diluted Earnings per share (EPS) are as follows:

	Units	2021-2022	2020-2021
Profit attributable to Equity Share holders	₹ in Crore	(2574.71)	(933.79)
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in Crore	20.18	20.18
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in Crore	20.18	20.18
Earnings per share – Basic	₹	(127.60)	(46.28)
Earnings per share – Diluted	₹	(127.60)	(46.28)
Face value per share	₹	2.00	2.00

## 31) EMPLOYEE BENEFIT PLANS

### a. Defined Contribution Plan

The Group operates defined contribution plan (Provident Fund) for all qualifying employees of the Group. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

### b. Defined Benefit Plans - Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1975 or the Group Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

### 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.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

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

	2021-2022	2020-2021
Discount rate	6.96%	6.70%
Salary Escalation	4.00%	4.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Withdrawal Rate	Service <5 Years: 50% Service >5 Years: 2%	Service <5 Years: 50% Service >5 Years: 2%
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

	2021-2022	2020-2021
Total Service Cost	1.53	1.77
Net Interest Expenses	0.75	0.80
<b>Components of expense recognized in the statement of Profit and Loss (A)</b>	<b>2.28</b>	<b>2.57</b>
<b>Remeasurements on the net defined benefit liability :</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	-	(0.86)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(0.39)	(1.76)
Actuarial (Gain)/Loss arising from experience adjustments	1.34	1.12
<b>Total Amount recognized in other comprehensive income (B)</b>	<b>0.96</b>	<b>(1.50)</b>
<b>Total cost recognized (A+B)</b>	<b>3.24</b>	<b>1.07</b>

## iv. Amount included in the Balance Sheet arising from the Group's obligation in respect of its defined benefit plans is as follows :

	2021-2022	2020-2021
Present value of unfunded defined benefit obligation	11.98	11.94

## v. Movement in present value of the defined benefit obligation.

	2021-2022	2020-2021
Opening defined benefit obligation	11.94	13.06
Total Service Cost	1.53	1.77
Net Interest Expenses	0.75	0.80
<b>Remeasurements on the net defined benefit liability</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	-	(0.86)
Actuarial (Gain)/Loss arising from changes in financial assumptions	(0.39)	(1.76)
Actuarial (Gain)/Loss arising from experience adjustments	1.34	1.12
Benefits paid	(3.19)	(2.19)
Closing defined benefit obligation	11.98	11.94

# Notes

Forming Part of the Consolidated Financial Statements

(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.

Increase/(decrease) in defined benefit liability	2021-2022	2020-2021
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(10.63)	(10.05)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	13.58	12.98
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	13.54	12.86
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(10.64)	(10.10)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## c. Other employee benefits

The Group has recognized an amount of ₹ 2.27 Crore (2020-21: ₹ 2.58 Crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	2021-2022	2020-2021
Discounted Rate	6.46%	6.46%
Salary Increase Rate	4.00%	0% for first year and 5% thereafter
Attrition Rate	Service <5 Years: 50% Service >5 Years: 2%	Service <5 Years: 46% Service >5 Years: 2%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

## 32) RELATED PARTY DISCLOSURES

### Names of Related Parties and nature of relationship

#### Joint Ventures

- Celio Future Fashion Private Limited (CFFPL)
- Clarks Reliance Footwear Private Limited (CRFTPL)
- FLFL Lifestyle Brands Limited (FLBL)
- FLFL Travel Retail Bhubaneswar Private Limited (FTRBPL)
- FLFL Travel Retail Guwahati Private Limited (FTRGPL)
- FLFL Travel Retail Lucknow Private Limited (FTRLPL)
- FLFL Travel Retail West Private Limited (FTRWPL)
- Holii Accessories Limited (HAL)

#### Others

#### Entities over which Company is able to exercise significant Influence

- Excellent Lifestyle Limited (ELL)
- Future Style Lab Limited (FSLL)
- Indus Tree Producer Transform Limited (ITPTL)
- Mineral Fashions Limited (MFL)
- Rachika Trading Limited (RTL)



# Notes

Forming Part of the Consolidated Financial Statements

*(All amounts in INR crore, unless otherwise stated)***Entities over which KMP are able to exercise significant Influence**

- Apollo Design Apparel Parks Limited (ADAPL)
- Banshi Mall Management Company Private Limited (BMMCPL)
- Creative Casual India Private Limited (CC IPL)
- Future Brands Limited (FBL)
- Future Consumer Limited (FCL)
- Future Corporate Resources Private Limited (FCRPL)
- Future Coupons Private Limited (FCPL)
- Future Entertainment Private Limited (FEPL)
- Future Enterprises Limited (FEL)
- Future Generali India Insurance Company Limited (FGIICL)
- Future Generali India Life Insurance Company Limited (FGILICL)
- Future Ideas Company Limited (FICL)
- Future Market Networks Limited (FMNL)
- Future Media (India) Limited (FMIL)
- Future Retail Limited (FRL)
- Future Sharp Skills Limited (FSSL)
- Future Supply Chain Solutions Limited (FSCSL)
- Galaxy Cloud Kitchens Limited (GCKL)
- Goldmohur Design & Apparel Park Limited (GDAPL)
- Idiom Design and Consulting Limited (IDCL)
- Indus Tree Crafts Limited (ITCPL)
- Iskruha Mall Management Company Private Limited (IMMCPL)
- Kamadgiri Fashion Limited (KFL)
- KFC Shoemaker Private Limited (KSPL)
- LivQuik Technology (India) Private Limited (LTIPL)
- Nufuture Digital (India) Limited (NFDIL)
- Ojas Tradelease And Mall Management Private Limited (OTMMPL)
- Praxis Home Retail Limited (PHRL)
- Retail Light Techniques India Limited (RLTIL)
- Suhani Mall Management Company Private Limited (SMMCPL)
- Turtle Limited (TL)
- Unico Retail Private Limited (URPL)
- Work Store Limited (WSL)

**Key Management Personnel(KMP):**

- Kishore Biyani (Vice Chairperson)
- Vishnuprasad M (Managing Director)
- Shailesh Haribhakti (Independent Director)
- Dr. Darlie Koshy (till December 10, 2021) (Independent Director)
- Bijou Kurien (till May 25, 2021) (Independent Director)
- Sharda Agarwal (till May 29, 2021) (Independent Director)
- Rakesh Biyani (till August 24, 2021) (Non-Executive Director)
- Avni Biyani (till June 28, 2021) (Non-Executive Director)
- C P Toshniwal (Non-Executive Director)
- Luv Parikh (till May 28, 2021) (Nominee Director)
- Chintamani Bhagat (till March 13, 2022) (Nominee Director)
- Rahul Garg (till March 14, 2022) (Non-Executive Director)
- Ketki Bapat (till August 13, 2021) (Alternate Director)
- Sharada Sunder (w.e.f. June 22, 2021) (Independent Director)
- Himanshu Dodeja (till March 13, 2022) (Nominee Director)
- Saurabh Mehta (till March 13, 2022) (Alternate Director)
- Rahul Mehta (w.e.f. February 11, 2022) (Independent Director)

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## During the year, following transactions were carried out with the related parties in the ordinary course of business

Revenue from joint venture ₹ 23.35 Crore (2020-21: ₹ 22.16 Crore) and from others ₹ 10.86 Crore (2020-21: ₹ 8.67 Crore). Purchase of goods and services from subsidiary ₹ 66.10 Crore (2020-21: ₹ 38.31 Crore), from joint venture ₹ 9.39 Crore (2020-21: ₹ 5.16 Crore) and from others ₹ 160.56 Crore (2020-21: ₹ 188.62 Crore). Sales of Gift vouchers from others ₹ 110.53 Crore (2020-21: ₹ 48.82 Crore). Purchase of Fixed Assets from others ₹ NIL (2020-21: ₹ 0.01 Crore). Sale of Fixed Assets from others ₹ NIL (2020-21: ₹ 0.08 Crore). Managerial remuneration to KMP ₹ 4.49 Crore (2020-21: ₹ 2.09 Crore). Sitting fees and commission to KMP ₹ 0.30 Crore (2020-21: ₹ 0.35 Crore). Provision for Diminution of Investment in joint venture ₹ 120.28 Crore (2020-21: ₹ NIL) and in others ₹ 360.37 Crore (2020-21: ₹ NIL). Provision for Doubtful debts in others for Sales of Gift Vouchers ₹ 40.97 Crore (2020-21: ₹ NIL). Provision for Doubtful debts in joint venture for ICD given ₹ 282.51 Crore (2020-21: ₹ NIL). Loans and advances given received back from others ₹ 0.01 Crore (2020-21: ₹ 0.85 Crore). Deposit received from others ₹ NIL (2020-21: ₹ 0.23 Crore). Payables (Net) to others ₹ 380.61 Crore (2020-21: ₹ NIL). Receivables (Net) from joint venture ₹ 274.83 Crore (2020-21: ₹ 216.89 Crore) and from others ₹ NIL (2020-21: ₹ 318.75 Crore).

## Break up of Material Related Party Transactions.

Revenue includes FLBL ₹ 23.27 Crore (2020-21: ₹ 22.07 Crore), FEL ₹ 1.00 Crore (2020-21: ₹ 1.59 Crore), FRL ₹ 4.15 Crore (2020-21: ₹ 5.15 Crore), PHRL ₹ 5.01 Crore (2020-21: ₹ 1.91 Crore). Purchase of Goods and Service includes FSLL ₹ 5.41 Crore (2020-21: ₹ 2.41 Crore), RTL ₹ 18.64 Crore (2020-21: ₹ 7.52 Crore), ITPTL ₹ 0.98 Crore (2020-21: ₹ 2.02 Crore), CFFPL ₹ 9.18 Crore (2020-21: ₹ 1.61 Crore), BMMCPL ₹ 11.05 Crore (2020-21: ₹ NIL), FBL ₹ 6.93 Crore (2020-21: ₹ NIL), FEL ₹ 7.67 Crore (2020-21: ₹ 9.38 Crore), FRL ₹ 4.19 Crore (2020-21: ₹ 27.07 Crore), FSCSL ₹ 27.81 Crore (2020-21: ₹ NIL), NFDIL ₹ 55.04 Crore (2020-21: ₹ NIL), TL ₹ 16.13 Crore (2020-21: ₹ NIL). Sale of Gift Vouchers include FCPL ₹ 110.53 Crore (2020-21: ₹ 48.82 Crore). Loans and Advance given received back includes URPL ₹ 0.01 Crore (2020-21: ₹ NIL), IDCL ₹ NIL (2020-21: ₹ 0.85 Crore). Deposit received includes TL ₹ NIL (2020-21: ₹ 0.17 Crore).

## 33) CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) as at March 31, 2022 is ₹ 6.01 Crore (2020-21: ₹ 9.36 Crore)

## 34) Dues of Micro Enterprises and Small Enterprises

	As at March 31, 2022	As at March 31, 2021
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	336.49	149.65
Interest due on above.	8.69	6.00
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.	4.98	2.98
The amount of interest accrued and remaining unpaid at the end of each accounting year	4.98	4.58
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	4.98	2.65

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Age of Trade Payables

	2021-2022	2020-2021
Less than 60 days	503.68	781.01
61 to 90 days	233.72	146.21
91 to 180 days	737.20	209.97
more than 180 days	655.31	345.63
Acceptance	307.47	365.14
Unbilled	273.04	204.63
Total	2,710.42	2,052.59

## 35) SHARE BASED PAYMENTS

### Details of the employee share based plan of the Company

#### a) FLFL Employees Stock Options Scheme – 2013 (FLFL ESOS – 2013):

The Shareholders of the Company at their Extraordinary General Meeting held on December 16, 2013 had approved FLFL ESOS -2013 and also approved the issue of 15,00,000 Stock Options exercisable into 15,00,000 fully paid-up Equity Shares of ₹ 2 each of the Company, to the eligible employees in terms of the FLFL ESOS -2013 in one or more tranches and on such terms and conditions, as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of FLFL ESOS 2013, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and in due compliance with other applicable laws and regulations.

The Stock Options granted under FLFL ESOS - 2013 would vest after 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of vested Stock Options is 3 years from the respective date of vesting of Stock Options.

#### b) FLFL Employees Stock Options Plan – 2015 (FLFL ESOP – 2015):

The Shareholders of the Company at their Annual General Meeting held on August 26, 2015 had approved the FLFL ESOP - 2015 and also approved the issue of 35,00,000 Stock Options exercisable into equivalent number of Equity Shares, to be issued and allotted under primary issue or to be acquired by way of secondary acquisition, to or for the benefit of Eligible Employees under FLFL ESOP 2015, not exceeding 35,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be determined by NRC, in accordance with the provisions of this FLFL ESOP 2015, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the SEBI SBEB Regulations, the Company has set up a 'Future Lifestyle Fashions Limited Employees' Welfare Trust' ("Trust") for implementation of FLFL ESOP 2015.

Stock Options granted under FLFL ESOP - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

The following share-based payment arrangements were in existence during the current and prior years:

	Number of Stock Options Granted	Grant date	Expiry date	Exercise Price	*Share Price on Grant Date (in ₹)	Average Fair value of Option at Grant Date (in ₹)
FLFL ESOS-2013	3,01,161	17/01/2014	Note-1	10.00	69.51	82.19
FLFL ESOS-2013	4,64,622	29/10/2014	Note-1	10.00	94.14	84.21
FLFL ESOS-2013	3,95,476	31/08/2015	Note-1	10.00	70.10	60.79
FLFL ESOP-2015	5,87,086	11/11/2016	Note-1	10.00	129.67	102.77
FLFL ESOP-2015	39,428	15/12/2016	Note-1	10.00	125.26	94.56
FLFL ESOP-2015	13,54,000	16/10/2017	Note-1	189.00	337.36	191.28
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	
	2021-2022	2020-2021	2021-2022	2020-2021
Date of Grant	N.A.	N.A.	N.A.	N.A.
Expected volatility (%)	N.A.	N.A.	N.A.	N.A.
Option life (Years)	N.A.	N.A.	N.A.	N.A.
Dividend yield (%) (As a % of FMV)	N.A.	N.A.	N.A.	N.A.
Risk-free interest rate (Average)	N.A.	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:

	2021-2022		2020-2021	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Balance at beginning of Year</b>				
FLFL ESOS – 2013	88,059	2	88,059	2
FLFL ESOP 2015-Primary	5,26,250	189	768,500	189
<b>Granted during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Forfeited during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-

## Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

	2021-2022		2020-2021	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Exercised during the period</b>				
FLFL ESOS – 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Expired during the period</b>				
FLFL ESOS – 2013	88,059	2	-	-
FLFL ESOP 2015-Primary	2,91,250	189	2,42,250	189
<b>Balance at the end of Year</b>				
FLFL ESOS – 2013	-	-	88,059	2
FLFL ESOP 2015-Primary	2,35,000	189	5,26,250	189
<b>Exercisable at the end of the Year</b>				
FLFL ESOS – 2013	-	-	29,353	2
FLFL ESOP 2015-Primary	2,35,000	189	5,26,250	189

The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS – 2013	Nil	-	-
FLFL ESOP 2015-Primary	Nil	-	-

### Stock Options outstanding at the end of the year

The Stock Options outstanding at the end of the year had a weighted average remaining contractual life as under:

	2021-2022	2020-2021
FLFL ESOS - 2013	N.A.	1412 Days
FLFL ESOP - 2015-Primary	351 Days	650 Days

## 36) FINANCIAL INSTRUMENTS AND RISK REVIEW

### Capital Management

The Group manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (i.e. borrowings offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings). The Group monitors capital using a ratio of 'net debt' to equity. The Company's net debt to equity ratio was as follows.

	As at March 31, 2022	As at March 31, 2021
Total debt including interest accrued	1782.71	1756.11
Less: cash and bank balances	61.68	49.76
Net debt	1721.03	1706.35
Equity	(1881.19)	701.24
Net debt to equity ratio	(91%)	243%

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Categories of financial instruments

	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>(i) Measured at Amortized Cost</b>		
Cash and bank balances	61.68	49.76
Trade receivables	210.80	409.36
Loans –Inter corporate deposit	0.29	225.18
Security deposits	244.13	181.53
Other financial assets	1.60	37.04
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
<b>(iii) Designated at fair value through other comprehensive income</b>		
Investment in equity shares - SSIPL Retail Limited	27.19	34.03
Investment in equity shares.- DSK Media Private Limited	-	18.02
<b>Financial liabilities</b>		
<b>(i) Measured at Amortized Cost</b>		
Borrowing	1728.21	1712.28
Trade payable	2710.42	2052.59
Security deposit received	110.65	120.65
Other financial liabilities	1123.80	208.37
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
Derivative liabilities	24.92	7.56

## Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2022	March 31, 2021	
Investments in equity instruments – SSIPL Retail Limited	27.19	34.03	Level 2
Investments in equity instruments – DSK Media Private Limited	-	18.02	Level 2
Derivative liability – (put option)	24.92	7.56	Level 2

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

## Financial risk management objectives

The Group has a Risk Management Committee instituted by its Board of Directors of the Company for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in 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.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

- 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, 2022	As at March 31, 2021
<b>Amount Payable</b>		
US Dollar (USD)	-	-

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ NIL (2020-21: ₹ NIL Crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ NIL (2020-21: ₹ NIL 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 ₹ 1.36 Crore (2020-2021: increase/decrease by ₹ 1.70 Crore) as a result of the changes in fair value of shares measured at fair value through other comprehensive income.

- (i) Credit risk**

Credit risk is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. The credit risk arises primarily on trade receivables, store deposit with landlord of stores and deposits with banks and financial institutions and other financial instruments.

Most of the Group's sales is on the counter sale i.e. cash and carry basis on which no credit risk arises, however credit risk arises to the Group on sales to institutional customers/ wholesale customers. Group manages the credit risk arising from trade receivables through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers. Group's customer base is widely spread and therefore it does not have concentration of credit risk. Group manages credit risk on store deposits by timely advance negotiation with landlord of store or through legal action.



# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

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.

## Age of Trade receivables

	2021-2022	2020-2021
Less than 60 days	127.46	125.65
61 to 90 days	35.21	50.21
91 to 180 days	150.20	112.24
more than 180 days	227.99	201.70
Less :- Excepted credit loss allowance	301.65	26.42
Less :- Provision for Markdown/Income accrued	28.40	54.02
<b>Total</b>	<b>210.80</b>	<b>409.36</b>

	2021-2022	2020-2021
Opening Balance	26.33	10.07
Provided during the year	279.75	16.26
<b>Closing Balance</b>	<b>306.08</b>	<b>26.33</b>

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

## (ii) Liquidity risk

Liquidity risk is the risk that the Group will fail in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Group monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2021</b>					
Borrowing including Interest accrued	1782.71	1782.21	-	-	1782.71
Trade payable	2710.42	2710.42	-	-	2710.42
Security deposit received	110.65	110.65	-	-	110.65
Other financial liabilities	618.74	618.74	-	-	618.74
Derivative liabilities (net basis)	24.92	24.92	-	-	24.92
Financial guarantee obligations	0.57	0.57	-	-	0.57
Derivative liability - (put option)	450.00	450.00	-	-	450.00
<b>As at March 31, 2020</b>					
Borrowing including Interest accrued	1756.11	688.79	760.99	306.53	1756.11
Trade payable	2052.59	2052.59	-	-	2052.59
Security deposit received	120.65	120.65	-	-	120.65
Other financial liabilities	164.54	164.54	-	-	164.54
Derivative liabilities (net basis)	7.56	-	7.56	-	7.56

## 37) MISCELLANEOUS EXPENSES

Miscellaneous Expenses consist of the following:

	2021-2022	2020-2021
House Keeping and Security Expenses	21.79	23.11
Credit Card Charges	18.29	16.51
Legal and Professional Charges	19.01	19.80
Travelling and Conveyance Expenses	3.25	1.92
Other Expenses	171.81	62.97
<b>Total</b>	<b>234.16</b>	<b>124.30</b>

**38)** 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.

- a) The Carrying amounts of Investment pledged as security in favour of the Debenture Trustee to secure the 4,500 Non-Convertible Debentures of INR 10 Lakh each, issued by FLFL Lifestyle Brands Limited ("the Pledge").

	2021-2022	2020-2021
<b>Investment</b>		
<b>Non-Current</b>		
<b>Investment in Equity Instruments</b>		
FLFL Athleisure Limited	0.05	0.05
FLFL Lifestyle Brands Limited	-	1.93
<b>Investment in Optionally Convertible Debentures</b>		
FLFL Lifestyle Brands Limited -Series I	-	6.50
FLFL Lifestyle Brands Limited -Series II	-	116.68
<b>Total Non-Current Investment pledge as security</b>	<b>0.05</b>	<b>120.16</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

	2021-2022	2020-2021
<b>Current</b>		
Investment in Equity Instruments		
Clarks Reliance Footwear Private Limited	6.63	5.63
Holii Accessories Private Limited	0.24	0.24
SSIPL Retail Limited	27.19	34.03
<b>Total Current Investment pledge as Security</b>	<b>34.06</b>	<b>39.90</b>

## b) Events After Reporting Period

Subsequent to the reporting period, the Debenture Trustee has invoked the Pledge. Upon discharge of liability to NCD holders in full, the securities in respect of which the NCD holders have invoked the Pledge against the Company will be released.

Further, one of the investments and receivables held by FLBL have been sold subsequent to the reporting period for ₹ 150.14 Crore.

- c) As per the terms of Put & Call Option Agreement, upon satisfaction of put option obligations by the Company, the Company shall have the right over NCDs issued by FLFL Lifestyle Brands Limited.

39) a) The Company along with 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. The Bond Trustee has exercised the indemnity obligation rights and raised a demand of ₹ 484.88 Crore on the Company, for which the company has joint and several liability.

- b) The Bond Trustee has exercised the put option against Future Corporate Resource Private Limited (FCRPL). In case of failure of Future Corporate Resource Private Limited (FCRPL) to satisfy its put obligations, the Bond Trustee may exercise put option against the Company. Subsequently, upon satisfaction of the put obligation by the Company, 95% of equity capital in DSK Media Pvt. Ltd. will be transferred to the Company.

## 40) OTHER STATUTORY INFORMATION

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Notes

Forming Part of the Consolidated Financial Statements

*(All amounts in INR crore, unless otherwise stated)*

- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

August 16, 2022

For and on behalf of the Board of Directors

**Kishore Biyani**

Vice Chairperson

DIN 00005740

**Dharmesh Jain**

Chief Financial Officer

**Vishnuprasad M**

Managing Director

DIN 07189877

**Sanjay Kumar Mutha**

Company Secretary

## FORM AOC - 1

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

### Part A - Financial information with respect of Subsidiary Companies for the Year Ended 31<sup>st</sup> March 2022

(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 Taxation/Deferred Tax	Profit/(loss) After taxation	Proposed Dividend	% of Share Holding
1	Future Trendz Limited	09-Sep-16	March 31, 2022	0.55	(0.54)	0.01	0.01	-	-	(358.09)	-	(358.09)	-	100.00%
2	Future Speciality Retail Limited* #	27-Sep-16	March 31, 2022	0.36	(124.33)	266.80	390.77	-	205.51	(288.62)	(12.25)	(276.37)	-	100.00%
3	FLFL Athleisure Limited	29-Mar-17	March 31, 2022	0.05	(4.63)	10.95	15.54	-	16.04	(1.79)	0.00	(1.79)	-	100.00%

\* 100% Subsidiary of Future Trendz Limited #Unaudited financial statement

### Part "B": Associates and Joint Ventures

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		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.	Amount of Investment in Associates/Joint Venture				Considered in Consolidation	Not Considered in Consolidation
Holii Accessories Limited	March 31, 2021	1,90,000	0.24	1.00%	Due to Shareholders Agreement	(0.02)	-	-
Clarks Reliance Footwear Private Limited	March 31, 2021	9,80,000	5.63	1.00%	Due to Joint Venture Agreement	(214.14)	-	-
FLFL Lifestyle Brands Limited	March 31, 2021	50,000	1.93	49.02%	Due to Investment Agreement	33.93	-	-
FLFL Travel Retail Bhubaneswar Private Limited	March 31, 2022	5,100	0.01	51.00%	Due to Shareholders Agreement	(0.65)	-	-
FLFL Travel Retail Guwahati Private Limited	March 31, 2022	5,100	0.01	51.00%	Due to Shareholders Agreement	0.49	-	-
FLFL Travel Retail Private Limited	March 31, 2022	5,100	0.01	51.00%	Due to Shareholders Agreement	(3.61)	-	-
FLFL Travel Retail Lucknow Private Limited	March 31, 2022	5,100	0.01	51.00%	Due to Shareholders Agreement	(2.04)	-	-
KOOVS PLC*	Not Applicable	10,45,97,186	-	25.80%	Due to Shareholding	Not Applicable*	Not Applicable	Not Applicable

\* The Board of Koovs plc on 10 December 2019, had resolved to place Koovs plc into administration. As on March 31, 2021, Koovs plc was under administration.

As per our report of even date attached

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

For and on behalf of the Board of Directors

**Kishore Biyani**  
Vice Chairperson  
DIN 00005740

**Vishnuprasad M**  
Managing Director  
DIN 07189877

**Ashok A. Trivedi**  
Partner  
Membership No.042472

**Dharmesh Jain**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

Mumbai  
August 16, 2022

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****For the financial year ended March 31, 2022**

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

To,  
The Members  
**Future Speciality Retail Limited**  
Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – (Not Applicable to the Company during the Audit Period);
- (v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, to the extent applicable, since the Company being an unlisted material subsidiary of a Listed Company;
- (vi) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act,

1992 (SEBI Act), however, the same were not applicable to the Company for the financial year ended on March 31, 2022 :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Issue of Listing of Non-Convertible and Redeemable Preference Shares) Regulations 2013;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations 2009; and
- (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations 2018.

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

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

We have relied upon the records as made available by the Company and also on the Management Representation Letter issued by the Company.

We further report that:

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

place during the year under review and also till the date of signing of this report were carried out in compliance with the provisions of the Act.

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

As per the information provided by the Company, the Company has given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at shorter notice with the consent of majority of directors including independent Director, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, majority decisions of the Board were unanimous, and no dissenting views were found as part of the minutes.

We further report that subsequent to the year under review, the Company has obtained extension for a period of three months i.e., upto 31 December 2022, for holding of Annual

General Meeting of shareholders of the Company from the Registrar of Companies, Maharashtra, Mumbai, citing the reasons that due to various unprecedented consecutive events occurred since outbreak of Covid-19 pandemic, the operations of the Company had been adversely impacted, which in turn also severely impacted liquidity position of the Company. Consequently, all the employees of the Company have resigned, which resulted in delay in preparation of financial statements and to complete the annual audit process by the Statutory Auditors.

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

For Anant Gude & Associates

**Anant Gude**

Practicing Company Secretary  
Proprietor

Place: Mumbai

Date: December 6, 2022

UDIN: A007219D002628343

## ANNEXURE "I" TO SECRETARIAL AUDIT REPORT

To,  
The Members  
**Future Speciality Retail Limited**  
Mumbai

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

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

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

For Anant Gude & Associates

**Anant Gude**

Practicing Company Secretary  
Proprietor

Place: Mumbai

Date: December 6, 2022

UDIN: A007219D002628343







Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road,  
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