

Future Lifestyle Fashions Limited

July 05, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	867.98	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE C; (Single C)
Short Term Bank Facilities	475.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four)
Total Bank Facilities	1,342.98 (₹ One Thousand Three Hundred Forty- Two Crore and Ninety-Eight Lakhs Only)		
Non Convertible Debentures	350.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Long Term Instruments	350.00 (₹ Three Hundred Fifty Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The revision in ratings assigned to the bank facilities of Future Lifestyle Fashions Limited takes into account delay in servicing of its debt repayment obligation as informed by the company to the stock exchange on July 01, 2022 regarding default in payment on loans/working capital facilities availed from banks.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Default free track record of the company for a period of 90 days
- Improvement in operating performance and profitability of the company on sustained basis

Detailed description of key rating drivers:

Key Rating Weaknesses

Delays in Debt Servicing

The company has failed to service its debt repayment obligation.

Key Rating Strengths: Not Applicable

Liquidity: Poor

The company has failed to service its debt repayment obligation.

Analytical approach: Consolidated.

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology – Consolidation](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[CARE's Policy on Curing Period](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology – Organized Retail Companies](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the Company

Future Lifestyle Fashions Limited (FLFL) is a part of the Future Group (one of India's largest retailers). FLFL is in the business of managing the lifestyle fashion segment of the Future Group. It has a portfolio of fashion brands that cover a range of fashion categories including formal menswear, casual wear, active or sportswear, women's ethnic wear, women's denim wear, women's casual wear, footwear and accessories and are present across various price points. The company as on March 31, 2021 operate 332 stores having a retail space of 7.6 million sq. ft.

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	9MFY22 (Prov)
Total operating income	6,028.05	2,202.48	2,422.34
PBILDT	1,061.42	99.67	66.28
PAT	-73.41	-871.57	-668.97
Overall gearing (times)	1.71	4.01	NA
Interest coverage (times)	3.08	0.28	0.26

A: Audited; Prov.: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2027	317.98	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	550.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Working Capital Limits		-	-	-	475.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE 452007054	November 10, 2017	8.70	November 09, 2024	350.00	CARE D; ISSUER NOT COOPERATING*

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	317.98	CARE D; ISSUER NOT COOPERATING*	1)CARE C; ISSUER NOT COOPERATING* (03-May-22)	1)CARE C (CWD) (03-Feb-22) 2)CARE C (CWN) (05-Apr-21)	1)CARE C (CWN) (11-Nov-20) 2)CARE BB (CWN) (15-Oct-20) 3)CARE BBB (CWD) (13-Aug-20) 4)CARE A+; Negative (12-May-20) 5)CARE AA-; Negative (17-Apr-20)	1)CARE AA-; Positive (24-Dec-19)
2	Fund-based - LT-Cash Credit	LT	550.00	CARE D; ISSUER NOT COOPERATING*	1)CARE C; ISSUER NOT COOPERATING* (03-May-22)	1)CARE C (CWD) (03-Feb-22) 2)CARE C (CWN) (05-Apr-21)	1)CARE C (CWN) (11-Nov-20) 2)CARE BB (CWN) (15-Oct-20) 3)CARE BBB (CWD) (13-Aug-20) 4)CARE A+; Negative (12-May-20) 5)CARE AA-; Negative (17-Apr-20)	1)CARE AA-; Positive (24-Dec-19)
3	Non-fund-based - ST-Working Capital Limits	ST	475.00	CARE D; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (03-May-22)	1)CARE A4 (CWD) (03-Feb-22) 2)CARE A4 (CWN) (05-Apr-21)	1)CARE A4 (CWN) (11-Nov-20) 2)CARE A4 (CWN) (15-Oct-20) 3)CARE A3 (CWD) (13-Aug-20) 4)CARE A1 (12-May-20) 5)CARE A1+ (17-Apr-20)	1)CARE A1+ (24-Dec-19)

4	Commercial Paper- Commercial Paper (Carved out)	ST	-	-	-	-	1)Withdrawn (06-Aug-20) 2)CARE A1 (12-May-20) 3)CARE A1+ (17-Apr-20)	1)CARE A1+ (24-Dec- 19)
5	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Apr-21)	1)CARE C (CWN) (11-Nov-20) 2)CARE BB (CWN) (15-Oct-20) 3)CARE BBB (CWD) (13-Aug-20) 4)CARE A+; Negative (12-May-20) 5)CARE AA-; Negative (17-Apr-20)	1)CARE AA-; Positive (24-Dec- 19)
6	Commercial Paper	ST	-	-	-	-	1)Withdrawn (06-Aug-20) 2)CARE A2+ (12-May-20) 3)CARE A1+ (17-Apr-20)	1)CARE A1+ (24-Dec- 19) 2)CARE A1+ (23-Aug- 19)
7	Commercial Paper	ST	-	-	-	-	1)Withdrawn (06-Aug-20) 2)CARE A2+ (12-May-20) 3)CARE A1+ (17-Apr-20)	1)CARE A1+ (24-Dec- 19) 2)CARE A1+ (23-Aug- 19)
8	Debentures-Non Convertible Debentures	LT	350.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D; ISSUER NOT COOPERATING* (03-May-22)	1)CARE D (03-Feb-22) 2)CARE D (05-Apr-21)	1)CARE D (11-Nov-20)	-

*Long term/short term

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - ST-Working Capital Limits	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Annexure 6: Name of the companies consolidated with FLFL

Name of the Company	Relationship	Principal Activities	Ownership (%)
			March 31, 2021
Future Trendz Limited	Subsidiary	Fashion Retail and investment in fashion Brand(s)	100.00
Future Speciality Retail Limited	Subsidiary	Fashion Retail	100.00
FLFL Travel Retail Bhubaneswar Private Limited	Joint Venture	Developing, marketing and managing retail outlets / space at Air Ports	51.00
FLFL Travel Retail Guwahati Private Limited	Joint Venture	Developing, marketing and managing retail outlets / space at Air Ports	51.00
FLFL Travel Retail West Private Limited	Joint Venture	Developing, marketing and managing retail outlets / space at Air Ports	51.00
FLFL Travel Retail Lucknow Private Limited	Joint Venture	Developing, marketing and managing retail outlets / space at Air Ports	51.00
FLFL Lifestyle Brands Limited	Joint Venture	Fashion Retail and investment in fashion Brands	49.02
Clarks Future Footwear Private Limited	Joint Venture	Fashion Retail	1.00
Holii Accessories Private Limited	Joint Venture	Fashion Retail	1.00

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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