

## Future Lifestyle Fashions Limited

June 30, 2023

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	867.98	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	475.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	350.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Detailed rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated May 03, 2022, placed the ratings of Future Lifestyle Fashions Limited (FLFL) under the 'issuer non-cooperating' category as FLFL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The company continues to be non-cooperative despite repeated requests for submission of information through e-mails dated June 19, 2023, June 10, 2023, May 31, 2023 and May 21, 2023 etc. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s). At the time of last rating on July 05, 2022 the following was the rating weakness (updated for the information available from stock exchange):

#### Delays in servicing of debt obligation

The company has failed to service its debt repayment obligation. The NCLT on May 04, 2023 has admitted FLFL for CIRP under IBC. The tribunal has appointed an IRP to take over the management of the company. Bank Of India, the lead financial creditor had moved the NCLT under the IBC after the company defaulted on payments.

### Analytical Approach: Consolidated

#### Applicable criteria

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

[Policy on default recognition](#)

[Consolidation](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy On Curing Period](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Retail](#)

[Policy on Withdrawal of Ratings](#)

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

## About the company and industry

### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Services	Retailing	Distributors

Future Lifestyle Fashions Limited (FLFL) is a part of the Future Group. 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, 2022 operate 180 stores having a retail space of 2.50 million sq. ft.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	2202.48	2993.93	1131.13
PBILDT	99.67	-544.84	-47.06
PAT	-871.57	-2548.89	-557.30
Overall gearing (times)	4.01	-1.15	NM
Interest coverage (times)	0.28	-1.60	NM

A: Audited UA: Unaudited; NM: Not Meaningful; Note: 'the above results are latest financial results 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:** Annexure 4

**Lender details:** Annexure-5

### 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 2023-2024	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
1	Fund-based - LT-Term Loan	LT	317.98	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (05-Jul-22) 2)CARE C; ISSUER NOT COOPERATING * (03-May-22)	1)CARE C (CW with Developing Implications) (03-Feb-22) 2)CARE C (CW with Negative Implications) (05-Apr-21)	1)CARE C (CW with Negative Implications) (11-Nov-20) 2)CARE BB (CW with Negative Implications) (15-Oct-20) 3)CARE BBB (CW with Developing Implications) (13-Aug-20) 4)CARE A+; Negative (12-May-20) 5)CARE AA-; Negative (17-Apr-20)
2	Fund-based - LT-Cash Credit	LT	550.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (05-Jul-22) 2)CARE C; ISSUER NOT COOPERATING * (03-May-22)	1)CARE C (CW with Developing Implications) (03-Feb-22) 2)CARE C (CW with Negative Implications)	1)CARE C (CW with Negative Implications) (11-Nov-20) 2)CARE BB (CW with Negative Implications)

							(05-Apr-21)	(15-Oct-20) 3)CARE BBB (CW with Developing Implications ) (13-Aug-20) 4)CARE A+; Negative (12-May-20) 5)CARE AA-; Negative (17-Apr-20)
3	Non-fund-based - ST-Working Capital Limits	ST	475.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (05-Jul-22) 2)CARE A4; ISSUER NOT COOPERATING * (03-May-22)	1)CARE A4 (CW with Developing Implications ) (03-Feb-22) 2)CARE A4 (CW with Negative Implications ) (05-Apr-21)	1)CARE A4 (CW with Negative Implications ) (11-Nov-20) 2)CARE A4 (CW with Negative Implications ) (15-Oct-20) 3)CARE A3 (CW with Developing Implications ) (13-Aug-20) 4)CARE A1 (12-May-20) 5)CARE A1+ (17-Apr-20)
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)

5	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (05-Apr-21)	1)CARE C (CW with Negative Implications ) (11-Nov-20) 2)CARE BB (CW with Negative Implications ) (15-Oct-20) 3)CARE BBB (CW with Developing Implications ) (13-Aug-20) 4)CARE A+; Negative (12-May-20) 5)CARE AA-; Negative (17-Apr-20)
6	Commercial Paper	ST	-	-	-	-	-	1)Withdrawn (06-Aug-20) 2)CARE A2+ (12-May-20) 3)CARE A1+ (17-Apr-20)
7	Commercial Paper	ST	-	-	-	-	-	1)Withdrawn (06-Aug-20) 2)CARE A2+ (12-May-20) 3)CARE A1+ (17-Apr-20)
8	Debentures-Non Convertible Debentures	LT	350.00	CARE D; ISSUER NOT COOPERATING	-	1)CARE D; ISSUER NOT COOPERATING	1)CARE D (03-Feb-22)	1)CARE D (11-Nov-20)

				*		* (05-Jul-22)	2)CARE D (05-Apr-21)	
						2)CARE D; ISSUER NOT COOPERATING *		
						(03-May-22)		

\*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, 2022
Future Trendz Limited	Subsidiary	Fashion Retail and investment in fashion Brand(s)	100.00
Future Speciality Retail Limited	Subsidiary	Fashion Retail	100.00
FLFL Athleisure 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 Reliance Footwear Private Limited	Joint Venture	Fashion Retail	1.00
Holii Accessories Private Limited	Joint Venture	Fashion Retail	1.00
Celio Future Fashion Private Limited	Joint Venture	Fashion Retail	1.80

**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.

### Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-67543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Pulkit Agarwal Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3505 E-mail: <a href="mailto:pulkit.agarwal@careedge.in">pulkit.agarwal@careedge.in</a></p> <p>Hitesh Avachat Associate Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3510 E-mail: <a href="mailto:hitesh.avachat@careedge.in">hitesh.avachat@careedge.in</a></p> <p>Sonal Bhageria Assistant Director <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Sonal.Bhageria@careedge.in">Sonal.Bhageria@careedge.in</a></p>
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#### About us:

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#### Disclaimer:

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