

Future Lifestyle Fashions Limited (Revised)

June 28, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	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 Limited (CARE Ratings), vide its press release dated June 30, 2023, had reviewed the ratings of Future Lifestyle Fashions Limited (FLFL) under the 'issuer not-cooperating' category, as the company 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 May 15, 2024, May 25, 2024, June 4, 2024, June 10, 2024, and June 12, 2024, among others. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which however, in CARE Ratings' 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 June 30, 2023, 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 National Company Law Tribunal (NCLT) on May 04, 2023, had admitted FLFL for corporate insolvency resolution process (CIRP) under Insolvency and Bankruptcy Code (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.

Information as per stock exchange update:

CIRP is under process and till November 2023, two prospective resolution applicants have submitted resolution plan to the company for consideration.

Analytical approach: Consolidated (the list of entities has been mentioned below in Annexure-6).

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macro economic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Retailing	Distributors

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

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. As on July 28, 2023, FLFL has 26 leased stores that are operational and an employee strength of 168.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	2297.04	2993.93	1131.13
PBILDT	57.93	-544.84	-47.06
PAT	-933.35	-2548.89	-557.30
Overall gearing (times)	5.48	-1.15	NM
Interest coverage (times)	0.16	-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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE452007054	10-Nov-2017	8.70	November 09, 2024	350.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	550.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2027	317.98	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Working Capital Limits		-	-	-	475.00	CARE D; ISSUER NOT COOPERATING*

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

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 2024-2025	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
1	Fund-based - LT-Term Loan	LT	317.98	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-23)	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)
2	Fund-based - LT-Cash Credit	LT	550.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-23)	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)
3	Non-fund-based - ST-Working Capital Limits	ST	475.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-23)	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)

4	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (05-Apr-21)
5	Debentures-Non Convertible Debentures	LT	350.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-23)	1)CARE D; ISSUER NOT COOPERATING* (05-Jul-22) 2)CARE D; ISSUER NOT COOPERATING* (03-May-22)	1)CARE D (03-Feb-22) 2)CARE D (05-Apr-21)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the 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: Lender details

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

Annexure-6: List of all the entities consolidated as on March 31, 2022

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Future Trendz Limited	Full	Subsidiary
2	Future Speciality Retail Limited	Full	Subsidiary
3	FLFL Athleisure Limited	Full	Subsidiary
4	FLFL Travel Retail Bhubaneswar Private Limited	Proportionate	Joint Venture
5	FLFL Travel Retail Guwahati Private Limited	Proportionate	Joint Venture
6	FLFL Travel Retail West Private Limited	Proportionate	Joint Venture
7	FLFL Travel Retail Lucknow Private Limited	Proportionate	Joint Venture
8	FLFL Lifestyle Brands Limited	Proportionate	Joint Venture
9	Clarks Reliance Footwear Private Limited	Proportionate	Joint Venture
10	Holii Accessories Private Limited	Proportionate	Joint Venture
11	Celio Future Fashion Private Limited	Proportionate	Joint Venture

Note on the 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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About us:

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