FUTURE LIFESTYLE FASHIONS LIMITED

SUBSIDIARY FINANCIAL STATEMENTS

FINANCIAL YEAR 2019-20

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
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INDEPENDENT AUDITOR'S REPORT

To The Members of Future Speciality Retail Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Future Speciality Retail Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.

Information Other than the 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 Director's report, but does not include financial statements and our auditor's report thereon.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

Other Matters

Due to restrictions imposed in the COVID 19 related lockdown, all major inventory locations of the Company were closed till date of audit report. The Management maintains inventory in third party warehouses and has an inventory physical verification program for performing physical count of inventory during the year-end which was followed. However, due to the abovementioned restrictions, the management was unable to conduct physical verification of inventory as on the date of financial statements and consequently, we were unable to observe the verification or perform test counts on inventory as at year-end. We have performed alternative procedures to audit the existence of inventory as per the guidance provided in SA 501" Audit Evidence – Specific Considerations for Selected Items", which includes inspections of supporting documentation related to purchases, sales, results of physical counts performed by the Management during the year and other third party evidences, where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   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.

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c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins and Sells LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018

Ketan Vora
(Partner)
(Membership No. 100459)
UDIN: 20100459AAAAKX6567

Place: Mumbai
Date: June 30, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Future Speciality Retail Limited ("the Company") as of March 31, 2020, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Deloitte Haskins and Sells LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018

Ketan Vora
(Partner)
(Membership No. 100459)
UDIN: 20100459AAAAKX6567

Place: Mumbai
Date: June 30, 2020

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except for Professional Tax (payable under various State Professional Tax Acts) pertaining to financial years 2017-18, 2018-19 and 2019-20 amounting to Rs 0.05 crores and Labour Welfare Fund (payable under various State Labour Welfare Fund Acts) pertaining to financial years 2017-18, 2018-19 and 2019-20 amounting to Rs.0.01crores.

(c) There are no dues of Income-tax, Goods and Services Tax, Customs Duty as on March 31, 2020 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and the Company does not have any loans or borrowings from any financial institution or the government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under this clause of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins and Sells LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018

Ketan Vora
(Partner)
(Membership No. 100459)
UDIN: 20100459AAAAKX6567

Place: Mumbai
Date: June 30, 2020

FUTURE SPECIALITY RETAIL LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

Particulars	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	7.02	6.26
(b) Right to use Assets	31	7.68	-
(c) Capital Work-in-Progress	4	0.03	-
(d) Goodwill	5	95.54	146.17
(e) Other Intangible Assets	5	22.42	38.88
(f) Financial Assets			
Other Financial Assets	6	1.07	0.89
(g) Income Tax Assets (Net)	7	2.01	0.07
(h) Other Non-Current Assets	8	0.22	0.23
Total Non-Current Assets		135.99	192.50
Current Assets			
(a) Inventories	9	107.68	61.24
(b) Financial Assets			
(i) Trade Receivables	10	298.21	309.94
(ii) Cash and Cash Equivalents	11	0.78	25.61
(c) Other Current Assets	8	8.10	6.68
Total Current Assets		414.77	403.47
TOTAL		550.76	595.97
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	0.35	0.26
(b) Convertible non-participating preference share capital	12	0.01	0.01
(c) Other Equity	13	245.49	237.27
Total Equity		245.85	237.54
Liabilities			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	-	20.23
(ii) Lease Liabilities	31	7.14	-
(b) Provisions	20	0.68	0.46
(c) Deferred Tax liabilities (Net)	15	5.79	0.14
Total Non - Current Liabilities		13.61	20.83
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	14.90	-
(ii) Lease Liabilities	31	1.20	-
(iii) Trade Payables	16		
- Micro and Small Enterprises		4.77	3.26
- Others		170.32	241.29
(iv) Other Financial Liabilities	17	4.67	30.68
(b) Refund liabilities	18	86.60	54.27
(c) Provisions	20	0.68	0.48
(d) Current Tax Liabilities (Net)	21	0.03	0.03
(e) Other Current Liabilities	19	8.13	7.59
Total Current Liabilities		291.30	337.60
TOTAL		550.76	595.97

Significant Accounting Policies and Notes Forming Part of the Financial Statements 1 - 40

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Place: Mumbai
Date: June 30, 2020

For and on behalf of the Board of Directors

Hetal Kotak
Executive Director and CEO
(DIN : 07863592)

Saurabh Bhudolia
Director
(DIN : 07748251)

Date: June 16, 2020

Future Speciality Retail Ltd.

FUTURE SPECIALITY RETAIL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

Particulars	Notes	2019-20	2018-19
REVENUE			
Revenue from operations	22	444.20	498.35
Other income	23	-	0.03
Total Revenue (I)		444.20	498.38
EXPENSES			
Purchases of stock-in-trade		364.08	386.12
Changes in inventories of stock-in-trade	24	(46.82)	(27.53)
Employee benefits expense	25	33.59	33.88
Finance costs	26	4.21	12.44
Depreciation and amortisation expense	27	19.35	10.45
Impairment loss on goodwill	27	50.63	30.13
Other expenses	28	43.86	38.94
Total Expenses (II)		468.90	484.43
(Loss)/Profit before tax (III = I-II)		(24.70)	13.95
TAX EXPENSE:			
Current tax	15	4.13	5.60
Adjustment of tax relating to earlier periods		-	(7.24)
Deferred tax	15	5.78	(4.87)
Total Tax expense/(income) (IV)		9.91	(6.51)
(Loss)/Profit for the year (V = III-IV)		(34.61)	20.46
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss :			
(a) Remeasurements of defined benefit plans	30	(0.12)	0.10
(b) Income tax relating to items that will not be reclassified to profit or loss		0.03	(0.03)
Total other comprehensive (loss)/income for the year		(0.09)	0.07
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(34.70)	20.53
Earnings per share(EPS) for (loss)/profit attributable to equity shareholders (INR)	29		
Basic EPS		(963.76)	564.60
Diluted EPS		(963.76)	564.60

Significant Accounting Policies and Notes Forming Part of the Financial Statements **1 - 40**

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
Place: Mumbai
Date: June 30, 2020

For and on behalf of the Board of Directors

Hetal Kotak
Executive Director and CEO
(DIN : 07863592)
Place: Mumbai
Date: June 16, 2020

Saurabh Bhudolia
Director
(DIN : 07748251)

Future Speciality Retail Ltd.

FUTURE SPECIALITY RETAIL LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

Particulars	2019-20	2018-19
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss)/Profit before tax :	(24.70)	13.95
Adjustments for:		
Depreciation and amortisation expense	19.35	10.45
Impairment loss on non financial assets	50.63	30.13
Other Comprehensive Income	(0.12)	0.10
Impairment loss recognised under expected credit loss	8.02	-
Loss on disposal of property, plant and equipment	0.13	0.58
Finance costs	4.21	12.44
Change in operating assets and liabilities:		
Decrease/(Increase) in trade receivables	3.71	(71.02)
(Increase) in inventories	(46.44)	(27.94)
(Decrease)/Increase in trade payables	(69.58)	96.57
(Increase) in other financial assets	(0.18)	(0.07)
Decrease/(Increase) in other non-current assets	0.02	(0.07)
(Increase)/decrease in other current assets	(1.42)	8.95
Increase in provisions	32.75	15.44
Increase in other current liabilities	5.04	1.51
Decrease in other financial liabilities	(3.68)	-
Cash generated from operations	(22.26)	91.02
Less: Income taxes paid	(6.07)	(7.35)
Net cash (used in)/generated by operating activities	(28.33)	83.67
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(2.12)	(2.03)
Payments for other Intangible assets	-	(26.62)
Proceeds from sale of property, plant and equipment	0.05	0.05
Net cash used in investing activities	(2.07)	(28.60)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	39.90	-
Repayment of borrowings	(25.00)	-
Finance lease payments	(2.12)	-
Interest paid	(2.20)	(0.82)
Dividends paid	-	(24.38)
Dividend distribution tax paid	(5.01)	(4.96)
Net cash generated by/(used in) financing activities	5.57	(30.16)
Net (decrease)/increase in cash and cash equivalents	(24.83)	24.91
Cash and Cash Equivalents at the beginning of the year	25.61	0.70
Cash and Cash Equivalents at the end of the year	0.78	25.61

Significant Accounting Policies and Notes Forming Part of the Financial Statements 1 - 40

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Place: Mumbai
Date: June 30, 2020

For and on behalf of the Board of Directors

Hetal Kotak
Executive Director and CEO
(DIN : 07863592)

Saurabh Bhudolia
Director
(DIN : 07748251)

Place: Mumbai
Date: June 16, 2020

Future Speciality Retail Ltd

FUTURE SPECIALITY RETAIL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

A Equity Share Capital

Particulars	Balance at the Beginning of the year	Changes during the year	Balance at the end of the year
March 31, 2019			
Numbers	2,59,100	-	2,59,100
Amount	0.26	-	0.26
March 31, 2020			
Numbers	2,59,100	91,035	3,50,135
Amount	0.26	0.09	0.35

B Convertible non-participating preference share capital - CCPS Series II

Particulars	Balance at the Beginning of the year	Changes during the year	Balance at the end of the year
March 31, 2019			
Numbers	100	-	100
Amount	0.01	-	0.01
March 31, 2020			
Numbers	100	-	100
Amount	0.01	-	0.01

C Other Equity

Particulars	Equity Component of Compound financial instruments	Financial guarantee given by ultimate holding company towards bank credit facility	Reserves and Surplus		Total
			Securities Premium	Retained Earnings	
As at April 1, 2018	174.83	-	24.99	16.42	216.24
Profit for the year	-	-	-	20.46	20.46
Other comprehensive income	-	-	-	0.07	0.07
Total comprehensive income for the year	-	-	-	20.53	20.53
Financial guarantee given by ultimate holding company towards bank credit facility	-	0.50	-	-	0.50
As at March 31, 2019	174.83	0.50	24.99	36.95	237.27
Loss for the year	-	-	-	(34.61)	(34.61)
Conversion of CCPS to Equity	(174.83)	-	174.74	-	(0.09)
Debt Component	-	-	42.69	-	42.69
Changes due to Transition in IND AS 116	-	-	-	(0.18)	(0.18)
Other comprehensive loss	-	-	-	(0.09)	(0.09)
Total comprehensive income for the year	(174.83)	-	217.43	(34.88)	7.72
Financial guarantee given by ultimate holding company towards bank credit facility	-	0.50	-	-	0.50
As at March 31, 2020	(0.00)	1.00	242.42	2.07	245.49

Significant Accounting Policies and Notes Forming Part of the Financial Statements 1 - 40

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

Future Speciality Retail Ltd

Ketan Vora
Partner
Membership No. 100459

Hetal Kotak
Executive Director and CEO
(DIN : 07863592)

Saurabh Bhudolia
Director
(DIN : 07748251)

Place: Mumbai
Date: June 30, 2020

Place: Mumbai
Date: June 16, 2020

FUTURE SPECIALITY RETAIL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

1 Corporate Information

Future Speciality Retail Ltd ("The Company") is a company incorporated in India under the provisions of Companies Act, 2013 on September 27, 2016. The registered address of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East) Mumbai – 400 060.

The Company has exclusive license to manufacture and market Lee Cooper branded apparel, footwear and other accessories across all distribution channels in India and the permitted territory.

The Financial Statements were approved for issue by the Board of Directors on June 16, 2020. The Financial Statements are presented in Indian Rupees (INR) 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 Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2.2 Basis of preparation

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 value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Summary of significant accounting policies

(a) Revenue recognition

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

(i) 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 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.

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.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. This is disclosed along with inventories.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(ii) Interest income

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

(b) Leases

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in Note no 32

The Company as lessee

The Company's lease asset classes primarily consists of lease for buildings. 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 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) or where the lessor holds a right to change the specific location of the lessee or leases with low values. 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 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. 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.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the 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 incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies for year ended March 31, 2019.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(d) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the

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(e) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, annual leave and sick leave, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

Defined Benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the financial statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plans

Payment to defined contribution plans such as provident fund 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.

(iv) Termination benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(f) Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current income 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 or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or 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.

(ii) 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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.

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(g) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) Intangible assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the acquisition.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. 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, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

License rights	Over the period of license
Computer software	6 years
Technical Know-How	4 years
Trademarks & other intellectual property rights	4 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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(i) Impairment of non financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 pre-tax 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 profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) 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 and other related cost incurred in bringing the inventories to their present location and condition.

(k) Provisions, contingent liability and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(l) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(I) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(1) Debt instruments at amortised cost

A debt instrument is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(2) Debt instrument at Fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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(3) Debt Instrument at Fair value through profit and loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

(4) Equity investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

Derecognition

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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial liabilties and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity 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 entity are recognised at the proceeds received, net of direct issue costs.

Compound financial instruments

The component parts of compound financial instruments issued by the Company 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 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 recognised 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 financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. 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. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(n) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the 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
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts 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 periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) 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.

(ii) Impairment of non financial assets and goodwill

Determining whether the asset/goodwill is impaired requires an estimation of the value in use of the cash-generating units to which asset/goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(iii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

(iv) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

(vi) Revenue recognition

The company has recognised revenue amounting to INR 444.20 Crore for sale of Lee Coooper brand products to customers during March 31, 2020 (March 31, 2019: INR 498.35 Crore). The customers have the right to return the goods if their consumers are dissatisfied. The Company has, therefore, recognised revenue on these transactions with a corresponding provision against revenue for estimated returns.

(vii) Expected credit Loss on Trade Receivable :

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions

relating to customers the Company deals. In calculating expected credit losses on these financial assets are estimated using a provision matrix based on the Company historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money and has taken into account estimates of possible effect from the pandemic relating to COVID-19

(viii) Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires judgment. The Company uses judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate of the company.

Future Speciality Retail Ltd.

FUTURE SPECIALITY RETAIL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Descriptions of Assets	Gross Block (At Cost/Deemed Cost)				Depreciation				Net Block	
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Deletions/ Adjustments	For the Year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Leasehold Improvements	0.53	0.56	-	1.09	0.06	-	0.12	0.18	0.91	0.47
Office Equipments	0.76	0.03	0.01	0.78	0.07	-	0.15	0.22	0.56	0.69
Computers	0.72	0.20	0.01	0.91	0.19	0.01	0.23	0.41	0.50	0.53
Furniture, Fixtures and Other Fittings	2.78	0.95	0.19	3.54	0.27	0.05	0.44	0.66	2.88	2.51
Electrical Installations	0.64	0.25	0.04	0.85	0.05	0.01	0.10	0.14	0.71	0.59
Air Conditioner	1.50	0.09	-	1.59	0.03	-	0.10	0.13	1.46	1.47
TOTAL	**6.93**	**2.08**	**0.25**	**8.76**	**0.67**	**0.07**	**1.14**	**1.74**	**7.02**	**6.26**

Capital work-in-progress	**0.03**	-

Descriptions of Assets	Gross Block (At Cost/Deemed Cost)				Depreciation				Net Block	
	As at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Deletions/ Adjustments	For the Year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Leasehold Improvements	0.17	0.40	0.04	0.53	0.01	0.01	0.06	0.06	0.47	0.16
Office Equipments	0.09	0.69	0.02	0.76	0.02	0.01	0.06	0.07	0.69	0.07
Computers	0.23	0.57	0.08	0.72	0.05	0.01	0.15	0.19	0.53	0.18
Furniture, Fixtures and Other Fittings	1.38	1.89	0.49	2.78	0.08	0.09	0.28	0.27	2.51	1.30
Electrical Installations	0.26	0.51	0.13	0.64	0.02	0.03	0.06	0.05	0.59	0.24
Air Conditioner	0.08	1.45	0.03	1.50	0.01	0.01	0.03	0.03	1.47	0.07
TOTAL	**2.21**	**5.51**	**0.79**	**6.93**	**0.19**	**0.16**	**0.64**	**0.67**	**6.26**	**2.02**

Capital work-in-progress	-	**0.29**

Notes :

(i) Refer Note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Refer Note 38 for details of charge against property, plant and equipment.

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

5. INTANGIBLE ASSETS

Descriptions of Assets	Gross Block				Amortisation/Impairment					Net Block	
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Deletions/ Adjustments	Amortisation For the Year	Impairment For the Year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Goodwill (Refer Note below)	176.30	-	-	176.30	30.13	-	-	50.63	80.76	95.54	146.17
(A)	176.30	-	-	176.30	30.13	-	-	50.63	80.76	95.54	146.17
Other Intangible assets											
Computer Software	0.16	-	-	0.16	-	-	0.03	-	0.03	0.13	0.16
Technical Know-How	26.46	-	-	26.46	4.29	-	7.38	-	11.67	14.79	22.17
Trademarks & other intellectual property rights	26.42	-	-	26.42	9.87	-	9.05	-	18.92	7.50	16.55
(B)	53.04	-	-	53.04	14.16	-	16.46	-	30.62	22.42	38.88
TOTAL (A) + (B)	229.34	-	-	229.34	44.29	-	16.46	50.63	111.38	117.96	185.05

Descriptions of Assets	Gross Block				Amortisation/Impairment					Net Block	
	As at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Deletions/ Adjustments	Amortisation For the Year	Impairment For the Year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Goodwill (Refer Note below)	176.30	-	-	176.30	-	-	-	30.13	30.13	146.17	176.30
(A)	176.30	-	-	176.30	-	-	-	30.13	30.13	146.17	176.30
Other Intangible assets											
Computer Software	-	0.16	-	0.16	-	-	-	-	-	0.16	-
Technical Know-How	-	26.46	-	26.46	-	-	4.29	-	4.29	22.17	-
Trademarks & other intellectual property rights	26.42	-	-	26.42	4.35	-	5.52	-	9.87	16.55	22.07
(B)	26.42	26.62	-	53.04	4.35	-	9.81	-	14.16	38.88	22.07
TOTAL (A) + (B)	202.72	26.62	-	229.34	4.35	-	9.81	30.13	44.29	185.05	198.37

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

Note: Impairment testing of goodwill

Goodwill acquired through business combinations and licences with indefinite lives has been allocated to the CGUs below, which are also the operating and reportable segments, for impairment testing :

- CGU : Lee Cooper Apparel

Carrying amount of goodwill and other intangible assets with indefinite life allocated to each of the CGUs:

Intangible Assets	CGU : Lee Cooper Apparel	
	March 31, 2020	March 31, 2019
Goodwill	95.54	146.17
Other Intangible Assets with Indefinite life	-	-

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Cash flows is extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The following table sets out the key assumptions used for value in use calculations

Management has determined the values assigned to each of the above key assumptions as follows

Assumption	Approach used to determined values
Revenue growth rate	Average annual growth rate for forecast period is based on past performance of the brand and mangement's expectations of prevailing market conditions
EBITDA Margin %	Management forecast the EBITDA% based on the current business structure adjusting for inflationary increase and not reflecting any future restructring or cost saving measures
Working capital as a % to revenue	Working capital% to revenue based on the current business model
Discount Rate	Reflects specific risks relating to the relevant business and industry in which it operates

The recoverable amount of CGU determined as per Ind AS 36 - Impairment of Assets is INR 235.80 Crore

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

Particulars	Increase by 100 basis points	Decrease by 100 basis points
Revenue growth rate	16.14	(15.87)
EBITDA Margin %	16.39	(16.39)
Working capital as a % to revenue	(2.83)	2.83
Discount Rate	(12.35)	13.56

Based on the Impairment testing carried out as per various factors given above, the amount of Impairment loss on Goodwill charged to statement of Profit and loss is INR 50.63 Crore (March 31, 2019: INR 30.13 Crore)

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

6. OTHER FINANCIAL ASSETS

Particulars	March 31, 2020	March 31, 2019
OTHER FINANCIAL ASSETS		
Non Current		
Financial assets carried at amortised cost		
Bank Deposits with more than 12 months maturity (With VAT authorities)	0.02	0.02
Security Deposits	1.05	0.87
Total	1.07	0.89

7. NON CURRENT TAX ASSETS(NET)

Particulars	March 31, 2020	March 31, 2019
Advance payments of tax (net of provision)	2.01	0.07
Total	2.01	0.07

8. OTHER ASSETS

Particulars	March 31, 2020	March 31, 2019
Non Current		
Capital Advances	0.07	0.06
Prepaid expenses	0.15	0.17
Total	0.22	0.23
Current		
Advances other than Capital advances		
Advance to suppliers	0.32	5.41
Advances to employees	0.02	0.04
Others		
Prepaid expenses	0.56	0.23
Balances with Statutory, Government Authorities (Includes GST)	7.00	0.89
Other current assets	0.20	0.11
Total	8.10	6.68

9. INVENTORIES

Particulars	March 31, 2020	March 31, 2019
(Valued at lower of Cost and Net Realisable value)		
Stock-in-trade	107.57	60.75
Packing materials	0.11	0.49
Total	107.68	61.24

10. TRADE RECEIVABLES

Particulars	March 31, 2020	March 31, 2019
Current		
Secured, considered good	-	-
Unsecured, considered good	298.21	309.94
Doubtful	8.02	-
Less : Allowance for doubtful debts (expected credit loss allowance)	(8.02)	-
Total	298.21	309.94

11. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2020	March 31, 2019
Balances with banks in current account	0.76	0.10
Cheques on hand	-	25.50
Cash on hand	0.02	0.01
Total	0.78	25.61

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

12. SHARE CAPITAL

i. Authorised Share Capital

Particular	Equity Share of INR 10 each		Compulsorily Convertible Preference Share of INR 910 each		Compulsorily Convertible Preference Share of INR 910 each (Series II)	
	Number	Amount	Number	Amount	Number	Amount
At March 31, 2018	3,99,900	0.40	1,000	0.09	100	0.01
Increase/(decrease) during the year	-	-	-	-	-	-
At March 31, 2019	3,99,900	0.40	1,000	0.09	100	0.01
Increase/(decrease) during the year	-	-	(1,000)	(0.09)	-	-
At March 31, 2020	3,99,900	0.40	-	-	100	0.01

Terms/rights attached to shares

Equity Shares

The company has equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share.

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.

Compulsorily Convertible Preference shares (CCPS)

CCPS Series II: The Company has CCPS Series II having a par value of INR 910 per share. CCPS Series II shall not carry any dividend. 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. These shares are mandatorily convertible in March 29, 2022. 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.

ii. Issued, subscribed and paid up share capital

(a) Equity Share Capital

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2018	2,59,100	0.26
Issued during the period	-	-
At March 31, 2019	2,59,100	0.26
Issued during the period on conversion of CCPS Series I	91,035	0.09
At March 31, 2020	3,50,135	0.35

(b) Convertible non-participating preference share capital

CCPS Series II

	Number	Amount
CCPS Series II of INR 910 each issued, subscribed and fully paid		
At April 1, 2018	100	0.01
Issued during the period	-	-
At March 31, 2019	100	0.01
Issued during the period	-	-
At March 31, 2020	100	0.01

(c) Compound Financial Instrument

CCPS Series I

	Number	Amount
Equity component of CCPS of INR 910 each issued, subscribed and fully paid		
At April 1, 2018	1,000	174.83
Issued during the period	-	-
At March 31, 2019	1,000	174.83
Converted during the period	(1,000)	(174.83)
At March 31, 2020	-	-

iii. Details of shares held by holding company

Out of equity and preference shares issued by the company, shares held by its holding company are as below:

	March 31, 2020	March 31, 2019
Future Trendz Limited, holding company		
Equity shares	3,50,135	2,59,000

iv. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Future Trendz Limited	3,50,135	100.00	2,59,000	99.96
CCPS Series I of INR 910 each fully paid				
Beacon Trusteeship Limited (Trustee of FSRL CCPS Trust)	-	-	1,000	100.00
CCPS Series II of INR 910 each fully paid				
India Customer Insight Fund (an Alternate Investment Fund)	100	100.00	100	100.00

v. Future Trendz Limited, the holding company has acquired from Beacon Trusteeship Limited (Trustee of FSRL CCPS Trust), 1000 Compulsorily Convertible Preference Shares(CCPS)-Series I and 100 Equity Shares in the Company on February 04, 2020 and the CCPS are then converted into equity.

vi. None of the shares are reserved for issue under options.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

13. OTHER EQUITY

Particulars	March 31, 2020	March 31, 2019
i. Reserves and Surplus		
(a) Securities Premium	242.42	24.99
(b) Retained Earnings	2.07	36.95
ii. Other Components of Equity	1.00	175.33
Total	**245.49**	**237.27**

i. Reserves and Surplus

(a) Securities Premium

	March 31, 2020	March 31, 2019
Balance at beginning of year	24.99	24.99
Add:		
Conversion of Compulsorily Convertible Preference Shares (Series I)	217.43	-
Balance at end of year	**242.42**	**24.99**

The amount received in excess of face value of the shares is recognised in Securities premium. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(b) Retained Earnings

	March 31, 2020	March 31, 2019
Balance at beginning of year	36.95	16.42
Net (Loss)/Profit for the year	(34.61)	20.46
Less : Transition Impact of IND AS 116 (Net of tax Rs. 0.1 Crore)	(0.18)	-
Add: Items of Other Comprehensive Income directly recognised in Retained Earnings Remeasurement of post employment benefit obligation, net of tax	(0.09)	0.07
Balance at end of year	**2.07**	**36.95**

ii. Other Components of Equity

Particulars	March 31, 2020	March 31, 2019
(a) Equity Component of Compound financial instruments	-	174.83
(b) Financial guarantee given by ultimate holding company towards bank credit facility obtained by the Company	1.00	0.50
Total	**1.00**	**175.33**

14. BORROWINGS

Particulars	March 31, 2020	March 31, 2019
Non Current Borrowings		
Unsecured - at amortised cost		
Liability Component of Compound Financial Instruments	-	42.69
Less: Current Maturity of Liability Component of Compound Financial Instruments	-	22.46
Current Borrowings		
Secured Borrowings - at amortised cost		
Working Capital Loan from Banks	14.90	-
Total	**14.90**	**20.23**

The working capital loan carrying interest rate in the range of Current year 9.50% to 10.50% (Previous Year NIL) is secured by first charge on all existing and future current assets including fixed assets.

Compulsorily Convertible Preference Shares

Future Trendz Limited, the holding company has acquired from Beacon Trusteeship Limited (Trustee of FSRL CCPS Trust), 1000 Compulsorily Convertible Preference Shares and 100 Equity Shares in the Company on February 04, 2020.

Particulars	March 31, 2020	March 31, 2019
Value of preference shares issued	-	250.00
Equity component of convertible instrument	-	174.83
Non Current Borrowings	-	42.69
Interest expense (including dividend distribution tax)	-	11.23
Dividend paid	-	24.38

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(All amounts in INR Crore, unless otherwise stated)

15. INCOME TAX

Deferred Tax

Particulars	March 31, 2020	March 31, 2019
Deferred tax relates to the following:		
Deferred tax liabilities	(6.34)	(21.76)
Deferred tax assets	0.55	21.62
Net Deferred Tax Liabilities	**(5.79)**	**(0.14)**

Movement in deferred tax liabilities/assets

Particulars	Opening balance	Recognised in profit or loss	Recognised in retained earnings	Recognised in other comprehensive income	Closing balance
For the year ended March 31, 2020					
Deferred tax liabilities in relation to:					
Property, plant and equipments and intangible assets	(21.76)	15.42		-	(6.34)
Total deferred tax liabilities	**(21.76)**	**15.42**	-	-	**(6.34)**
Deferred tax assets in relation to:					
Provision for employee benefits	1.13	(0.82)	-	0.03	0.34
CCPS related finance cost	17.04	(17.04)	-	-	-
MAT credit entitlement	3.45	(3.45)	-	-	-
Unpaid Taxes	-	0.02	-	-	0.02
IND AS 116 -Transition Impact	-	-	0.10	-	0.10
IND AS 116 Impact	-	0.09	-	-	0.09
Total deferred tax assets	**21.62**	**(21.20)**	**0.10**	**0.03**	**0.55**
Net deferred tax liabilities	**(0.14)**	**(5.78)**	**0.10**	**0.03**	**(5.79)**
For the year ended March 31, 2019					
Deferred tax liabilities in relation to:					
Property, plant and equipments and intangible assets	(4.76)	(17.00)	-	-	(21.76)
Total deferred tax liabilities	**(4.76)**	**(17.00)**	-	-	**(21.76)**
Deferred tax assets in relation to:					
Provision for employee benefits	(0.22)	1.38	-	(0.03)	1.13
CCPS related finance cost	-	17.04	-	-	17.04
MAT credit entitlement	-	3.45	-	-	3.45
Total deferred tax assets	**(0.22)**	**21.87**	-	**(0.03)**	**21.62**
Net deferred tax liabilities	**(4.98)**	**4.87**	-	**(0.03)**	**(0.14)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liablities relate to income taxes levied by the same tax authority

Major Components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as follows:

i. Income tax recognised in profit or loss

	2019-20	2018-19
Current income tax charge	4.13	5.60
Adjustment in respect of current income tax of earlier years	-	(7.24)
Deferred tax		
Relating to origination and reversal of temporary differences	5.78	(4.87)
Income tax expense/(income) recognised in profit or loss	**9.91**	**(6.51)**

ii. Income tax recognised in OCI

	2019-20	2018-19
(Income)/loss on remeasurements of defined benefit plans	(0.03)	0.03
Income tax (income)/expense recognised in OCI	**(0.03)**	**0.03**

Future Speciality Retail Ltd.

FUTURE SPECIALITY RETAIL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2020 and March 31, 2019

	2019-20	2018-19
Accounting profit before income tax	**(24.70)**	**13.95**
Enacted tax rate in India (%)	25.17%	34.94%
Income tax on accounting profits	**(6.22)**	**4.87**
Effect of		
Additional Allowances	(3.01)	(10.63)
Other non taxable income	-	-
Non-deductible expenses for tax purposes:		
Impairment of Goodwill	12.74	10.53
Other non deductible expenses (net)	0.61	5.36
Interest on delayed payments of tax	-	0.17
Utilisation of tax credit	-	(4.70)
Current Tax Provision (A)	**4.13**	**5.60**
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	(9.35)	17.00
Incremental Deferred Tax Asset on account of Employee Benefits expense	0.72	(1.38)
Incremental Deferred Tax Liability on account of sec 43B Items	(0.02)	-
CCPS related finance cost	17.04	(17.04)
IND AS 116	(0.09)	-
Incremental Deferred Tax Asset on account of unutilised tax credit	3.45	(3.45)
Deferred Tax provision (B)	**11.75**	**(4.87)**
Total Tax expense recognised in the Statement of Profit & Loss (A+B)	**15.87**	**0.73**
Adjustment in respect of change in Income Tax Rate (refer note 1)	(5.96)	-
Adjustment in respect of current income tax of earlier years	-	(7.24)
Tax at effective income tax rate	**9.91**	**(6.51)**

Note on Tax Rate Change :

1. The Taxation Laws (Amendment) Ordinance 2019 has inserted section 115BAA in the Income Tax Act 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company has adopted the option as provided under section 115BAA in the Income Tax Act 1961 for the financial year ended 31st March 2020. The Impact of such option on adjusting the opening deffered tax (net) is Rs 5.96 Crore which is recognised in the Profit and Loss statement for the year ended 31st March, 2020

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

16. TRADE PAYABLES

Particulars	March 31, 2020	March 31, 2019
Current		
Trade Payables to Micro and Small Enterprises	4.77	3.26
Trade Payables to Others	170.32	241.29
Total	175.09	244.55

Terms and conditions of the above financial liabilities:
For terms and conditions with related parties, refer note 33

Details of Dues to Micro And Small Enterprises

Particulars	March 31, 2020	March 31, 2019
Current		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	4.77	3.18
Interest	0.04	0.08
b) The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	-	-
Interest	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	0.49	-
d) The amount of interest accrued and remaining unpaid at the end of the year	0.53	0.08
e) 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-

This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

17. OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Current		
Financial Liabilities at amortised cost		
Current maturities of long term debts	-	22.46
Payable for capital goods	1.40	4.23
Dues to employees	1.93	2.55
Deposits from customers and others	1.21	1.44
Interest accrued on Borrowings	0.13	-
Total	4.67	30.68

18. REFUND LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Refund Liabilities	86.60	54.27
Total	86.60	54.27

Under the Company's standard contract terms, customers have a right of return the goods within specified time or when goods remained unsold at large format store. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

(All amounts in INR Crore, unless otherwise stated)

19. OTHER LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Current		
Advance received from Customers	0.11	0.01
Statutory Liabilities (Includes GST, TDS, PF, ESIC, PT &LWF)	7.49	7.50
Interest on MSME parties (Refer Note 16)	0.53	0.08
Total	**8.13**	**7.59**

20. PROVISIONS

Particulars	March 31, 2020	March 31, 2019
Non Current		
Provision for employee benefits (Refer Note 30)		
Gratuity	0.68	0.46
Total	**0.68**	**0.46**
Current		
Provision for employee benefits (Refer Note 30)		
Gratuity	0.02	0.02
Leave encashment	0.66	0.46
Total	**0.68**	**0.48**

21. CURRENT TAX LIABILITIES(NET)

Particulars	March 31, 2020	March 31, 2019
Current Tax Liabilities		
Provision for Tax	0.03	0.03
Total	**0.03**	**0.03**

22. REVENUE FROM OPERATIONS

Particulars	2019-20	2018-19
Sale of products		
Traded goods (Apparel, footwear and other fashion products)	443.48	497.70
Other Operating Revenues	0.72	0.65
Total	**444.20**	**498.35**

23. OTHER INCOME

Particulars	2019-20	2018-19
Interest income on financial assets carried at amortised cost	-	0.03
Total	**-**	**0.03**

24. CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	2019-20	2018-19
Inventories as at the beginning of the year		
Stock-in-trade	60.75	33.22
Less : Inventories as at the end of the year		
Stock-in-trade	107.57	60.75
Net increase in inventories	**(46.82)**	**(27.53)**

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

25. EMPLOYEE BENEFITS EXPENSE

Particulars	2019-20	2018-19
Salaries, wages and bonus	31.14	31.99
Contribution to provident and other funds (Refer note 29)	2.15	1.62
Gratuity Expense (Refer Note 29)	0.20	0.12
Staff welfare expenses	0.10	0.15
Total	33.59	33.88

26. FINANCE COST

Particulars	2019-20	2018-19
Interest expense on financial liabilities not classified as at FVTPL (Including DDT)	-	11.23
Interest expense on borrowings	1.75	0.15
Other Interest expense (Interest on MSME and Interest on TDS)	0.72	0.30
Interest on Lease liabilities (Refer note 31)	0.85	-
Other borrowing costs	0.89	0.76
Total	4.21	12.44

27. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

Particulars	2019-20	2018-19
Depreciation on property, plant and equipment	1.14	0.64
Amortisation on intangible assets	16.46	9.81
Impairment loss on goodwill (Refer note 5)	50.63	30.13
Depreciation on ROU Assets (Refer note 31)	1.75	-
Total	69.98	40.58

28. OTHER EXPENSES

Particulars	2019-20	2018-19
Repairs and maintenance - Others	0.04	0.03
Rent	3.18	3.76
Travelling and conveyance	2.21	3.13
Advertisement and marketing expenses	8.26	10.50
Legal and professional fees	2.44	1.40
Director's sitting fees	0.09	0.07
Payments to auditors (Refer note (a) below)	0.26	0.20
Insurance	0.34	0.26
Transportation charges	5.68	4.29
Impairment loss recognised under expected credit loss	8.02	-
Net loss on disposal of property, plant and equipment	0.13	0.58
Rates and taxes	0.06	0.07
Corporate social responsibility expenditure (Refer note (b) below)	0.31	0.32
General expenses *	12.84	14.33
Total	43.86	38.94

* includes royalty on sales

(a) Details of Payments to auditors

	2019-20	2018-19
As auditor		
Statutory Audit Fee	0.26	0.15
Tax audit fee	-	0.03
Other services (certification fees)	-	0.02
Total	0.26	0.20

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

(b) Corporate social responsibility expenditure

	2019-20	2018-19
Contribution to Sone ki Chidiya charity foundation	-	0.32
Amount required to be spent as per Section 135 of the Act	0.31	0.32
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) on purposes other than (i) above	-	0.32

29. EARNINGS PER SHARE

Particulars	2019-20	2018-19
Face value per share (INR)	10.00	10.00
Earnings per share		
(a) Basic earnings per share (INR)	(963.76)	564.60
(b) Diluted earnings per share (INR)	(963.76)	564.60
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
(Loss)/Profit attributable to the equity holders of the company	(34.61)	20.46
	(34.61)	**20.46**
Diluted earnings per share		
(Loss)/Profit attributable to the equity holders of the company		
Used in calculating basic earnings per share	(34.61)	20.46
Add: Adjustment	-	-
(Loss)/Profit attributable to the equity holders used in calculating diluted earnings per share	**(34.61)**	**20.46**
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		
Equity Shares	3,50,135	2,59,100
Compulsorily convertible instruments	8,978	1,03,278
	3,59,113	**3,62,378**
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**3,59,113**	**3,62,378**

The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Future Speciality Retail Ltd.

FUTURE SPECIALITY RETAIL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

30. EMPLOYEE BENEFIT OBLIGATIONS

	March 31, 2020			March 31, 2019		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	0.66	-	**0.66**	0.46	-	**0.46**
Gratuity	0.02	0.68	**0.70**	0.02	0.46	**0.48**
Total Employee Benefit Obligation	**0.68**	**0.68**	**1.36**	**0.48**	**0.46**	**0.94**

(i) Leave Obligations

The leave obligations cover the company's liability for earned leave.

The amount of the provision of leave obligations is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations

a) Gratuity

The Company 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 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.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation for the year are as follows

Particulars	2019-20	2018-19
As at beginning of the year	0.48	0.37
Current service cost	0.16	0.20
Interest expense	0.04	0.02
Total amount recognised in statement of profit or loss	**0.20**	**0.22**
Remeasurements		
Gain from change in Demographic assumption	-	(0.11)
Loss from change in financial assumptions	0.03	0.03
Loss/(Gain) from change in experience assumptions	0.09	(0.02)
Total amount recognised in other comprehensive income	**0.12**	**(0.10)**
Benefit payments	(0.10)	(0.01)
As at end of the year	0.70	0.48

Significant risks and assumptions

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:

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.72%	7.50%
Salary Escalation	0% for first year and 5% thereafter	7% for first 2 years and 5% thereafter
Withdrawal Rate	Upto 5 years 20% and 1% thereafter	Upto 5 years 20% and 1% thereafter
Retirement Age	58 years	58 years

Future Speciality Retail Ltd.

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	2019-20	2018-19
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(0.10)	(0.07)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	0.12	0.07
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	0.11	0.07
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(0.09)	(0.07)

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.

The following payments are expected payment towards to the defined benefit obligation in future years:

	March 31, 2020	March 31, 2019
Within the next 12 months	0.02	0.02
Between 2 and 5 years	0.14	0.10
Between 5 and 10 years	0.11	0.10
Total expected payments	0.27	0.22

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.31 years (March 31, 2019: 11.42 years)

b) Defined contribution plans

The company also has defined contribution plans. Contributions are made to Provident Fund in India and Employee's State Insurance Company ("ESIC") equal to a certain percentage of the employees' salary. The contributions of provident fund are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 1.62 Crore (March 31, 2019: INR 1.05 Crore) towards provident fund, national pension scheme, labour welfare fund INR 0.02 Crore(March31, 2019: NIL) and INR 0.51 Crore (March 31, 2019: INR 0.57 Crore) towards ESIC.

31. COMMITMENTS AND CONTINGENCIES

A. Commitments

Capital commitments

The estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) as at March 31, 2020 is INR 0.11 Crore (2018-19: INR 0.58 Crore)

B. Contingent Liabilities	March 31, 2020	March 31, 2019
i. Claim against the company not acknowledged as debt	-	-
ii. Guarantees excluding financial guarantees	-	-
iii. Other money for which the company is contingently liable	-	-

Future Speciality Retail Ltd.

FUTURE SPECIALITY RETAIL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Crore, unless otherwise stated)

32. LEASES

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.7.82 crore, and a lease liability of Rs. 8.10 crore. The cumulative effect of applying the standard, amounting to Rs. 0.18 crore was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the loss before tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.2%

The incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.2%.The following is the summary of practical expedients elected on initial application:

1. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
2. 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.

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

Particulars	March 31, 2020
Balance as at April 01, 2019	7.81
Additions	2.14
Deletions	(0.52)
Depreciation	(1.75)
Balance as at March 31, 2020	**7.68**

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

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

Particulars	March 31, 2020
Current Lease Liabilities	1.20
Non Current Lease Liabilities	7.14
Total	**8.34**

The following is the movement in lease liabilities also for the year ended March 31, 2020 :

Particulars	March 31, 2020
Balance as at April 01, 2019	8.10
Additions	2.14
Finance Cost accrued during the year	0.85
Deletions	(0.63)
Payment of Lease Liabilities	(2.12)
Balance as at March 31, 2020	**8.34**

Rental Expense recorded for short-term leases INR 3.18 Crore for year ended March 31, 2020.

Particulars	March 31, 2020
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows:	
Within one year	5.37
Later than one year but not later than five years	7.83
later than five years	3.55

Future Speciality Retail Ltd.

(All amounts in INR Crore, unless otherwise stated)

33. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

(1) Holding / Ultimate Holding Company
- Future Trendz Limited
- Future Lifestyle Fashions Limited
- Ryka Commercial Ventures Private Limited
- Lifestyle Trust

(2) Fellow Subsidiaries
- FLFL Business Services Limited
- FLFL Travel Retail Bhubaneswar Private Limited
- FLFL Travel Retail Guwahati Private Limited
- FLFL Travel Retail Lucknow Private Limited
- FLFL Travel Retail West Private Limited

(3) Key Management Personnel (KMP)
- Hetal Kotak
- Kaleeswaran Arunchalam
- Vitthal Nawandhar(upto 07-02-2020)

(4) Enterprises over which KMP of the Company or the ultimate holding company can exercise significant influence
- Future Retail Limited
- Future Enterprises Limited
- Future Supply Chain Solutions Limited
- Future Sharp Skills Limited
- Retail Light Techniques (India) Limited
- Future Generali India Insurance Company Limited
- Future Generali India Life Insurance Company Limited
- Future Corporate Resources Private Limited
  (formerly known as Suhani Trading and Investment Consultants Private Limited)
- Travel News Services (India) Private Limited (TNSI)

(ii) Transactions with related parties
The following transactions occurred with related parties during the year

Name	2019-20	2018-19
(a) Sale of Products		
Future Lifestyle Fashions Limited	149.44	142.20
Future Retail Limited	152.26	214.53
(b) Purchase of Products		
Future Enterprises Limited	1.16	1.59
(c) Purchase of Property, plant and equipment		
Future Lifestyle Fashions Limited	0.01	2.47
Future Retail Limited	0.01	0.02
(d) Sale of Property, plant and equipment		
Future Lifestyle Fashions Limited	0.04	0.08
(e) Other expenses		
Business exhibition expenses & Shared Services		
Future Lifestyle Fashions Limited	0.72	1.02
Supply chain service provider		
Future Supply Chain Solutions Limited	11.48	5.82
Employee Training & Development		
Future Sharp Skills Limited	0.10	0.01
Insurance Service provider		
Future Generali India Life Insurance Company Limited	0.09	0.11
Future Generali India Insurance Company Limited	0.18	0.14
Rent for Airport Stores		
FLFL Travel Retail Bhubaneswar Private Limited	0.51	0.24
FLFL Travel Retail Guwahati Private Limited	0.67	0.20
FLFL Travel Retail Lucknow Private Limited	0.38	0.29
FLFL Travel Retail West Private Limited	0.97	0.68
Travel News Services (India) Private Limited (TNSI)	0.62	0.22
Capex Related Expenses		
Retail Light Techniques (India) Limited	-	0.15
Future Supply Chain Solutions Limited	0.06	-
Future Enterprises Limited	0.05	0.89
(f) Other Operating Income		
Shared Services		
Future Lifestyle Fashions Limited	0.72	0.72
(g) Financial Guarantee from		
Future Lifestyle Fashions Limited	0.50	0.50

Future Speciality Retail Ltd

(iii) Outstanding balances arising from sales/purchases of goods and services

Name	March 31, 2020	March 31, 2019
Trade Receivables		
Future Lifestyle Fashions Limited	135.24	131.44
Future Retail Limited	87.17	72.04
Future Enterprises Limited	-	8.86
Future Corporate Resources Private Limited	-	0.01
Trade Payables		
Future Lifestyle Fashions Limited	-	2.55
Future Retail Limited	0.12	0.02
Future Enterprises Limited	0.56	0.57
FLFL Travel Retail Bhubaneswar Private Limited	0.00*	-
FLFL Travel Retail Guwahati Private Limited	0.09	-
FLFL Travel Retail Lucknow Private Limited	0.00*	-
FLFL Travel Retail West Private Limited	0.00*	-
Travel News Services (India) Private Limited (TNSI)	0.05	-
Retail Light Techniques (India) Limited	-	0.06
Future Generali India Life Insurance Company Limited	0.04	0.02
Future Generali India Insurance Company Limited	0.03	0.11
Future Supply Chain Solutions Limited	10.95	4.81

* Less than INR 50,000

(iv) Key management personnel compensation

	March 31, 2020	March 31, 2019
Short term employee benefits	1.63	1.91
Post-employment benefits	0.07	0.05
Director Sitting fees	0.09	0.07
	1.79	2.03

(v) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 31, 2020, the Company has recorded impairment of receivables relating to amount owed by related parties of INR 7.16 Crore (March 31, 2019: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

34. SEGMENT REPORTING

The Company is engaged in the business of trading of branded apparel, footwear and others fashion products, which is the only reportable segment. There is no other segment which requires reporting as per Ind AS 108 "Operating Segments".

Information about major customers

Revenue arising from sale of products from two customers amounted to INR 301.70 Crore (March 31, 2019: from two customers amounted to INR 356.73 Crore), exceeds 10% of revenue from operations of the Company.

Future Speciality Retail Ltd

(All amounts in INR Crore, unless otherwise stated)

35. FAIR VALUE MEASUREMENTS

Financial Instruments by Category

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	298.21	309.94	298.21	309.94
Cash and Cash Equivalents	0.78	25.61	0.78	25.61
Security Deposits	1.05	0.87	1.05	0.87
Other Bank Balances	0.02	0.02	0.02	0.02
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at fair value through profit and loss	-	-	-	-
Total	**300.06**	**336.44**	**300.06**	**336.44**
FINANCIAL LIABILITIES				
Amortised cost				
Lease Liabilities	8.34	-	8.34	-
Borrowings (including accrued Interest)	15.03	42.69	15.03	42.69
Trade Payables	175.09	244.55	175.09	244.55
Other financial liabilities	4.54	8.22	4.54	8.22
Financial liabilities at fair value through profit and loss	-	-	-	-
Total	**203.00**	**295.46**	**203.00**	**295.46**

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurement of all financial assets and liabilities is at amortised cost, using the effective interest method discount rates used in determining fair value. The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower in case of financial liabilities and average market rate of similar credit rated instrument in case of financial assets.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:
(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
(b) Fair value of quoted instruments is based on the market value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.
(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period.

Future Speciality Retail Ltd.

36. FINANCIAL RISK MANAGEMENT

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables.

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time. The Company's exposure of its customers are continuously monitored based on the customer's past performance and business dynamics. Credit exposure is controlled by customer's credit limits that are reviewed and approved by the management at regular intervals.

An impairment analysis is performed at each reporting date. The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money.

(B) Liquidity risk

Liquidity risk is the risk that the company will fail in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
As at March 31, 2020					
Borrowing including Interest accrued	15.03	15.03	-	-	15.03
Trade payable	175.09	175.09	-	-	175.09
Lease Liabilities	8.34	1.20	7.14		8.34
Other financial liabilities	4.54	4.54	-	-	4.54
	203.00	**195.86**	**7.14**	**-**	**203.00**
As at March 31, 2019					
Borrowing including Interest accrued	42.69	24.38	24.38	-	48.76
Trade payable	244.55	244.55	-	-	244.55
Other financial liabilities	8.22	8.22	-	-	8.22
	295.46	**277.15**	**24.38**	**-**	**301.53**

(B) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates. The Company's exposure to interest rates risk and other price risk is not significant.

(i) Foreign currency 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's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies.

Following table details the carrying amounts of the Company's unhedged foreign currency denominated monetary items at the end of the reporting period:

Particulars	March 31,2020	March 31,2019
Amount Payable		
Euro	-	-
USD	-	0.05
Total Exposure	**-**	**0.05**

A 5% strengthening in USD and GBP will decrease the profit for the year by INR NIL (2018-19: INR 0.002 Crore) and a 5% weakening in USD and GBP will increase the profit for the year by INR NIL (2018-19: INR 0.002 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.

Future Speciality Retail Ltd. *

(All amounts in INR Crore, unless otherwise stated)

(ii) 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. However, the company is not significantly exposed to interest rate risk as at the respective reporting dates.

37. CAPITAL MANAGEMENT

For the purpsoe of the company's capital management, capital includes issued equity capital, equity instruments, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital to ensure that it will be able to continue as going concerns 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 is as follows.

Particulars	March 31, 2020	March 31, 2019
Borrowings (including accrued interest)	15.03	42.69
Less: Cash and Cash Equivalents	(0.78)	(25.61)
Net Debt	**14.25**	**17.08**
Equity share capital	0.35	0.26
Other equity instrument	0.01	0.01
Other equity	245.49	237.27
Total Capital	**245.85**	**237.54**
Net debt to equity ratio	5.80%	7.19%

38. DETAILS OF CHARGES AGAINST ASSETS OF THE COMPANY

The credit facility from IDFC bank is secured by way of a first & exclusive charge on the entire current assets and movable property plant and equipment of the Company and corporate guarantee from Future Lifestyle Fashions Limited, the Parent Company.

39. ESTIMATION OF UNCERTAINITY RELATING TO GLOBAL HEALTH PANDEMIC ON COVID-19

Company's products fall under the non-essential services category and hence the Company experienced a temporary impact on its operations upon implementation of the nation wide lockdown. However, The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as inventories, trade receivables, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

40. The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

For and on behalf of the Board of Directors

Future Speciality Retail Ltd.

Hetal Kotak
Executive Director and CEO
(DIN : 07863592)

Saurabh Bhudolia
Director
(DIN : 07748251)

Place: Mumbai
Date: June 16, 2020

Independent Auditor's Report

To the Members of
FLFL Travel Retail Bhubaneswar Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **FLFL Travel Retail Bhubaneswar Private Limited,** ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the 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 financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate.

Information Other than the Financial Statements and Auditor's Report Thereon

The 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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...

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, 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 purpose 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 Flow dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014.

   e. On the basis of written representations received from the Directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of Internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with requirement of section 197(16) of the Act as amended:

   i. The Company has not paid/provided for any managerial remuneration in accordance with Provision of section 197 of Companies Act 2013

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 explanation given to us:

   i. The Company does not have any pending litigations, which will have an impact on its financial position in its 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 were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAABY5287

Mumbai
Date : June 16, 2020.

Annexure - A to the Auditor's Report

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of **FLFL Travel Retail Bhubaneswar Private Limited** of even date.

i. The Company does not have any tangible fixed asset. Accordingly, reporting under Clause 3 (i) is not applicable to the Company.

ii. The Company is in the business of sub leasing properties and does not have any physical Inventory. Accordingly, reporting under Clause 3(ii) of the order is not applicable to the Company.

iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Accordingly, reporting under Clause 3(iii) 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 not accepted any deposits from the public during the period and does not have any unclaimed deposits as at March 31, 2020. Accordingly, reporting under Clause 3(v) of the order is not applicable to the Company.

vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the business activities carried out by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods And Service Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the period by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance and Custom Duty.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods And Service Tax , cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

(c) According to information and explanations given to us, there are no material dues of Income Tax which have not been deposited with appropriate authorities on account of any dispute.

viii. The Company has not taken any loans or borrowings from Financial Institutions, Banks or Government or has not issued any debentures accordingly, reporting under Clause 3(viii) of the order is not applicable to the Company.

ix. Based on information and explanations given to us and records of the Company examined by us, the Company has not taken any term loan. Accordingly, reporting under Clause 3(ix) of the order is not applicable to the Company.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not paid/provided for any managerial remuneration during the period under audit. Accordingly, reporting under Clause 3(xi) of the order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under Clause 3(xii) of the order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Provisions of section 177 of Companies Act 2013 is not applicable to the Company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting under Clause 3(xv) of the order is not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAABY5287

Mumbai
Date : June 16, 2020.

Annexure - B to the Auditor's Report

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements section of our report to the Members of FLFL Travel Retail Bhubaneswar Private Limited)

We have audited the internal financial controls over financial reporting of **FLFL Travel Retail Bhubaneswar Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAABY5287

Mumbai
Date : June 16, 2020.

FLFL Travel Retail Bhubaneswar Private Limited

Balance Sheet As At March 31, 2020

('Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A	**ASSETS**			
	Non-Current assets			
	(a) Right to use leased hold assets	3	2,127.30	-
	(b) Financial assets			
	(i) Loans	4	62.36	62.73
	(c) Other Non Current assets	5	44.76	60.08
	Total Non - Current Assets		**2,234.43**	**122.81**
	Current assets			
	(b) Financial Assets			
	(i) Trade receivables	6	50.46	16.09
	(ii) Cash and cash equivalents	7	56.31	4.11
	(b) Other Current assets	8	84.58	38.09
	Total Current Assets		**191.36**	**58.28**
		Total Assets	**2,425.78**	**181.09**
B	**LIABILITIES AND EQUITY**			
	Equity			
	(a) Equity Share capital	9	1.00	1.00
	(b) Other Equity	10	(163.97)	(111.79)
	Total equity		**(162.97)**	**(110.79)**
	Liabilities			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	11	133.38	155.37
	(ii) Lease Liabilities	12	1,878.21	-
	Total Non - Current Liabilities		**2,011.59**	**155.37**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Short term borrowings	13	67.46	-
	(ii) Trade Payables	14	181.05	129.92
	(iii) Lease Liabilities	15	321.50	-
	(b) Other Current liabilities	16	7.15	6.59
	Total Current Liabilities		**577.16**	**136.51**
		Total Equity and Liabilities	**2,425.78**	**181.09**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Bhubaneswar Private Limited

FLFL Travel Retail Bhubaneswar Private Limited

Statement of Profit and Loss for year ended March 31, 2020

(`Rs. in Lakhs)

Particulars	Note No.	FY 2019-20	FY 2018-19
REVENUE			
(a) Revenue from operations	17	560.68	201.62
(b) Other Income	18	311.98	4.89
Total Revenue		**872.66**	**206.51**
EXPENSES			
(a) Cost of Services	19	-	304.29
(b) Finance costs	20	255.72	0.20
(c) Depreciation	21	374.27	
(d) Other expenses	22	11.73	13.82
Total Expenses		**641.72**	**318.30**
Profit/(loss) before tax		**230.94**	**(111.79)**
Tax Expense		-	-
Profit/(loss) after tax		**230.94**	**(111.79)**
Other comprehensive Income(OCI)			
Total comprehensive Income		**230.94**	**(111.79)**
Earnings per equity share of Face Value Rs. 10 each			
(1) Basic		2,309.43	(1,117.94)
(2) Diluted		2,309.43	(1,117.94)

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Bhubaneswar Private Limited

FLFL Travel Retail Bhubaneswar Private Limited

Cash Flow Statement for the year ended March 31, 2020

('Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Cash Flow From Operating Activities**		
	Net Profit Before Tax	230.94	(111.79)
	Adjusted For:		
	Non Cash income and Expenses		
	Interest Income	(0.03)	(0.45)
	Finance Cost	255.72	-
	Depreciation & amortization	374.27	-
	Deferred Expense	9.06	6.41
	Deferred Interest Income	(6.88)	(4.44)
	Remeasurement of Lease Liabilities	(302.55)	-
	Operating (Profit) Before Working Capital Changes	**560.53**	**(110.27)**
	Adjusted For:		
	Proceeds From Security Deposit	13.50	30.59
	Increase Or (Decrease) in Other Financial Liabilities	(21.99)	0.00
	Increase Or (Decrease) in Other Current Liabilities	0.56	63.11
	Increase Or (Decrease) in Trade Payables	51.13	0.00
	(Increase) Or Decrease in Other Current Assets	(116.84)	0.00
	(Increase) Or Decrease in Trade Receivables	(34.37)	0.00
	Cash Generated From Operations	**452.52**	**(16.56)**
	Tax Paid	70.34	19.22
	Net Cash From Operating Activities	**522.86**	**2.66**
B	**Cash Flow From Investing Activities**		
	Interest Income	0.03	0.45
	Net Cash (Used In) Investing Activities	**0.03**	**0.45**
C	**Cash Flow From Financing Activity**		
	Proceeds from Issue of shares	0.00	1.00
	Principal portion of the lease liability payment	(282.43)	0.00
	Interest portion of the lease liability Payment	(250.60)	0.00
	Proceeds from short Term Borrowings	63.50	0.00
	Finance Cost	(1.16)	0.00
	Net Cash Provided By Financing Activity	**(470.69)**	**1.00**
	Net Increase in Cash & Cash Equivalents (A+B+C)	**52.20**	**4.11**
	Opening Balance of Cash & Cash Equivalents	4.11	0.00
	Closing Balance of Cash & Cash Equivalent	**56.31**	**4.11**

As per our Report of even date attached
For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

For and on behalf of Board of Directors

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Bhubaneswar Private Limited

FLFL Travel Retail Bhubaneswar Private Limited

Statement of Changes in Equity For the year ended March 31, 2020

(`Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Equity Share Capital**		
	(i) Opening Balance	1.00	0.00
	(ii) Change During the Year		
	Issue Of Equity Share	0.00	1.00
	Closing Balance	**1.00**	**1.00**
B	**Other Equity**		
	Retained Earning		
	Opening Balance	(111.79)	-
	Profit for the year	230.94	(111.79)
	Impact on account of adoption of IND AS 116	(283.12)	-
	Closing Balance	**(163.97)**	**(111.79)**
	Total Other Equity	**(163.97)**	**(111.79)**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Bhubaneswar Private Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. GENERAL INFORMATION ABOUT THE COMPANY

FLFL Travel Retail Bhubaneswar Pvt. Ltd. ("The Company") is a company incorporated in India under the provisions of Companies Act, 2013 on May 30, 2018. 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 sub leasing area at Bhubaneswar Airport. The Financial Statements were approved for issue by the Board of Directors on June 16, 2020. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. 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 at the end of each reporting period.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.2. Revenue recognition

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

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

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

NGS & CO. LLP CHARTERED ACCOUNTANTS

Interest income

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

Information about major customers

Revenue arising from two customers amounted to Rs.276.75 lakhs, exceeding 10% of Revenue from operations of the company.

Name of Customer	Revenue generated (Rs. In lakhs)
Future Retail Limited	Rs. 165.04 lakhs
Travel Retail Services Pvt. Ltd.	Rs. 111.71 lakhs

Impact of COVID-19

ESTIMATION OF UNCERTAINITY RELATING TO GLOBAL HEALTH PANDEMIC ON COVID-19

Company's products fall under the non-essential services category. The Company experienced a temporary impact on its operations upon implementation of the nation wide lockdown. However, The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity & operations. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as trade receivables, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

2.3. Taxes

Income tax expenses represents the sum of the tax currently payable and deferred tax

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.

NGS & CO. LLP CHARTERED ACCOUNTANTS

Deferred tax

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

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

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

Current and deferred tax for the year

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

2.4. Lease

The Company as a lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company's lease asset classes primarily consist of leases for spaces. 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 (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.

Lease arrangement 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 ROU 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.

ROU 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. ROU 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 ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

The Company as a Lessor

At the inception of the lease the Company classifies each of its leases as an operating lease. The Company recognises lease payments received under operating leases as income. The Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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2.5. 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.

2.6. 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.

2.7. Provisions, contingent liability and contingent assets

A provision is recognized 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.

2.8. Financial instruments

Financial assets and financial liabilities

Initial recognition

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of Loans, Deposits, Trade Receivables and Cash and Bank balances. Financial liabilities primarily comprise of Trade and Other Payables.

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.

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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").

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.

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

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

2.9. Operating Segment

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Space leasing.

2.10. 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 recognized 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.

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

2.11. 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 To Financial Statements

Note 3 : Right to use leased hold assets

Particulars	As at March 31,2020	As at March 31, 2019
Right to use leased hold assets	2,127.30	-
Total	**2,127.30**	**-**

Note 4 : Loans

Particulars	As at March 31,2020	As at March 31, 2019
Unsecured and considered good		
Security Deposits	62.36	62.73
Total	**62.36**	**62.73**

Note 5 : Other Non Current Assets

Particulars	As at March 31,2020	As at March 31, 2019
Prepaid Exp.-Deferred lease expense	44.76	60.08
Total	**44.76**	**60.08**

Note 6 : Trade Receivables

Particulars	As at March 31,2020	As at March 31, 2019
Unsecured and considered good		
Trade Receivables	50.46	16.09
Total	**50.46**	**16.09**

Note 7 : Cash and Cash Equivalent

Particulars	As at March 31,2020	As at March 31, 2019
Balances with Bank		
On current Account	56.31	4.11
Total	**56.31**	**4.11**

Note 8 : Other Current Assets

Particulars	As at March 31,2020	As at March 31, 2019
*Other Current assets	84.58	38.09
Total	**84.58**	**38.09**

*Includes statutory dues

Note 9 : Equity Share Capital

Particulars	As at March 31 ,2020		As at March 31,2019	
	No of Shares	Amount	No of Shares	Amount
Authorised				
10,000 Equity Shares of Rs.10/- each.	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**
Issued, Subscribed and Paid up				
10,000 Equity Shares of Rs.10/- each fully paid up	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**

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(a) Reconciliation of number of shares :

Particulars	As at March 31,2020	As at March 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	10,000	-
Add : Issued during the year	-	10,000
At the end of the year	**10,000**	**10,000**

(b) Terms/Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares having par value Rs. 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2020		As at March 31,2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Future Lifestyle Fashions Limited	5,100.00	51%	5,100.00	51%
Travel Retail Services Private Limited	4,900.00	49%	4,900.00	49%
Total	**10,000.00**	**100%**	**10,000.00**	**100%**

(d) Shared held by holding Company : NIL

Note 10 : Other Equity

Particulars	As at March 31,2020	As at March 31, 2019
Retained Earnings		
Opening Balance	**(111.79)**	-
Profit for the year	230.94	(111.79)
Impact on account of adoption of IND AS 116	(283.12)	-
Closing Balance	**(163.97)**	**(111.79)**
Total	**(163.97)**	**(111.79)**

Note 11 : Other Financial Liabilities

Particulars	As at March 31,2020	As at March 31, 2019
Security Deposits	133.38	133.38
Other Payables	-	21.99
Total	**133.38**	**155.37**

Note 12 : Lease Liability (Non Current)

Particulars	As at March 31,2020	As at March 31, 2019
Lease liability on leased hold assets	1,878.21	-
Total	**1,878.21**	-

Note 13 : Short term borrowings

Particulars	As at March 31,2020	As at March 31, 2019
Inter corporate deposits	67.46	-
Total	**67.46**	-

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FLFL Travel Retail Bhubaneswar Private Limited

Note 14 : Trade Payables

Particulars	As at March 31,2020	As at March 31, 2019
Trade Payables	181.05	129.92
Total	**181.05**	**129.92**

Note 15 : Lease Liability (Current)

Particulars	As at March 31,2020	As at March 31, 2019
Lease liability on leased hold assets	321.50	-
Total	**321.50**	-

Note 16 : Other Current Liabilities

Particulars	As at March 31,2020	As at March 31, 2019
Provision for Expenses	2.41	2.26
Other Payables*	4.74	4.33
Total	**7.15**	**6.59**

*includes statutory dues

Note 17 : Revenue form Operations

Particulars	FY 2019-20	FY 2018-19
Sub Concession Fees	560.68	201.62
Total	**560.68**	**201.62**

Note 18 : Other Income

Particulars	FY 2019-20	FY 2018-19
Interest Income	6.91	4.89
Remeasurement of Lease Liabilities	302.55	-
Other Income	2.52	-
Total	**311.98**	**4.89**

Note 19 : Cost of Services

Particulars	FY 2019-20	FY 2018-19
Concession Fees	-	304.29
Total	-	**304.29**

Note 20 : Finance Costs

Particulars	FY 2019-20	FY 2018-19
Interest Expenses	255.72	0.20
Total	**255.72**	**0.20**

Note 21 : Depreciation

Particulars	FY 2019-20	FY 2018-19
Depreciation of ROUA	374.27	-
Total	**374.27**	-

Note 22 : Other Expenses

Particulars	FY 2019-20	FY 2018-19
Rates & Taxes (BG Commission and ROC)	-	4.51
Deferred Lease Exp.	9.06	6.41
Auditor's Remuneration		
-Statutory Audit	0.50	0.50
-Other services	0.80	-
Miscellaneous Expenses	1.37	2.40
Total	**11.73**	**13.82**

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23. Computation of Basic and Diluted Earnings Per Shares

	Units	2019-20	2018-19
Profit after tax	Rs. in lakhs	230.94	(111.79)
The Weighted average number of Equity shares for Basic and Diluted EPS	No.	10000	10000
Earnings per Equity share (Basic & Diluted)	Rs. In lakhs	2309.43	(1117.94)

24. Lease

Effective April 1, 2019, the Company adopted Ind AS 116, *Leases* and applied the standard to the lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the 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 ROU 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 at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 2030.14 Lakhs & a lease liability of Rs. 2313.26 Lakhs. The cumulative effect of applying the standard, amounting to Rs. 283.12 Lakhs was debited to retained earnings, net of taxes.

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Excluded the initial direct costs from the measurement of the ROU 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.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50%.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Rs. In Lakhs

Particulars	**FY 2019-20**
Opening ROU Assets	2030.14
Addition	0.00
Deletion	0.00
Depreciation During The Year	(374.27)
Remesuirements of Lease Liabilities during the Year	471.43
Closing ROU Assets	**2127.30**

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

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

Rs. In Lakhs

Particulars	As at March 31, 2020
Lease Liabilities as at 31st March 2020 (Current)	321.50
Lease Liabilities as at 31st March 2020 (Non- Current)	1878.21
Total	**2199.71**

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Rs. In Lakhs

Particulars	FY 2019-20
Opening Lease Liabilities	2313.26
Interest Cost during the Year	250.60
Remesuirements of Lease Liabilities during the Year	168.88
Minimum Lease Payment	(533.03)
Closing Lease Liabilities	**2199.71**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

25. Related Party Disclosure

As required under Ind AS 24 "Related Party Disclosures" are given below:

I. <u>List of Related Parties</u>

A. Investee Companies

a) Future Lifestyle Fashions Limited

b) Travel Retail Services Private Limited

B. Fellow Subsidiaries

a) Future Speciality Retail Limited

b) FLFL Travel Retail West Private Limited

c) FLFL Travel Retail Lucknow Private Limited

d) FLFL Travel Retail Guwahati Private Limited

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FLFL Travel Retail Bhubaneswar Private Limited

(Ii) Transaction with related Parties (Rs. In Lakhs)

Nature of Transactions	CY/PY	Future Lifestyle Fashions Limited	Travel Retail Services Private Limited	Future Speciality Retail Limited	FLFL Travel Retail West Private Limited	FLFL Travel Retail Guwahati Private Limited
Sub Concession Fees Income	CY	-	111.71	49.56	-	-
	PY		(38.65)	(19.83)		
Reim. of Expenses Received	CY	-	2.94	1.04	-	-
	PY		(1.22)	(0.58)		
Advances Received	CY	-	-	-	-	-
	PY	-	(44.47)	-	-	-
Loans Given	CY	-	-	-	-	12.00
	PY				-	-
Loans Given Received Back	CY	-	-	-	-	12.00
	PY				-	-
Interest Income on Loan	CY	-	-	-	-	0.03
	PY				-	-
Loan Taken	CY	-	-	-	68.50	21.00
	PY				(40.00)	(2.00)
Loan Taken Repaid Back	CY	-	-	-	5.00	21.00
	PY				(40.00)	(2.00)
Interest Expense on Loan Taken	CY	-	-	-	6.04	0.56
	PY	-	-	-	(0.09)	(0.11)
Expenses	CY	-	-	-	-	-
	PY	(3.01)	(1.42)	-	-	-
Receivable as at March 31st	CY	-	7.26	0.07	-	-
	PY	-	(3.41)	(0.12)	-	-
Payable as at March 31st	CY	83.68	46.08	-	67.46	-
	PY	(83.68)	(46.08)	-	-	-

26. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists equity of the Company (comprising issued capital & retained earnings). The Company monitors capital using a ratio of 'net debt' to equity. The Company has Short Term debt of Rs. 67.46 lakhs as at 31st March 2020

(In lakhs)

Particulars	As at March 31,2020	As at March 31, 2019
Total debt	67.46	0.00
Less: cash and bank balances	56.31	4.11
Net debt	11.15	(4.11)
Equity	(163.97)	(110.79)
Net debt to equity ratio	(0.07)	0.04

Categories of financial instruments

(In lakhs)

Particulars	As at March 31,2020	As at March 31, 2019
Financial assets		
(i) Measured at Amortized Cost		
Cash and bank balances	56.31	4.11
Trade Receivables	50.46	16.09
(ii) Measured at Fair Value		
Loans	62.36	62.73
Financial liabilities		
(i) Measured at Amortized Value		
Trade Payables	181.05	129.92
Lease Liabilities	2199.71	0.00
Inter Corporate Deposits	67.46	0.00
Other Financial Liability	133.38	155.37

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FLFL Travel Retail Bhubaneswar Private Limited

27. Financial Risk Management objectives

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.

- **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. As on March 31st, 2020 company is not exposed to Interest rate Risk

- **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.

As per our report of even date attached
For NGS & Co LLP
Chartered Accountants
(F.R.No.: 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
June 16, 2020.

For and on Behalf of Board of Directors

Deepak Rathi
Director
DIN- 07165841

Vipul Parikh
Director
DIN- 05283630

FLFL Travel Retail Bhubaneswar Private Limited

Independent Auditor's Report

To the Members of
FLFL Travel Retail Guwahati Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **FLFL Travel Retail Guwahati Private Limited,** ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the 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 financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The 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 financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

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inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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...

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under.

   e. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **"Annexure B"** our report express an unmodified opinion on the adequacy and operating effectiveness of the company's financial control over financial reporting.

   g. With respect to the other matters to be included in the Auditor's in the Auditor's Report in accordance with requirement of section 197(16) of the Act as amended:

      i. The Company has not paid/provided for any managerial remuneration in accordance with Provision of section 197 of Companies Act 2013

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 explanation given to us:

i. The Company does not have any pending litigations, which will have an impact on its financial position in its 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 were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAABZ7174

Mumbai
Date : June 16, 2020.

Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the **FLFL Travel Retail Guwahati Private Limited** on the financial statements for the period ended March 31, 2020, we report that:

i. The Company does not have any tangible fixed asset. Therefore provision of paragraph 3(i) of the order are not applicable.

ii. The Company does not have any Inventory, therefore paragraph 3(ii) of the order is not applicable.

iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods And Service Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the period by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance and Custom Duty.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods And Service Tax , cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

(c) According to information and explanations given to us, there are no material dues of Income Tax which have not been deposited with appropriate authorities on account of any dispute.

viii. The company has not taken any loans or Borrowings from Financial Institution, Banks or Government or has not issued any debentures Therefore, paragraph 3(viii) of the Order is not applicable.

ix. Based on information and explanations given to us and records of the Company examined by us, the Company has not taken any term loan, so paragraph 3(ix) of the order is not applicable.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not paid/provided for any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act. Therefore paragraph 3(xi) of the order not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provision of section 177 of Companies Act 2013 is not applicable to the Company

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAABZ7174

Mumbai
Date : June 16, 2020.

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **FLFL Travel Retail Guwahati Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAABZ7174

Mumbai
Date : June 16, 2020.

FLFL Travel Retail Guwahati Private Limited

Balance Sheet As At March 31, 2020

(`Rs. in Lakhs)

	Particulars	Note No.	As at March 31,2020	As at March 31,2019
A	**ASSETS**			
	Non-Current assets			
	(a) Right to use leased hold assets	3	4,858	-
	(b) Financial assets			
	(i) Loans	4	91.22	81.82
	(c) Other Non Current assets	5	74.29	87.24
	Total Non - Current Assets		**5,023.76**	**169.07**
	Current assets			
	(b) Financial Assets			
	(i) Trade receivables	6	127.78	21.90
	(ii) Cash and cash equivalents	7	5.43	73.01
	(iii) Short term advances	8	160.05	-
	(b) Other Current assets	9	141.57	40.65
	Total Current Assets		**434.84**	**135.56**
		Total Assets	**5,458.60**	**304.63**
B	**LIABILITIES AND EQUITY**			
	Equity			
	(a) Equity Share capital	10	1.00	1.00
	(b) Other Equity	11	(31.99)	(84.08)
	Total equity		**(30.99)**	**(83.08)**
	Liabilities			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	12	222.14	194.75
	(ii) Lease Liabilities	13	4,218.14	-
	Total Non - Current Liabilities		**4,440.27**	**194.75**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	14	294.88	181.75
	(ii) Lease Liabilities	15	722.04	-
	(b) Other Current liabilities	16	32.40	11.21
	Total Current Liabilities		**1,049.32**	**192.96**
	Total Equity and Liabilities		**5,458.60**	**304.63**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

For and on behalf of Board of Directors

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Guwahati Private Limited

FLFL Travel Retail Guwahati Private Limited

Statement of Profit and Loss for year ended March 31, 2020

(Rs. In Lacs)

Particulars	Note No.	FY 2019-20	FY 2018-19
REVENUE			
(a) Revenue from operations	17	1,152.70	269.04
(b) Other Income	18	539.21	4.86
Total Revenue		**1,691.92**	**273.90**
EXPENSES			
(a) Cost of Services	19	-	341.03
(b) Finance costs	20	522.59	0.06
(c) Depreciation	21	742.25	-
(d) Other expenses	22	20.13	16.88
Total Expenses		**1,284.97**	**357.97**
Profit/(loss) before tax		**406.94**	**(84.08)**
Tax Expense		18.58	-
Profit/(loss) after tax		**388.36**	**(84.08)**
Other comprehensive Income(OCI)			
Total comprehensive Income		**388.36**	**(84.08)**
Earnings per equity share of Face Value Rs. 10 each			
(1) Basic		3,883.60	(840.77)
(2) Diluted		3,883.60	(840.77)

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Guwahati Private Limited

Cash Flow Statement for the year ended March 31, 2020

(`Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Cash Flow From Operating Activities**		
	Net Profit Before Tax	**406.94**	**(84.08)**
	Adjusted For:		
	Non Cash income and Expenses		
	Interest Income	(14.28)	(1.96)
	Finance Cost	522.59	-
	Depreciation & Amortization	742.25	-
	Deferred Expense	12.96	3.46
	Deferred Interest Income	(9.40)	(2.34)
	Remeasurement of Lease Liabilities	(513.40)	-
	Operating (Profit) Before Working Capital Changes	**1147.66**	**(84.92)**
	Adjusted For:		
	Proceeds From Security Deposit	0.00	24.56
	Increase Or (Decrease) in Other Financial Liabilities	27.39	0.00
	Increase Or (Decrease) in Other Current Liabilities	21.19	104.37
	Increase Or (Decrease) in Trade Payables	113.13	0.00
	(Increase) Or Decrease in Other Current Assets	(238.00)	0.00
	(Increase) Or Decrease in Trade Receivables	(105.88)	0.00
	Cash Generated From Operations	**965.48**	**44.01**
	Tax Paid	118.49	26.04
	Net Cash From Operating Activities	**1083.98**	**70.05**
B	**Cash Flow From Investing Activities**		
	Interest Income	6.23	1.96
	Short Term Advances	(152.00)	-
	Net Cash (Used In) Investing Activities	**(145.77)**	**1.96**
C	**Cash Flow From Financing Activity**		
	Proceeds from Issue of shares	0.00	1.00
	Principal portion of the lease liability payment	(483.19)	0.00
	Interest portion of the lease liability Payment	(522.56)	0.00
	Finance Cost	(0.03)	0.00
	Net Cash Provided By Financing Activity	**(1005.79)**	**1.00**
	Net Increase in Cash & Cash Equivalents (A+B+C)	**(67.58)**	**73.01**
	Opening Balance of Cash & Cash Equivalents	73.01	0.00
	Closing Balance of Cash & Cash Equivalent	**5.43**	**73.01**

As per our Report of even date attached
For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Guwahati Private Limited *

FLFL Travel Retail Guwahati Private Limited

Statement of Changes in Equity For the year ended March 31, 2020

(`Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Equity Share Capital**		
	(i) Opening Balance	1.00	0.00
	(ii) Change During the Year		
	Issue Of Equity Share	0.00	1.00
	Closing Balance	**1.00**	**1.00**
B	**Other Equity**		
	Retained Earning		
	Opening Balance	**(84.08)**	-
	Profit for the year	388.36	(84.08)
	Impact on account of adoption of IND AS 116	**(336.27)**	-
	Closing Balance	**(31.99)**	**(84.08)**
	Total Other Equity	**(31.99)**	**(84.08)**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

For and on behalf of Board of Directors

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

Deepak Rathi
Director
DIN 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Guwahati Private Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. GENERAL INFORMATION ABOUT THE COMPANY

FLFL Travel Retail Guwahati Pvt. Ltd. ("The Company") is a company incorporated in India under the provisions of Companies Act, 2013 on May 30, 2018. 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 sub leasing area at Guwahati Airport. The Financial Statements were approved for issue by the Board of Directors on June 16, 2020. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. 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 at the end of each reporting period.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.2. Revenue recognition

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

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

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Interest income

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

Information about major customers

Revenue arising from two customers amounted to Rs.581.19 lakhs, exceeds 10% of Revenue from operations of the company

Name of Customer	Revenue generated (Rs. In lakhs)
Future Retail Limited	Rs. 322.17 lakhs.
Travel Retail Services Pvt. Ltd.	Rs. 259.02 lakhs.

Impact of COVID-19

ESTIMATION OF UNCERTAINITY RELATING TO GLOBAL HEALTH PANDEMIC ON COVID-19

Company's products fall under the non-essential services category. The Company experienced a temporary impact on its operations upon implementation of the nation wide lockdown. However, The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity & operations. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as trade receivables, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

2.3. Taxes

Income tax expenses represents the sum of the tax currently payable and deferred tax

Current tax

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

Deferred tax

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

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

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

Current and deferred tax for the year

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

2.4. Lease

The Company as a lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company's lease asset classes primarily consist of leases for spaces. 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 (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.

Lease arrangement 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 ROU 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.

ROU 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. ROU 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 ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

The Company as a Lessor

At the inception of the lease the Company classifies each of its leases as an operating lease. The Company recognises lease payments received under operating leases as income. The Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

2.5. 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.

2.6. 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.

2.7. Provisions, contingent liability and contingent assets

A provision is recognized 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.

2.8. Financial instruments

<u>Financial assets and financial liabilities</u>

<u>Initial recognition</u>

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of Loans, Deposits, Trade Receivables and Cash and Bank balances. Financial liabilities primarily comprise of Trade and Other Payables.

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.

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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").

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.

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial asset

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

2.9. Operating Segment

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Space leasing.

2.10. 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 recognized 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.

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

2.11. 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.

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FLFL Travel Retail Guwahati Private Limited

Notes To Financial Statements

Note 3 : Right to use leased hold assets

Particulars	As at March 31,2020	As at March 31, 2019
Right to use leased hold assets	4,858.25	-
Total	**4,858.25**	-

Note 4 : Loans

Particulars	As at March 31,2020	As at March 31, 2019
Unsecured and considered good		
Security Deposits	91.22	81.82
Total	**91.22**	**81.82**

Note 5 : Other Non Current Assets

Particulars	As at March 31,2020	As at March 31, 2019
Prepaid Exp.-Deferred lease expense	74.29	87.24
Total	**74.29**	**87.24**

Note 6 : Trade Receivables

Particulars	As at March 31,2020	As at March 31, 2019
Unsecured and considered good		
Trade Receivables	127.78	21.90
Total	**127.78**	**21.90**

Note 7 : Cash and Cash Equivalent

Particulars	As at March 31,2020	As at March 31, 2019
Balances with Bank		
On current Account	5.43	73.01
Total	**5.43**	**73.01**

Note 8 : Short term advances

Particulars	As at March 31,2020	As at March 31, 2019
Unsecured and considered good		
Inter corporate deposits	160.05	-
Total	**160.05**	-

Note 9 : Other Current Assets

Particulars	As at March 31,2020	As at March 31, 2019
*Other Current assets	141.57	40.65
Total	**141.57**	**40.65**

*Includes statutory dues

Note 10 : Equity Share Capital

Particulars	As at March 31,2020		As at March 31,2019	
	No of Shares	Amount	No of Shares	Amount
Authorised				
10,000 Equity Shares of Rs.10/- each.	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**
Issued, Subscribed and Paid up				
10,000 Equity Shares of Rs.10/- each fully paid up	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**

(a) Reconciliation of number of shares :

Particulars	As at March 31,2020	As at March 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	10,000	-
Add : Issued during the year	-	10,000
At the end of the year	**10,000**	**10,000**

(b) Terms/Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares having par value Rs. 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31,2020		As at March 31,2019	
	No. of Shares held	% of Holding		% of Holding
Future Lifestyle Fashions Limited	5,100.00	51.00%	5,100.00	51.00%
Travel Retail Services Private Limited	4,900.00	49.00%	4,900.00	49.00%
Total	**10,000.00**	**100%**	**10,000.00**	**100%**

(d) Shared held by holding Company : NIL

Note 11 : Other Equity

Particulars	As at March 31,2020	As at March 31, 2019
Retained Earnings		
Opening Balance	**(84.08)**	-
Profit for the year	388.36	(84.08)
Impact on account of adoption of IND AS 116	**(336.27)**	-
Closing Balance	**(31.99)**	**(84.08)**
Total	**(31.99)**	**(84.08)**

Note 12 : Other Financial Liabilities

Particulars	As at March 31,2020	As at March 31, 2019
Security Deposits	222.14	194.75
Total	**222.14**	**194.75**

Note 13 : Lease Liability (Non Current)

Particulars	As at March 31,2020	As at March 31, 2019
Lease liability on leased hold assets	4,218.14	-
Total	**4,218.14**	-

Note 14 : Trade Payables

Particulars	As at March 31,2020	As at March 31, 2019
Trade Payables	294.88	181.75
Total	**294.88**	**181.75**

Note 15 : Lease Liability (Current)

Particulars	As at March 31,2020	As at March 31, 2019
Lease liability on leased hold assets	722.04	-
Total	**722.04**	-

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FLFL Travel Retail Guwahati Private Limited

Note 16 : Other Current Liabilities

Particulars	As at March 31,2020	As at March 31, 2019
Provision for Expenses	3.42	2.49
Provision for Tax AY 2020-21	18.58	-
Other Payables*	10.40	8.72
Total	**32.40**	**11.21**

*includes statutory dues

Note 17 : Revenue form Operations

Particulars	FY 2019-20	FY 2018-19
Sub Concession Fees	1152.70	269.04
Total	**1,152.70**	**269.04**

Note 18 : Other Income

Particulars	FY 2019-20	FY 2018-19
Interest Income	23.68	4.86
Remeasurement of Lease Liabilities	513.40	-
Other Income	2.13	-
Total	**539.21**	**4.86**

Note 19 : Cost of Services

Particulars	FY 2019-20	FY 2018-19
Concession Fees	-	341.03
Total	**-**	**341.03**

Note 20 : Finance Costs

Particulars	FY 2019-20	FY 2018-19
Interest Expenses	522.59	0.06
Total	**522.59**	**0.06**

Note 21 : Depreciation

Particulars	FY 2019-20	FY 2018-19
Depreciation of ROUA	742.25	-
Total	**742.25**	**-**

Note 22 : Other Expenses

Particulars	FY 2019-20	FY 2018-19
Rates & taxes (BG Commission + ROC)	-	11.34
Deferred Lease expenses	12.96	3.46
Auditor's Remuneration		
-Statutory Audit	0.50	0.50
-Other services	0.80	-
Miscellaneous Expenses	5.88	1.58
Total	**20.13**	**16.88**

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23. Computation of Basic and Diluted Earnings Per Shares

Particulars	Units	2019-20	2018-19
Profit after tax	Rs. in lakhs	388.36	(84.08)
The Weighted average number of Equity shares for Basic and Diluted EPS	No.	10000	10000
Earnings per Equity share (Basic & Diluted)	Rs. In lakhs	3883.60	(840.77)

24. Lease

Effective April 1, 2019, the Company adopted Ind AS 116, *Leases* and applied the standard to the lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the 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 ROU 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 at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 4406.24 Lakhs & a lease liability of Rs. 4742.51 Lakhs. The cumulative effect of applying the standard, amounting to Rs. 336.26 Lakhs was debited to retained earnings, net of taxes.

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Excluded the initial direct costs from the measurement of the ROU 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.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50%.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Rs. In Lakhs

Particulars	**FY 2019-20**
Opening ROU Assets	4406.24
Addition	0.00
Deletion	0.00
Depreciation During The Year	(742.25)
Remesuirements of Lease Liabilities during the Year	1194.26
Closing ROU Assets	**4858.25**

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

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

Rs. In Lakhs

Particulars	As at March 31, 2020
Lease Liabilities as at 31st March 2020 (Current)	722.04
Lease Liabilities as at 31st March 2020 (Non- Current)	4218.14
Total	**4940.17**

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Rs. In Lakhs

Particulars	FY 2019-20
Opening Lease Liabilities	4742.51
Interest Cost during the Year	522.56
Remesuirements of Lease Liabilities during the Year	680.85
Minimum Lease Payment	(1005.75)
Closing Lease Liabilities	**4940.17**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

25. Related Party Disclosure

As required under Ind AS 24 "Related Party Disclosures" are given below:

I. List of Related Parties

A. Investee Companies

a) Future Lifestyle Fashions Limited

b) Travel Retail Services Private Limited

B. Fellow Subsidiaries

a) Future Speciality Retail Limited

b) FLFL Travel Retail West Private Limited

c) FLFL Travel Retail Bhubaneswar Private Limited

d) FLFL Travel Retail Lucknow Private Limited

FLFL Travel Retail Guwahati Private Limited

(Ii) Transaction with related Parties (Rs. In Lakhs)

Nature of Transactions	CY/ PY	Future Lifestyle Fashions Limited	Travel Retail Services Private Limited	Future Speciality Retail Limited	FLFL Travel Retail West Private Limited	FLFL Travel Retail Bhubaneswar Private Limited	FLFL Travel Retail Lucknow Private Limited
Sub Concession Fees Income	CY	47.42	259.02	65.54	-	-	-
	PY	(3.89)	(64.19)	(16.72)			
Reim. of Expenses Received	CY	0.74	5.17	1.09	-	-	-
	PY	(0.08)	(0.96)	(0.27)			
Loans Given	CY	-	-	-	325.00	21.00	15.00
	PY				-	-	(70.00)
Loans Given Received Back	CY	-	-	-	173.00	21.00	15.00
	PY				-	-	(70.00)
Interest Income on Loan	CY	-	-	-	13.48	0.56	0.24
	PY				-	-	(1.85)
Loan Taken	CY	-	-	-	-	12.00	-
	PY				(80.00)	-	
Loan Taken Repaid Back	CY	-	-	-	-	12.00	-
	PY				(80.00)	-	
Interest Expense on Loan	CY	-	-	-	-	0.03	-
	PY	-	-	-	(0.06)	-	-
Rates & Taxes	CY	-	-	-	-	-	-
	PY	(9.10)	(2.16)	-	-	-	-
Advances Received	CY	-	-	-	-	-	-
	PY	-	(67.36)	-	-	-	-
Receivable as on March 31st	CY	6.65	29.65	9.29	160.05	-	-
	PY	(4.68)	(0.75)	(0.22)	-	-	-
Payable as on March 31st	CY	111.40	69.81	-	-	-	-
	PY	(111.40)	(69.81)				

26. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists equity of the Company (comprising issued capital & retained earnings). As on March 31,2020 company does not have any debt.

(In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total debt	0.00	0.00
Less: cash and bank balances	5.43	73.01
Net debt	(5.43)	(73.01)
Equity	(30.99)	(83.08)
Net debt to equity ratio	0.18	0.88

<u>Categories of financial instruments</u>

(In lakhs)

Particulars	As at March 31,2020	As at March 31, 2019
Financial assets		
(i) Measured at Amortized Cost		
Cash and bank balances	5.43	73.01
Trade Receivables	127.78	21.90
Inter Corporate Deposits	160.05	0.00
(ii) Measured at Fair Value		
Loans	91.22	81.82
Financial liabilities		
(i) Measured at Amortized Value		
Trade Payables	294.88	181.75
Lease Liabilities	4940.17	0.00
Other Financial Liabilities	222.14	194.75

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27. Financial Risk Management objectives

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.

- **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. As on March 31st, 2020 company is not exposed to Interest rate Risk

- **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.

As per our report of even date attached
For NGS & Co LLP
Chartered Accountants
(F.R.No.: 119850W)

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
June 16, 2020.

For and on Behalf of Board of Directors

Deepak Rathi
Director
DIN- 07165841

Vipul Parikh
Director
DIN- 05283630

Independent Auditor's Report

To the Members of
FLFL Travel Retail Lucknow Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **FLFL Travel Retail Lucknow Private Limited,** ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the 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 financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The 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 financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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...

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under.

   e. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **"Annexure B"** our report express an unmodified opinion on the adequacy and operating effectiveness of the company's financial control over financial reporting.

   g. With respect to the other matters to be included in the Auditor's in the Auditor's Report in accordance with requirement of section 197(16) of the Act as amended:

      i. The Company has not paid/provided for any managerial remuneration in accordance with Provision of section 197 of Companies Act 2013

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 explanation given to us:

i. The Company does not have any pending litigations, which will have an impact on its financial position in its 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 were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAACA2295

Mumbai
Date : June 16, 2020.

Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the **FLFL Travel Retail Lucknow Private Limited** on the financial statements for the period ended March 31, 2020, we report that:

i. The Company does not have any tangible fixed asset. Therefore provision of paragraph 3(i) of the order are not applicable.

ii. The Company does not have any Inventory, therefore paragraph 3(ii) of the order is not applicable.

iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods And Service Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the period by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance and Custom Duty.

    a. (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods And Service Tax , cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

    b. (c) According to information and explanations given to us, there are no material dues of Income Tax which have not been deposited with appropriate authorities on account of any dispute.

viii. The company has not taken any loans or Borrowings from Financial Institution, Banks or Government or has not issued any debentures Therefore, paragraph 3(viii) of the Order is not applicable.

ix. Based on information and explanations given to us and records of the Company examined by us, the Company has not taken any term loan, so paragraph 3(ix) of the order is not applicable.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not paid/provided for any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act. Therefore paragraph 3(xi) of the order not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provision of section 177 of Companies Act 2013 is not applicable to the Company

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAACA2295

Mumbai
Date : June 16, 2020.

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **FLFL Travel Retail Lucknow Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAACA2295

Mumbai
Date : June 16, 2020.

FLFL Travel Retail Lucknow Private Limited

Balance Sheet As At March 31, 2020

(`Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2020	As at March 31,2019
A	**ASSETS**			
	Non-Current assets			
	(a) Right to use leased hold assets	3	3,187.46	-
	(b) Financial assets			
	(i) Loans	4	78.63	70.53
	(c) Other Non Current assets	5	56.60	67.26
	Total Non - Current Assets		**3,322.69**	**137.80**
	Current assets			
	(a) Financial Assets			
	(i) Trade receivables	6	66.44	28.05
	(ii) Cash and cash equivalents	7	27.43	5.12
	(b) Other Current assets	8	151.24	77.95
	Total Current Assets		**245.12**	**111.12**
	Total Assets		**3,567.81**	**248.91**
B	**LIABILITIES AND EQUITY**			
	Equity			
	(a) Equity Share capital	9	1.00	1.00
	(b) Other Equity	10	(542.30)	(281.33)
	Total equity		**(541.30)**	**(280.33)**
	Liabilities			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	11	245.70	368.74
	(ii) Lease Liabilities	12	2,877.27	-
	Total Non - Current Liabilities		**3,122.97**	**368.74**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	13	344.53	146.50
	(ii) Short term advances	14	95.23	-
	(iii) Lease Liabilities	15	504.64	-
	(b) Other Current liabilities	16	41.74	14.01
	Total Current Liabilities		**986.14**	**160.51**
	Total Equity and Liabilities		**3,567.81**	**248.91**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Lucknow Private Limited

FLFL Travel Retail Lucknow Private Limited

Statement of Profit and Loss for year ended March 31, 2020

(`Rs. in Lakhs)

Particulars	Note No.	FY 2019-20	FY 2018-19
REVENUE			
(a) Revenue from operations	17	740.16	314.95
(b) Other Income	18	434.19	6.97
Total Revenue		**1,174.36**	**321.91**
EXPENSES			
(a) Cost of Services	19	-	580.16
(b) Finance costs	20	403.99	2.09
(c) Depreciation	21	586.19	-
(d) Other expenses	22	46.78	20.99
Total Expenses		**1,036.96**	**603.25**
Profit/(loss) before tax		**137.39**	**(281.33)**
Tax Expense		-	-
Profit/(loss) after tax		**137.39**	**(281.33)**
Other comprehensive Income(OCI)			
Total comprehensive Income		**137.39**	**(281.33)**
Earnings per equity share of Face Value Rs. 10 each			
(1) Basic		1,373.94	(2,813.34)
(2) Diluted		1,373.94	(2,813.34)

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Lucknow Private Limited

FLFL Travel Retail Lucknow Private Limited

Cash Flow Statement for the year ended March 31, 2020

(`Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Cash Flow From Operating Activities**		
	Net Profit Before Tax	**137.39**	**(281.33)**
	Adjusted For:		
	Non Cash income and Expenses		
	Interest Income	-	(1.86)
	Finance Cost	403.99	-
	Depreciation & Amortization	586.19	-
	Deferred Expense	10.66	7.37
	Deferred Interest Income	(8.10)	(5.11)
	Remeasurement of Lease Liabilities	(424.64)	-
	Operating (Loss) Before Working Capital Changes	**705.50**	**(280.92)**
	Adjusted For:		
	Increase Or (Decrease) in Other Financial Liabilities	(123.03)	0.00
	Increase Or (Decrease) in Other Current Liabilities	27.73	54.51
	Increase Or (Decrease) in Trade Payables	198.03	-
	(Increase) Or Decrease in Other Current Assets	(172.78)	(30.14)
	(Increase) Or Decrease in Trade Receivables	(38.39)	-
	Proceeds from Security deposits	-	228.68
	Cash Generated From Operations	**597.05**	**(27.88)**
	Tax Paid	99.49	30.14
	Net Cash From Operating Activities	**696.54**	**2.26**
B	**Cash Flow From Investing Activities**		
	Interest Income	-	1.86
	Net Cash (Used In) Investing Activities	**-**	**1.86**
C	**Cash Flow From Financing Activity**		
	Proceeds from Issue of shares	-	1.00
	Principal portion of the lease liability payment	(365.46)	
	Interest portion of the lease liability Payment	(391.18)	
	Proceeds from Short Term Borrowings	90.00	0.00
	Finance Cost	(7.59)	-
	Net Cash Provided By Financing Activity	**(674.22)**	**1.00**
	Net Increase in Cash & Cash Equivalents (A+B+C)	**22.31**	**5.12**
	Opening Balance of Cash & Cash Equivalents	5.12	0.00
	Closing Balance of Cash & Cash Equivalent	**27.43**	**5.12**

As per our Report of even date attached
For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail Lucknow Private Limited

FLFL Travel Retail Lucknow Private Limited

Statement of Changes in Equity For the year ended March 31, 2020

(`Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Equity Share Capital**		
	(i) Opening Balance	1.00	0.00
	(ii) Change During the Year		
	Issue Of Equity Share	0.00	1.00
	Closing Balance	**1.00**	**1.00**
B	**Other Equity**		
	Retained Earning		
	Opening Balance	**(281.33)**	-
	Profit for the year	137.39	(281.33)
	Impact on account of adoption of IND AS 116	**(398.36)**	-
	Closing Balance	**(542.30)**	**(281.33)**
	Total Other Equity	**(542.30)**	**(281.33)**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN 07165841

Vipul Parikh
Director
DIN : 05283630

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

FLFL Travel Retail Lucknow Private Limited

FLFL Travel Retail Lucknow Private Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. GENERAL INFORMATION ABOUT THE COMPANY

FLFL Travel Retail Lucknow Pvt. Ltd. ("The Company") is a company incorporated in India under the provisions of Companies Act, 2013 on May 30, 2018. 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 sub leasing area at Lucknow Airport. The Financial Statements were approved for issue by the Board of Directors on June 16, 2020. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. 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 at the end of each reporting period.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.2. Revenue recognition

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

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

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Interest income

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

Information about major customers

Revenue arising from two customers amounting to Rs.259.83 lakhs, exceeds 10% of Revenue from operations of the company.

Name of Customer	Revenue generated (Rs. In lakhs)
Future Retail Limited	Rs. 137.17 lakhs.
Travel Retail Services Pvt. Ltd.	Rs. 122.66 lakhs.

Impact of COVID-19

ESTIMATION OF UNCERTAINITY RELATING TO GLOBAL HEALTH PANDEMIC ON COVID-19

Company's products fall under the non-essential services category. The Company experienced a temporary impact on its operations upon implementation of the nation wide lockdown. However, The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity & operations. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as trade receivables, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

2.3. Taxes

Income tax expenses represents the sum of the tax currently payable and deferred tax

Current tax

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

Deferred tax

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

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

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

Current and deferred tax for the year

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

2.4. Lease

The Company as a lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

The Company's lease asset classes primarily consist of leases for spaces. 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 (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.

Lease arrangement 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 ROU 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.

ROU 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. ROU 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 ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

The Company as a Lessor

At the inception of the lease the Company classifies each of its leases as an operating lease. The Company recognises lease payments received under operating leases as income. The Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

2.5. 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.

2.6. 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.

2.7. Provisions, contingent liability and contingent assets

A provision is recognized 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.

2.8. Financial instruments

Financial assets and financial liabilities

Initial recognition

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of Loans, Deposits, Trade Receivables and Cash and Bank balances. Financial liabilities primarily comprise of Trade and Other Payables.

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.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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").

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.

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

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

2.9. Operating Segment

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Space leasing.

2.10. 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.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

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

2.11. 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.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Notes To Financial Statements

Note 3 : Right to use leased hold assets

Particulars	As at March 31, 2020	As at March 31, 2019
Right to use leased hold assets	3,187.46	-
Total	**3,187.46**	-

Note 4 : Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Security Deposits	78.63	70.53
Total	**78.63**	**70.53**

Note 5 : Other Non Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Exp.-Deferred lease expense	56.60	67.26
Total	**56.60**	**67.26**

Note 6 : Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Trade Receivables	66.44	28.05
Total	**66.44**	**28.05**

Note 7 : Cash and Cash Equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Bank		
On current Account	27.43	5.12
Total	**27.43**	**5.12**

Note 8 : Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
*Other Current assets	151.24	77.95
Total	**151.24**	**77.95**

*Includes statutory dues

Note 9 : Equity Share Capital

Particulars	As at March 31,2020		As at March 31,2019	
	No of Shares	Amount	No of Shares	Amount
Authorised				
10,000 Equity Shares of Rs.10/- each.	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**
Issued, Subscribed and Paid up				
10,000 Equity Shares of Rs.10/- each fully paid up	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**

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(a) Reconciliation of number of shares :

Particulars	As at March 31, 2020	As at March 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	10,000	-
Add : Issued during the year	-	10,000
At the end of the year	**10,000**	**10,000**

(b) Terms/Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares having par value Rs. 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the

Name of Shareholders	As at March 31,2020		As at March 31,2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Future Lifestyle Fashions Limited	5,100.00	51.00%	5,100.00	51.00%
Travel Retail Services Private Limited	4,900.00	49.00%	4,900.00	49.00%
Total	10,000.00	100%	10,000.00	100%

(d) Shared held by holding Company : NIL

Note 10 : Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Opening Balance	**(281.33)**	-
Profit for the year	137.39	(281.33)
Impact on account of adoption of IND AS 116	**(398.36)**	
Closing Balance	**(542.30)**	**(281.33)**
Total	**(542.30)**	**(281.33)**

Note 11 : Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	245.70	240.99
Other Payables	-	127.75
Total	**245.70**	**368.74**

Note 12 : Lease Liability (Non Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability on leased hold assets	2,877.27	-
Total	**2,877.27**	-

Note 13 : Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables	344.53	146.50
Total	**344.53**	**146.50**

Note 14 : Short term advances

Particulars	As at March 31, 2020	As at March 31, 2019
Inter corporate deposits	95.23	-
Total	**95.23**	-

Note 15 : Lease Liability (Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability on leased hold assets	504.64	-
Total	**504.64**	-

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FLFL Travel Retail Lucknow Private Limited

Note 16 : Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Expenses	34.36	6.55
Other Payables*	7.38	7.46
Total	**41.74**	**14.01**

*includes statutory dues

Note 17 : Revenue form Operations

Particulars	FY 2019-20	FY 2018-19
Sub Concession Fees	740.16	314.95
Total	**740.16**	**314.95**

Note 18 : Other Income

Particulars	FY 2019-20	FY 2018-19
Interest Income	7.95	6.97
Remeasurement of Lease Liabilities	424.64	
Other Income	1.61	-
Total	**434.19**	**6.97**

Note 19 : Cost of Services

Particulars	FY 2019-20	FY 2018-19
Concession fees	-	580.16
Total	**-**	**580.16**

Note 20 : Finance Costs

Particulars	FY 2019-20	FY 2018-19
Interest Expenses	403.99	2.09
Total	**403.99**	**2.09**

Note 21 : Depreciation

Particulars	FY 2019-20	FY 2018-19
Depreciation of ROUA	586.19	-
Total	**586.19**	**-**

Note 22 : Other Expenses

Particulars	FY 2019-20	FY 2018-19
Rates & taxes (BG Commission + ROC)	-	5.65
Deferred Lease expenses	10.66	7.37
Electricity charges	(1.81)	3.43
Utility Facility charges	4.37	1.97
Auditor's Remuneration		
'-Statutory Audit	0.50	0.50
'-Other services	0.80	-
Miscellaneous Expenses	32.25	2.06
Total	**46.78**	**20.99**

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23. Computation of Basic and Diluted Earnings Per Shares

Particulars	Units	2019-20	2018-19
Profit after tax	Rs. in lakhs	137.39	(281.33)
The Weighted average number of Equity shares for Basic and Diluted EPS	No.	10000	10000
Earnings per Equity share (Basic & Diluted)	Rs. In lakhs	1373.94	(2813.34)

24. Lease

Effective April 1, 2019, the Company adopted Ind AS 116, *Leases* and applied the standard to the lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the 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 ROU 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 at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 3,397.33 Lakhs & a lease liability of Rs. 3795.69 Lakhs. The cumulative effect of applying the standard, amounting to Rs. 398.36 Lakhs was debited to retained earnings, net of taxes.

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Excluded the initial direct costs from the measurement of the ROU 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.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50%.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Rs. In Lakhs

Particulars	**FY 2019-20**
Opening ROU Assets	3397.33
Addition	0.00
Deletion	0.00
Depreciation During The Year	(586.19)
Remesuirements of Lease Liabilities during the Year	376.32
Closing ROU Assets	**3187.46**

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

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

Rs. In Lakhs

Particulars	As at March 31, 2020
Lease Liabilities as at 31st March 2020 (Current)	504.64
Lease Liabilities as at 31st March 2020 (Non- Current)	2877.27
Total	**3381.91**

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Rs. In Lakhs

Particulars	FY 2019-20
Opening Lease Liabilities	3795.69
Interest Cost during the Year	391.18
Remesuirements of Lease Liabilities during the Year	(48.32)
Minimum Lease Payment	(756.63)
Closing Lease Liabilities	**3381.91**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

25. Related Party Disclosure

As required under Ind AS 24 "Related Party Disclosures" are given below:

I. List of Related Parties

A. Investee Companies

a) Future Lifestyle Fashions Limited

b) Travel Retail Services Private Limited

B. Fellow Subsidiaries

a) Future Speciality Retail Limited

b) FLFL Travel Retail West Private Limited

c) FLFL Travel Retail Bhubaneswar Private Limited

d) FLFL Travel Retail Guwahati Private Limited

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(ii) Transaction with related Parties (Rs. In Lakhs)

Nature of Transactions	CY/PY	Future Lifestyle Fashions Limited	Travel Retail Services Private Limited	Future Speciality Retail Limited	FLFL Travel Retail West Private Limited	FLFL Travel Retail Bhubaneswar Private Limited	FLFL Travel Retail Guwahati Private Limited
Sub Concession Fees	CY	24.36	122.66	35.64	-	-	-
	PY	(10.00)	(48.28)	(24.53)	-	-	-
Reim. of Expenses	CY	1.12	5.87	1.83	-	-	-
	PY	(0.50)	(2.45)	(1.18)	-	-	-
Loan Taken	CY	-	-	-	366.22	-	15.00
	PY	-	-	-	(70.00)	-	(70.00)
Loan Taken Repaid	CY	-	-	-	276.22	-	15.00
	PY	-	-	-	(70.00)	-	(70.00)
Interest Expense on Loan	CY	-	-	-	11.09	-	0.24
	PY	-	-	-	(0.24)	-	(1.85)
Expenses	CY	-	-	-	-	-	-
	PY	(3.78)	(1.79)	-	-	-	-
Advances Received	CY	-	-	-	-	-	-
	PY	-	(55.98)	-	-	-	-
Receivable as on March 31st	CY	4.06	3.05	0.11	-	-	-
	PY	(0.46)	(2.26)	(1.06)	-	-	-
Payable as on March 31st	CY	88.33	58.01	-	95.23	-	-
	PY	(88.33)	(58.01)	-	-	-	-

FLFL Travel Retail Lucknow Private Limited

26. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists equity of the Company (comprising issued capital & retained earnings). The Company monitors capital using a ratio of 'net debt' to equity. The Company has Short Term debt of Rs. 95.23 lakhs as at 31st March 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Total debt	95.23	0.00
Less: cash and bank balances	27.43	5.12
Net debt	67.80	(5.12)
Equity	(541.30)	(280.33)
Net debt to equity ratio	(0.13)	0.02

<u>Categories of financial instruments</u>

(In lakhs)

Particulars	As at March 31,2020	As at March 31, 2019
Financial assets		
(i) Measured at Amortized Cost		
Cash and bank balances	27.43	5.12
Trade Receivables	66.44	28.05
(ii) Measured at Fair Value		
Loans	78.63	70.53
Financial liabilities		
(i) Measured at Amortized Value		
Trade Payables	344.53	146.50
Lease Liabilities	3381.91	0.00
Inter Corporate Deposits	95.93	0.00
Other financial Liability	245.70	368.74

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27. Financial Risk Management objectives

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.

- **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. As on March 31st, 2020 company is not exposed to Interest rate Risk

- **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.

As per our report of even date attached
For NGS & Co LLP
Chartered Accountants
(F.R.No.: 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
June 16, 2020.

For and on Behalf of Board of Directors

Deepak Rathi
Director
DIN- 07165841

Vipul Parikh
Director
DIN- 05283630

FLFL Travel Retail Lucknow Private Limited

Independent Auditor's Report

To the Members of
FLFL Travel Retail West Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **FLFL Travel Retail West Private Limited**, ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the 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 financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The 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 financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

- 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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...

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Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under.

   e. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **"Annexure B"** our report express an unmodified opinion on the adequacy and operating effectiveness of the company's financial control over financial reporting.

   g. With respect to the other matters to be included in the Auditor's in the Auditor's Report in accordance with requirement of section 197(16) of the Act as amended:

      i. The Company has not paid/provided for any managerial remuneration in accordance with Provision of section 197 of Companies Act 2013

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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 explanation given to us:

i. The Company does not have any pending litigations, which will have an impact on its financial position in its 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 were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAACB4112

Mumbai
Date : June 16, 2020.

Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the **FLFL Travel Retail West Private Limited** on the financial statements for the period ended March 31, 2020, we report that:

i. The Company does not have any tangible fixed asset. Therefore provision of paragraph 3(i) of the order are not applicable.

ii. The Company does not have any Inventory, therefore paragraph 3(ii) of the order is not applicable.

iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods And Service Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the period by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance and Custom Duty.

   a. (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods And Service Tax , cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

   b. (c) According to information and explanations given to us, there are no material dues of Income Tax which have not been deposited with appropriate authorities on account of any dispute.

viii. The company has not taken any loans or Borrowings from Financial Institution, Banks or Government or has not issued any debentures Therefore, paragraph 3(viii) of the Order is not applicable.

ix. Based on information and explanations given to us and records of the Company examined by us, the Company has not taken any term loan, so paragraph 3(ix) of the order is not applicable.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not paid/provided for any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act. Therefore paragraph 3(xi) of the order not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provision of section 177 of Companies Act 2013 is not applicable to the Company

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAACB4112

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Mumbai
Date : June 16, 2020.

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **FLFL Travel Retail West Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

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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 statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Ashok A. Trivedi
Partner
Membership No. 042472
UDIN : 20042472AAAACB4112

Mumbai
Date : June 16, 2020.

FLFL Travel Retail West Private Limited

Balance Sheet As March 31, 2020

(`Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2020	As at March 31,2019
A	**ASSETS**			
	Non-Current assets			
	(a) Right to use leased hold assets	3	960.90	-
	(b) Financial assets			
	(i) Loans	4	508.75	367.04
	(c) Other Non Current assets	5	15.42	153.05
	Total Non - Current Assets		**1,485.08**	**520.10**
	Current assets			
	(a) Financial Assets			
	(i) Trade receivables	6	408.16	158.69
	(ii) Cash and cash equivalents	7	28.36	193.60
	(iii) Short term advances	8	162.69	-
	(b) Other Current assets	9	596.74	266.14
	Total Current Assets		**1,195.95**	**618.43**
	Total Assets		**2,681.03**	**1,138.53**
B	**LIABILITIES AND EQUITY**			
	Equity			
	(a) Equity Share capital	10	1.00	1.00
	(b) Other Equity	11	(791.64)	(390.12)
	Total equity		**(790.64)**	**(389.12)**
	Liabilities			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	12	-	757.52
	Total Non - Current Liabilities		**-**	**757.52**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	13	1,361.23	732.26
	(ii) Short term advances	14	160.05	-
	(iii) Other Financial Liabilities	15	710.42	-
	(iv) Lease Liabilities	16	1,147.65	-
	(b) Other Current liabilities	17	92.33	37.87
	Total Current Liabilities		**3,471.67**	**770.13**
	Total Equity and Liabilities		**2,681.03**	**1,138.53**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail West Private Limited

FLFL Travel Retail West Private Limited

Statement of Profit and Loss for year ended March 31, 2020

(`Rs. in Lakhs)

Particulars	Note No.	FY 2019-20	FY 2018-19
REVENUE			
(a) Revenue from operations	18	3,230.13	1,855.77
(b) Other Income	19	1,254.64	42.59
Total Revenue		**4,484.78**	**1,898.35**
EXPENSES			
(a) Cost of Services	20	-	2,203.88
(b) Finance Cost	21	912.78	-
(c) Depreciation	22	2,785.76	-
(d) Other expenses	23	123.27	84.60
Total Expenses		**3,821.81**	**2,288.48**
Profit/(loss) before tax		**662.96**	**(390.12)**
Tax Expense		-	-
Profit/(loss) after tax		**662.96**	**(390.12)**
Other comprehensive Income(OCI)			
Total comprehensive Income		**662.96**	**(390.12)**
Earnings per equity share of Face Value Rs. 10 each			
(1) Basic		6,629.62	(3,901.25)
(2) Diluted		6,629.62	(3,901.25)

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail West Private Limited

Cash Flow Statement for the year ended March 31, 2020

(`Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Cash Flow From Operating Activities**		
	Net Profit Before Tax	**662.96**	**(390.12)**
	Adjusted For:		
	Non Cash income and Expenses		
	Interest Income	(17.13)	(0.39)
	Deferred Interest Income	(59.01)	(26.92)
	Deferred Expense	54.93	32.47
	Finance Cost	912.78	-
	Depreciation & Amortization	2,785.76	-
	Remeasurement of Lease Liabilities	(1,155.72)	-
	Operating (Loss) Before Working Capital Changes	**3184.57**	**(384.97)**
	Adjusted For:		
	Increase Or (Decrease) in Other Financial Liabilities	(47.10)	231.88
	Increase Or (Decrease) in Other Current Liabilities	54.46	163.78
	Increase Or (Decrease) in Trade Payables	628.96	0.00
	(Increase) Or Decrease in Other Current Assets	(815.32)	0.00
	(Increase) Or Decrease in Trade Receivables	(249.47)	0.00
	Cash Generated From Operations	**2756.11**	**10.69**
	Tax Paid	484.71	181.52
	Net Cash From Operating Activities	**3240.82**	**192.21**
B	**Cash Flow From Investing Activities**		
	Interest Income	7.95	0.39
	Short Term Advances	(153.50)	-
	Net Cash (Used In) Investing Activities	**(145.55)**	**0.39**
C	**Cash Flow From Financing Activity**		
	Finance Cost	(5.43)	0.00
	Principal portion of the lease liability payment	(2507.78)	0.00
	Interest portion of the lease liability Payment	(899.30)	0.00
	Proceeds from Short Term Borrowings	152.00	0.00
	Proceeds from Issue of shares	0.00	1.00
	Net Cash Provided By Financing Activity	**(3260.50)**	**1.00**
	Net Increase in Cash & Cash Equivalents (A+B+C)	**(165.24)**	**193.60**
	Opening Balance of Cash & Cash Equivalents	193.60	0.00
	Closing Balance of Cash & Cash Equivalent	**28.36**	**193.60**

As per our Report of even date attached
For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

FLFL Travel Retail West Private Limited

FLFL Travel Retail West Private Limited

Statement of Changes in Equity For the year ended March 31, 2020

(`Rs. in Lakhs)

	Particulars	FY 2019-20	FY 2018-19
A	**Equity Share Capital**		
	(i) Opening Balance	1.00	0.00
	(ii) Change During the Year	-	-
	Issue Of Equity Share	0.00	1.00
	Closing Balance	**1.00**	**1.00**
B	**Other Equity**		
	Retained Earning		
	Opening Balance	(390.12)	-
	Profit/(Loss) for the year	662.96	(390.12)
	Impact on account of adoption of IND AS 116	(1,064.47)	
	Closing Balance	**(791.64)**	**(390.12)**
	Total Other Equity	**(791.64)**	**(390.12)**

As per our Report of even date attached

For NGS & Co LLP
Chartered Accountants
(F. R. No. 119850W)

Ashok A. Trivedi
Partner
M. No 042472
Place : Mumbai
Date : 16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Vipul Parikh
Director
DIN : 05283630

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

FLFL Travel Retail West Private Limited

FLFL Travel Retail West Private Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. GENERAL INFORMATION ABOUT THE COMPANY

FLFL Travel Retail West Pvt. Ltd. ("The Company") is a company incorporated in India under the provisions of Companies Act, 2013 on May 30, 2018. 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 sub leasing area at Goa Airport. The Financial Statements were approved for issue by the Board of Directors on June 16, 2020. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. 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 at the end of each reporting period.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.2. Revenue recognition

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

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

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Interest income

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

Information about major customers

Revenue arising from two customers amounted to Rs.1528.73 lakhs, exceeding 10% of Revenue from operations of the company.

Name of Customer	Revenue generated (Rs.In lakhs)
Future Retail Limited	Rs. 786.49 lakhs
Travel Retail Services Pvt. Ltd.	Rs. 742.24 lakhs

Impact of COVID-19

ESTIMATION OF UNCERTAINITY RELATING TO GLOBAL HEALTH PANDEMIC ON COVID-19

Company's products fall under the non-essential services category. The Company experienced a temporary impact on its operations upon implementation of the nation wide lockdown. However, The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity & operations. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as trade receivables, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

2.3. Taxes

Income tax expenses represents the sum of the tax currently payable and deferred tax

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.

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Deferred tax

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

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

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

Current and deferred tax for the year

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

2.4. Lease

The Company as a lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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The Company's lease asset classes primarily consist of leases for spaces. 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 (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.

Lease arrangement 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 ROU 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.

ROU 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. ROU 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 ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

The Company as a Lessor

At the inception of the lease the Company classifies each of its leases as an operating lease. The Company recognises lease payments received under operating leases as income. The Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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2.5. 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.

2.6. 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.

2.7. Provisions, contingent liability and contingent assets

A provision is recognized 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.

2.8. Financial instruments

<u>Financial assets and financial liabilities</u>

<u>Initial recognition</u>

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of Loans, Deposits, Trade Receivables and Cash and Bank balances. Financial liabilities primarily comprise of Trade and Other Payables.

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.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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").

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.

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial asset

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

2.9. Operating Segment

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Space leasing.

2.10. 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 recognized 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.

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

2.11. 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.

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

FLFL Travel Retail West Private Limited

Notes To Financial Statements

Note 3 : Right to use leased hold assets

Particulars	As at March 31, 2020	As at March 31, 2019
Right to use leased hold assets	960.90	-
Total	**960.90**	**-**

Note 4 : Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Security Deposits	508.75	367.04
Total	**508.75**	**367.04**

Note 5 : Other Non Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Exp.-Deferred lease expense	15.42	153.05
Total	**15.42**	**153.05**

Note 6 : Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Trade Receivables	408.16	158.69
Total	**408.16**	**158.69**

Note 7 : Cash and Cash Equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Bank		
On current Account	28.36	193.60
Total	**28.36**	**193.60**

Note 8 : Short term advances

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Inter corporate deposits	162.69	-
Total	**162.69**	**-**

Note 9 : Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
*Other Current assets	596.74	266.14
Total	**596.74**	**266.14**

*Net of statutory dues

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

FLFL Travel Retail West Private Limited

Note 10 : Equity Share Capital

Particulars	As at March 31,2020		As at March 31,2019	
	No of Shares	Amount	No of Shares	Amount
Authorised				
10,000 Equity Shares of Rs.10/- each.	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**
Issued, Subscribed and Paid up				
10,000 Equity Shares of Rs.10/- each fully paid up	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**

(a) Reconciliation of number of shares :

Particulars	As at March 31, 2020	As at March 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	10,000	-
Add : Issued during the year	-	10,000
At the end of the year	**10,000**	**10,000**

(b) Terms/Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares having par value Rs. 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31,2020		As at March 31,2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Future Lifestyle Fashions Limited	**5,100**	**51.00%**	**5,100.00**	**51.00%**
Travel Retail Services Private Limited	**4,900**	**49.00%**	**4,900.00**	**49.00%**
Total	**10,000.00**	**100%**	**10,000.00**	**100%**

(d) Shared held by holding Company : NIL

Note 11 : Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Opening Balance	**(390.12)**	-
Profit/(Loss) for the year	662.96	(390.12)
Impact on account of adoption of IND AS 116	**(1,064.47)**	-
Closing Balance	**(791.64)**	**(390.12)**
Total	**(791.64)**	**(390.12)**

Note 12 : Other Financial Liabilities (Non Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	-	757.52
Total	-	**757.52**

Note 13 : Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables	1361.23	732.26
Total	**1,361.23**	**732.26**

Note 14 : Short term advances

Particulars	As at March 31, 2020	As at March 31, 2019
Inter corporate deposits	160.05	-
Total	**160.05**	-

FLFL Travel Retail West Private Limited

Note 15 : Other Financial Liabilities (Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	710.42	-
Total	**710.42**	**-**

Note 16 : Lease Liability (Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability on leased hold assets	1,147.65	-
Total	**1,147.65**	**-**

Note 17 : Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Expenses	62.21	10.77
Other Payables*	30.12	27.10
Total	**92.33**	**37.87**

*includes statutory dues

Note 18 : Revenue form Operations

Particulars	FY 2019-20	FY 2018-19
Sub Concession Fees	3230.13	1,855.77
Total	**3,230.13**	**1,855.77**

Note 19 : Other Income

Particulars	FY 2019-20	FY 2018-19
Interest Income	79.58	42.59
Remeasurement of Lease Liabilities	1155.72	-
Other Income	19.34	-
Total	**1,254.64**	**42.59**

Note 20 : Cost of Services

Particulars	FY 2019-20	FY 2018-19
Concession fees	-	2,203.88
Total	**-**	**2,203.88**

Note 21 : Finance costs

Particulars	FY 2019-20	FY 2018-19
Interest expenses	912.78	-
Total	**912.78**	**-**

Note 22 : Depreciation

Particulars	FY 2019-20	FY 2018-19
Depreciation of ROUA	2785.76	-
Total	**2,785.76**	**-**

Note 23 : Other Expenses

Particulars	FY 2019-20	FY 2018-19
Rates & Taxes (BG Commission and ROC)	-	35.19
Utility Facility Charges	4.64	9.02
Deferred Lease Exp.	54.93	32.47
Auditor's Remuneration		
-Statutory Audit	1.00	1.00
-Other services	1.30	-
Miscellaneous Expenses	61.40	6.93
Total	**123.27**	**84.60**

24. Computation of Basic and Diluted Earnings Per Shares

Particulars	Units	2019-20	2018-19
Profit after tax	Rs. in lakhs	662.96	(390.12)
The Weighted average number of Equity shares for Basic and Diluted EPS	No.	10000	10000
Earnings per Equity share (Basic & Diluted)	Rs. In lakhs	6629.62	(3901.25)

25. Lease

Effective April 1, 2019, the Company adopted Ind AS 116, *Leases* and applied the standard to the lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the 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 ROU 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 at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 7551.59 Lakhs & a lease liability of Rs. 8616.07 Lakhs. The cumulative effect of applying the standard, amounting to Rs. 1064.47 Lakhs was debited to retained earnings, net of taxes.

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Excluded the initial direct costs from the measurement of the ROU 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.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.50%.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Rs. In Lakhs

Particulars	FY 2019-20
Opening ROU Assets	7551.59
Addition	0.00
Deletion	0.00
Depreciation During The Year	(2785.76)
Remesuirements of Lease Liabilities during the Year	(3804.93)
Closing ROU Assets	**960.90**

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

FLFL Travel Retail West Private Limited

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

Rs. In Lakhs

Particulars	As at March 31, 2020
Lease Liabilities as at 31st March 2020 (Current)	1147.65
Lease Liabilities as at 31st March 2020 (Non- Current)	0.00
Total	**1147.65**

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Rs. In Lakhs

Particulars	FY 2019-20
Opening Lease Liabilities	8616.07
Add : Interest Cost during the Year	899.30
Remesuirements of Lease Liabilities during the Year	(4960.65)
Minimum Lease Payment	(3407.08)
Closing Lease Liabilities	**1147.65**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

26. Related Party Disclosure

As required under Ind AS 24 "Related Party Disclosures" are given below:

I. List of Related Parties

A. Investee Companies

a) Future Lifestyle Fashions Limited

b) Travel Retail Services Private Limited

B. Fellow Subsidiaries

a) Future Speciality Retail Limited

b) FLFL Travel Retail Lucknow Private Limited

c) FLFL Travel Retail Bhubaneswar Private Limited

d) FLFL Travel Retail Guwahati Private Limited

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FLFL Travel Retail West Private Limited

(Ii) Transaction with related Parties (Rs. In Lakhs)

Nature of Transactions	CY/ PY	Future Lifestyle Fashions Limited	Travel Retail Services Private Limited	Future Speciality Retail Limited	FLFL Travel Retail Lucknow Private Limited	FLFL Travel Retail Bhubaneswar Private Limited	FLFL Travel Retail Guwahati Private Limited
Sub Concession Fees	CY	48.93	742.24	95.04	-	-	-
	PY	(32.18)	(404.02)	(56.42)			
Reim. Of Expenses	CY	1.88	15.21	1.60	-	-	-
	PY	(43.24)	(8.07)	(1.14)			
Loans Given	CY	-	-	-	366.22	68.50	-
	PY				(70.00)	(40.00)	(80.00)
Loans Given Received	CY	-	-	-	276.22	5.00	-
	PY				(70.00)	(40.00)	(80.00)
Interest Income on Loan	CY	-	-	-	11.09	6.04	-
	PY				(0.24)	(0.09)	(0.06)
Loan Taken	CY	-	-	-	-	-	325.00
	PY	-	-	-	-	-	-
Loan Taken Repaid	CY	-	-	-	-	-	173.00
	PY	-	-	-	-	-	-
Interest Expense on Loan	CY	-	-	-	-	-	13.48
	PY	-	-	-	-	-	-
Rates & Taxes	CY	-	-	-	-	-	-
	PY	(28.38)	(6.73)	-	-	-	-
Advances	CY	-	-	-	-	-	-
	PY	-	(201.22)	-	-	-	-
Receivable as on March 31st	CY	7.44	74.38	5.79	95.23	67.46	-
	PY	(13.55)	(0.88)	(5.88)	-	-	-
Payable as on March 31st	CY	347.47	217.82	-	-	-	160.05
	PY	(347.47)	(217.82)	-	-	-	-

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FLFL Travel Retail West Private Limited

27. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists equity of the Company (comprising issued capital & retained earnings). The Company monitors capital using a ratio of 'net debt' to equity. The Company has Short Term debt of Rs. 160.05 lakhs as at 31st March 2020

(In lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total debt	160.05	0.00
Less: cash and bank balances	28.36	193.60
Net debt	131.69	(193.60)
Equity	790.64	389.12
Net debt to equity ratio	0.17	(0.50)

<u>Categories of financial instruments</u>

(In lakhs)

Particulars	As at March 31,2020	As at March 31, 2019
Financial assets		
(i) Measured at Amortized Cost		
Cash and bank balances	28.36	193.60
Trade Receivables	408.16	158.59
Inter Corporate Deposit	162.69	0.00
(ii) Measured at Fair Value		
Loans	508.75	367.04
Financial liabilities		
(i) Measured at Amortized Value		
Trade Payables	1361.23	732.26
Lease Liabilities	1147.65	0.00
Other Financial Liabilities	710.42	757.52
Inter Corporate Deposits	160.05	0.00

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28. Financial Risk Management objectives

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.

- **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. As on March 31st, 2020 company is not exposed to Interest rate Risk

- **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.

29. Pre-Closure of Concession Agreement with Airports Authority of India, Goa

In the view of currently high commercials and continuing uncertainties post Corona pandemic and difficulties to retain existing Sub-Concessionaires, Company taken a decision to Exit from the Concession Agreement with Airports Authority of India, Goa by July 19th, 2020. A Termination Notice has been served to Airports Authority of India, Goa.

Company have an option to rebid with Airports Authority of India, Goa in line with sales projections post Covid-19 to re-commence business operations with revised commercials. The decisions shall be taken by Management in due course.

As per our report of even date attached
For NGS & Co LLP
Chartered Accountants
(F.R.No.: 119850W)

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
June 16, 2020.

For and on Behalf of Board of Directors

Deepak Rathi
Director
DIN- 07165841

Vipul Parikh
Director
DIN- 05283630

FLFL Travel Retail West Private Limited

INDEPENDENT AUDITOR'S REPORT

To
FLFL ATHLEISURE LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **FLFL Athleisure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate.

Information Other than 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 financial statements and our auditor's report thereon.

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

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

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

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- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting on the Company's internal financial controls over financial reporting for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
June 16, 2020
UDIN : 20042472AAAABX3070

Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the **FLFL ATHLEISURE LIMITED** on the financial statements for the year ended March 31, 2020, we report that:

i. (a) The Company does not have any Fixed asset. Therefore, paragraph 3(i) (c) of the Order is not applicable.

ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 ("the Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits as during the year from the public as mentioned in the provision of Section 73 to 76 and any other relevant provisions of the Act and rules framed there under apply. Therefore Paragraph 3(v) of the Order is not applicable to the Company.

vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues were in arrears as at March 31,2020, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, which have not been deposited with the appropriate authorities on account of any dispute.

viii. To the best of our knowledge and according to the information and explanations given to us, the Company has not obtained any loan from financial institution or bank and hence not commented upon. The Company has not issued any debentures nor borrowed from Government as at the Balance Sheet date.

ix. To the best of our knowledge and according to the information and explanations given to us, the clause relating to raising any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year is not applicable to the company.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not paid/provided for managerial remuneration. Therefore, paragraph 3(xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations give to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year in compliance with the requirement of section 42 of the Act and amount raised has been used for the purpose for which the funds were raised

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
June 16, 2020
UDIN : 20042472AAAABX3070

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Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **FLFL ATHLEISURE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
June 16, 2020
UDIN : 20042472AAAABX3070

FLFL ATHLEISURE LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note	As at March 31, 2020
ASSETS		
Current assets		
Inventories	3	100.24
Financial Assets		
Trade receivables	4	4,067.05
Cash and cash equivalents	5	5.50
Other current assets	6	91.33
Total Current Assets		4,264.12
TOTAL ASSETS		4,264.12
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	7	5.00
Other Equity	8	9.00
Total equity		14.00
Liabilities		
Current liabilities		
Financial Liabilities		
Trade payables	9	3,407.04
Other financial liabilities	10	806.82
Other current liabilities	11	33.22
Provisions	12	3.03
Total Current Liabilities		4,250.11
Total EQUITY AND LIABILITIES		4,264.12

The accompanying notes are forming part of the financial statements

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
Date:16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

S. Sadhwani

Suresh Sadhwani
Director
DIN : 07766644

FLFL ATHLEISURE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note	2019-20
REVENUE		
Revenue from operations	13	3,878.46
TOTAL REVENUE		**3,878.46**
EXPENSES		
Purchases of Stock-in-trade		3,361.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	14	(100.24)
Other expenses	15	605.51
TOTAL EXPENSES		**3,866.43**
Profit before tax		**12.03**
Current tax		(3.03)
Profit for the Year		**9.00**
Earnings per equity share of Face Value of₹ 10 each		
Basic (₹)		18.01
Diluted (₹)		18.01

The accompanying notes are forming part of the financial statements

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
Date:16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Suresh Sadhwani
Director
DIN : 07766644

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

FLFL Athleisure Limited MUMBAI

FLFL ATHLEISURE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

		2019-20
A	CASH FLOWS FROM OPERATING ACTIVITIES	
	Profit for the year	9.00
	Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities	
	Income Tax Expenses	3.03
	Cash Generated from operations before working capital changes	12.03
	Movements in working capital:	
	(Increase)/Decrease in trade and other receivables	-4,067.05
	(Increase) in inventories	-100.24
	(Increase)/Decrease in other assets	-91.33
	Increase/ (Decrease) in trade payables	3,407.04
	Increase in other liabilities	840.04
	Cash generated from operations	0.50
	Direct taxes paid	-
	Net cash generated by operating activities	0.50
B	CASH FLOWS FROM INVESTING ACTIVITIES	
	Net cash used in by investing activities	-
C	CASH FLOWS FROM FINANCING ACTIVITIES	
	Proceeds from issue of equity instruments of the Company	5.00
	Net cash (used in)/generated by financing activities	5.00
	Net increase in cash and cash equivalents	5.50
	Cash and cash equivalents at the beginning of the year	-
	Cash and cash equivalents at the end of the year	5.50

As per our report of even date attached

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

For and on behalf of Board of Directors

Ashok A. Trivedi
Partner
Membership No.042472

Deepak Rathi
Director
DIN : 07165841

Suresh Sadhwani
Director
DIN : 07766644

Mumbai
Date:16/06/2020

FLFL ATHLEISURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

A) EQUITY SHARE CAPITAL

	Equity Share Capital
Issue of Equity shares during the year	5.00
Balances as at March 31, 2020	**5.00**

B) OTHER EQUITY

	Retained Earning
Profit for the Year	9.00
Total income for the year	**9.00**
Balance as at March 31, 2020	**9.00**

As per our report of evend date attached

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

Ashok A. Trivedi
Partner
Membership No.042472

Mumbai
Date:16/06/2020

For and on behalf of Board of Directors

Deepak Rathi
Director
DIN : 07165841

Suresh Sadhwani
Director
DIN : 07766644

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

FLFL Athleisure Limited MUMBAI

FLFL ATHLEISURE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020.

1) CORPORATE INFORMATION ABOUT THE COMPANY

FLFL Athleisure Ltd ("The Company") is a company incorporated in India under the provisions of Companies Act, 2013 on May 29, 2019. 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 Trading of Fashion products. The Financial Statements were approved for issue by the Board of Directors on June 16, 2020.The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except where otherwise indicated.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1 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.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.2 Revenue recognition

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

Sale of Goods

The Company deals in fashion products including apparel, footwear and accessories.

Revenue from sale of goods is recognised when control of the goods has transferred, being when the goods have been shipped to specific location (delivery). 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.

<u>Information about Major Customers</u>

Revenue arising from two customers amounting to Rs. 3878.46 lakhs, exceeds 10% of Revenue from operations of the company individually.

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Name of Customer	Revenue generated
Future Retail Limited	Rs. 3488.53 lakhs.
Future Lifestyle Fashions Limited	Rs. 389.93 lakhs.

ESTIMATION OF UNCERTAINITY RELATING TO GLOBAL HEALTH PANDEMIC ON COVID-19

Company's products fall under the non-essential services category and hence the Company experienced a temporary impact on its operations upon implementation of the nationwide lockdown. However, The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity, operations, suppliers, industry. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as inventories, trade receivables, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

2.3 Taxation

Current tax

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

Deferred tax

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

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

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

Current and deferred tax for the year

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

2.4 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.

2.5 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.

2.6 Provisions, contingent liability, and contingent assets

A provision is recognized 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.

2.7 Financial instruments

<u>Financial assets and financial liabilities- Initial recognition.</u>
Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of trade receivables and cash and bank balances. Financial liabilities primarily comprise of trade and other payables.

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

<u>Financial assets and financial liabilities at amortised cost</u>
After initial recognition all financial assets are subsequently measured at amortised cost using the effective interest method. All financial 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").

<u>Impairment of financial asset</u>
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.

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

De-recognition of financial asset

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

2.8 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 recognized 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.

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.

Key sources of estimation uncertainty

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.

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(All amounts in INR Lakhs, unless otherwise stated)

		As at March 31, 2020
3	INVENTORIES	
	Stock-in-Trade	100.24
		100.24
4	TRADE RECEIVABLES (UNSECURED)	
	Current	
	Considered Good	4,067.05
	Considered Doubtful	-
		4,067.05
5	CASH AND BANK BALANCES	
	Cash and Cash equivalents	
	In Current Accounts	5.50
		5.50
6	OTHER ASSETS	
	Current	
	Balance with Government authorities	91.33
		91.33

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(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2020	
	No. of Shares	Amount
7 EQUITY SHARE CAPITAL		
Authorised		
Equity Shares of INR 10/- each	50,000	5.00
Issued, Subscribed and Paid up		
Equity Shares of INR 10/- each	50,000	5.00

Reconciliation of number of shares :

Equity Share of INR 10/- each

Particulars	As at March 31, 2020 No. of Shares
At the beginning of the year	-
Add : Issued during the year*	50,000
At the end of the year	**50,000**

Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholders	As at March 31, 2020 No. of Shares held	% of Holding
Future Lifestyle Fashions Limited	49,994	99.99

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

FLFL ATHLEISURE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR Lakhs, unless otherwise stated)

		As at March 31, 2020
8	OTHER EQUITY	
	Retained Earning	9.00
		9.00

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

Nature of Reserves

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.

9	TRADE PAYABLE	
	Dues of creditors other than micro enterprises and small enterprises	3,407.04
		3,407.04
10	OTHER FINANCIAL LIABILITIES	
	Current	
	Other Payables	806.82
		806.82
11	OTHER CURRENT LIABILITIES	
	Statutory Liabilities	31.64
	Provision for Expenses	1.57
		33.22
12	PROVISIONS	
	Current	
	Provision for Tax	3.03
		3.03

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in INR Lakhs, unless otherwise stated)

		2019-20
13	**Revenue from Operations**	
	Sale of Products - Gross of Tax	4,087.05
	Less: Goods & Service Tax / Value added Tax / Sales Tax	208.59
		3,878.46
14	**Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**	
	Opening Inventories	
	Finished Goods	-
	Closing Inventories	
	Finished Goods	100.24
		(100.24)
15	**Other Expenses**	
	Infrastructure Management Fee	600.00
	Professional Fees	3.32
	Statutory Audit Fees	1.58
	Miscellaneous Expenses	0.62
		605.51

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MUMBAI
CHARTERED ACCOUNTANTS

(All amounts in INR Lakhs, unless otherwise stated)

16 **Payment to Auditors**

	2019-20
Statutory Audit Fees	1.25
Tax Audit Fees	0.25
Other Services	0.08
Total	**1.58**

17 **Earnings Per Share**

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

	Units	2019-20
Profit attributable to Equity Share holders	₹ in Lakhs	9.00
Weighted average number of Equity Shares Outstanding for Basic EPS	No.	50,000
Weighted average number of Equity Shares Outstanding for Diluted EPS	No.	50,000
Earnings per share – Basic	₹	18.01
Earnings per share – Diluted	₹	18.01
Face value per share	₹	10

18 **Related Party Disclosures**

Name of Related Parties and Nature of Relationship:

Holding Company

Future Lifestyle Fashions Limited

Transaction with Related Parties

Nature of transactions	Holding
Sale	389.93
Infrastructure Management Fee	600.00
Statutory Liabilty Payment by Holding comapany	40.00

19 **Segment Information**

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

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20 **Financial Risk Management objectives**

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.

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. As on March 31st, 2020 company is not exposed to Interest rate Risk as there is no debt.

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.

21 **Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists equity of the Company (comprising issued capital, retained earnings). The Company monitors capital using a ratio of 'net debt' to equity. However, as on 31st March, 2020 the company does not have any debts.

Categories of financial instruments

	2019-20
Financial assets	
(i) Measured at Amortized Cost	
Cash and bank balances	5.50
Trade Receivables	4,067.05
Financial liabilities	
(i) Measured at Amortized Value	
Trade Payables	3,407.04
Other financial Liability	806.82

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

Ashok A. Trivedi
Partner
Membership No. 042472

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Deepak Rathi
Director
DIN : 07165841

Suresh Sadhwani
Director
DIN : 07766644

Mumbai
Date:16/06/2020

FLFL Athleisure Limited MUMBAI

To,
The Members of,
FUTURE TRENDZ LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **FUTURE TRENDZ LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss and total comprehensive income (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for 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 Report, and Shareholder Information, but does not include the standalone financials 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

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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.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 risk of material misstatement of the Standalone Financial

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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 has adequate internal financial controls systems 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 exits 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 exits, 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 misstatement in the standalone 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 misstatement 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 and significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we may 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.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "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) Balance Sheet, the Statement of Profit and Loss including other comprehensive income, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**.

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

   (a) The Company does not have any pending litigations which would impact its financial position in the aforesaid Ind AS Financial Statements.
   (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   (c) The company is not liable to transfer any amounts to the Investor Education and Protection Fund. Therefore, there has been no delay in transferring amounts,

DMKH & CO. * MUMBAI * CHARTERED ACCOUNTANTS

required to be transferred, to the Investor Education and Protection Fund by the Company.

For DMKH & Co.
Chartered Accountants
Firm's Registration No. : 116886W

Kankani

Manish Kankani
Partner
Membership No. 158020
Place: Mumbai
Date: 20/08/2020
UDIN- 20158020AAAAHT7269

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ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of FUTURE TRENDZ LIMITED of even date

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we report that: -

i. As explained to us, no fixed assets are held by the Company.

ii. As explained to us, there are no inventories during the year.

iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, Company has not provided any loan, investment, guarantees, and security under section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provision of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules,2015 with regards to the deposits accepted from the public are not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the companies Act, 2013 for the business activities carried out by the company, thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii.

a) According to information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess, Professional Tax and other material statutory dues applicable to it with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues excepting those mentioned hereunder.

c) According to the information and explanations given to us, there are no dues in respect of, Income-tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess that have not been deposited with appropriate authorities on account of dispute.

viii. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The Company has not taken any loans from Government or any Financial Institution.

DMKH & CO. MUMBAI CHARTERED ACCOUNTANTS

ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has preferential allotment or private placement of shares or fully or partly convertible debentures during the year and in respect of which the Company complied with section 42 of the Act and amount raised have been applied for the purposes for which the funds are raised.

xv. In Our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934

For DMKH & Co.
Chartered Accountants
Firm's Registration No. : 116886W

Kankani

Manish Kankani
Partner
Membership No. 158020
Place: Mumbai
Date: 20/08/2020
UDIN-20158020AAAAHT7269

DMKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Annexure "B" to the Auditors' Report

Referred to in Paragraph 2(f) under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of **FUTURE TRENDZ LIMITED** of even date

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

We have audited the internal financial controls over financial reporting of **M/S FUTURE TRENDZ LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

DMKH & CO. MUMBAI CHARTERED ACCOUNTANTS

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 statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For DMKH & Co.
Chartered Accountants
Firm's Registration No. : 116886W

Kankani

Manish Kankani
Partner
Membership No. 158020
Place: Mumbai
Date: 20/08/2020
UDIN-20158020AAAAHT7269

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FUTURE TRENDZ LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakh)

		Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Non-current assets**			
	(a) Financial Assets			
	(i) Investments	3	35,807.60	25.90
	Total Non - Current Assets		**35,807.60**	**25.90**
2	**Current assets**			
	(a) Financial Assets			
	(i) Cash and cash equivalents	4	4.63	8.20
	Total Current Assets		**4.63**	**8.20**
	Total Assets		**35,812.23**	**34.10**
	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity Share capital	5	55.00	55.00
	(b) Other Equity	6	35,756.91	(21.19)
	Total Equity		**35,811.91**	**33.81**
	LIABILITIES			
2	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	7	0.29	0.29
	(ii) Other Financial Liabilities	8	0.03	0.00
	Total Current Liabilities		**0.32**	**0.29**
	Total Equity and Liabilities		**35,812.23**	**34.10**
	See accompanying Notes to the Financial Statements	1-12		

As per our Report of even date attached
For DMKH & Co.
Chartered Accountants
FRN: 116886W

Manish Kankani
Partner
Membership No.:158020

Place : Mumbai
Date :20.08.2020

For and on behalf of Board of Directors

Sanjay Kumar Mutha
Director
DIN- 07218622

Subodh More
Director
DIN- 07230828

Place : Mumbai
Date : 16.06.2020

FUTURE TRENDZ LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

		Note No.	2019-20	2018-19
1	REVENUE			
	(a) Revenue from operations		-	-
	Total Revenue		-	-
2	EXPENSES			
	(a) Other expenses	9	3.60	7.99
	Total Expenses		3.60	7.99
3	Profit before tax (1 - 2)		(3.60)	(7.99)
4	Tax Expense		-	-
5	Profit for the Year (3 - 4)		(3.60)	(7.99)
6	Earnings per equity share of Face Value of ₹ 10 each	12		
	Basic (₹)		(0.65)	(1.45)
	Diluted (₹)		(0.65)	(1.45)
	See accompanying Notes to the Financial Statements	1-12		

As per our Report of even date attached
For DMKH & Co.
Chartered Accountants
FRN: 116886W

DMKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Manish Kankani
Partner
Membership No.:158020

Place : Mumbai
Date : 20.08.2020

For and on behalf of Board of Directors

Sanjay Kumar Mutha
Director
DIN- 07218622

Subodh More
Director
DIN- 07230828

Place : Mumbai
Date : 16.06.2020

FUTURE TRENDZ LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

		2019-20	2018-19
A	<u>Equity Share Capital</u>		
	(i) Opening Balance	55.00	55.00
	(ii) Change During the Year		
	Issue Of Equity Share	-	-
	Closing Balance	**55.00**	**55.00**
B	<u>Other Euqity</u>		
	Retained Earing		
	Opening Balance	(21.19)	(13.20)
	Profit for the Year	(3.60)	(7.99)
		(24.79)	**(21.19)**
	Total Other Equity	**(24.79)**	**(21.19)**

As per our Report of even date attached
For DMKH & Co.
Chartered Accountants
FRN: 116886W

Manish Kankani
Partner
Membership No.:158020

Place : Mumbai
Date : 20.08.2020

For and on behalf of Board of Directors

Sanjay Kumar Mutha
Director
DIN- 07218622

Subodh More
Director
DIN- 07230828

Place : Mumbai
Date : 16.06.2020

FUTURE TRENDZ LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

		2019-20	2018-19
A	**Cash Flow From Operating Activities**		
	Net Profit Before Tax	(3.60)	(7.99)
	Adjusted For:		
	Interest Income	-	-
	Operating (Loss) Before Working Capital Changes	(3.60)	(7.99)
	Adjusted For:		
	Trade Payables, Othe Liabilities and Provisions	0.03	(0.09)
	Cash Generated From Operations	(3.57)	(8.08)
	Tax Paid	-	-
	Net Cash From Operating Activities	(3.57)	(8.08)
B	**Cash flows from investing activities**		
	Payment to acquire financial assets - Investement	(35781.70)	-
	Net Cash Provided By Financing Activity	(35781.70)	-
C	**Cash flows from financing activities**		
	Proceed/(repayment) from Optionally Convertible debentures (OCD)	35781.70	-
	Net cash used in financing activities	35781.70	-
	Net Increase in Cash & Cash Equivalents (A+B+C)	(3.57)	(8.08)
	Opening Balance of Cash & Cash Equivalents	8.20	16.29
	Closing Balance of Cash & Cash Equivalent	4.63	8.20

As per our Report of even date attached

For DMKH & Co.

Chartered Accountants

FRN: 116886W

Manish Kankani

Partner

Membership No.:158020

Place : Mumbai

Date : 20.08.2020

For and on behalf of Board of Directors

Sanjay Kumar Mutha

Director

DIN- 07218622

Subodh More

Director

DIN- 07230828

Place : Mumbai

Date : 16.06.2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD YEAR MARCH 31, 2020

3 Non-Current Assets -Investment

	Number of Units		₹ in Lakh	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Non-Current Investment-Unquoted				
Investment in Equity Instruments				
Subsidiaries (At cost)				
Future Speciality Retail Limited	350,135	259,000	35,807.60	25.90
	350,135	**259,000**	**35,807.60**	**25.90**

4 Current assets

(₹ in Lakh)

	As at March 31, 2020	As at March 31, 2019
Cash and Bank Balances		
Cash and Cash equivalents		
On Current Accounts	4.63	8.20
	4.63	**8.20**

5 Equity Share Capital

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	No. of Shares	(₹ in Lakh)	No. of Shares	(₹ in Lakh)
Authorised				
Equity Share of ₹ 10/- each	6,000,000	600.00	6,000,000	600.00
	6,000,000	**600.00**	**6,000,000**	**600.00**
Issued, Subscribed and Paid up				
Equity Share of ₹ 10/- each	550,000	55.00	550,000	55.00
	550,000	**55.00**	**550,000**	**55.00**

(a) Reconciliation of number of shares :

Equity Share of ₹ 10/- each

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
	No. of Shares	No. of Shares
At the beginning of the year	550,000	550,000
Add : Issued during the year	-	-
At the end of the year	550,000	550,000

(b) Terms/Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares having par value ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Future Lifestyle Fashions Limited	550,000	100	550,000	100

(₹ in Lakh)

		As at March 31, 2020	As at March 31, 2019
6	**Other Equity**		
	Retained Earning	(24.79)	(21.19)
	Optionally Convertible debentures (OCD)	35781.70	-
		35,756.91	**(21.19)**
7	**Current liabilities -Trade Payables**		
	Trade Payables	0.29	0.29
		0.29	**0.29**
8	**Current Liabilities - Other Financial Liabilities**		
	Other Payables	0.03	-
		0.03	**-**
9	**Other Expenses**		
	Audit Fees	0.30	0.30
	Miscellaneous Expenses	3.31	7.70
		3.60	**7.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. GENERAL INFORMATION ABOUT THE COMPANY

Future Trendz Ltd ("The Company") is a company incorporated in India under the provisions of Companies Act, 2013 on September 15, 2016. 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 & related activities. The Financial Statements were approved for issue by the Board of Directors on June 16, 2020.The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

2.2. Standard issued but not effective

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

2.3. Basis of Preparation and Presentation

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

In accordance with Ind AS, the Company's Ind AS financial statements including, two balance sheets, namely, the balance sheet as at March 31, 2018 and 2019, and, two statements each of profit and loss, cash flows and changes in equity for the year ended March 31, 2018 and 2019 together with related notes. The same accounting policies have been used for all periods presented.

2.4. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. 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 derecognized 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 derecognized.

While measuring the property, plant and equipment in accordance with Ind AS, the Company has elected to measure certain items of property, plant and equipment at the date of transition to Ind As at their fair values and used those fair values as their deemed cost at transition date.

Freehold land is not depreciated. Depreciation on other property, plant and equipment has been provided on Straight Line Method over their useful lives prescribed under schedule 11 of the companies Act, 2013.

2.5. 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 is accounted for prospectively.

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 at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances.

Sale of goods
Revenue from sale of goods is recognised, when significant risk and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.

Amount disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, returns and value added tax/sales tax/Goods and Services tax.

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

Dividend and Interest income
Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the shareholders and the amount of income can be measured reliably).

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

2.8 Taxation

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

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

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

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

Current and deferred tax for the year

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

2.9 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.

2.10 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.

2.11 Employee benefits

Short term employee benefits

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

Post-employment defined contribution benefits

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

Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity and accumulated paid absence 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 remeasurement) is recognised in statement of profit and loss.

2.12 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.

2.13 Provisions, contingent liability and contingent assets

A provision is recognized 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.

2.14 Investment in subsidiary, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are shown at cost in accordance with Ind AS 27 'Separate financial statements'. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised as impairment loss in the statement of profit and loss (refer policy on impairment of non-financial assets). On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

2.15 Financial instruments

Classification as financial liability or equity

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

Equity instruments

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

Financial assets and financial liabilities

Initial recognition

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

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

Subsequent measurement

i. 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").

ii. 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.

iii. 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.

iv. Financial guarantee obligation

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

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

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

Impairment of financial asset

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

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial asset

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

2.16 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.

2.17 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 recognized 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

i. 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.

ii. 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

iii. 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.

10. Related Party Disclosure

As required under Accounting Standard 18 "Related Party Disclosures" are given below:

A. List of Related Parties

1. Holding Company

Future Lifestyle Fashions Limited

2. Subsidiary Company

Future Speciality Retail Limited

(₹ in Lakh)

Nature of transactions	Subsidiaries	Holding
Investment Made	35781.70 (-)	- (-)
Optionally Convertible debentures (OCD) Given	- (-)	35781.70 (-)

Figures in bracket represent previous year's figures

11. Auditor's Remuneration

(₹ in Lakh)

Particular	2019-20	2018-19
Statutory Audit Fee	0.30	0.30
Total	**0.30**	**0.30**

12. Computation of Basic and Diluted Earnings Per Shares

Particulars	Units	2019-20	2018-19
Profit after tax	₹ in Lakh	**(3.60)**	**(7.99)**
The Weighted average number of Equity shares for Basic and Diluted EPS	No. in Lakh	**5.50**	**5.50**
Earnings per Equity share (Basic & Diluted)	₹	**(0.65)**	**(1.45)**

As per our report of even date attached

For DMKH & Co.

Chartered Accountants

FRN: 116886W

DMKH & Co. MUMBAI CHARTERED ACCOUNTANTS

Manish Kankani

Partner

Membership No.: 158020

Place: Mumbai

Date: 20.08.2020

For and on Behalf of Board of Directors

Sanjay Kumar Mutha

Director

DIN- 07218622

Subodh More

Director

DIN- 07230828

Place: Mumbai

Date: 16.06.2020