

MIRA INFORM REPORT

Report No. :	530095
Report Date :	17.09.2018

IDENTIFICATION DETAILS

Name :	FUTURE SPECIALITY RETAIL LIMITED
Registered Office :	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400060, Maharashtra
Tel. No.:	91-22-66442200
Country :	India
Financials (as on) :	31.03.2017
Date of Incorporation :	27.09.2016
CIN No.: [Company Identification No.]	U74999MH2016PLC286295
Capital Investment / Paid-up Capital :	INR 3.500 Million
TIN No.:	27231483388 (Mumbai)
PAN No.: [Permanent Account No.]	AACCF9174B
GSTN : [Goods & Service Tax Registration No.]	27AACCF9174B1ZO
Legal Form :	A Closely Held Public Limited Liability Company
Line of Business :	<ul style="list-style-type: none"> • Distributor of Readymade Garments. [Confirmed by Management] • Subject is engaged in Fashion business and their Related Activities. [Registered Activity]
No. of Employees :	Not Divulged

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

MIRA's Rating :	A
------------------------	----------

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	USD 7128000
Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear
Comments :	<p>Subject was incorporated on 27th September 2016. It is a subsidiary of Future Trendz Limited and a part of Future Group.</p> <p>The company is a distributor of readymade garments.</p> <p>As per the financial records of 2017, the company has achieved sales turnover of INR 9.800 million and has incurred operational losses.</p> <p>The company has healthy net worth base and debt free balance sheet profile.</p> <p>Rating takes into consideration the strength that the company derives from its holding company and future group.</p> <p>However, rating is constrained on account of limited track record of the company.</p> <p>Business is active. Payment seems to be slow but correct.</p> <p>In view of aforesaid, the company can be considered for business dealings at usual trade terms and conditions.</p>

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
India	A1	A1

Risk Category	ECGC Classification
Insignificant	A1

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

EXTERNAL AGENCY RATING

NOT AVAILABLE

RBI DEFAULTERS' LIST STATUS

Subject's name is not enlisted as a defaulter in the publicly available RBI Defaulters' list.

EPF (Employee Provident Fund) DEFAULTERS' LIST STATUS

Subject's name is not enlisted as a defaulter in the publicly available EPF (Employee Provident Fund) Defaulters' list as of 31-03-2016.

BIFR (Board for Industrial & Financial Reconstruction) LISTING STATUS

Subject's name is not listed as a Sick Unit in the publicly available BIFR (Board for Industrial & Financial Reconstruction) list as of 17.09.2018

IBBI (Insolvency and Bankruptcy Board of India) LISTING STATUS

Subject's name is not listed in the publicly available IBBI (Insolvency and Bankruptcy Board of India) list as of report date.

INFORMATION DECLINED BY

Name :	Ms. Vidya Sagar
Designation :	Not Divulged
Contact No.:	91-8419905550
Date:	15.09.2018

LOCATIONS

Registered Corporate Department :	Office/ Governance	Knowledge House, Shyam Nagar Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400060, Maharashtra, India
--	---------------------------	--

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Tel. No.:	91-22-66442200
Mobile No.:	91-7498275570 (Ms. Trupti Pawar) 91-8419905550 [Ms. Vidya Sagar]
Fax No.:	91-22-66442201
E-Mail :	trupti.pawar@futurelifestyle.in milind.budhakar@futureretail.in cs@futurelifestyle.in subasp@futuregroup.in
Website :	www.futurelifestyle.in

DIRECTORS

AS ON: 31.03.2018

Name :	Mrs. Sharda Agarwal
Designation :	Additional Director
Address :	2902-A, Beau Monde, Appa Saheb Marathe Marg, Prabhadevi Mumbai 400025 , Maharashtra, India
Date of Appointment :	29.06.2017
DIN No.:	00022814

Other Directorship :

CIN/FCRN	Company Name	Begin Date
L52100MH2012PLC231654	FUTURE LIFESTYLE FASHIONS LIMITED	26/08/2015
L67190MH2005PLC153397	MOTILAL OSWAL FINANCIAL SERVICES LIMITED	22/08/2014
U74140MH2006PTC160272	DEMETER ADVISORS PRIVATE LIMITED	06/03/2006
U85100DL2016PTC289219	MOONJUR HEALTHCARE PRIVATE LIMITED	04/01/2016

Name :	Maya Taparia
Designation :	Additional Director
Address :	A-203, Nirman Residency, Near Jijamata Chowk, Pump House, Andheri (East), Mumbai-400093, Maharashtra, India
Date of Appointment :	02.05.2018
DIN No.:	06974440

Name :	Mr. Vitthal Nawandhar
Designation :	Director
Address :	B-105,Sarvodaya Enclave Chs, New Golden Nest Road, Opposite Canara Bank, Bhayander (East), Thane-401105, Maharashtra, India
Date of Birth/Age :	01.10.1977
Date of Appointment :	30.03.2017
PAN No.:	ADMPN0683M
Aadhar Card No.:	536046200281
DIN No.:	07328750

Other Directorship :

CIN/FCRN	Company Name	Begin Date
U74900MH2010PTC199601	FAERING CAPITAL TRUSTEE COMPANY PRIVATE	17/08/2017

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

		LIMITED	
	U74999MH2015PLC271288	BEACON TRUSTEESHIP LIMITED	23/12/2015
	U74999MH2016PLC285892	FUTURE TRENDZ LIMITED	30/03/2017
Name :	Mr. Kaleeswaran Arunachalam		
Designation :	Additional Director		
Address :	2A-132, 13th Floor, Kalpataru Aura, L B S Marg, Ghatkopar (West), Mumbai 400086, Maharashtra, India		
Date of Appointment :	29.06.2017		
DIN No.:	07625839		
Name :	Hetal Maganlal Kotak		
Designation :	Additional Director		
Address :	2201, Amanda A Wing, Hiranandani Meadows, Gladys Alwares Road Off Pokhran Road 2, Apna Bazaar, Thane (West) – 400610, Maharashtra, India		
Date of Appointment :	01.07.2017		
DIN No.:	07863592		

MAJOR SHAREHOLDERS / SHAREHOLDING PATTERN

AS ON 31.03.2017

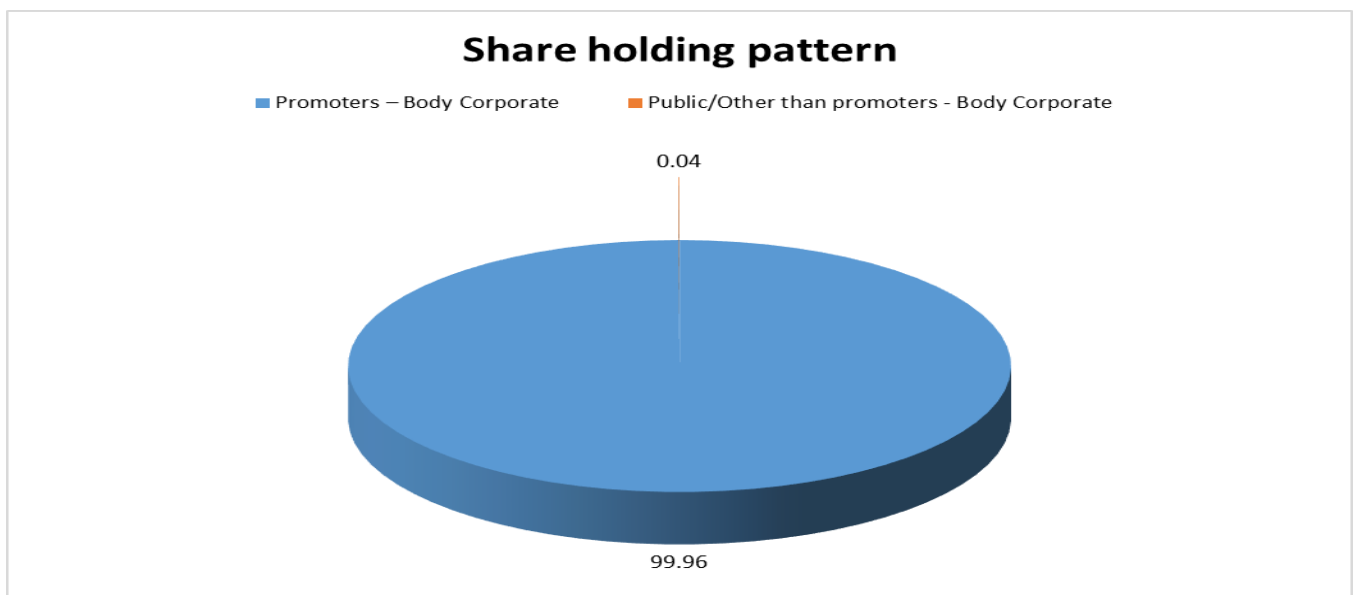
Names of Equity Shareholders	No. of Shares
Future Trendz Limited , India	258994
Sanjay Kumar Mutha	1
Anant Shripad Gude	1
Rahul Inani	1
Vimal Dhruve	1
Subodh More	1
Prakash Somani	1
Beacon Trusteeship Limited	100
Total	259100

Names of Preference Shareholder	No. of Shares
Beacon Trusteeship Limited	1000
Total	1000

AS ON: 29.09.2017

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Equity Share Breakup	Percentage of Holding
Category	
Promoters – Body Corporate	99.96
Public/Other than promoters - Body Corporate	0.04
Total	100.00



BUSINESS DETAILS

Line of Business :	<ul style="list-style-type: none"> Distributor of Readymade Garments. [Confirmed by Management] Subject is engaged in Fashion business and their Related Activities. [Registered Activity] 	
Products :	ITC Code No.	Product Descriptions
	99622330	Fashion design related to textiles, wearing apparel,
Brand Names :	Not Available	
Agencies Held :	Lee Cooper	

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Exports :	Not Available
Imports :	Not Available
Terms :	
Selling :	Not Divulged
Purchasing :	Not Divulged

PRODUCTION STATUS: NOT AVAILABLE

GENERAL INFORMATION

Suppliers :	Reference:	Not Divulged
	Name of the Person (Designation):	--
	Contact Number:	--
	Since how long known:	--
	Maximum limit dealt:	--
	Experience:	--
	Remark	--
Customers :	Retailers	
	Reference:	Not Divulged
	Name of the Person (Designation):	--
	Contact Number:	--
	Since how long known:	--
	Maximum limit dealt:	--
	Experience:	--
Remark	--	
No. of Employees :	Not Divulged	
Bankers :	Bank Name:	Axis Bank Limited
	Branch:	Ground Floor, Jeevan Prakash Building, Sir P M Road, Fort, Mumbai-400001, Maharashtra, India
	Person Name (with Designation):	--
	Contact Number:	--
	Name of Account Holder:	--
	Account Number:	--
	IFSC Code :	--
	Account Since (Date/ Year of A/c Opening):	--

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

	Average Balance Maintained (Optional):	--
	Credit Facilities Enjoyed (CC/OD/Term Loan):	--
	Account Operation:	--
	Remarks:	--

Auditors :	
Name :	NGS and Company LLP Chartered Accountants
Address :	B/46, 3rd Floor, Pravasi Industrial Estate, Vishweshwar Nagar Road, Goregaon (East), Mumbai, Maharashtra, India
PAN No.:	AABFS3313D
Memberships :	Not Available
Collaborators :	Not Available
Holding Companies :	<ul style="list-style-type: none"> Future Trendz Limited (w.e.f. September 27, 2016) [U74999MH2012PLC285892] Future Lifestyle Fashions Limited (w.e.f. September 27, 2016)
Fellow Subsidiaries :	<ul style="list-style-type: none"> Indus-League Clothing Limited (upto March 29, 2017) Indus Tree Craft Private Limited (upto March 29, 2017) Indus Tree Producer Transform Private Limited (upto March 29, 2017) Rachika Trading Private Limited (upto March 29, 2017) Elisir Lifestyle Private Limited (upto March 29, 2017) Mineral Fashions Private Limited (upto March 29, 2017) Future Style Lab Limited (upto March 29, 2017) FLFL Lifestyle Brands Limited (w.e.f. March 17, 2017 upto March 29,2017) FLFL Business Services Limited (w.e.f. March 27,2017)

CAPITAL STRUCTURE

AS ON 29.09.2017

Authorised Capital : INR 5.000 Million

Issued, Subscribed & Paid-up Capital : INR 3.592 Million

AS ON: 31.03.2017

Authorised Capital :

No. of Shares	Type	Value	Amount

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

490000	Equity Shares	INR 10/- each	INR 4.900 Million
1000	Compulsory convertible Preference Shares	INR 910/- each	INR 0.900 Million
	Total		INR 5.800 Million

Issued, Subscribed & Paid-up Capital :

No. of Shares	Type	Value	Amount
259100	Equity Shares	INR 10/- each	INR 2.600 Million
1000	Compulsory convertible Preference Shares	INR 910/- each	INR 0.900 Million
	Total		INR 3.500 Million

FINANCIAL DATA
[all figures are in INR Million]

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS			31.03.2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital			3.500
(b) Reserves & Surplus			2491.300
(c) Money received against share warrants			0.000
(2) Share Application money pending allotment			0.000
Total Shareholders' Funds (1) + (2)			2494.800
(3) Non-Current Liabilities			
(a) Long-term borrowings			0.000
(b) Deferred tax liabilities (Net)			75.100
(c) Other long term liabilities			0.000
(d) long-term provisions			4.600
Total Non-current Liabilities (3)			79.700
(4) Current Liabilities			
(a) Short term borrowings			0.000
(b) Trade payables			1220.000
(c) Other current liabilities			5.800
(d) Short-term provisions			0.000
Total Current Liabilities (4)			1225.800
TOTAL			3800.300
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets			15.600
(ii) Intangible Assets			2016.500
(iii) Capital work-in-progress			0.100
(iv) Intangible assets under development			0.000
(b) Non-current Investments			0.000
(c) Deferred tax assets (net)			0.000
(d) Long-term Loan and Advances			7.200
(e) Other Non-current assets			0.000
Total Non-Current Assets			2039.400

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

(2) Current assets			
(a) Current investments			0.000
(b) Inventories			877.500
(c) Trade receivables			860.700
(d) Cash and cash equivalents			0.200
(e) Short-term loans and advances			22.500
(f) Other current assets			0.000
Total Current Assets			1760.900
TOTAL			3800.300

PROFIT & LOSS ACCOUNT

	PARTICULARS		31.03.2017
	SALES		
	Revenue from Operations		9.800
	Other Income		0.000
	TOTAL		9.800
Less	EXPENSES		
	Purchases of Stock-in-Trade		0.800
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		11.000
	Employees benefits expense		2.000
	Other expenses		3.300
	TOTAL		17.100
	PROFIT BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION		(7.300)
Less	FINANCIAL EXPENSES		0.000
	PROFIT/ (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION		(7.300)
Less/ Add	DEPRECIATION/ AMORTISATION		0.500
	PROFIT/ (LOSS) BEFORE TAX		(7.800)
Less	TAX		0.000
	PROFIT/ (LOSS) AFTER TAX		(7.800)

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Earnings/ (Loss) Per Share (INR)				(30.15)
----------------------------------	--	--	--	----------------

CURRENT MATURITIES OF LONG TERM DEBT DETAILS

PARTICULARS				31.03.2017
Current Maturities of Long term debt				NA
Net cash flows from (used in) operations				(469.900)
Net cash flows from (used in) operating activities				(469.900)

KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS				31.03.2017
Average Collection Days (Sundry Debtors / Income * 365 Days)				32056.68
Account Receivables Turnover (Income / Sundry Debtors)				0.01
Average Payment Days (Sundry Creditors / Purchases * 365 Days)				556625.00
Inventory Turnover (Operating Income / Inventories)				(0.01)
Asset Turnover (Operating Income / Net Fixed Assets)				0.00

LEVERAGE RATIOS

PARTICULARS				31.03.2017
Debt Ratio ((Borrowing + Current Liabilities) / Total Assets)				0.32
Debt Equity Ratio (Total Liability / Networth)				0.00
Current Liabilities to Networth (Current Liabilities / Net Worth)				0.49

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Fixed Assets to Networth (Net Fixed Assets / Networth)			0.81
Interest Coverage Ratio (PBIT / Financial Charges)			0.00

PROFITABILITY RATIOS

PARTICULARS			31.03.2017
Net Profit Margin ((PAT / Sales) * 100)	%		(79.59)
Return on Total Assets ((PAT / Total Assets) * 100)	%		(0.21)
Return on Investment (ROI) ((PAT / Networth) * 100)	%		(0.31)

SOLVENCY RATIOS

PARTICULARS			31.03.2017
Current Ratio (Current Assets / Current Liabilities)			1.44
Quick Ratio ((Current Assets – Inventories) / Current Liabilities)			0.72
G-Score Ratio Financial (Networth / Total Assets)			0.66
G-Score Ratio Debt (Debts / Equity Capital)			0.00
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)			1.44

Total Liability = Short-term Debt + Long-term Debt + Current Maturities of Long-term debts

LOCAL AGENCY FURTHER INFORMATION

Sr. No.	Check list by info agents	Available in Report (Yes/No)
1	Year of establishment	Yes
2	Constitution of the entity -Incorporation details	Yes
3	Locality of the entity	Yes
4	Premises details	No
5	Buyer visit details	--
6	Contact numbers	Yes
7	Name of the person contacted	Yes
8	Designation of contact person	No
9	Promoter's background	Yes
10	Date of Birth of Proprietor / Partners / Directors	Yes
11	Pan Card No. of Proprietor / Partners	Yes
12	Voter Id Card No. of Proprietor / Partners	No
13	Type of business	Yes
14	Line of Business	Yes
15	Export/import details (if applicable)	No
16	No. of employees	No
17	Details of sister concerns	Yes
18	Major suppliers	No
19	Major customers	No
20	Banking Details	Yes
21	Banking facility details	No
22	Conduct of the banking account	Yes
23	Financials, if provided	Yes
24	Capital in the business	Yes
25	Last accounts filed at ROC, if applicable	Yes
26	Turnover of firm for last one year	Yes
27	Reasons for variation <> 20%	--
28	Estimation for coming financial year	No
29	Profitability for last one year	Yes
30	Major shareholders, if available	Yes
31	External Agency Rating, if available	No
32	Litigations that the firm/promoter involved in	--
33	Market information	--
34	Payments terms	Yes
35	Negative Reporting by Auditors in the Annual Report	No

INDEX OF CHARGES: NO CHARGES EXISTS FOR COMPANY

INCORPORATION OF COMPANY

The Company was incorporated under the name Future Speciality Retail Limited (Corporate Identification Number: U74999MH2016PLC286295) on 27 September 2016 vide Certificate of Incorporation issued by the registered with the Registrar of Companies, Maharashtra, Mumbai with an object of carrying on fashion business and their related activities.

REVIEW OF OPERATIONS

During the first financial year since its incorporation, the Company had a total income of INR 9.800 Million. The total expenditure during the period amounted to INR 17.600 Million, thereby resulting in Loss after tax of INR 7.800 Million. The Directors expect earning of Income and better results in current year.

The Company expects to commence its operations in the next financial year on vesting and transfer of business in the manner as reported hereunder and is hopeful of registering growth in the years to come.

BUSINESS OUTLOOK

The Company's focus will be to maximize the brand potential by being the Authentic British Denim Brand and they aim to be among the TOP 3 Denim Players in the market targeting the youth (men and women in the age group of 18-35 years) who are aspirational, relaxed, easy going & yet strong headed customers.

The technology has been playing a pivotal role in developing differentiated products that meet the ever-evolving needs to the youth. Even in terms of marketing, the company is adopting a Digital First approach to showcase the brand & its dynamic offerings to the youth through Digital Influencers, Youth Celebrities, Bloggers & by ensuring Product Seeding in mass media publications to garner relevant visibility for the brand.

The Company is interacting with marketing heads of various lifestyle and value formats at regular intervals to ensure that Lee Cooper fits into their marketing calendar and features as a prominent brand in consideration set.

The Company's management is working aggressively towards expanding the brand footprint through a multi-channel approach: Exclusive Brand Outlets (EBOs), Online Stores & Large Format Stores are part of the channel strategy. The brand is currently available in 100+ cities in India.

FIXED ASSETS

- Building and Permanent Improvement
- Office Equipments
- Computer and IT Equipments
- Furniture and Fitting
- Electrical Installations
- Air Conditioner

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

INTANGIBLE ASSET

- Goodwill
- Trademarks, Copyrights and Patents

PRESS RELEASES

FUTURE LIFESTYLE FASHIONS TRANSFERS LEE COOPER BUSINESS TO FUTURE SPECIALITY RETAIL LIMITED

30.03.2017

Future Lifestyle Fashions Ltd has transferred its Lee Cooper business to a wholly-owned arm Future Speciality Retail Ltd by way of a slump exchange on a going concern basis.

"The company has transferred its Lee Cooper business to Future Speciality Retail Limited, a wholly owned subsidiary of the company by way of a slump exchange on a going concern basis," Future Lifestyle Fashions Ltd said in a filing to BSE.

Future Speciality Retail Ltd (FSRL) shall inter-alia carry on the Lee Cooper business, it said. "FSRL has issued and allotted 400 compulsory convertible preference shares of face value of INR 910 each and INR 150 optionally convertible debentures of face value of INR 10000000 each to the company," it said.

There will be no change in the shareholding pattern of the company, it added.

"Lee Cooper business has been transferred in to a separate entity, which will lead to better focus, execution and faster scale up the business," it said.

THE REORGANIZATION OF FUTURE GROUP

Oct 03 2017

While there is plenty of movement within Future Group, there is little clarity on what Kishore Biyani's mainstay retail business, Future Retail, will look like

Mumbai: Kishore Biyani does not like the word "restructuring". Through the duration of an interview with *Mint*, he was careful to reiterate that his sprawling retail and consumer products empire, Future Group, has simply been reorganizing.

"We are always reorganizing", Biyani said at his office in Tardeo, south Mumbai, one of two that the company operates out of in the city. The other is in Vikhroli. "The consumer is constantly changing, we have to change too. We reorganize every three-four years."

But this reorganization has been under way for almost a decade.

The trademark of Biyani's company is rapid, inorganic growth. In the last decade, Future Group has mutated considerably through a stream of acquisitions, sales and spin-offs. Year-on-year comparisons have become so difficult that most analysts tracking the group's five listed entities have stopped coverage.

THE CONSUMER IS CONSTANTLY CHANGING, WE HAVE TO CHANGE TOO. WE REORGANIZE EVERY THREE-FOUR YEARS.-

Consider the events of the last few months.

In May, Biyani announced he was taking FBB, the group's mass fashion retail chain, to Oman, through a joint venture. In the same month the two arms of his furniture retail business, HomeTown and FabFurnish, were demerged into a separate entity, and he transferred ownership of Lee Cooper, one of Future Group's biggest fashion brands, to a separate entity. Only a couple of months before this, Biyani had announced a joint venture with American organic food firm Hain Celestial that would sell vegetable chips and other snacks in India. Meanwhile, he has finally finished reorganizing his retail arm, Future Retail Ltd, after acquiring Sunil Mittal's Bharti Retail and south Indian retail chain Heritage.

Despite Biyani's attempts to downplay the constant business restructuring, the group is undergoing a major reorientation, from being primarily a retail business to a consumer goods company. "I'm a consumer goods company," he said. "I'm not a retailer anymore. Retail is the distribution part of my consumer business." Future Consumer Ltd already has close to 30 brands in food, beverage, home and personal care, all part of the group's listed company.

While there is plenty of movement within the Future Group, there is little clarity on how Biyani's mainstay retail business, Future Retail, will look. Analysts are waiting to see how Future Consumer manages to integrate with the group's retail focus. In addition, while Biyani has said he wants to consolidate all his retail offerings under Future Retail, his apparel brands firm, Future Lifestyle and Fashion Ltd (FLFL), and owns and operates two apparel retail chains, Brand Factory and Central.

I'M A CONSUMER GOODS COMPANY... I'M NOT A RETAILER ANYMORE. RETAIL IS THE DISTRIBUTION PART OF MY CONSUMER BUSINESS- KISHORE BIYANI

What will the Future Group of the future look like? Is the latest move one restructuring exercise too many? The jury is still out.

Rise of the small store

In 2012, Biyani sold Pantaloons, his first successful retail chain, to Aditya Birla Nuvo Ltd to defray some of the INR 5,8000.000 million debt the parent company had. Since then, Future Retail has changed beyond recognition through acquisitions, mergers and restructuring.

In 2016, Bharti Retail became part of the group. Bengaluru-based retail chain Heritage, previously owned by Andhra Pradesh chief minister N. Chandrababu Naidu, was added to the business in November 2016. Biyani spent nearly INR 8000.000 million on these acquisitions. The group now operates in seven retail formats: the large gourmet store chain Foodhall, smaller ones including BigBazaar and Easyday, along with the furniture and fashion store chains. Its largest retail brand is BigBazaar, with 235 stores in 124 cities covering 10.18 million square feet of retail space, as per data from the Future Retail annual report for fiscal year 2017 (FY17).

IN 2012, BIYANI SOLD PANTALOONS TO ADITYA BIRLA NUVO. SINCE THEN, FUTURE RETAIL HAS CHANGED BEYOND RECOGNITION THROUGH M&AS AND RESTRUCTURING. NOW, BIYANI WANTS TO FOCUS ON SMALLER STORES

Now Biyani wants to focus on smaller stores.

“Our next round of growth will come from the small store,” said Biyani. “We visualize it from a very different angle. We call it the Pados ki Dukaan, your neighbourhood store.” The group’s small stores, Easyday, Heritage Fresh and Nilgiris, will cover most of India, under brand names known to those regions locally, he said.

“It will be like your Dubeyji,” said Biyani. “You can get everything that you want. We want to open maybe 7-8-10,000 small stores.” He believes it does not matter what name a small store operates under, as long as it is well-planned and functions smoothly.

After acquiring the Easyday chain of convenience stores, Biyani began merging his own small store format, KB Fair Price, with the rest of the chain. “Easyday stores, Heritage Fresh and Nilgiris will all be small stores,” Biyani said. “We will touch 1,000 stores this year. That’s huge.”

Biyani’s strategy is built squarely on his acquisitions from the past fiscal year. First was Heritage, then Nilgiris, another southern Indian grocery store chain. Finally came Easyday, with stores heavily concentrated in north India. He is clear he wants to concentrate on the small store format.

IT WILL BE LIKE YOUR DUBEYJI... YOU CAN GET EVERYTHING THAT YOU WANT. WE WANT TO OPEN MAYBE 7-8-10,000 SMALL STORES... IT WILL BE MORE TECHNOLOGY-DRIVEN THAN ONE CAN IMAGINE- KISHORE BIYANI

Biyani plans for these stores to operate on a subscription model. “It’s a membership programme,” he said. “For every neighbourhood store we want to have 1,500 members, not more. We will serve these 1,500 members the way they want to be served. You tell me what you want and we will get it, at 10% less than market price.”

“It will be more technology-driven than one can imagine”, he said. Data analytics will help each store monitor consumer behaviour and manage inventory.

Retail analysts say investing in setting up a small store network in India will pay off in the long term, particularly in newer urban centres. “Organized retail is now growing at double-digits in India,” said Pankaj Renjhen, managing director of retail services at real estate consultancy JLL India, in an interview. “With the introduction of hypermarkets, consumers are getting smarter. They are open to the idea of shopping in a better environment, and the market is set because consumption is growing fast in India as well. Now if retail chains move to the hub and spoke model (a pared-down network in which smaller centres are connected to large distribution stations), you take the experience of the big stores to the consumer’s doorstep.”

KIRANA STORES SCORE OVER ORGANIZED RETAIL IS THAT THEY ARE WILLING TO MAKE SALES ON SMALL LINES OF CREDIT TO LOYAL, LOCAL CUSTOMERS. BIYANI’S SUBSCRIPTION MODEL FOR SMALL STORES SEEMS AN ATTEMPT AT EMULATING THIS

While this may not replace the traditional *kirana* store for consumers everywhere, Renjhen said organized small stores like the one Biyani is setting up can work best in “new” urban areas, where mom-and-pop stores are not omnipresent. These include cities like Gurugram and Noida in the National Capital Region, and newly developed urban fringes of cities like Pune.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited (“MIPL”) has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber’s debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

“The story is set for small format stores, especially in mature markets,” said Renjhen. “In some cases, if mom-and-pop stores are able to compete and differentiate, they will (survive). In some cases, they can even do better, because they can align to their local market: they might be able to customize better because they know what sells best in that neighbourhood, or can give their customers a better experience.”

One example of where *kirana* stores score over organized retail is that they are willing to make sales on small lines of credit to loyal, local customers. Biyani’s subscription model seems an attempt at emulating this.

Unfinished business

So where does Future Group’s iconic Big Bazaar, the large supermarket chain, fit in this new push? Biyani has not thought that aspect through.

“We will work that out,” he said. “We’ll take our customers’ opinions into consideration, but not in the first phase (of reorganization). In the second phase (of reorganization), yes.”

This does not mean the group will refrain from expanding. Biyani says he will open between 25 and 30 Big Bazaar stores every year. “It’s in a great position,” he said. But Biyani is also shifting Big Bazaar’s positioning, moving from the “cheap and best” monthly-visit supermarket slot to a “lifestyle departmental store chain”.

Big Bazaar’s closest rival also relies on this image of “cheap and best”. D-Mart, the chain run by the recently listed Avenue Supermarts Ltd, now has a higher market capitalization than Future Retail. But Biyani doesn’t think much of the comparison. Hence the repositioning of Big Bazaar, from the go-to cheap supermarket to the aspirational all-American department store.

“The Indian market can take a lot of other models,” he said. “D-Mart is a discount-led retail chain. That is a deep-discounting model. They have been very focused and very consistent. We are moving more towards a lifestyle, departmental store chain. We are a kind of a variety departmental value store.” Biyani explains that one of his earliest inspirations was upmarket Manhattan drugstore and convenience store chain Duane Reade (a subsidiary of Walgreens Boots Alliance).

In truth, D-Mart does not offer discounts, but instead has an “Every Day Low Price” scheme that enables it to sell certain categories at a lower price than other vendors.

D-MART IS A DISCOUNT-LED RETAIL CHAIN. THAT IS A DEEP-DISCOUNTING MODEL. THEY HAVE BEEN VERY FOCUSED AND VERY CONSISTENT. WE ARE MOVING MORE TOWARDS A LIFESTYLE, DEPARTMENTAL STORE CHAIN. WE ARE A KIND OF A VARIETY DEPARTMENTAL VALUE STORE.-

Kishore Biyani

“I am happy where I am,” Biyani said. “India doesn’t have a convenience store, India doesn’t have a neighbourhood store. India needs a lot of models.”

Shares of Future Retail have soared as urban consumers spend more. Future Retail’s stock price rose 309.61% in calendar year 2017 till date. Analysts tracking the stock said the shares are in demand because the company was at the forefront of all the M&A (mergers and acquisitions) action in the grocery retail space.

Stocks of other group companies Future Consumer and FLFL also rose 199% and 162.9%, respectively, until September, primarily because of the overall rise in urban discretionary expenditure, as per analysts tracking the stocks.

Online experience

One of the models Biyani experimented with early is e-commerce. He set up BigBazaar.com in the mid-2000s, but it wound up quickly.

In April last year, he acquired online furniture retailer FabFurnish for INR 150.000-200.000 million in cash. The investment complemented his furniture retail business HomeTown. *The Economic Times (ET)* reported in May last year that Biyani planned to spin both off into a merged entity. HomeTown is the largest retailer on *FabFurnish.com*. Just over a year later, Biyani is looking to exit both businesses, quitting specialty retail entirely.

When *Mint* spoke to Biyani in February, he said, "We are working on how to look at specialty retail outside our system. We might look at demerging it, we might look at selling it."

However, in April this year, Biyani demerged the business into a separate entity, Praxis Home Retail Pvt. Ltd, a little less than a year after buying FabFurnish.com from Rocket Internet for INR 200.000 million.

Though he was an early proponent of e-commerce, Biyani is now seen as a physical retail business owner, someone who does not believe in e-commerce. He resents this, arguing that his considerations are purely practical.

"The cost of doing business is unsustainable," he said. "It's not about e-commerce as a business. 20% cost of customer acquisition, 20% cost of delivery, 8% technology cost. You can't sustain any business on this basis. Of course great enterprises have been created, but in the long term it's the model that you build that works. We have also suffered a lot. You have to build a sustainable model."

Biyani now believes retailers should not have an e-commerce strategy at all. In an interview published by *ET* on 26 June, he said, "It is stupid to be in the online space...having burnt our fingers, we have decided to take a break of at least two years before even thinking remotely about online."

This from the father of modern Indian retail, at a time when the world's largest retailer Wal-Mart Stores Inc. is investing heavily in its e-commerce operations to catch up with online retail giant Amazon.com Inc. Amazon, in turn, is investing in offline retail networks. In June this year, Amazon acquired American grocery chain Whole Foods for \$13.7 billion in an all-cash deal. Wal-Mart is building a formidable online presence. It acquired online menswear retailer Bonobos for \$310 million in June, along with other apparel e-companies like Moosejaw and ModCloth. It seems clear that Amazon and Wal-Mart are on a collision course.

Globally, online and offline retailers are rapidly converging in each other's territories, as retail margins shrink for companies following both business models. Closer home, offline retailers including Tata group's Trent Ltd and Godrej Group's Godrej Nature's Basket have acquired small online app-based retailers to set up their online sales operations as part of their "omnichannel" strategy. But Biyani is firm, saying his group will not invest in an omnichannel strategy for its physical stores for now.

The spectre of debt

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Biyani started restructuring his company in 2012 because of the debt it had incurred. This debt has long been a dampener on his plans, but he says Future Group will be debt-free in the next four or five years. He declined to share details.

"We don't have too much of debt in any case," he said. "You have seen Future Lifestyle and Fashion. We're halving our debt in the next couple of months."

Future Lifestyle is a repository of all the apparel brands Biyani owns, formerly grouped under Pantaloons Retail Technologies Ltd. Now some of the group's apparel retail chains are also on this company's books, including Brand Factory and Central. fbb, the apparel fashion chain that Biyani is betting heavily on, is part of Future Retail.

WE DON'T HAVE TOO MUCH OF DEBT IN ANY CASE... YOU HAVE SEEN FUTURE LIFESTYLE AND FASHION. WE'RE HALVING OUR DEBT IN THE NEXT COUPLE OF MONTHS- KISHORE BIYANI

In an analyst presentation for the December quarter of FY17, Future Lifestyle said it had a network of 380 stores over 5.5 million sq. ft in more than 90 cities in India. This included the Central and Brand Factory chains of apparel retail stores, as well as exclusive brand outlets.

In FY16, Future Lifestyle had debt worth INR 2,3583.100 million, with a debt-equity ratio of 1.45, as per the company's latest annual report. But Biyani isn't slowing down expansion plans. The overall debt of the group is falling, and Biyani says he will expand the company's retail footprint with internal accruals alone. "We are financing through cash flows," he said. "We have developed a model that means we don't need to worry about expansion."

That plans seems fairly ambitious, judging by the debt records of Future Group's holding company.

In December 2010, Kishore Biyani took the first steps towards making ownership of the Future Group companies more transparent. He transferred his family holdings in the many group companies to a single holding entity called Future Corporate Resources Ltd (FCRL). For FY16, FCRL reported its net worth as INR 24463.000 million, in filings with the Registrar of Companies.

The company's total debt for FY16 stood at INR 23398.500 million, a little less than its actual net worth, as per data from a private placement letter it circulated on 31 March 2017. This translates to a gross debt/equity ratio of 0.96. Debt has risen 17.2% year-on-year from FY15. In the last three fiscal years, gross debt/equity ratio has been between 0.6 and 0.96. The letter also noted that FCRL's annual interest expenditure had risen a whopping 55% year-on-year in FY16, to INR 1545.300 million.

HOLDING COMPANY FUTURE CORPORATE RESOURCES'S TOTAL DEBT FOR FY16 STOOD AT INR 2,3398.500 MILLION, A LITTLE LESS THAN ITS ACTUAL NET WORTH, AS PER DATA FROM A PRIVATE PLACEMENT LETTER IT CIRCULATED ON 31 MARCH 2017

Credit rating agency Icra Ltd is the lead agency that rates debt issued by FCRL. As of 16 January this year, it had ratings for five debt instruments issued by the company, amounting to a total of INR 1,4000.000 million. All of them are rated BBB-, meaning they carry a "moderate degree of risk" of defaulting on outstanding obligations. The outlook on this rating is stable as per the January report. Each tranche of FCRL's long-term loans has remained at a BBB- rating since June 2012.

Icra's commentary on FCRL epitomizes the present situation at Future Group. In a report published in January 2017, Icra said the rating also takes into account the currently weak financial profile of the company "on account

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

of high borrowing levels and consequently high interest costs. Further, the market value of FCRL's listed investments, though improved in the current year, continues to remain lower than the book value, impacting the market value buffer, though the difference between the book and market value has currently narrowed since FY15 levels".

But Biyani is undaunted. Alongside the rapid Big Bazaar expansion, he wants to grow his fashion brands as well.

"I think Cover Story (a new fashion brand catering to younger women) has done phenomenally well," he said. "People are comparing our products to Zara and H&M, and rating them much higher. We will gradually increase the size of the stores." Currently, Cover Story stores are 1,000-1,200 sq. ft each. Foreign competitors—fast-fashion pioneers like Zara, H&M and Forever 21—typically operate much larger stores.

He is also planning another fast-fashion brand. "There will be a new brand," said Biyani. "It is currently on the drawing board. It will be done by the same team (that designed Cover Story)." He would not share more details.

Biyani also would not give details of the total investment he has planned for the fiscal year. But he says he will invest money across all his listed entities, retail, fashion and consumer. On 28 August, another of Biyani's companies, Future Supply Chain Solutions Ltd, filed draft papers with the market regulator for an initial public offering. This is the group's logistics arm, for which a majority of sales come from other Future Group companies. *Mint* reported in August this year that the issue will be worth nearly INR 7000.000 million, citing two people aware of the development who had requested anonymity.

Biyani ended FY17 by setting up two new wholly owned subsidiaries under Future Lifestyle: FLFL Lifestyle Brands Ltd and FLFL Business Services Ltd. Once the Competition Commission of India cleared the deal, Biyani completed the transfer of his largest brand, Lee Cooper, to another subsidiary, Future Speciality Retail Ltd. Despite this restructuring, Biyani's other major fashion retailers, Central and Brand Factory, are still part of Future Lifestyle and Fashion, though it is Future Retail that is meant to be the repository of his retail formats.

Coming back on track

For the last six or seven years, equity brokerage firms had stopped tracking Future Group's various listed companies because they were constantly changing shape, making year-on-year comparisons impossible. But with the establishment of Future Consumer and Future Retail, analysts are once again covering the group's activity. Morgan Stanley has initiated coverage of Future Retail. Yes Bank's equities team is now covering Future Consumer, starting this fiscal year. The reports are generally hopeful. "De-merger of the retail infrastructure has transformed Future Retail (FRL) into an asset-light business," Morgan Stanley said in its first report, from March this year, on Future Retail.

Yes Bank began coverage of Future Consumer in March, anticipating that the business will grow partially by piggybacking on Future Retail's anticipated growth. "FCL is expected to grow at a strong pace led by multiple drivers: expansion of FRL's store count; increased penetration to such stores," the report said.

Analysts who formerly tracked these companies are also taking notice. "Overall disclosures (for brokerage reports) are going up, and we are seeing more stability, no reckless expansion, and he is exiting non-performing businesses," said Abneesh Roy, senior vice-president at Edelweiss Financial Services Ltd. Roy used to track Future Retail for Edelweiss. "Market cap is reflecting that. Earlier we didn't see many examples of this (careful expansion). Biyani is focusing on inventory control."

Previously, Biyani's hallmark was acquisition, which he would use to test a new business model. Now, Roy says, it looks like Biyani is being more cautious. "Most of his recent acquisitions have been at low or fair value," he said. "Earlier he was tying up with a lot of brands. Now he is acquiring his own, which gives him more economies of scale."

The pace of expansion

In an interview with *Forbes* Magazine in 2010, Biyani said that he would slow the company's pace of restructuring. Two years later, he sold his flagship retail business Pantaloons to the Aditya Birla Group, the apparel chain that made him famous as a retailer. Yet, he then embarked on a hectic restructuring journey, focused on reducing debt and clubbing like businesses together.

Seven years on, Biyani says he has learnt from the heady days of trying anything and everything. "We are more careful than we used to be," said Biyani. "We think a lot before we do something now. We have a lot of advisers working with us. Earlier the advisers were...you sought their advice once in a while...you went there for half an hour, one hour. Now we sit with them, now we spend time with them." One of the advisers Biyani regularly consults is Milind Sarwate, former chief financial officer of Marico Ltd, who was officially brought on as an adviser to the group in October last year.

MR BIYANI SEEMS TO HAVE TRIED TO IMPLEMENT EVERY IDEA THAT CAME HIS WAY... HAVING HAD THE FIRST-MOVER ADVANTAGE IN RETAIL AND WITH INVESTORS QUEUING UP AT OBSCENE VALUATIONS, HE DID WHAT MOST OTHERS BEFORE HIM DID—HE THOUGHT HE HAD THE MAGIC WAND AND ENCASHED THE DEMAND FOR HIS EQUITY- INDEPENDENT MARKET ANALYST AMBAREESH BALIGA

But some observers say Biyani has not changed his experimental ways. "Mr Biyani seems to have tried to implement every idea that came his way," said independent market analyst Ambareesh Baliga. "Having had the first-mover advantage in retail and with investors queuing up at obscene valuations, he did what most others before him did—he thought he had the magic wand and encashed the demand for his equity."

Baliga says Biyani's dream run could well be flagging, as he continues to expand into non-essential businesses. "My unsolicited advice for Mr Biyani is stick to two major verticals, retail distribution and brands," he said. "Concentrate on food and daily essentials, and related. Exit Ezone, fbb, HomeTown, and expand Foodhall to other tier I and tier II cities."

Baliga compared Future Group to D-Mart, arguing that Biyani had been unable to find a single, consistent business model to stick to despite owning several attractive businesses.

Restructuring is often a big, bad word that businesses don't want to be associated with. But Biyani is clear that without willingness to change, a business cannot move forward. "Who knows?" he said philosophically. "I am a strong believer that nothing is permanent in life. So who knows what will happen three or five years down the line?"

CMT REPORT (Corruption, Money Laundering & Terrorism]

The Public Notice information has been collected from various sources including but not limited to: ***The Courts, India Prisons Service, Interpol, etc.***

1] INFORMATION ON DESIGNATED PARTY

No records exist designating subject or any of its beneficial owners, controlling shareholders or senior officers as terrorist or terrorist organization or whom notice had been received that all financial transactions involving their assets have been blocked or convicted, found guilty or against whom a judgement or order had been entered in a proceedings for violating money-laundering, anti-corruption or bribery or international economic or anti-terrorism sanction laws or whose assets were seized, blocked, frozen or ordered forfeited for violation of money laundering or international anti-terrorism laws.

2] Court Declaration :

No records exist to suggest that subject is or was the subject of any formal or informal allegations, prosecutions or other official proceeding for making any prohibited payments or other improper payments to government officials for engaging in prohibited transactions or with designated parties.

3] Asset Declaration :

No records exist to suggest that the property or assets of the subject are derived from criminal conduct or a prohibited transaction.

4] Record on Financial Crime :

Charges or conviction registered against subject: **None**

5] Records on Violation of Anti-Corruption Laws :

Charges or investigation registered against subject: **None**

6] Records on Int'l Anti-Money Laundering Laws/Standards :

Charges or investigation registered against subject: **None**

7] Criminal Records

No available information exist that suggest that subject or any of its principals have been formally charged or convicted by a competent governmental authority for any financial crime or under any formal investigation by a competent government authority for any violation of anti-corruption laws or international anti-money laundering laws or standard.

8] Affiliation with Government :

No record exists to suggest that any director or indirect owners, controlling shareholders, director, officer or employee of the company is a government official or a family member or close business associate of a Government official.

9] Compensation Package :

Our market survey revealed that the amount of compensation sought by the subject is fair and reasonable and comparable to compensation paid to others for similar services.

10] Press Report :

No press reports / filings exists on the subject.

CORPORATE GOVERNANCE

MIRA INFORM as part of its Due Diligence do provide comments on Corporate Governance to identify management and governance. These factors often have been predictive and in some cases have created vulnerabilities to credit deterioration.

Our Governance Assessment focuses principally on the interactions between a company's management, its Board of Directors, Shareholders and other financial stakeholders.

CONTRAVENTION

Subject is not known to have contravened any existing local laws, regulations or policies that prohibit, restrict or otherwise affect the terms and conditions that could be included in the agreement with the subject.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.16
Euro	1	INR 83.98

INFORMATION DETAILS

Information Gathered by :	SHRT
Analysis Done by :	NYT
Report Prepared by :	RUP

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SCORE FACTORS

DEMERIT POINTS		
--BANK CHARGES	YES/NO	NO
--LITIGATION	YES/NO	NO
--OTHER ADVERSE INFORMATION	YES/NO	NO
MERIT POINTS		
--SOLE DISTRIBUTORSHIP	YES/NO	NO
--EXPORT ACTIVITIES	YES/NO	NO
--AFFILIATION	YES/NO	YES
--LISTED	YES/NO	NO
--OTHER MERIT FACTORS	YES/NO	YES

RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.