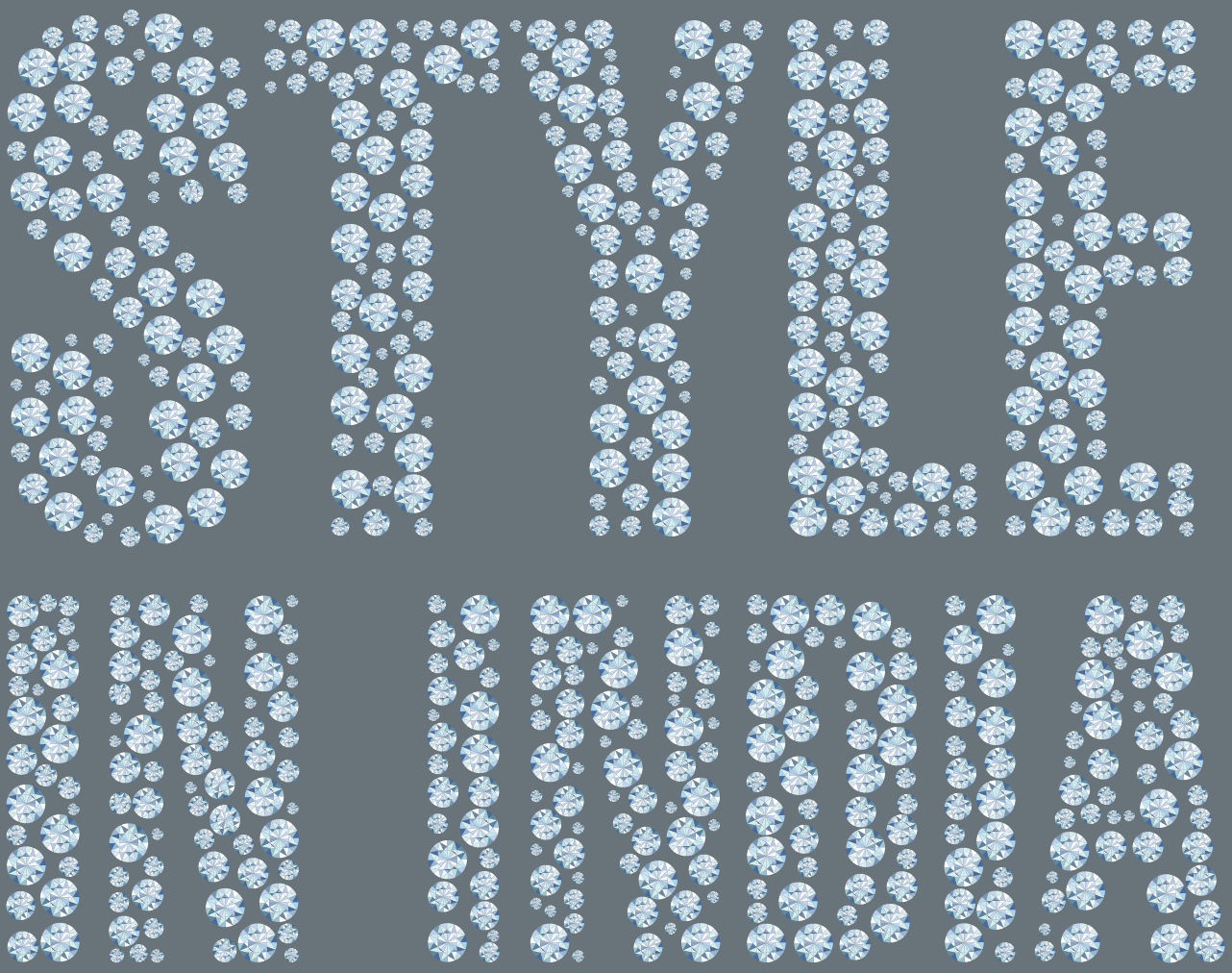
Form A

Annexure to Covering letter of the annual audit report to be filled with the stock exchanges

1.	Name of the company	Future Lifestyle Fashions Limited
2.	Annual Financial statements for the year ended	31 March 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by –	
	• Managing Director	**Kishore Biyani**
	• Chief Financial Officer (CFO)	**Chandra Prakash Toshniwal**
	• Auditor of the Company	**For NGS & Co. LLP** Chartered Accountants Firm Registration No.119850W **Ashok Trivedi** Partner Membership No.042472
	• Audit Committee Chairman	**Shailesh Haribhakti**

FLF

ANNUAL REPORT 2014 - 15



The future of fashion lies in new demographics and new expressions, new festivals and new occasions, new rituals and new role models. In a world where a carefully curated self goes much beyond the selfie and showing off has never been easier and, more celebrated, Future Lifestyle Fashions is bringing together a range of brands, fashion products and retail experiences that dreams, lives and breathes the fashionable life of tomorrow.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti
CHAIRMAN AND INDEPENDENT DIRECTOR

Mr. Kishore Biyani
MANAGING DIRECTOR

Mr. C. P. Toshniwal
EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Rakesh Biyani
NON-EXECUTIVE DIRECTOR

Dr. Darlie Koshy
INDEPENDENT DIRECTOR

Ms. Sharda Agarwal
INDEPENDENT DIRECTOR

COMPANY SECRETARY

Mr. Sanjay Kumar Mutha
CHIEF LEGAL & COMPANY SECRETARY

STATUTORY AUDITOR

NGS & Co. LLP

BANKERS

Allahabad Bank
Axis Bank
Bank of Baroda
Bank of India
Canara Bank
IDBI Bank
State Bank of Hyderabad
Union Bank of India
Vijaya Bank

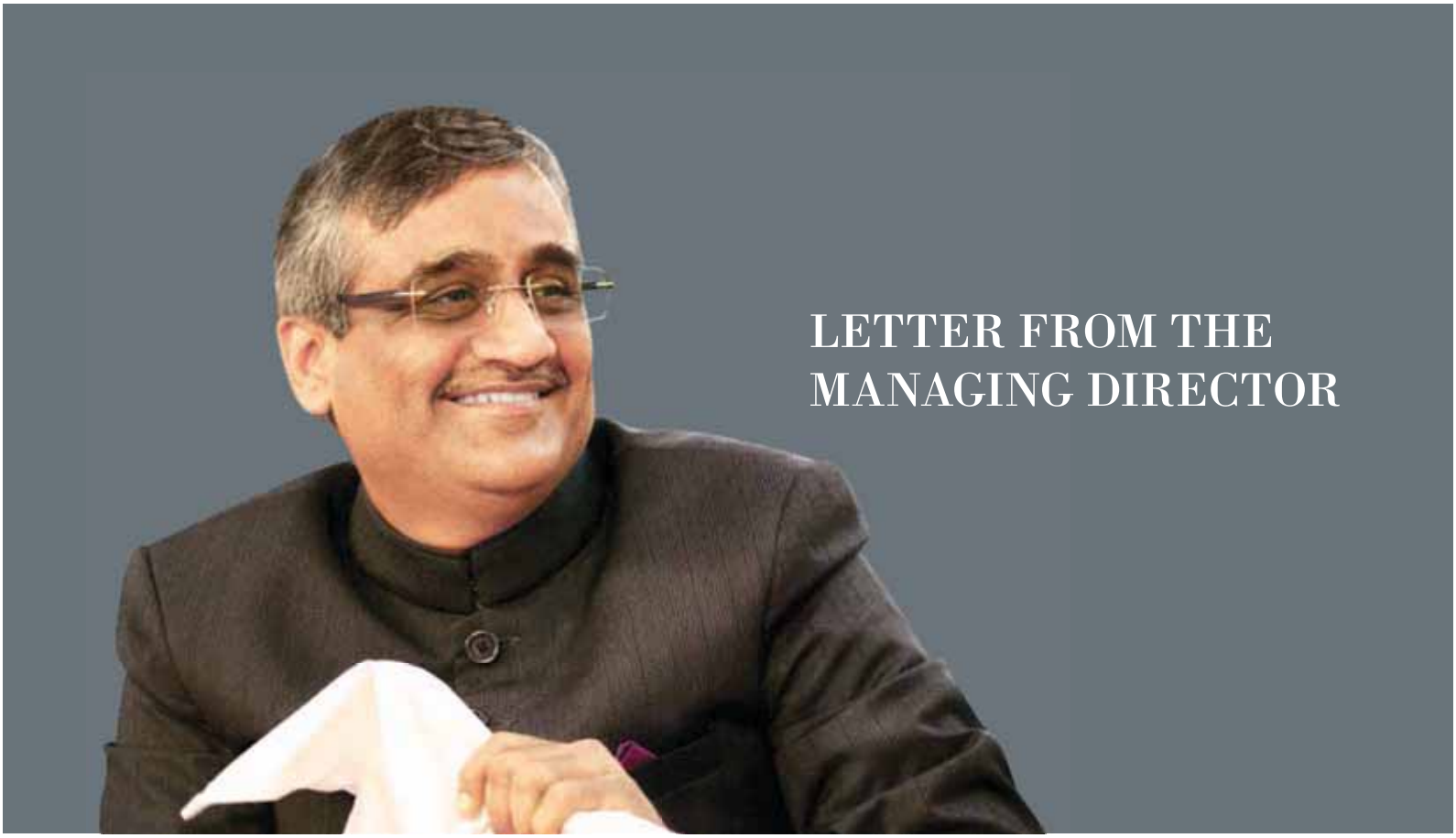
REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai - 400 078

REGISTERED AND CORPORATE OFFICE

Future Lifestyle Fashions Limited
CIN: L52100MH2012PLC231654
Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060
Tel No.: +91 22 3084 2336 Fax No.: +91 22 3084 2502
Website: www.futurelifestyle.in

CONTENTS



LETTER FROM THE MANAGING DIRECTOR

Dear Stakeholders,

We are pleased to share the Annual Report of your Company for the financial year 2014-15. During the year, the Company's revenue from operations grew by 14.2% to ₹ 3,134 Crore and posted a net profit of ₹ 19 Crore. It has been an eventful year and seen in the context of the fast changing fashion landscape and consumer evolution, the period has been marked by new challenges and exciting opportunities. The role of brands in driving consumer choice is increasing every year while the role of experience in driving sales within retail environments is becoming a key determinant of consumer footfalls and conversion.

Fashion is no longer a functional purchase but a means of self expression. Your Company's focus on building and strengthening a wide portfolio of brands has started delivering results. We are happy to share that during the year, your Company's brands business has grown by 34% from ₹ 1,044 Crore in the previous financial year to ₹ 1,395 Crore in FY 2014-15. This was achieved through strong growth witnessed in flagship brands like Lee Cooper, John Miller, Jealous21, Scullers and Indigo Nation. The international portfolio of brands including Umbro licensed from Iconix Brand Group; Champion from the Hanes Inc. and Converse licensed from Nike, Inc. also contributed substantially to the growth of the brands business.

While many of these brands are available through multiple channels, multi-brand outlets and department stores, the Company's network of around 358 stores covering 4.9 million sq.ft. of retail space also contributed to the growth of this business. During FY 2014-15, 88 new stores were added across formats including 5 Central, 4 Brand Factory, 12 aLL and 3 Planet Sport stores along with other brand outlets.

In order to further support the growth of our brands business, the Company, as part of Future Group, entered into an exclusive partnership with leading ecommerce website, Amazon.in. The global leader in ecommerce, Amazon, is today building micro-sites for many of the Company's brands with rich digital content and special focus on promotions, advertisements and sales of the Company's brands on its India portal. Through this exclusive partnership, the Company benefits from being able to maintain a better brand proposition and price consistency of its brands in the market, apart from benefiting from the extensive reach and

"DURING THE YEAR, BRANDS BUSINESS HAS GROWN BY 34% FROM ₹ 1,044 TO ₹ 1,395 CRORE"

digital content that the site offers. Simultaneously, the Company is building its own capabilities in the multi channel space and building ecommerce portals for a select few brands. The Company's joint venture with Clarks already has a ecommerce platform that has been well received by customers and over the course of the forthcoming year and the next, the Company will launching a number of multi channel and digital portals for its brands and formats.

Your Company's stores are also part of Payback loyalty program which added 1.3 million new members during the year through the Company's retail chains. The contribution from Loyalty Program members grew from 46%* in FY 2013-14 to 60%* in FY 2014-15 with ticket size being 48% higher than non-members.

Your Company is also investing in fast growing fashion companies and building the portfolio of fashion brands backed by talented designers and entrepreneurs. This enables the Company to fill the gaps within its portfolio especially in categories like footwear, handbags, and accessories among others. Currently, your Company holds significant shareholding in 10 such national brands which includes a 26% stake in Turtle, a men's wear brand, which has a top line of ₹ 163 Crore with 13.5% EBITDA margins. The joint venture with an international brand Clarks has enabled creation of a ₹ 115 Crore brand, in a short span of four years. Fast growing footwear brand for men and women Tresmode and women's fusion wear brand Desi Belle with revenues of ₹ 39 Crore and ₹ 23 Crore respectively have achieved operating profitability. Similar trajectory is being witnessed in the other brands within the investment portfolio including recently acquired Giovani, Mineral and Famozi.

Your Company is today combining a strong brand portfolio, retail reach and knowledge with loyalty programs, data science and technology to create a strong, integrated play in the fashion space in India. We thank you for your attention, nurturing and patience in helping transform this very unique Company organization from its infancy to youth.

Rewrite Rules, Retain Values

Kishore Biyani

** including Consignment sales & excluding SIS sales*

FLF BRANDS

We live, breathe and dream fashion; and brands are at the core of our business. FLF brands business grew by 34% during the year from ₹ 1,044 Crore to ₹ 1,395 Crore in FY 2014-15. FLF brands contributed 41%# of total sales in FY 2014-15, compared to 34%# in FY 2013-14. Each of these brands are retailed through Central and Brand Factory, while many have its own exclusive brand outlets and also available at other department stores and multi brand outlets.

In the following pages, gross sales of brands indicate revenues based on MRP and Total sales of brands indicate revenues net of channel margin and markdowns.

 # including Consignment sales & SIS sales

OWN BRANDS

INDIGO NATION CHANGEISM	MEN
URBANA	MEN
SCULLERS this is life	UNISEX
aLL the plus size store	UNISEX
NOTHING FITS LIKE JEALOUS 21	WOMEN
mohr	WOMEN
URBAN yoga	SPORTS/ ACTIVE/ WEAR
CERIZ	FOOTWEAR/ ACCESS/ OTHER

LICENSED BRANDS

DANIEL HECHTER PARIS	MEN
LOMBARD MAKERS OF CLASSIC TAILORING	MEN
JOHN MILLER MAKE IT LOOK EASY	MEN
Lee Cooper	UNISEX
BARE CASUALS KEEPING IT REAL	UNISEX
RIG UTILITY CLOTHING	UNISEX
UMM	UNISEX
Champion	SPORTS/ ACTIVE/ WEAR
CONVERSE	SPORTS/ ACTIVE/ WEAR
umbro	SPORTS/ ACTIVE/ WEAR

INVESTEE BRANDS

GIOVANI ITALIAN CUT	MEN
TURTLE	MEN
mineral	WOMEN
desi belle	WOMEN
Clarks	FOOTWEAR/ ACCESS/ OTHER
FAMOZI LIFESTYLE	FOOTWEAR/ ACCESS/ OTHER
mother earth	APPAREL/ ACCESS/ OTHER
holii	FOOTWEAR/ ACCESS/ OTHER
trèsmode	FOOTWEAR/ ACCESS/ OTHER

Lee Cooper, since 1908, has been defining global fashion trends in denim wear with products for all segments - men, women and kids and through sub- brands, Lee Cooper original, LC Junior.

Gross sales are at ₹ 498 Crore while total sales grew 24% to ₹ 283 Crore, with third party sales outside the company contributing more than 70% of total sales.

The company's flagship brand in the men's fashion space offers an entire range of workwear. Gross sales touched ₹ 214 Crore, while Total sales grew 7% to ₹ 119 Crore. While 77 EBOs contributed ₹ 11 Crore, the brands presence in other department stores and multi brand outlets contributed ₹ 58 Crore in total sales.

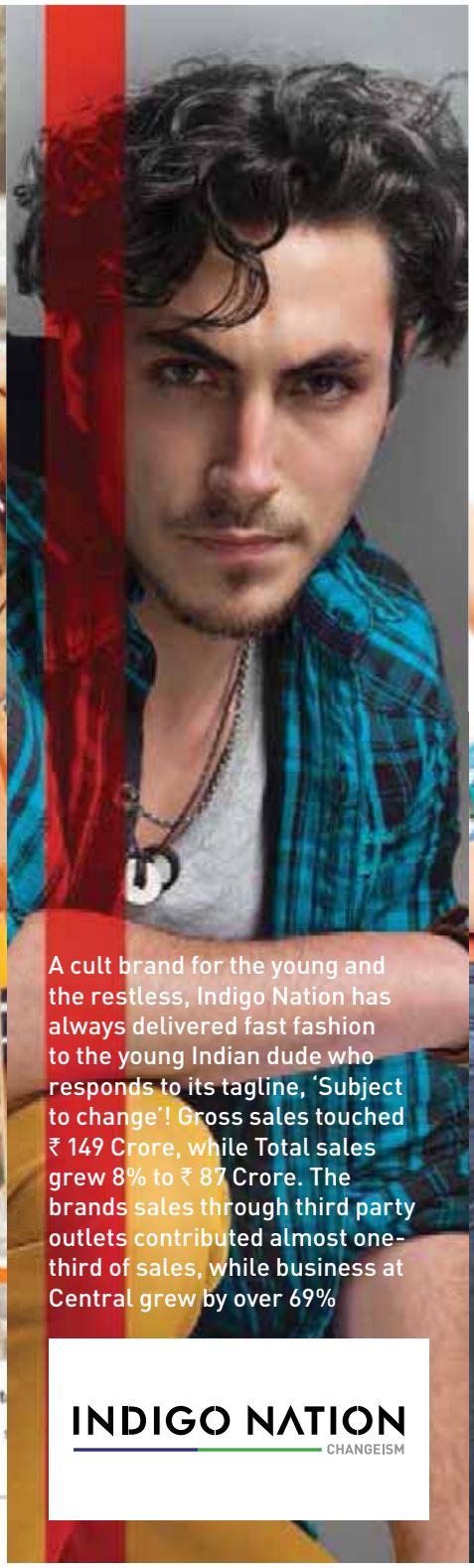
Positioned as a causal wear brand to be fashionable in one's own world and on own terms, Bare caters to men's, women's and kids segment through sub-brands BARE Denim, BARE Leisure and BARE 7214.

Gross sales were at ₹ 139 Crore, while total sales grew by 28% to ₹ 100 Crore, almost entirely sold through Central and Brand Factory outlets.

The country's favourite chinos brand now offers a comprehensive range of casual and sportswear for men, women and kids. Gross sales was ₹ 156 Crore and total sales increased by 10% to ₹ 96 Crore.

The brand's 106 exclusive brand outlets contributed almost one-fourth of total sales with the rest from third party outlets as well as Central and Brand Factory

SCULLERS
this is life



A cult brand for the young and the restless, Indigo Nation has always delivered fast fashion to the young Indian dude who responds to its tagline, 'Subject to change'! Gross sales touched ₹ 149 Crore, while Total sales grew 8% to ₹ 87 Crore. The brands sales through third party outlets contributed almost one-third of sales, while business at Central grew by over 69%

INDIGO NATION
CHANGEISM

The country's only excl[illegible] women's denim brand [illegible] extensive range of Hip-fit Jeans, range of tops and tee shirts for women. Gross sales were at ₹ 1[illegible] Crore, while total sales gr[illegible] 10% to ₹ 77 Crore.

While sales through exter[illegible] third party outlets stood a[illegible] Crore, business at Centra[illegible] by 52%. It also has 43 ex[illegible] brand outlets.

NOTHING FITS LIKE
JEALOUS 21

The company has acquired the exclusive India license from Iconix Brand Group for this football-based brand and distributes through Central, Brand Factory, Planet Sports and multi brand outlets.

umbro

Established in 1908, the $1.7 billion brand has built a reputation as 'America's Original Sports company,' offering an extensive range of its signature footwear collection.

The brand is distributed through Central, Brand Factory, Planet Sports, exclusive outlets, multi-brand outlets and now through some Big Bazaar as well.

CONVERSE

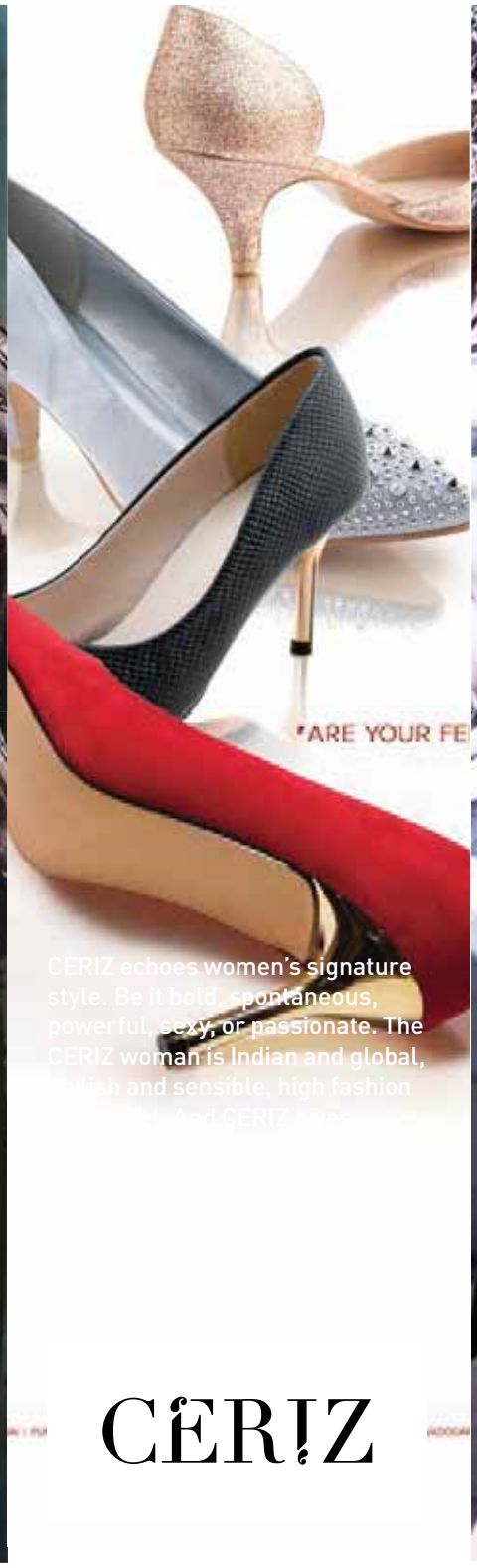
The country's favourite plus size brand offers fashionable westernwear, ethnic wear and accessories for this niche segment. Gross sales were at ₹ 93 Crore, while total sales grew by 8% to ₹ 71 Crore.

The 45 exclusive brand outlets contributed ₹ 54 Crore to total sales.

a little larger aLL the plus size store

This Italian brand born out of a music label - Underground Music Movement - has over the years evolved into a fashion brand available at Central, Brand Factory, and various multi-brand outlets.

UMM
underground music movement

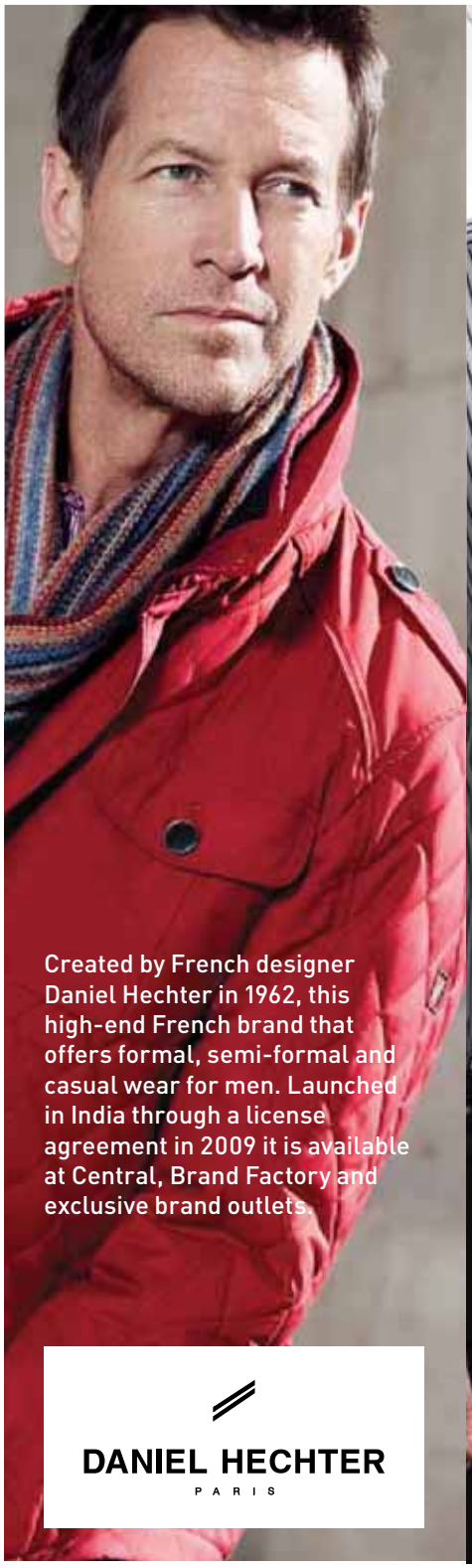


CERIZ echoes women's signature style. Be it bold, spontaneous, powerful, sexy, or passionate. The CERIZ woman is Indian and global, stylish and sensible, high fashion [illegible]. And CERIZ [illegible]

CERIZ

Licensed from Hanes Brand, Inc, Champion is the second largest brand of its portfolio and is positioned [illegible] sports [illegible] at every price point [illegible] offering great value for money at affo[illegible] and [illegible] mass [illegible] available at Central, [illegible] Brand Factory, Sports [illegible] and m[illegible] and o[illegible].

Champion



Created by French designer Daniel Hechter in 1962, this high-end French brand that offers formal, semi-formal and casual wear for men. Launched in India through a license agreement in 2009 it is available at Central, Brand Factory and exclusive brand outlets.

DANIEL HECHTER
PARIS

A fine blend of craftsmanship and innovation for those seeking perfection, Urbana is a premium formal wear brand. The CEO for Life brand brings in a range of innovations including anti-spill, feather-lite and wrinkle-free shirts, microbe-resistant trousers, amongst others, using a range of techno-textiles and finishes. The brand is a true reflection of sartorial style and finesse.

URBANA

Positioned as a workwear of chief executives with the tag line, 'Where real power rests', this high end men's wear brand offers fabric as well as suits, blazers, shirts and a range of accessories including cuff links, belts, ties and wallets.

LOMBARD
MAKERS OF CLASSIC TAILORING

Born out of the yoga movement, Urban Yoga offers a wide range of garments for men and women, leading an active lifestyle. The brand is now available through 9 exclusive brand outlets and various department stores.

URBAN yoga

A celebration wear collection for women, Mohr brings in a collections with partnership with leading designers every year. While last year, Rahul Mishra provided the design for the collection, this time, Priyadarshini Rao has developed this exclusive range of ethnic and fusion wear collection of Mohr.

mohr

Comfortable in form and function, RIG portrays an outdoorsy functionality with lots of pockets, strong fabrics and firm and rugged stitches. The grainy and raw textures are inspired by elements of nature and their tactility is built for open spaces.

RIG
UTILITY CLOTHING

FLF RETAIL

The Company's brands portfolio is well complimented by its extensive retail network. The Company operates 358 stores in 76 cities that are spread over 4.9 million sq.ft. of space. During the financial year, the Company added 0.71 million sq.ft. of space and this included 5 Central stores, 4 Brand Factory, 3 Planet Sports, 12 aLL stores and 64 other exclusive brand outlets. The share of apparel sold through the network went up to 82%*, compared to 79%* in the previous year. Menswear contributed 64%* of apparel sales, while ladies contributed 26%*.

The total retail sales of the Company grew by 14% to ₹ 2,976 Crore during the year, which includes Consignment and SIS sales of ₹ 162 Crore. The share of sales through the Company's loyalty programs went up to 60%* from 46%* a year back. Even though footfall grew by just 3% to 44.3 million, conversions went up from 26.6%* to 27.5%* and average transaction size witnessed a 8%* growth to ₹ 2,381.

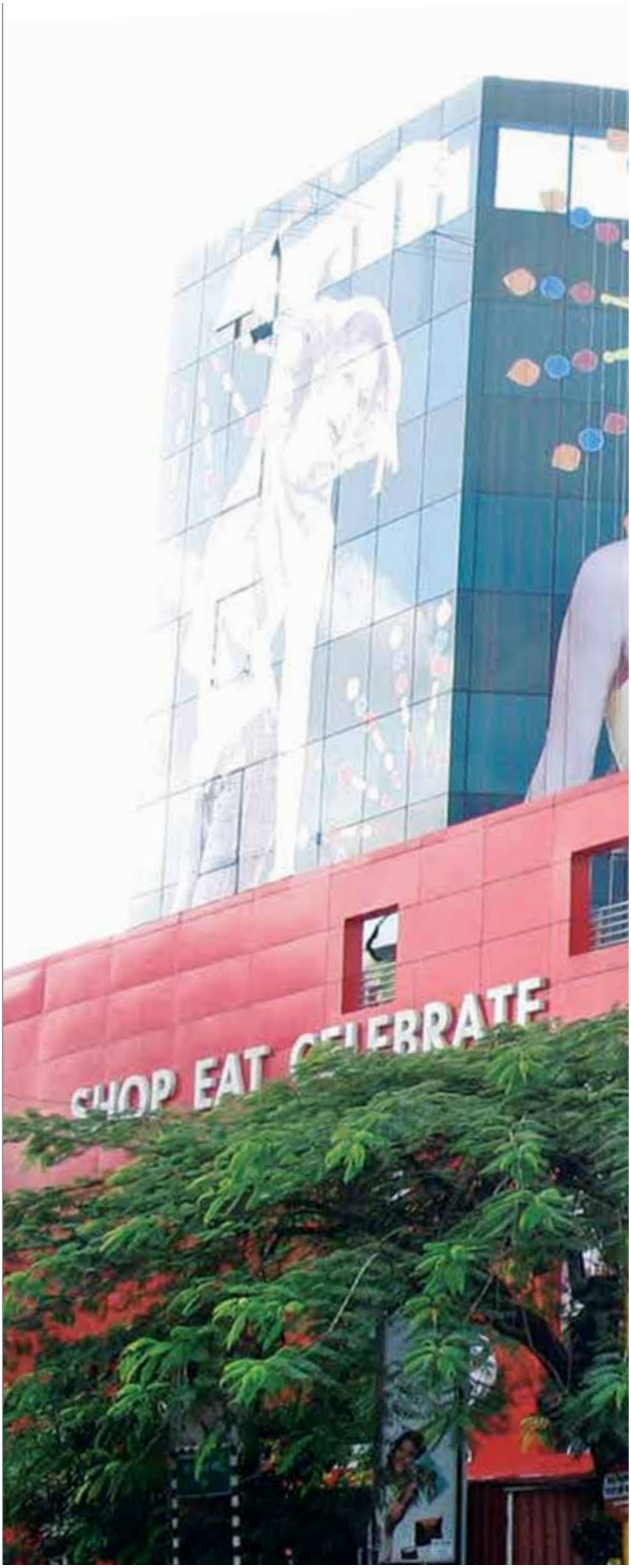
** including Consignment sales & excluding SIS sales*

Central

Launched in May 2004, the Company's flagship format, Central stores are designed as seamless malls offering over 500 brands in fashion, footwear, home fashion, luggage, beauty and other segments and often have a multiplex, food court or restaurants integrated within the shopping environment. There are today, 29 Central stores in 11 States across the Country with an average store size of around 1,00,000 sq.ft. Central is positioned as a premium lifestyle destination offering the latest in domestic and international brands for customers across age groups. Apparel contributes 79%* of total sales within Central. During the year, sales at Central grew by around 15% to ₹ 1,921 Crore#. The share of FLF brands with Central grew from 17%# in the previous financial year to 25%# in FY 2014-15.

** including Consignment sales & excluding SIS sales*

 # including Consignment sales & SIS sales



CENTRAL
BRAND.NEW

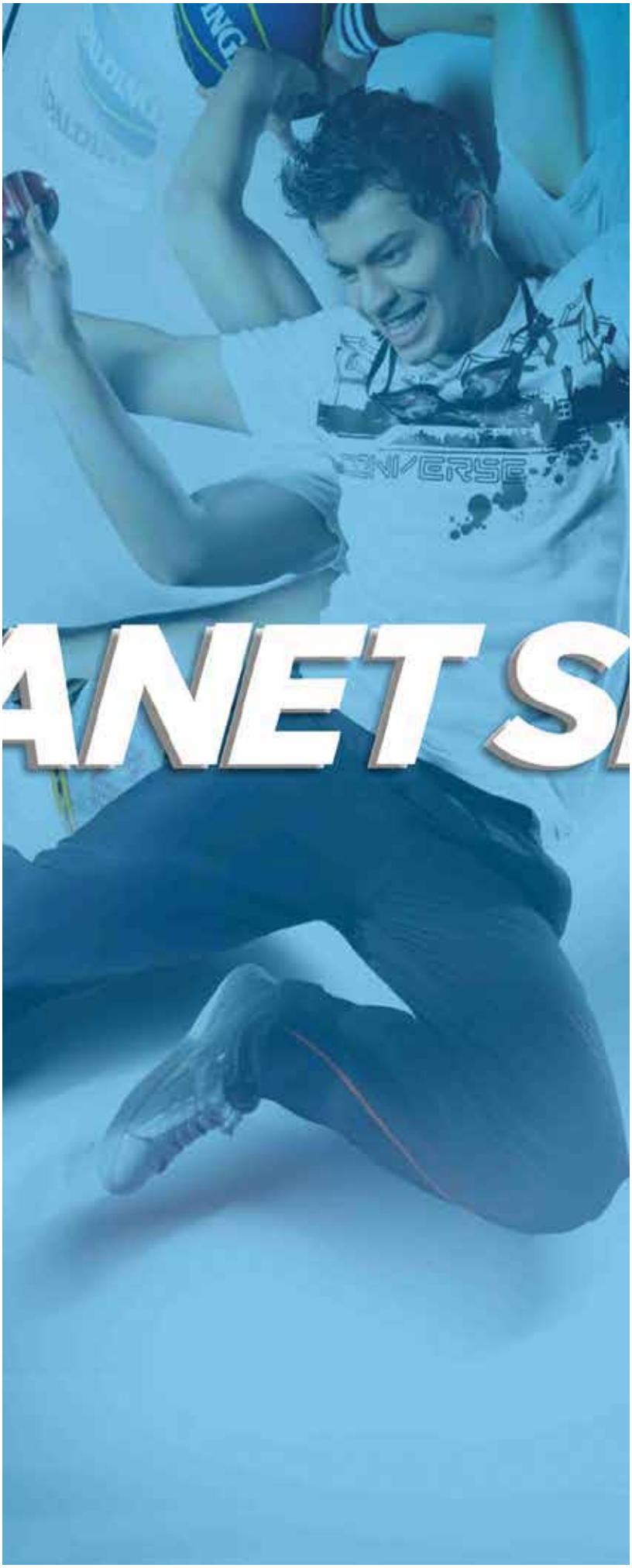

CENTRAL
ezone
सेन्ट्रल
SHOP, EAT, CELEBRATE
Cafe

Brand Factory

The Company's outlet chain, Brand Factory is positioned as a stopover hub for consumers graduating to lifestyle brands. While almost all FLF brands are available at Brand Factory, other brands like Peter England, Van Heusen, Flying Machine, Levis, Allen Solly, Turtle among others are also available within this format.
The Company added 4 new stores taking the total number of stores to 39. The average store size is 28,000 sq.ft. Sales at the format grew by 12% to touch ₹ 741 Crore#. Apparel contributes almost 94%* of sales with the rest coming from footwear, accessories and luggage. The share of sales of FLF brands within Brand Factory has grown from 23%# to 36%# during the current financial year.

** including Consignment sales & excluding SIS sales*
 # including Consignment sales & SIS sales

BRAND FACTORY
BEST BRANDS • SMART PRICES



Planet Sports

Planet Sports which has over 60 stores in 17 States across the Country, houses brands like Converse, Urban Yoga, Umbro, Champion, Spunk, Manchester United, Scullers Sports, Skechers, Clarks and Turtle and added 10 new stores during the year. The Company also operates a few franchisee outlets of Converse and an outlet store, Sports Warehouse.
The chain posted total sales of ₹ 133 Crore# with the FLF brands contributing around ₹ 55 Crore of sales. Apparel consists of 37%* of sales, while footwear and sports goods contribute the rest. The format attracted around 1.7 million customers with average transaction size of ₹ 1,804#.

** including Consignment sales & excluding SIS sales*
 # including Consignment sales & SIS sales

PLANET SPORTS

FLF INVESTMENTS

FLF understands the latest trends in fashion due to its broad distribution network of over 4.9 mn sq ft of retail space across India catering to over 44.3 million customers. With the aim of nurturing fast growing fashion brands backed by talented designers and entrepreneurs FLF has acquired minority / majority stake in national brands; creating a win-win situation. Filling gaps within its portfolio especially in categories like women wear, footwear, handbags, and accessories among others. This strategy also enables generation of significant value in the near future, as generated in the recent past with the divestment of stakes in AND and BIBA brands.

Currently, FLF's investment portfolio includes a 26% stake in Turtle, a men's wear brand, which has a top line of ₹ 163 Crore with 13% EBITDA margins. The joint venture with an international brand Clarks has enabled creation of a ₹ 115 Crore brand in a short span of four years. Fast growing footwear brand for men & women Tresmode and women's fusion wear brand Desi Belle with revenues of ₹ 39 Crore and ₹ 23 Crore respectively have achieved operating profitability. Similar trajectory is being witnessed in the other brands within its portfolio including recently acquired Giovani, Mineral and Famozi.

FLF IN FIGURES

2014 - 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Future Lifestyle Fashions (FLF) in its second year of operations has continued to build and strengthen its portfolio as a lifestyle fashion arm of Future Group. With the clothing & apparel retail market worth ₹ 324,500 Crore growing at 20-21% it is expected to be worth around ₹ 564,800 Crore by 2017, as per Images Retail Report 2015. Modern fashion retail is estimated at 43.00% of this total market and is expected to grow by a much higher growth rate. FLF is poised to capture major share of this fast growing and evolving lifestyle fashion market in the country. The Company has built its position in three integrated areas: fashion brands, fashion distribution and investments in fast growing fashion companies.

During the last few decades with growth in modern retail, there are certain sub-segments under each category which have shown high growths such as denim, casual wear, women western wear and kids' party wear. FLF with its broad portfolio of fashion brands covers the entire gamut of categories including formal men-wear, 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 has exclusive tie ups with international / global brands for manufacturing and marketing the products in India. The portfolio of fashion brands are distributed through own retail chains, exclusive brand outlets (EBOs) and multi brand outlets (MBOs) across the country. The Company also operates national retail chains viz. Central, Brand Factory, Iamin, and Planet Sports, that is spread across 4.90 million square feet of retail space. These chains are backed by strong sourcing network, in-house trend-spotting and design teams, coupled with robust logistics and warehousing network.

The Company also focuses on investing in fast growing fashion companies and building the portfolio of fashion brands. During the year, the Company invested in fashion brands like Pepperone (12.00% stake), a leading manufacturer & distributor of handbags and accessories and Spunk (60.00% stake) engaged in manufacturing, supplying and distributing leather footwear and accessories in India. FLF also increased its stakes in existing brands like in Famozi from 11.00% to 30.00% and Mineral from 22.70% to 37.00%.

With the aim of capitalizing FLF's balance sheet, on June 13, 2014, the Company allotted 1,55,27,950 Equity Shares of face value of ₹ 2 each at a price of ₹ 80.50 per Equity Share aggregating to ₹ 125 Crore to a venture capital fund on preferential basis and further on November 7, 2014, 1,59,34,065 Equity Shares of face value of ₹ 2 each at a price of ₹ 91 per Equity Share aggregating to ₹ 145 Crore and 32,96,700 Compulsory Convertible Debentures (CCDs) of face value of ₹ 91 each aggregating to ₹ 30 Crore, on preferential basis to the Promoter Group of the Company. This funding has enabled investments in growth of the business and in debt reduction. Further, the CCDs issued to promoter group company got converted in equivalent number of Equity Shares on April 01, 2015.

Operational Overview

FLF follows a vertically integrated business model encompassing trend spotting, brand building, product development, manufacturing and distribution. FLF keeps track of customer preference and emerging trends in the lifestyle fashion market. These trends lead to creation of new brands, products or offerings to meet the consumer needs. Based on consumer needs and business opportunity, FLF creates, develops and nurtures brands to make the product offering for lifestyle needs of consumer. The brand portfolio meets the needs of different customer segments in lifestyle fashion business.

At the end of the year, FLF operated through 4.90 million sq ft of retail space across its retail formats. The Company undertook modest store expansion during the year adding around 0.71 million sq ft of retail space. Apart from own store network, the brands are also retailed through national mutli-brand outlets and leading e-commerce sites. In May 2014, Central completed a decade of fashionable success; from that solitary store in May, 2004 to 25 stores in 15 major cities of the country by May, 2014 lays a journey which is full of hard work, challenges, joy and hunger to achieve more! As of year ended March 31, 2015, the Company operated 29 Central stores, 39 Brand Factory outlets along with 290 sport stores and exclusive brand outlets.

With the aim of expanding the reach of its fashion brands, in October 2014 Future Group announced a

strategic alliance with Amazon.in leveraging the strong product knowledge, extensive brand portfolio and sourcing base of Future Group, and the e-commerce platform, customer base and reach of Amazon.in platform and their respective websites. This partnership will focus on FLF's fashion brands Lee Cooper, Converse, Indigo Nation, Scullers or Jealous21, among others which will be retailed exclusively online through Amazon.in platform. This partnership will promote existing and new brands in markets, explore co-branding opportunities and accelerate new product development in categories which are currently not served by retailers.

During the year, the Company completed the divestment of its 31.50% stake in Celio for ₹ 75 Crore. However, FLF continued to invest in fast growing fashion brands by acquiring stakes in brands - Pepperone (12.00% stake), a leading manufacturer & distributor of handbags and accessories and Spunk (60.00% stake) engaged in manufacturing, supplying and distributing leather footwear and accessories in India. FLF also increased its stakes in existing brands like in Famozi from 11.00% to 30.00% and Mineral from 22.70% to 37.00%.

The Company received awards in categories like Central's lingerie category team bagged two awards at Triumph India's Annual Awards Ceremony, first award was for Excellence in Business Innovation and second award was for highest LTL growth for the year 2013-14. FLF's licensed brand Converse was awarded the 'Best Men's Footwear Brand' at the Myntra Brand Summit 2014 held in September 2014.

Customer and Marketing Overview

The process of brand building includes activities like branding, in-store display and promotion, mass media communication through print, hoardings and electronic media, event sponsorships and associations. This creates mind share for the brand and market share follows.

FLF witnessed new product launches across its brand portfolio; Indigo Nation launched STREET.IN collection with a range of denims and tees range. Jealous 21 extended fashion line to club wear with a range offering monochrome, pastel, bohemian dress and tops along with embellishments. In addition, FLF also carried out various customer engagement and promotional activities. Jealous 21 launched a TV commercial across national channels in India with its Butt Out campaign. The brand also tied up with a women's biking group called The Bikerni to create the Butt Out Brigade. The Butt Out Brigade rode around Bengaluru to raise awareness about gender discrimination and to mark Women's Day. FLF brands now have more than 15 lakh fans collectively on Facebook and are reaching out to almost 2 lakh people on a monthly basis. During the year, outdoor campaigns were conducted in Tier 1 cities such as Bengaluru, Mumbai, Pune as well as Tier 2 Cities such as Agartala, Indore, Cuttack, Bhubhaneshwar, Mysore, Nasik, Aurangabad, Kanpur, Lucknow, Vijaywada and Erode to name a few. Urbana the brand focused on men formal wear entered the TV space with CEO of Life on CNN IBN! featuring top CEOs from India, it also installed brand hoardings across major airports in India.

During the year, Central launched 'Men of Style', a very unique promotion of the latest in men's fashion wear. This activity promoted the latest trends across men's categories through in store activations and also by engaging with the brand's fans online. Brand Factory launched its Ethnic Festival with the widest range of women's ethnic range. The store brought together more than 2.5 lakh different products with more than 200 options in tops and 20 plus options in bottoms.

Competition

The Company operates in a competitive market environment. The Company faces competition from other fashion brands and national retailers. Further, it faces competition from online retailers who market similar products. Additionally, we may face competition from international players if foreign participation in the retail sector is further liberalized.

The Company's vast experience in fashion, strong sourcing abilities, a strong portfolio of fashion brands and loyalty programs are expected to provide a fundamentally stronger position to face competition.

FLF is also tapping into other multi-brand retailers and signed an exclusive partnership with Amazon to distribute its brands across India. The Company's fashion formats have established a strong presence across major metropolis and also expanding beyond the top 8 cities like Nagpur, Patna, Hubli, Kanpur among others.

Human Resource Initiatives

FLF employs around 6,828 employees located at head office, zonal offices, retail stores and EBOs across the

country. The People Office takes care of acquisition, development and retention of right skills and talent in a way that best supports the accomplishment of the Company's goals and objectives. FLF believes in creating a culture and environment that allows its people resources to best utilize their skills, knowledge and leadership abilities and collectively excel in serving the customers. The Company runs a number of learning and development programs for employees at each level.

Business Outlook

In FY 2015-16, FLF will emerge as a brand company with an extensive distribution network, both offline and online. Revenue growth will be driven by store additions, exploring new channel of sales for the brand portfolio and increasing consumer spending within the stores. The focus will be on achieving disproportionate growth of the brands business which will lead to margin expansions. The product portfolio will be expanded through extending lines of existing brands. FLF is on the path of creating significant stakeholder value through conservation of capital employed and generation of free cash flows thereby maximizing returns.

Additionally, FLF plans to expand its retail network to newer cities and also penetrate existing cities. It will expand its EBO network to towns and cities in order to capture newer markets which are currently not serviced by multi-brand outlets. The brands will be continued to be nurtured by dedicated teams capturing trends, moods and aspirations of the customers. FLF will also launch and extend its brand portfolio to new fashion lines and categories, footwear and accessories, in order to capture larger consumer spending.

With the surge in demand for readymade branded apparel in semi-urban areas, rising income levels and youth population, the Company expects to deliver higher same store sales growth along with higher operating margins. In addition, the rollback of excise duty on branded apparel has worked in favor of containing high prices. FLF will undertake various initiatives to increase footfalls, store productivity and consumer ticket size. FLF will continue to explore opportunities to partner and invest in fast growing labels managed by designers and entrepreneurs.

Risks and Threats

The state of external environment, including factors like interest rates, inflation, quick changes in fashion, growth in economic activity, job creation, consumer sentiments and consumption have been identified as key threats as well as opportunities for the Company. Increase of interest rates, inflation, quick changes in fashion, slowdown of economic activities in the country, changes in government policies, reduction in consumption can impact growth of the Company. However, the Company has identified each of the risks and ensured measures to mitigate such risks. These include deleveraging the balance sheet, deployment of dedicated teams to capture trends, moods and aspirations of the customers, widening the customer base to ensure consumption even in the case of slow down of economic environment, multiple format business to ensure that the Company remains in business even with changes in policies. The Company has also considered further equity expansion to increase financial capabilities and counter threats emerging out of financial dependence on external funds. In addition to the above, the management's efforts in increasing per store efficiency and improving product margin will ensure better profitability for the Company and enable it to sustain in adverse scenarios. The management team has set standards and policies for each of the identified risks and responsibility of management has also been defined to ensure that appropriate risk mitigating measures are implemented, if any identified threat / risk causes' further concern. The risk register is reviewed periodically and appropriate risk mitigating measures are implemented for the new risks identified in the review and extensive use of technology is implemented to ensure minimization of risk of execution.

Internal controls and their adequacy

The Company has identified key external and internal risks associated with the operations as well as control process to mitigate such risks. Further, regular review of identification of risks and control process to mitigate such identified risks ensures new evolved risks are identified well within time and appropriate control process to counter such risks is established. The Company also makes appropriate use of its ERP system, SAP, to put checks and controls to strengthen the internal control framework for financial reporting, organization structure, authorities and procedures, which are also reviewed and validated by the external experts. All such internal controls and their adequacy, financial and risk management policies, significant audit findings,

compliance with accounting standards are regularly reviewed by the Audit Committee.

Review of Financial Performance of the Company for the financial year ended March 31, 2015

Sales

During the financial year ended March 31, 2015, the Company's Revenue from Operations was ₹ 3,134.09 Crore. The Company had also recorded Same Store Sales growth of 6.30% for financial year ended March 31, 2015.

Profit before Tax

Profit before Tax of the Company for financial year ended March 31, 2015 stood at ₹ 23.48 Crore.

Interest

Finance Cost was ₹ 158.33 Crore for financial year ended March 31, 2015. The interest & financial charges cover for financial year ended March 31, 2015 under review was 2.2 times.

Net Profit

Net Profit for financial year ended March 31, 2015 stood at ₹ 18.55 Crore.

Dividend

The Board has recommended a dividend of ₹ 0.40 (20.00%) per Equity Share of ₹ 2 each.

Capital employed

The capital employed (net of cash) was ₹ 2,784.46 Crore as at March 31, 2015. EBITDA return on average capital employed (net of cash) for the financial year ended March 31, 2015 was 13.10%.

Surplus management

The Company generated a cash profit of ₹ 189.11 Crore for financial year ended March 31, 2015. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund the growth. The growth of the Company has partly been funded by the cash generated from the business as well as from equity infused, during the year under review.

Equity Share Capital

Equity share capital of the Company has been increased to ₹ 37.24 Crore during the financial year under review.

Debt-Equity

Debt-Equity ratio of the Company was 0.78 as at March 31, 2015.

Earnings Per Share (EPS)

The Company's Basic and Diluted EPS was ₹ 1.07 & ₹ 1.05 respectively for financial year ended March 31, 2015.

Cash Earnings Per Share (CEPS)

The Company's CEPS was ₹ 10.93 for the financial year ended March 31, 2015.

Investment

The Company's investment portfolio was ₹ 343.69 Crore as at March 31, 2015.

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the Third Annual Report of the Company together with the Audited financial statements for the financial year ended March 31, 2015.

FINANCIAL HIGHLIGHTS:

The financial performance of the Company is as follows:

(₹ in Crore)

Particulars	Financial Year 2014-15	Financial Year 2013-14
Revenue from Operations	3,134.09	2,743.98
Other Income	21.74	331.72
Total Revenue	3,155.83	3,075.70
Profit before Depreciation and Amortization expense & Tax expense	193.57	419.43
Less: Depreciation and Amortization expense	170.09	385.19
Profit before Tax	23.48	34.24
Less: Tax expense	4.93	10.96
Profit after Tax	18.55	23.28
Balance brought forward from previous year	2.33	(0.34)
Add: Profit pursuant to Composite Scheme of Arrangement and Amalgamation	-	4.05
Less: Adjustments for Depreciation as per Schedule II of the Companies Act, 2013	1.45	-
Surplus available for appropriation	19.43	26.99
APPROPRIATION		
Dividend for the financial year 2013-14 paid on shares issued up to July 2014	0.63	-
Tax on Dividend paid	0.11	-
Transfer to Debenture Redemption Reserve	-	15.10
Transfer to General Reserve	1.86	2.33
Proposed Dividend on Equity Shares	7.58	6.18
Tax on Proposed Dividend	1.52	1.05
Balance carried to Balance Sheet	7.73	2.33

REVIEW OF PERFORMANCE

During the year under review, your Company recorded an increase of 14.22% in revenue from operations at ₹ 3,134.09 Crore as compared to ₹ 2,743.98 Crore in the previous financial year. Your Company reported net profit before tax of ₹ 23.48 Crore for the year under review as compared to ₹ 34.24 Crore for the previous financial year.

Your Company's fashion brands are distributed through its retail chains, exclusive brand outlets (EBOs) and multi brand outlets (MBOs) across the country. The stores in Company's retail chains viz. Central, Brand Factory, I am in, aLL, Planet Sports and Lee Cooper are spread in 76 cities across the country and cover over 4.90 million square feet of retail space. These retail chains collectively attracted over 44.3 million customer footfalls during the financial year ended March 31, 2015. These chains are backed by strong sourcing network, in-house trend-spotting and design teams, coupled with

robust logistics and warehousing network. Further, our distribution network includes 29 Central stores, 39 Brand Factory outlets along with 290 sport stores and exclusive brand outlets.

BUSINESS OUTLOOK

The Management is planning to emerge the Company as a brand company with an extensive distribution network, both offline and online during the financial year 2015-16. Your Company would add new stores, explore new channel of sales for the brand portfolio and increase consumer spending within the stores to increase in growth of revenue and it would be on achieving disproportionate growth of the brands business which would lead to margin expansions.

Your Company would be taking all steps to expand its retail network by expansion of its own format stores as well as capture newer markets which are currently not serviced by multi-brand outlets. The Management would also ensure that the dedicated teams continuously review various brands in light of the trends, moods and aspirations of the customers and appropriately position these brands to ensure the growth. The teams would also be increasing Company's brands portfolio as well as extend existing brands to newer categories to capture larger consumer spending. The Company would undertake various initiatives to increase footfalls, store productivity and consumer ticket size and it will continue to explore opportunities to partner and invest in fast growing labels managed by designers and entrepreneurs.

ISSUE OF EQUITY SHARES

During the year under review, the Company has issued and allotted 3,17,35,800 Equity Shares of the Company as under:

- 2,73,785 Equity Shares were issued and allotted under FLFL Employees' Stock Option Scheme - 2013, to the eligible employees of the Company;
- 1,55,27,950 Equity Shares were issued and allotted to PI Opportunities Fund-I, a venture capital fund at a price of ₹ 80.50 per Equity Share (including share premium of ₹ 78.50 per Equity Share) on preferential basis on June 13, 2014;
- 1,59,34,065 Equity Shares were issued and allotted to Ryka Commercial Ventures Private Limited, a promoter group company at a price of ₹ 91 per Equity Share (including share premium of ₹ 89 per Equity Share) on preferential basis on November 17, 2014.

Subsequent to the closure of the year under review, the Company has issued and allotted 33,09,436 Equity Shares of the Company as under:

- 32,96,700 Equity Shares of the Company were issued and allotted to Arlette Infrastructure Private Limited (AIPL), a promoter group company, at a price of ₹ 91 per Equity Share (including share premium of ₹ 89 per Equity Share) upon conversion of 32,96,700 Compulsorily Convertible Debentures (CCDs) held by AIPL on April 01, 2015;
- 12,736 Equity Shares were issued and allotted under FLFL Employees' Stock Option Scheme - 2013, to the eligible employee of the Company on May 20, 2015.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹ 0.40 (20.00%) per Equity Share of ₹ 2 each for the financial year ended March 31, 2015. The said dividend shall be subject to the approval of the Members at the ensuing Annual General Meeting.

The dividend, if approved by the Members at the Annual General Meeting, would entail a payout of ₹ 9.10 Crore (including Dividend Distribution Tax of ₹ 1.52 Crore) for the financial year 2014-15 as compared to ₹ 7.97 Crore (including Dividend Distribution Tax of ₹ 1.16 Crore) for the financial year 2013-14.

INVESTMENTS

During the year under review, the Company has made strategic investments in the following entities:

Eclat Life Style Private Limited (ECLAT)

The Company has made further investment in ECLAT to increase its total stake from 11.00% to 30.00% of the paid-up equity capital of ECLAT, a company engaged in the business of footwear under brand **"Famozi"** in India.

Mineral Fashions Private Limited (MFPL)

The Company has made further investment in MFPL to increase its total stake from 22.70% to 37.00% of the paid-up equity capital of MFPL, a company engaged in the business of manufacturing & retailing of clothing & fashion accessories under the brand **"Mineral"**.

Indus Tree Crafts Private Limited (ITCPL)

The Company has made further investment in ITCPL to increase its total stake from 63.34% to 72.16% of the

paid-up equity capital of ITCPL, a company engaged in the business of designing, creating, exporting, domestic retailing and distribution of a wide range of environmentally and socially sustainable products under brand **"Mother Earth"**.

Unico Retail Private Limited (URPL)

The Company has acquired 12.00% equity stake in URPL, a company engaged in the business of handbags, belts and wallets under the brand **"PEPERONE"** in India.

Elisir Lifestyle Private Limited (ELISIR)

The Company has acquired 60.00% equity stake in ELISIR, a company engaged in the business of manufacture, supply and distribution of footwear and accessories under the brand **"Spunk"** in India.

Rachika Trading Private Limited (RTPL)

The Company has acquired 80.00% equity stake in RTPL, a company engaged in the business of apparels and fashion accessories under the brand **"Giovani"**.

The Company holds all the above investments made during the year, together with investments already held in its books, as held for sale.

DIVESTMENTS

During the year under review, as a part of its strategy to look for opportunity to divest such investments which provide appropriate appreciation and valuation, the Company divested 31.50% equity stake out of 35.00% equity stake held in Celio Future Fashion Private Limited *(formerly known as Celio Future Fashion Limited).*

DEBENTURES

During the year under review, the Company had issued 32,96,700 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 91 each convertible into 32,96,700 Equity Shares of ₹ 2 each of the Company to Arlette Infrastructure Private Limited (AIPL), a promoter group company on November 17, 2014. The said CCDs have been converted into equity shares of the Company as mentioned herein above.

The Company has also issued 2,000 11.00% Secured Non-Convertible Debentures of face value of ₹ 10 lakh each at par aggregating to ₹ 200 Crore on private placement.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2015.

CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis as required under Clause 49 of the Listing Agreement forms part of the Annual Report.

DISCLOSURE REQUIREMENTS

Details of programmes for familiarization of Independent Directors with the Company are available on the website of the Company at the link http://futurelifestyle.in/pdf/ID_Familiarization.pdf

Policy for determining material subsidiaries of the Company is available on the website of the Company at the link http://futurelifestyle.in/pdf/Mat_Sub_Policy.pdf

Policy on dealing with related party transactions is available on the website of the Company at the link http://futurelifestyle.in/pdf/RPT_Policy.pdf

The Company has formulated and disseminated a Whistle Blower Policy to provide Vigil Mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance of the provisions of section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreements with the Stock Exchanges in India.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, six meetings of the Board were held, details of which are given in the Corporate Governance Report that forms part of the Annual Report.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Pursuant to provisions of section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company, which forms part of the Annual Report.

SUBSIDIARIES

Indus-League Clothing Limited (ILCL)

ILCL is dealing in the readymade apparels and accessories. Your Company holds 100.00% of paid-up capital of ILCL.

Elisir Lifestyle Private Limited (ELPL)

ELPL is engaged in the business of manufacturing, supply and distribution of footwear and accessories in India. Your Company holds 60.00% of paid-up capital of ELPL.

Rachika Trading Private Limited (RTPL)

RTPL is engaged in the business of apparels and fashion accessories. Your Company holds 80.00% of paid-up capital of RTPL.

JOINT VENTURES

Holii Accessories Private Limited (HOLII)

HOLII is engaged in the business of retailing fashion accessories such as leather handbags, wallets and other accessories. Your Company holds 50.00% of paid-up capital of HOLII.

Celio Future Fashion Private Limited (CELIO)

CELIO is engaged in the business of single brand retailing of men's wear. Your Company holds 3.50% of paid-up capital of CELIO. As reported hereinabove, your Company has sold 31.50% shares to Celio International, SA during the year under review.

Clarks Future Footwear Private Limited (CLARKS)
(formerly known as Clarks Future Footwear Limited)

CLARKS is engaged in the business of single brand wholesale and retailing of footwear and accessory and deals in foreign collaboration of various footwear items and accessories such as shoes, boots, sandals, handbags. Your Company holds 50.00% of paid-up capital of CLARKS.

ASSOCIATES

Indus Tree Crafts Private Limited (ITCPL)

ITCPL is engaged in the business of designing, creating, exporting, domestic retailing and distribution of a wide range of environmentally and socially sustainable products. Your Company holds 72.16% of paid-up equity capital, which represents 25.79% of total paid-up capital (inclusive of equity and convertible preference capital) of ITCPL.

Indus Tree Producer Transform Private Limited (ITPTPL)

ITPTPL is engaged in the business of designing, retailing, wholesale trading, exporting handicrafts, handloom, personal care and value added food items made by commodities. This includes garment, furniture, personal and home accessories, utility items, textiles, leather, natural fibre, stone wood glass rubber items as well as personal care such as soaps, shampoos, cosmetics and value added food such as staples, cereals, spices, tea, coffee, pickles, papads, juices, ready to eat and ready to prepare items. ITCPL holds 100.00% of paid-up capital of ITPTPL.

Resource World Exim Private Limited (RWEPL)

RWEPL is engaged in the business of indo-fusion women's fashion apparel business under the brand **"Desi Belle"**. Your Company holds 27.50% of paid-up capital of RWEPL.

KFC Shoemaker Private Limited (KSPL)

KSPL focuses on wholesale and retailing of footwear under the brands **"Tresmode"** & **"Solovoga"**. Your Company holds 33.30% of paid-up capital of KSPL.

Mineral Fashions Private Limited (MFPL)

MFPL focuses on manufacturing & retailing of clothing & fashion accessories under the brand **"Mineral"**. Your Company holds 37.00% of paid-up capital of MFPL.

Eclat Life Style Private Limited (ECLAT)

ECLAT engaged in business of footwear under brand **"Famozi"** in India. Your Company holds 30.00% of paid-up capital of ECLAT.

Turtle Limited (TURTLE)

TURTLE focuses on manufacturing and retailing of readymade garments. Your Company holds 26.00% of paid-up capital of TURTLE.

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the directors individually. At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the independent directors was carried out by the entire Board except the independent director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Companies Act, 2013, has been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Rahul Mehta ceased to be an Additional Director at the Second Annual General Meeting of the Company held on August 08, 2014. The Board placed on record its appreciation of the valuable contribution made by him during his tenure with the Company.

During the year under review, the Board appointed Ms. Sharda Agarwal as an Additional (Independent) Director of the Company w.e.f. March 27, 2015. As per the provisions of section 161(1) of the Companies Act, 2013 ('the Act'), she holds office upto the date of the ensuing Annual General Meeting. A Notice under section 160(1) of the Act, has been received from a Member signifying its intention to propose Ms. Sharda Agarwal as an Independent Director of the Company.

The Board is also of the opinion that Ms. Sharda Agarwal is independent of the management of the Company and recommended her appointment as an Independent Director for a term of five years at the ensuing Annual General Meeting.

In terms of section 152 of the Act, Mr. C. P. Toshniwal is liable to retire by rotation and being eligible, offers himself for re-appointment.

The Company has received necessary declarations from all the Independent Directors under section 149(7) of the Act that they meet the criteria of independence laid down in section 149(6) of the Act and Clause 49 of the Listing Agreement.

Mr. Kuldeep Sharma has resigned as Head-Legal & Company Secretary of the Company w.e.f. January 14, 2015. Subsequently, Mr. Sanjay Kumar Mutha was appointed as Chief Legal & Company Secretary of the Company w.e.f. March 17, 2015.

Additional information on appointment / reappointment of directors as required under Clause 49 of the Listing Agreement, is given in the Notice convening the ensuing Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Mr. Shailesh Haribhakti, Independent Director as Chairman of the Committee and Dr. Darlie Koshy, Independent Director and Mr. C. P. Toshniwal, Executive Director & Chief Financial Officer, as Members of the Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

RISK MANAGEMENT

The Board has formulated risk management framework mainly covering risk management, risk classification, risk register, risk assessment and management policy, risk identification and mitigation process, risk management – role of internal audit, risk culture, dynamic risk and risk management assurance.

The Board has delegated responsibility to the Risk Management Committee to monitor and review risk management, assessment and minimization procedures and to develop, implement and monitor the risk management plan and identify, review and

mitigate all elements of risks which the Company may be exposed to. The Audit Committee and the Board also periodically review the risk management assessment and minimization procedures.

Key risks and threats to the Company are analyzed in the Management Discussion and Analysis, which forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013 ('the Act'), the Board of Directors of your Company constituted a CSR Committee. The Board, based on the recommendation of the CSR Committee, adopted CSR Policy for the Company in its meeting held on May 20, 2015.

In pursuance of the CSR Policy, the CSR Committee is working towards a road map to identify and take up CSR projects, which are still in the initial stage. It was also intended to merge the CSR funds at Future Group level so that the combined corpus from all the Group entities would help in undertaking better initiatives.

With regard to the year under review, the Company was not required to spend any amount on CSR activities, since the average net profits of the Company made during the two years immediately preceding financial years (since incorporation), as calculated under section 198 of the Act was negative.

The Brief outline of the CSR Policy of the Company is enclosed as part of this Report as **Annexure A.**

EMPLOYEES STOCK OPTIONS (ESOPs)

During the year under review, the Nomination and Remuneration Committee has granted 4,64,622 Stock Options to the eligible employees under the FLFL Employees Stock Option Scheme-2013 ("ESOS-2013") and cancelled 11,596 Stock Options granted in terms of ESOS-2013.

The applicable disclosures as stipulated under SEBI Guidelines as on March 31, 2015 with regard to the ESOS-2013 are provided in **Annexure B** to this Report.

Further, the Company also proposes a new FLFL Employees Stock Option Scheme-2015, which is proposed to be implemented through the Employees' Welfare Trust. Necessary resolutions for approval of the Members are being placed at the ensuing Annual General Meeting.

PARTICULARS OF EMPLOYEES

In terms of the provisions of section 197(12) of the Companies Act, 2013 ('the Act') read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report.

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

Having regard to the provisions of the first proviso to section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those Members who have registered their email addresses and is available on the Company's website.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various training, awareness and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments under the provisions of section 186 of the Companies Act, 2013 are provided in the note no. 46 of notes forming part of the financial statements, which forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that:-

(i) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2015;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts for the financial year ended March 31, 2015 on a going concern basis;

(v) the directors, further state that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No. 119850W) have been appointed as the Statutory Auditors of the Company from the conclusion of the Second Annual General Meeting of the Company held on August 08, 2014 till the conclusion of the Fifth Annual General Meeting of the Company. However, their appointment shall be subject to ratification by the Members in every Annual General Meeting during the said term.

The Company has received a written confirmation from the Auditors that the ratification of their appointment for the next financial year, if made, shall be in accordance with the criteria as provided under section 141 of the Companies Act, 2013.

The Auditors' Report on the financial statements for the financial year ended March 31, 2015 does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

M/s. Sanjay Dholakia & Associates, Practising Company Secretary (Membership No.2655 /Certificate of Practice No.1798) was appointed as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2014-15, as required under section 204 of the Companies Act, 2013 and Rules made thereunder.

The Secretarial Audit Report for the financial year 2014-15 is appended as **Annexure C** which forms part of this Report.

The said Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks.

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Companies Act, 2013, an extract of annual return in the prescribed Form MGT-9 is appended as **Annexure D**, which forms part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Company had acquired certain investments through vesting of the demerged undertakings under the Composite Scheme of Arrangement and Amalgamation. It had been decided by the Company that all the investments would be held for sale. The investments made thereafter, were also decided to be held for sale. Since all investments made by the Company in Subsidiary companies, Joint Venture companies and Associate companies are held exclusively with a view to its subsequent disposal in near future and therefore it is not required to prepare consolidated financial statements under the provisions of Companies Act, 2013 and the prescribed Accounting Standards.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement, were in the ordinary course

of business and on an arm's length basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of the financial statements.

Particulars of contract or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribe Form AOC-2, is appended as **Annexure E**, which forms part of this Report.

INTERNAL FINANCIAL CONTROL

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of the Annual Report.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are provided in **Annexure F**, which forms part of this Report.

AWARDS AND RECOGNITIONS

The Company received awards in categories like

- Central's lingerie category team bagged two awards at Triumph India's Annual Awards Ceremony for Excellence in Business Innovation and for highest LTL growth for the year 2013-14.
- Converse was awarded the **'Best Men's Footwear Brand'** at the Myntra Brand Summit 2014 held in September 2014;

ACKNOWLEDGEMENT

The Board thanks all customers, bankers, investors, vendors and other stakeholders for the continued support and patronage during the year under review. The Board places on records its sincere appreciation to the employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve the targets and recognitions.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2015

Shailesh Haribhakti
Chairman

ANNEXURE A

A brief outline of the Company's CSR Policy

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy of the Company *inter-alia* includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013. The CSR Committee is working towards identification of CSR projects, which may be undertaken by the Company. CSR Policy of the Company is available on the website of the Company at the link http://futurelifestyle.in/pdf/FLFL_CSR_Policy.pdf
2. The Composition of the CSR Committee.	Mr. Kishore Biyani – Chairman Dr. Darlie Koshy – Independent Director Mr. C. P. Toshniwal- Executive Director & Chief Financial Officer Ms. Sharda Agarwal- Independent Director
3. Average net profit/loss of the company for last two financial years (since incorporation).	Loss of ₹ 141.46 Crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	Nil
5. Details of CSR spent during the financial year 2014-15: a. Total amount to be spent for the financial year 2014-15; b. Amount un spent , if any	 Nil N.A.

Sl. No.	CSR project or activity identified.	Sector in which the project is covered.	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs- 2) Overheads:	Cumulative Expenditure upto the reporting period.	Amount spent direct or through implementing agency.
N.A.							

ANNEXURE B

Disclosure with respect to Employees Stock Options Scheme of the Company as at March 31, 2015

A.	Summary of status of ESOPs scheme:	
Sl. No.	**Particulars**	**Details**
i	Details of the Meeting	Extra Ordinary General Meeting held on December 16, 2013*
ii	Approved	15,00,000
iii	The Pricing Formula	₹ 10
iv	Options Granted**	7,65,783
v	Options Vested and Exercisable	12,736
vi	Options Exercised	2,73,785
vii	Options Cancelled	11,596
viii	Options Lapsed	–
ix	Total Number of Options in force	4,80,402
x	Variation in terms of ESOP	Not Applicable
xi	Total number of shares arising as a result of exercise of options	2,73,785
xii	Money realised by exercise of options (₹ In Lakh)	The Company realised ₹ 27.34 Lakh on account of exercising of 2,73,785 stock options at exercise rate of ₹ 10 per stock option, during the year under review.

* Original Grant was approved in Future Retail Limited on February 04, 2013.

** Includes Value for Value exchange of Options under the Composite Scheme of Arrangement and Amalgamation as approved by the Hon'ble High Court of Judicature at Bombay vide its order dated May 10, 2013, whereby Demerged Fashion undertakings of Future Retail Limited and Future Consumer Enterprise Limited have been vested in the Company.

B.	**Employee-wise details of options granted during the financial year 2014-15:**	
i	**Senior managerial personnel**	
	Name of the Employee	**No. of options**
	C. P. Toshniwal	72,464
	Kuldeep Sharma	11,596*
	*Cancelled due to Resignation	
ii	**Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year**	
	Name of the Employee	**No. of options**
	C. P. Toshniwal	72,464
	M. Vishnu Prasad	57,972
	Rachna Aggarwal	65,218
	Suresh Sadhwani	34,784
	Rajesh Sheth	46,378
iii	**Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants.**	
	None	

C.	**Weighted average Fair Value of options granted during the year whose:**	
i	Exercise price equals market price	-
ii	Exercise price is greater than market price	-
iii	Exercise price is less than market price	84.18

D.	**Weighted average Exercise price of options granted during the year whose:**	
i	Exercise price equals market price	-
ii	Exercise price is greater than market price	-
iii	Exercise price is less than market price	10.00

E.	The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2014-15 is ₹ 1.01 Crore. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2014-15 would be ₹ 1.15 Crore. The effect of adopting the fair value method on the net income and earnings per share is given in note no. 47 of notes forming part of the financial statements.

ANNEXURE C

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
FUTURE LIFESTYLE FASHIONS LIMITED
Mumbai.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by FUTURE LIFESTYLE FASHIONS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period); and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: The same was not notified till March 31, 2015.

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable: The Company has complied with the various provisions of the Listing Agreements with BSE and NSE, where the securities of the Company are Listed.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

Based on the representation given by the Management of the Company, it is observed that there are no such laws which are specifically applicable to the business of the Company. It is confirmed by the Management that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**
Practising Company Secretary

SANJAY R DHOLAKIA
Proprietor
Membership No. 2655 /CP No. 1798

Date: May 20, 2015
Place: Mumbai

Annexure to Secretarial Audit Report

To,
The Members,
FUTURE LIFESTYLE FASHIONS LIMITED
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**
Practising Company Secretary

SANJAY R DHOLAKIA
Proprietor
Membership No. 2655 /CP No. 1798

Date: May 20, 2015
Place: Mumbai

ANNEXURE D

FORM MGT-9
EXTRACT OF ANNUAL RETURN
(Pursuant to section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014)
as on the financial year ended on March 31, 2015

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L52100MH2012PLC231654
ii	Registration Date	May 30, 2012
iii	Name of the Company	Future Lifestyle Fashions Limited
iv	Category / Sub-Category of the Company	Public Company / Limited by shares
v	Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060. Tel No.: +91 22 3084 2336 Fax No.: +91 22 3084 2502 Email: investorrelations@futurelifestyle.in Website: www.futurelifestyle.in
vi	Whether listed company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Tel No.: +91 22 2596 3838 Fax No.: +91 22 2594 6969 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10.00% or more of the total turnover of the Company shall be stated:-

Sl. No	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1	Fashion design related to textiles, wearing apparel, shoes, jewelry, furniture and other fashion goods/ accessories.	74994	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held*	Applica-ble section
1	Indus-League Clothing Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U85110MH1998 PLC226134	Subsidiary	100.00	section 2(87)
2	Elisir Lifestyle Private Limited	E-13, Greater Kailash Enclave-1 New Delhi, 110048	U19200DL2014 PTC268716	Subsidiary	60.00	section 2(87)
3	Rachika Trading Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U51101MH2014 PTC254277	Subsidiary	80.00	section 2(87)
4	Indus Tree Crafts Private Limited	Sy.No. 36/5, 2nd Floor, BBMP Katha, No 89/1, 88/69,36/5 Somasundrapalya, Haralukunte Village, Begur Hobli, Bangalore, Karnataka, 560102	U20296KA1994 PTC016824	Associate	25.79 (Represent-ing 72.16% of the paid-up equity capital)	section 2(6)
5	Indus Tree Producer Transform Private Limited	Sy No. 36/5, 2nd Floor, Somasundrapalya, Haralukunte Village, Begur Hobli, Bangalore, Karnataka, 560102	U74900KA2010 PTC054502	Associate	25.79 (100% held by Indus Tree Crafts Private Limited)	section 2(6)
6	Clarks Future Footwear Private Limited	Shop No. 246, 247 & 248, First Floor DLF Place Mall, Saket, Delhi,110017	U19200DL2010 PTC206824	Joint Venture/ Associate	50.00	section 2(6)
7	Holii Accessories Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U93090MH2007 PTC168048	Joint Venture/ Associate	50.00	section 2(6)
8	KFC Shoemaker Private Limited	201, Ramkrishna Chambers, Plot No. 114 TPS IV, Linking Road, Khar (W) Mumbai, Maharashtra, 400052	U74999MH2008 PTC180601	Associate	33.30	section 2(6)
9	Eclat Life Style Private Limited	E-6, IIIRD Floor Prashant Vihar, Outer Ring Road, Delhi, 110085	U74140DL2010 PTC210029	Associate	30.00	section 2(6)
10	Mineral Fashions Private Limited	301-303, Solaris - 2, Opp. L & T Gate No. 6,Sakivihar Road, Andheri (E), Mumbai, Maharashtra, 400072	U74120MH2010 PTC209327	Associate	37.00	section 2(6)
11	Turtle Limited	Lemon Fresh, Block-2, 3rd Floor 29/1, Kalabagan Lane, Howrah, West Bengal, 711104	U17219WB1992 PLC056339	Associate	26.00	section 2(6)
12	Resource World Exim Private Limited	606, Ecohouse, Vishweshwar Nagar, Off. Aarey Road, Goregaon (E), Mumbai, Maharashtra, 400063	U52300MH2010 PTC209836	Associate	27.50	section 2(6)
13	Celio Future Fashion Private Limited	Unit No. 301 & 302, 3rd Floor, A Wing Lotus Corporate Park, Off Western Express Highway, Goregaon (E), Mumbai - 400 063	U74994MH2008 PTC181891	Joint Venture	3.50	section 2(6)

* The total share capital means the aggregate of the paid-up equity share capital and convertible preference share capital.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	38,933	0	38,933	0.03	38,933	0	38,933	0.02	-0.01
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	8,75,40,130	0	8,75,40,130	56.67	10,48,27,426	0	10,48,27,426	56.30	-0.37
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**8,75,79,063**	**0**	**8,75,79,063**	**56.70**	**10,48,66,359**	**0**	**10,48,66,359**	**56.32**	**-0.38**
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Promoter Companies	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**8,75,79,063**	**0**	**8,75,79,063**	**56.70**	**10,48,66,359**	**0**	**10,48,66,359**	**56.32**	**-0.38**
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/ UTI	18,40,833	0	18,40,833	1.19	43,36,383	0	43,36,383	2.33	1.14
(b)	Financial Institutions/ Banks	1,32,952	0	13,29,52	0.09	2,03,122	0	2,03,122	0.11	0.02
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	1,55,27,950	0	1,55,27,950	8.34	8.34
(e)	Insurance Companies	19,31,992	0	19,31,992	1.25	19,21,336	0	19,21,336	1.03	-0.22

Cate-gory code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(f)	Foreign Institutional Investors	2,23,16,514	0	2,23,16,514	14.45	96,67,881	0	96,67,881	5.19	-9.26
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**2,62,22,291**	**0**	**2,62,22,291**	**16.98**	**3,16,56,672**	**0**	**3,16,56,672**	**17.00**	**0.02**
(2)	Non-Institutions									
(a)	Bodies Corporate	2,38,38,625	9,214	2,38,47,839	15.44	2,68,37,052	9,214	2,68,46,266	14.42	-1.02
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	72,03,875	4,27,771	76,31,646	4.94	77,31,117	4,15,027	81,46,144	4.37	-0.57
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	54,53,372	1,29,032	55,82,404	3.61	1,07,74,323	0	1,07,74,323	5.79	2.18
(c)	Any Other									
	1. N R I	2,90,331	733	2,91,064	0.19	3,25,825	733	3,26,558	0.18	-0.01
	2. Directors & Relatives	82,254	0	82,254	0.05	1,35,821	0	1,35,821	0.07	0.02
	3. Clearing Member	1,84,971	0	1,84,971	0.12	9,77,635	0	9,77,635	0.52	0.40
	4. Trust	30,51,699	0	30,51,699	1.97	24,79,253	0	24,79,253	1.33	-0.64
	Sub-Total (B)(2)	**4,01,05,127**	**5,66,750**	**4,06,71,877**	**26.32**	**4,92,61,026**	**4,24,974**	**4,96,86,000**	**26.68**	**0.36**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**6,63,27,418**	**5,66,750**	**6,68,94,168**	**43.30**	**8,09,17,698**	**4,24,974**	**8,13,42,672**	**43.68**	**0.38**
	TOTAL (A)+(B)	**15,39,06,481**	**5,66,750**	**15,44,73,231**	**100.00**	**18,57,84,057**	**4,24,974**	**18,62,09,031**	**100.00**	**0.00**
(C)	Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**15,39,06,481**	**5,66,750**	**15,44,73,231**	**100.00**	**18,57,84,057**	**4,24,974**	**18,62,09,031**	**100.00**	**0.00**

(ii) Shareholding of Promoters and Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Future Retail Limited	3,05,70,108	19.79	0.00	3,05,70,108	16.42	0.00	-3.37
2	Future Corporate Resources Limited	2,95,48,009	19.13	14.86	2,98,22,732	16.02	15.80	-3.11
3	PIL Industries Limited	1,09,64,652	7.10	3.52	1,09,64,652	5.89	5.81	-1.21
4	Future Capital Investment Private Limited	28,22,097	1.83	1.20	28,22,097	1.52	1.52	-0.31
5	Central Departmental Stores Private Limited	29,66,570	1.92	1.58	29,66,570	1.59	1.59	-0.33
6	Gargi Developers Private Limited	66,57,511	4.31	3.91	66,57,511	3.58	3.58	-0.73
7	Ryka Commercial Ventures Private Limited	31,50,811	2.04	2.04	2,01,63,384	10.83	10.83	8.79
8	Tirumal Trading & Investment Consultants Private Limited	4,80,457	0.31	0.00	4,80,457	0.26	0.26	-0.05
9	Manz Retail Private Limited	3,23,918	0.21	0.04	3,23,918	0.17	0.04	-0.04
10	Arlette Infrastructure Private Limited	55,664	0.04	0.00	55,664	0.03	0.00	-0.01
11	Ashni Kishore Biyani	16,770	0.01	0.00	16,770	0.01	0.00	0.00
12	Avni Kishorkumar Biyani	19,499	0.01	0.00	19,499	0.01	0.00	0.00
13	Vivek Biyani	333	0.00	0.00	333	0.00	0.00	0.00
14	Akar Estate and Finance Private Limited	333	0.00	0.00	333	0.00	0.00	0.00
15	Sunil Biyani	333	0.00	0.00	333	0.00	0.00	0.00
16	Anil Biyani	333	0.00	0.00	333	0.00	0.00	0.00
17	Kishore Biyani	333	0.00	0.00	333	0.00	0.00	0.00
18	Gopikishan Biyani	333	0.00	0.00	333	0.00	0.00	0.00
19	Laxminarayan Biyani	333	0.00	0.00	333	0.00	0.00	0.00
20	Rakesh Biyani	333	0.00	0.00	333	0.00	0.00	0.00
21	Vijay Biyani	333	0.00	0.00	333	0.00	0.00	0.00
	Total	**8,75,79,063**	**56.70**	**27.16**	**10,48,66,359**	**56.32**	**39.42**	**-0.38**

(iii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	8,75,79,063	56.70	8,75,79,063	56.70
1	June 06, 2014 market purchase	5,78,508	0.37	8,81,57,571	57.01
2	June 13, 2014 market purchase	5,00,000	0.29	8,86,57,571	52.10
3	July 10, 2014 market purchase	37,838	0.02	8,86,95,409	52.09
4	July 11, 2014 market purchase	71,900	0.04	8,87,67,309	52.13
5	July 14, 2014 market purchase	41,835	0.02	8,88,09,144	52.16
6	September 26, 2014 market purchase	1,23,150	0.07	8,89,32,294	52.23
7	November 17, 2014 preferential issue	1,59,34,065	8.56	10,48,66,359	56.32
	At the end of the year	10,48,66,359	56.32		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	PI Opportunities Fund - I	Nil	Nil	Nil	Nil
	Add: June 13, 2014 preferential issue	1,55,27,950	9.13	1,55,27,950	9.13
	At the end of the year	1,55,27,950	8.34		
2	Bennett, Coleman and Company Limited	81,12,748	5.25	81,12,748	5.25
	At the end of the year	81,12,748	4.36		
3	BNP Paribas Arbitrage	45,40,424	2.94	45,40,424	2.94
	At the end of the year	45,40,424	2.44		
4	Lata Bhanshali	28,45,205	1.84	28,45,205	1.84
	Less: October 17, 2014 - Market Sale	-1,47,300	-0.09	26,97,905	1.58
	Add: February 06, 2015 - Market Purchase	8,00,000	0.43	34,97,905	1.88
	At the end of the year	34,97,905	1.88		
5	Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund	Nil	Nil	Nil	Nil
	Add: February 06, 2015 - Market Purchase	32,18,000	1.73	32,18,000	1.73
	At the end of the year	32,18,000	1.73		
6	Counseled Mercantile Private Limited	Nil	Nil	Nil	Nil
	Add: December 31, 2014 - Market Purchase	24,27,792	1.30	24,27,792	1.30
	Add: January 09, 2015 - Market Purchase	2,204	0.00	24,29,996	1.31
	At the end of the year	24,29,996	1.31		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	IDBI Trusteeship Services Limited (India Advantage Fund-V)	27,19,715	1.76	27,19,715	1.76
	Less: June 13, 2014 - Market Sale	-5,75,871	-0.34	21,43,844	1.26
	At the end of the year	21,43,844	1.15		
8	Mohini Resources Private Limited	21,29,943	1.38	21,29,943	1.38
	At the end of the year	21,29,943	1.14		
9	India Opportunities Growth Fund Ltd - Pinewood Strategy	Nil	Nil	Nil	Nil
	Add: April 04, 2014 - Market Purchase	2,82,354	0.18	2,82,354	0.18
	Add: April 25, 2014 - Market Purchase	30,000	0.02	3,12,354	0.20
	Less: May 9, 2014 - Market Sale	-30,000	-0.02	2,82,354	0.18
	Less: May 23, 2014 - Market Sale	-19,354	-0.01	2,63,000	0.17
	Less: June 13, 2014 - Market Sale	-50,000	-0.03	2,13,000	0.12
	Add: September 30, 2014 - Market Purchase	30,000	0.02	2,43,000	0.14
	Less: November 7, 2014 - Market Sale	-25,087	-0.01	2,17,913	0.13
	Add: January 23, 2015 - Market Purchase	99,779	0.05	3,17,692	0.17
	Add: January 30, 2015 - Market Purchase	1,09,822	0.06	4,27,514	0.23
	Add: February 6, 2015 - Market Purchase	13,77,736	0.74	18,05,250	0.97
	Add: February 13, 2015 - Market Purchase	25,000	0.01	18,30,250	0.98
	Add: March 06, 2015 - Market Purchase	50,000	0.03	18,80,250	1.01
	Add: March 13, 2015 - Market Purchase	13,843	0.01	18,94,093	1.02
	Add: March 20, 2015 - Market Purchase	66,157	0.04	19,60,250	1.06
	Add: March 27, 2015 - Market Purchase	1,57,000	0.08	21,17,250	1.14
	At the end of the year	21,17,250	1.14		
10	Morgan Stanley Asia (Singapore) PTE.	Nil	Nil	Nil	Nil
	Add: November 21, 2014 - Market Purchase	20,76,228	1.12	20,76,228	1.12
	At the end of the year	20,76,228	1.11		

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Kishore Biyani - Managing Director	333	0.00	333	0.00
	At the end of the year	333	0.00		
2	Mr. C. P. Toshniwal - Executive Director & Chief Financial Officer	3,666	0.00	3,666	0.00
	Add: April 30, 2014 - ESOS	53,567	0.03	57,233	0.04
	At the end of the year	57,233	0.03		
3	Mr. Rakesh Biyani - Non-Executive Director	333	0.00	333	0.00
	At the end of the year	333	0.00		
4	Mr. Shailesh Haribhakti - Independent Director	62,800	0.04	62,800	0.04
	At the end of the year	62,800	0.03		
5	Dr. Darlie Koshy - Independent Director	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil		
6	Ms. Sharda Agarwal - Independent Director	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil		
7	Mr. Kuldeep Sharma - Head Legal & Company Secretary (resigned w.e.f. January 14, 2015)	Nil	Nil	Nil	Nil
	Add: April 30, 2014 - ESOS	8,570	0.01	8,570	0.01
	At January 14, 2015 (date of separation)	8,570	0.00		
8	Mr. Sanjay Kumar Mutha - Chief Legal & Company Secretary (appointed w.e.f. March 17, 2015)	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,355.78	Nil	Nil	1,355.78
ii) Interest due but not paid	–	Nil	Nil	–
iii) Interest accrued but not due	43.20	Nil	Nil	43.20
Total (i+ii+iii)	**1,398.98**	**Nil**	**Nil**	**1,398.98**
Change in Indebtedness during the financial year				
i) Addition in principal amount	200.00	Nil	Nil	200.00
ii) Reduction in principal amount	(311.38)	Nil	Nil	(311.38)
Net Change	**(111.38)**	**Nil**	**Nil**	**(111.38)**
Indebtedness at the end of the financial year				
i) Principal Amount	1,244.40	Nil	Nil	1,244.40
ii) Interest due but not paid	–	Nil	Nil	–
iii) Interest accrued but not due	65.31	Nil	Nil	65.31
Total (i+ii+iii)	**1,309.72**	**Nil**	**Nil**	**1,309.72**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Kishore Biyani, Managing Director	C. P. Toshniwal, Executive Director & Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.91	1.54	2.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	0.00*	0.00*
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5	Others - Contribution to Funds	0.07	0.12	0.19
	Total (A)	0.98	1.66	2.64
	Ceiling as per the Act	₹ 2.79 Crore (being 10% of net profits calculated as per section 198 of the Act)		

* Represent ₹ 39,600.

B. Remuneration to other directors

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Shailesh Haribhakti	Dr. Darlie Koshy	Ms. Sharda Agarwal	
	• Fee for attending Board / Committee meetings	0.06	0.07	0.00*	0.13
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)				0.13
2.	Other Non-Executive Directors		Rakesh Biyani	Rahul Mehta	
	• Fee for attending Board / Committee meetings		0.02	0.01	0.03
	• Commission		Nil	Nil	Nil
	• Others, please specify		Nil	Nil	Nil
	Total (2)				0.03
	Total (B) = (1 + 2)				0.16
	Total Managerial Remuneration (A+B)				2.80
	Overall Ceiling as per the Act	₹ 3.07 Crore (being 11% of net profits calculated as per section 198 of the Act)			

* Represent ₹ 25,000.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary		
		Kuldeep Sharma	Sanjay Kumar Mutha	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.44	0.01	0.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.05	0.00*	0.05
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5	Others - Contribution to Funds	0.02	0.00**	0.02
Total		0.51	0.01	0.52

* Represent ₹ 4,068.

** Represent ₹ 2,168.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment					
Compounding					

ANNEXURE E

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertain to the disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms	Amount (₹ in Crore)
N.A.					

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2015

Shailesh Haribhakti
Chairman

ANNEXURE F

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO, ETC.

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo under section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder :

(A) Conservation of energy : (i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive, however adequate measures have been taken to reduce energy consumption.
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in office/store premises to optimise the consumption of energy.
(iii) the capital investment on energy conservation equipments	Nil
(B) Technology absorption : (i) the efforts made towards technology absorption	N.A.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	N.A.
(iv) the expenditure incurred on Research and Development	Nil
(C) Foreign exchange earnings and outgo :	The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note No. 42, 43 & 44 of Notes to the financial statements.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2015

Shailesh Haribhakti
Chairman

CORPORATE GOVERNANCE REPORT

Your Company consistently followed the principles of good corporate governance and strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes / policies, pursuant to the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement with the Stock Exchanges ('Listing Agreement').

CODE OF CONDUCT

The Company has laid down a Code of Conduct ("Code") for the Board Members and Senior Management Personnel of the Company. The Company has also adopted code of conduct for Independent Directors as prescribed under Schedule IV of the Act.

The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code has also been posted on the Company's website www.futurelifestyle.in.

ESTABLISHMENT OF WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for Directors and employees to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy *inter-alia* provides a direct access to a Whistle Blower to the Chairman of Audit Committee.

COMPOSITION OF THE BOARD

The composition of the Board of Directors ('the Board') is in conformity with the Clause 49 of the Listing Agreement, as amended from time to time. Presently, the Board of the Company comprises of six Directors including one Woman Director. The Chairman of the Board is an Independent Director, and the number of Independent Directors is more than one-third of the total number of Directors. The number of Non-Executive Directors is more than one-half of the total number of Directors.

None of the Directors on the Board is a Member of more than 10 Committees and/or Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he/she is a Director.

The information on composition of the Board, category and their Directorships/Committee Membership across all the public limited companies in which they are Directors, as on March 31, 2015 is as under:

Name of Director	Category	No. of Directorships*		No. of Memberships/ Chairmanships of Committees**	
		Public	Private/ Non profit	Member-ships	Chairman-ships
Mr. Kishore Biyani	Managing Director (Promoter Group)	8	4	4	1
Mr. Rakesh Biyani	Non-Executive Director (Promoter Group)	8	6	5	-
Mr. C. P. Toshniwal	Executive Director & Chief Financial Officer	8	3	5	-
Mr. Shailesh Haribhakti	Independent Director	10	10	9	5
Dr. Darlie Koshy	Independent Director	1	1	2	1
Ms. Sharda Agarwal***	Independent Director	2	3	-	-

* The Directorships held by the Directors do not include directorships in foreign companies.

** In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies are considered.

*** Appointed as an Additional (Independent) Director w.e.f. March 27, 2015.

The details of shares held by the Directors in the Company as on March 31, 2015 are as follows:

Name of Director	Number of shares held
Mr. Kishore Biyani	333
Mr. Rakesh Biyani	333
Mr. C. P. Toshniwal	57,233
C. P. Toshniwal (HUF)	6,666
Mr. Shailesh Haribhakti	62,800
Shailesh Haribhakti (HUF)	5,700
Dr. Darlie Koshy	Nil
Ms. Sharda Agarwal	Nil

BOARD MEETINGS

During the year under review, six Board Meetings were held on May 03, 2014, May 19, 2014, August 07, 2014, October 08, 2014, November 07, 2014 and February 05, 2015.

The gap between two Meetings did not exceed four months. The Second Annual General Meeting (AGM) of the Company was held on August 08, 2014.

The attendance of Directors at the above Board Meetings and AGM is as under:

Name of Director	No. of Board Meetings		AGM
	Held	Attended	
Mr. Kishore Biyani	6	4	Yes
Mr. Rakesh Biyani	6	3	Yes
Mr. C. P. Toshniwal	6	6	Yes
Mr. Shailesh Haribhakti	6	6	Yes
Dr. Darlie Koshy	6	6	No
Mr. Rahul Mehta*	2	1	N.A.
Ms. Sharda Agarwal**	N.A.	N.A.	N.A.

* Appointed as an Additional Director w.e.f. May 19, 2014 and ceased to be an Additional Director w.e.f. August 08, 2014.

** Appointed as an Additional (Independent) Director w.e.f. March 27, 2015.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Directors, out of whom two are Independent Directors. Mr. Shailesh Haribhakti, Chairman of the Committee is an Independent Director. All the Members of the Committee possess accounting and financial management expertise. The Chairman of the Committee was present at the Second Annual General Meeting of the Company held on August 08, 2014.

The Company Secretary functions as Secretary to the Committee.

During the year under review, five meetings of the Committee were held on May 19, 2014, August 07, 2014, November 07, 2014, February 05, 2015 and March 31, 2015. The gap between two Meetings did not exceed four months.

The composition of the Committee and the attendance of the Members at the above meetings is as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Mr. Shailesh Haribhakti	Chairman	5	5
Dr. Darlie Koshy	Member	5	5
Mr. C. P. Toshniwal	Member	5	5

The Committee's composition meets with the requirements of section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements of Clause 49 of the Listing Agreement and the provisions of section 177 of the Companies Act, 2013.

Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee *inter-alia* includes the following

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;

- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Reviewing of the following information

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Directors, out of whom two are Independent Directors.

During the year under review, two meetings of the Committee were held on October 08, 2014 and February 05, 2015.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy	Chairman	2	2
Mr. Shailesh Haribhakti	Member	2	2
Mr. Rakesh Biyani	Member	2	2

Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements of Clause 49 of the Listing Agreement, the provisions of section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including corresponding provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014) as may be applicable.

The role of the Nomination and Remuneration Committee *inter-alia* includes the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- To establish and from time to time review the policy for ESOP and ESOS as well as issuance of SWEAT equity shares to the managerial personnel and recommend the grants to be made of options under ESOP / ESOS; and
- To review Company's remuneration and human resources policy.

Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organization. The remuneration policy is in consonance with the existing industry practice.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to its Managing Director or the Executive Director, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee (NRC) evaluates the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Managing Director or the Executive Director as per terms of appointment and based on the performance of the individual as well as the Company. Performance criteria for Managing Director and Executive Director, entitled for Commission or Performance Bonus are determined by NRC.

The eligible Non-Executive Directors may be paid commission upto an aggregate maximum of 1% of the net profits of the Company as specifically computed for this purpose and as may be approved by Board of Directors of the Company. The criteria of making payments to Non-Executive Directors cover, *inter-alia*, number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

Non-Executive Directors are paid sitting fees of ₹ 50,000 for attending any Meeting of the Board and Audit Committee and ₹ 25,000 for attending any meeting of Nomination and Remuneration Committee, Stakeholders Relationship Committee or any other Committees including meeting of Independent Directors, as decided by the Board. The members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the meeting of the Committee.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors.

REMUNERATION TO DIRECTORS

Remuneration to Managing Director / Executive Director

The remuneration paid to the Managing Director / Executive Director for the year ended March 31, 2015 is as under:

Name of Managing Director / Executive Director	(₹ in Crore)					Total Contract Period	Notice period in months	Stock Options granted
	Salary	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites and allowances	Total			
Mr. Kishore Biyani	0.60	-	0.07	0.31	0.98	June 25, 2013 to June 24, 2016	3	Nil
Mr. C. P. Toshniwal	0.90	0.11*	0.12	0.53	1.66	Nov 01, 2013 to Oct 30, 2016	3	72,464**

* Performance bonus for the financial year (FY) 2013-14 was paid during the FY 2014-15.

** These Stock Options would be vested in two tranches i.e. 50% would be vested on October 28, 2015 and remaining 50% would be vested on April 28, 2016. Vested options can be exercised within a period of three years from the date of vesting, in terms of FLF ESOS-2013.

Notes:

(1) All the above components of remuneration, except Performance Bonus / Commission, are fixed in nature.

(2) In view of the inadequacy of the net profits for the year ended March 31, 2015 as computed under section 198 read with section 197 of the Companies Act, 2013 (the Act), the above managerial remuneration is subject to the approval of the Central Government, in terms of the provisions of section II of Part II of Schedule V to the Act.

Remuneration to Non-Executive Directors

The sitting fees paid to Non-Executive Directors during the year under review are as under:

Name of Director	Sitting Fees paid (₹ in Crore)	Commission paid
Mr. Rakesh Biyani	0.02	Nil
Mr. Shailesh Haribhakti	0.06	Nil
Dr. Darlie Koshy	0.07	Nil
Mr. Rahul Mehta	0.01	Nil
Ms. Sharda Agarwal	0.00*	N.A.

* Represent ₹ 25,000.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for Non-Executive Directors as entitled under the Companies Act, 2013, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence. None of the Directors of the Company is inter-se related to each other.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee presently comprises of Dr. Darlie Koshy, Chairman of the Committee, Mr. Kishore Biyani, Managing Director and Mr. Rakesh Biyani, Director of the Company, the other members of the Committee.

During the year under review, four meetings of the Committee were held on May 19, 2014, August 07, 2014, November 07, 2014 and February 05, 2015. The attendance of the Members at the above meetings is as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy	Chairman	4	4
Mr. Kishore Biyani	Member	4	4
Mr. Rakesh Biyani	Member	4	1

Terms of reference of the Committee

- To determine on behalf of the Board the Company's policy on serving the stakeholders in line with best corporate governance norms;
- To periodically review stakeholders' grievance mechanism of the Company;
- To review and redress stakeholders' grievances regarding allotment of securities, non receipt of dividend etc. and other allied matters;
- The Committee is also authorised to:
  - i. Investigate any activity within its terms of reference;
  - ii. Seek any information from any employee of the Company;
  - iii. Obtain outside legal or independent professional advice. Such advisors may attend meetings if necessary; and
  - iv. Incur such reasonable expenditure, as it deems necessary.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. C. P. Toshniwal. The Share Transfer Committee meets as and when required to consider the transfer proposals and attend to Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, dematerlisation and rematerialisation of shares.

Investors' Grievance Redressal

During the year under review, 13 complaints were received from the Investors and all of them were attended to and resolved promptly. As on March 31, 2015 there were no outstanding complaints from the Investors.

Compliance Officer

During the year under review, Mr. Kuldeep Sharma resigned as Head Legal & Company Secretary of the Company w.e.f. January 14, 2015 and ceased to be the Compliance Officer of the Company.

Mr. Sanjay Kumar Mutha was appointed as Chief Legal & Company Secretary w.e.f. March 17, 2015 and also appointed as the Compliance Officer of the Company.

Code of Conduct for Prevention of Insider Trading

The Company's Code of Conduct for Prevention of Insider Trading as approved by the Board of Directors, *inter-alia*, prohibits dealing in the securities of the Company by Directors and certain employees while in possession of unpublished price sensitive information in relation to the Company. The same is available on the Company's website.

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on March 31, 2015 and the attendance of Independent Directors at the above Meeting is as under:

Name of Director	No. of Meeting(s)	
	Held	Attended
Mr. Shailesh Haribhakti	1	1
Dr. Darlie Koshy	1	1
Ms. Sharda Agarwal	1	1

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted on May 19, 2014, which presently comprises of Mr. Kishore Biyani, Dr. Darlie Koshy, Mr. C. P. Toshniwal and Ms. Sharda Agarwal.

During the year under review, one meeting of the Committee was held on March 31, 2015 and the attendance of the Members at the above meeting is as under:

Name of Director	No. of Meeting(s)	
	Held	Attended
Mr. Kishore Biyani	1	Nil
Mr. Shailesh Haribhakti*	1	1
Dr. Darlie Koshy	1	1
Mr. C. P. Toshniwal	1	1
Ms. Sharda Agarwal**	N.A.	N.A.

*He resigned as Member of the Committee w.e.f. May 20, 2015.

** She was appointed as Member of the Committee w.e.f. May 20, 2015.

The Committee functions in accordance with the terms of reference as specified under the Companies Act, 2013, and as may be specified by the Board from time to time, which *inter-alia* includes:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. C. P. Toshniwal. The Board has delegated powers to the Committee of Directors to carry out various activities for day to day operations of the Company. Twenty four meetings of the Committee were held during the financial year 2014-15.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted on May 19, 2014, which comprises of Mr. Rakesh Biyani and Mr. C. P. Toshniwal.

During the year under review, one meeting of the Committee was held on February 05, 2015. The Meeting was attended by both the Members.

The Committee functions in accordance with the terms of reference as specified under the Listing Agreement and as may be specified by the Board from time to time, which *inter-alia* includes implementing and monitoring of risk management plan and policy of the Company. The Committee's constitution meets with the requirements of Clause 49 of the Listing Agreement.

RISK MANAGEMENT

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company.

The Audit Committee/Board of Directors periodically review the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework.

The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis forming part of the Annual Report.

DISCLOSURES

Related Party Transactions

All related party transactions were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the financial year under review, there were no materially significant transactions entered into between the Company and related parties that may have potential conflict with the interests of the Company at large.

The details of related party transactions are presented in Note No.32 in Notes forming part of the financial statements for the year ended March 31, 2015.

Disclosure of Accounting Treatment

During the year under review, the Company followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006, in the preparation of its financial statements.

Management

A Management Discussion and Analysis (MDA) forms part of the Annual Report.

All members of the Senior Management have confirmed to the Board that there are no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

CEO/CFO Certification

As required under Clause 49 of the Listing Agreement, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2015.

GENERAL BODY MEETINGS

Annual General Meeting

The details of the Annual General Meetings (AGM) held since incorporation are as follows:

Year	Date & Time of AGM	Venue	Special Resolutions passed
2013-14	August 08, 2014 at 10:30 am	Rangswar, Fourth Floor, Y.B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.	• Payment of Commission to Non-Executive Directors.
2012-13	May 09, 2013 at 11:30 am	Future Retail Home Office, Tower – C, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai – 400 083	• Providing or giving any guarantee or security, in one or more tranches, to any bodies corporate for an amount not exceeding ₹ 4,000 Crore; • Alteration of Articles of Association.

Extraordinary General Meeting

During the year under review, two Extraordinary General Meetings (EGM) were held. The details are as follows:

Date & Time of EGM	Venue	Special Resolutions passed
November 07, 2014 at 10:30 am	Enlightenment, Second Floor, Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road, Jogeshwari (E), Mumbai – 400 060	• Preferential Issue of Equity Shares to Ryka Commercial Ventures Private Limited; • Preferential Issue of Compulsory Convertible Debentures (CCDs) to Arlette Infrastructure Private Limited; • Payment of remuneration to Mr. Kishore Biyani as Managing Director of the Company; • Payment of remuneration to Mr. C. P. Toshniwal as Executive Director & Chief Financial Officer of the Company.
May 31, 2014 at 10:30 am	Rangswar, Fourth Floor, Y.B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.	• Preferential Issue of Equity Shares to PI Opportunities Fund-I; • Preferential Issue of Equity Shares and Compulsory Convertible Debentures (CCDs) to Ryka Commercial Ventures Private Limited.

Postal Ballot

During the year under review, the Company had successfully completed the process of obtaining the approval of its Members through Postal Ballots as per provisions of section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof) ("the Rules"), pertaining to:-

1. borrow money not exceeding at any point of time (excluding any interest on such borrowings) ₹ 3,000 Crore (Rupees Three Thousand Crore), over and above the aggregate of the paid-up share capital and free reserves of the Company for the time being, under section 180(1)(c) of the Companies Act, 2013;
2. mortgage / charge/ hypothecate / encumber any of Company's movable and / or immovable properties, in favour of lender(s) and disposing of undertaking or part of the undertaking of the Company in terms of section 180(1)(a) of the Companies Act, 2013;

3. give any loan or to give any guarantee or provide security in connection with loan given, to any body corporate/ person or to acquire by way of subscription, purchase or otherwise the securities of any body corporate for a total amount not exceeding ₹ 1,000 Crore (Rupees One Thousand Crore) or equivalent amount in any other foreign currency under section 186 of the Companies Act, 2013;

4. offer, issue and allot Redeemable Non-convertible Debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities, etc. for an amount not exceeding ₹ 500 Crore (Rupees Five Hundred Crore), on private placement basis.

Voting Pattern and Procedure for Postal Ballot:

(i) The Board of Directors of the Company at its meeting held on February 05, 2015, had appointed Mr. Sanjay Dholakia, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot voting process.

(ii) The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

(iii) All postal ballot forms received up to the close of working hours on March 02, 2015, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny. Envelopes containing postal ballot forms received after close of working hours on March 02, 2015, had not been considered for scrutiny.

(iv) The results of the Postal Ballot were announced on March 03, 2015 at the Registered Office of the Company as per the Scrutinizer's Report as under:

Resolution no.	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes-in favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
1	18,62,09,031	10,63,11,565	57.09	10,62,81,880	29,685	99.97	0.03
2	18,62,09,031	10,63,11,177	57.09	10,62,81,793	29,384	99.97	0.03
3	18,62,09,031	10,63,18,613	57.10	10,62,67,980	50,633	99.95	0.05
4	18,62,09,031	10,63,11,473	57.09	10,62,84,416	27,057	99.97	0.03

MEANS OF COMMUNICATION

The Company regularly informs its unaudited as well as audited Financial Results to the Stock Exchanges, as soon as these are taken on record/approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. "The Free Press Journal"- (English Daily) and "Nav Sakthi" (Marathi Newspaper). The Company's financial results, Shareholding Pattern and official news releases are displayed on the Company's website www.futurelifestyle.in. The Company's presentations to institutional investors and analysts, if made, are put up on the website of the Company.

The Annual Report, Quarterly Results and Shareholding Pattern of the Company are also posted by the BSE and NSE on their website.

All filing, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information generally available.

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of the Third Annual General Meeting

Wednesday, August 26, 2015 at 12:00 noon at Rangswar, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai 400021.

Financial Year

The financial year covers the period from April 1 of every year to March 31 of the next year.

Financial Reporting for

Quarter ending June 30, 2015 - Second week of August, 2015
Half-year ending September 30, 2015 - Second week of November, 2015
Quarter ending December 31, 2015 - Second week of February, 2016
Year ending March 31, 2016 - End May, 2016

Note: The above dates are indicative.

Date of Book Closure

From Thursday, August 20, 2015 to Wednesday, August 26, 2015 (both days inclusive)

Dividend Payment Date

The Board of the Directors of the Company has recommended a dividend of ₹ 0.40 (20%) per Equity Share. Dividend, if declared, at the ensuing Annual General Meeting, will be paid/credited within a period of 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members and to the beneficial owners as per the particulars to be furnished by the Depositories as on August 20, 2015.

Listing on Stock Exchanges

Equity Shares

The Equity Shares of the Company are listed on the following Stock Exchanges:

- BSE Limited
- National Stock Exchange of India Limited

Debt Securities

Non-Convertible Debentures (Series 1), (Series II), (Series III) of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

Listing Fees

Listing Fees, as prescribed, has been paid to both the Stock Exchanges where the securities of the Company are listed.

Debenture Trustees

For Non-Convertible Debentures (Series 1 and Series III)

Allbank Finance Limited

Allahabad Bank Building, 2nd Floor,

37, Mumbai Samachar Marg, Fort, Mumbai 400 023

Tel No.: +91 22 2262 6283, Fax No.: +91 22 2267 7552

For Non-convertible Debentures (Series II)

Centbank Financial Services Limited

Central Bank – MMO Building, 3rd Floor (East Wing),

55, M. G. Road, Fort, Mumbai – 400 001

Tel No.: +91 22 2261 6217, Fax No.: +91 22 2261 6208

Stock Code

Shares / Debentures	ISIN No.	Stock Code	
		BSE	NSE
Equity	INE452O01016	536507	FLFL
11.50% Secured Non-Convertible Debentures (Series 1)*	INE452O07039	950223	-
11.50% Secured Non-Convertible Debentures (Series II)*	INE452O07013	946822	-
11.50% Secured Non-Convertible Debentures (Series III)*	INE452O07021	947433	-

* Listed only on BSE Ltd.

Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs, is L52100MH2012PLC231654.

Stock Performance

The performance of the Equity Shares of the Company at the Stock Exchanges during the year under review is as follows:

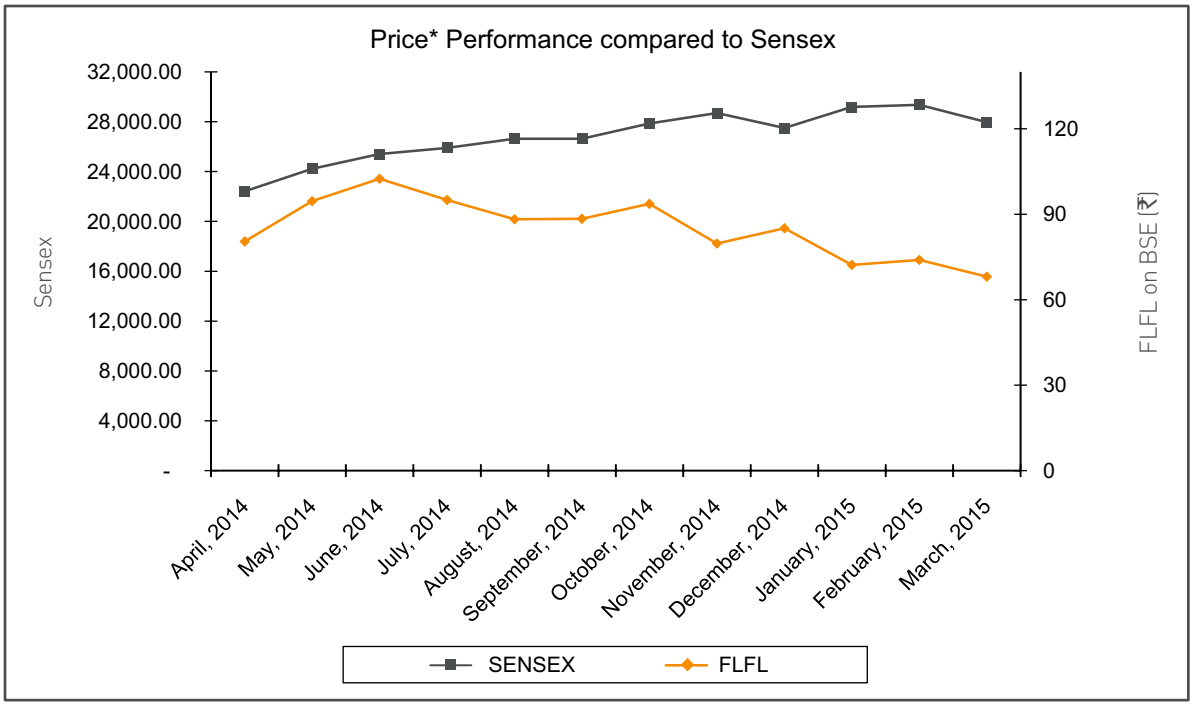
(Amount in ₹)

Months	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April 14	89.80	58.60	90.00	58.00
May 14	104.20	83.00	105.00	82.45
June 14	112.75	89.25	112.00	89.00
July 14	107.50	88.50	107.90	88.10
August 14	98.50	82.45	98.50	82.00
September 14	109.30	77.10	109.80	78.00
October 14	97.45	87.00	97.50	87.00
November 14	96.60	73.25	96.45	73.00
December 14	91.00	73.60	90.90	73.75
January 15	88.10	70.55	88.35	70.50
February 15	92.80	72.00	93.00	71.10
March 15	76.00	64.00	75.75	64.00

[Source: This information is compiled from the data available from the websites of BSE and NSE]

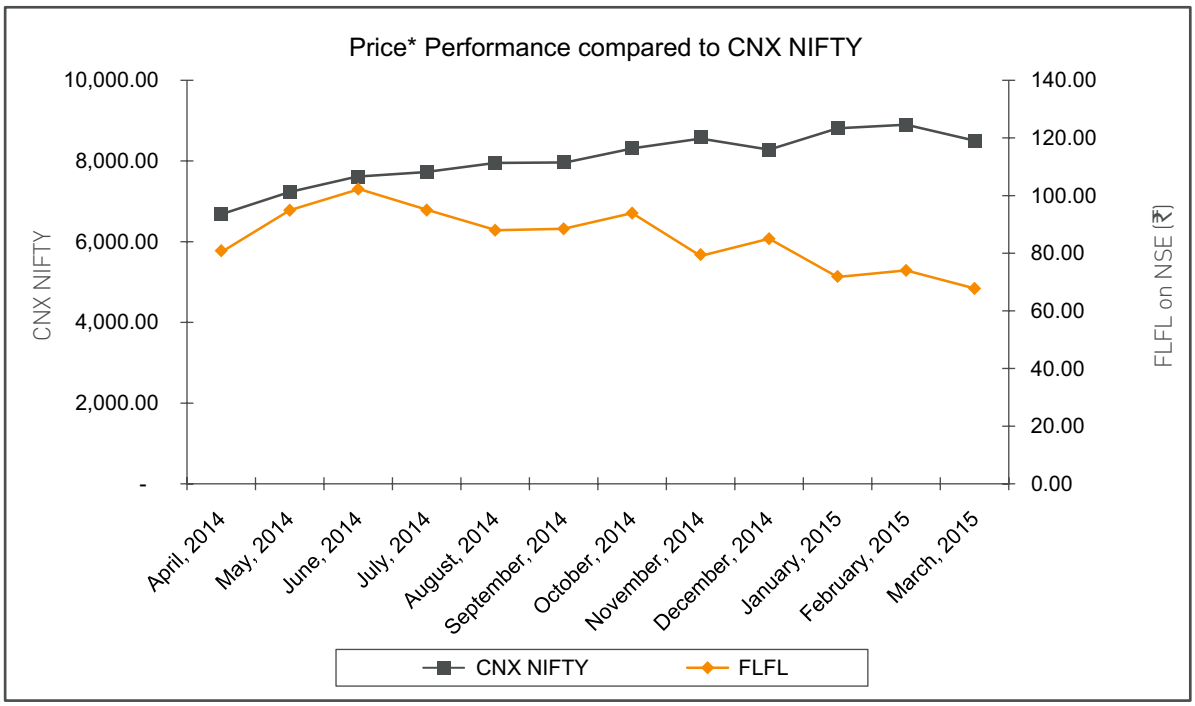
Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty:

Performance of shares in BSE Limited (BSE)



* Based on the closing price on the last trading day of the month.

Performance of Shares in National Stock Exchange of India Limited (NSE)



* Based on the closing price on the last trading day of the month.

Share Transfer System

Trading in Equity Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company. The Share Transfer Committee and Stakeholders' Relationship Committee meet as and when required to consider the transfer proposals and attend to Investors' grievances.

Dematerialisation of shares

99.77% of the Equity Shares of the Company have been dematerialised as on March 31, 2015. The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares as on March 31, 2015 is as under:

Particulars	No. of Shares	% of Capital
National Securities Depository Limited	14,42,50,023	77.47
Central Depository Services (India) Limited	4,15,34,034	22.30
Total Dematerialised	**18,57,84,057**	**99.77**
Physical	4,24,974	0.23
Total	**18,62,09,031**	**100.00**

Distribution of Shareholding of Equity Shares as on March 31, 2015

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	51,340	95.51	28,58,331	1.54
501-1000	1,122	2.09	8,12,976	0.44
1001-2000	464	0.86	6,95,050	0.37
2001-3000	157	0.29	3,96,981	0.21
3001-4000	119	0.22	4,08,349	0.22
4001-5000	91	0.17	4,26,389	0.23
5001-10000	162	0.30	12,20,614	0.65
10001-9999999999	298	0.56	17,93,90,341	96.34
Total	**53,753**	**100.00**	**18,62,09,031**	**100.00**

Shareholding Pattern as on March 31, 2015

Category	No. of Equity Shares	% of Share Capital
Promoters and Promoter Group	10,48,66,359	56.32
Mutual Funds	43,36,383	2.33
Banks, Financial Institutions	2,03,122	0.11
Venture Capital Funds	1,55,27,950	8.34
Insurance Companies	19,21,336	1.03
Foreign Institutional Investors	96,67,881	5.17
Non Resident Indians	3,26,558	0.18
Bodies Corporate	2,68,46,266	14.42
Indian Public (Individual)	1,89,20,467	10.16
Directors & their Relatives	1,35,821	0.07
Clearing Members	9,77,635	0.53
Trust	24,79,253	1.33
Total	**18,62,09,031**	**100.00**

Outstanding GDR /ADR /Warrants or any convertible instruments, conversion date and impact on equity.

During the year under review, the Company had issued 32,96,700 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 91 each convertible into 32,96,700 Equity Shares of ₹ 2 each of the Company to Arlette Infrastructure Private Limited (AIPL), a promoter group company on preferential basis on November 17, 2014.

Subsequent to the closure of the financial year, upon conversion of 32,96,700 CCDs held by AIPL, the Company issued and allotted 32,96,700 Equity Shares of ₹ 2 each at a price of ₹ 91 per Equity Share (including share premium of ₹ 89 per Equity Share) to AIPL on April 01, 2015.

The Company has not issued any GDRs/ADRs/Warrants, during the year under review.

Plant Locations – Not Applicable

Address for Correspondence

Investor Correspondence for securities held in physical form

Registrar and Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (West),
Mumbai – 400 078
Tel No. : +91 22 2594 6970
Fax No. : +91 22 2594 6969
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

For securities held in demat Form

Investors' concerned Depository Participant(s) and/ or Link Intime India Private Limited

For any query on the Annual Report

Mr. Sanjay Kumar Mutha
Chief-Legal & Company Secretary
Future Lifestyle Fashions Limited
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060
Tel No: +91 22 3084 2336
Fax No: +91 22 3084 2502
Email : investorrelations@futurelifestyle.in
Website: www.futurelifestyle.in

Details of non-compliance

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

Non-Mandatory requirements:

The Board: The Chairman of the Board is an Independent Director. The Company did not maintain a Chairman's office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review.

Shareholders' Rights: Quarterly and half yearly financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Hence, half yearly results were not separately sent to Shareholders. Significant events are also posted on the Company's website under the Investors section. The complete Annual Report is sent to every shareholder of the Company.

Audit qualifications: During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices, and has ensured a track record of unqualified financial statements.

Separate posts of Chairman and CEO: The Company has different persons on post of Chairman of the Board and Managing Director**.**

Reporting of Internal Auditor: Internal Auditors are invited to the meetings of Audit Committee to make presentation to the Committee on their observations during the course of their Internal Audit.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Future Lifestyle Fashions Limited

We have examined the compliance of conditions of Corporate Governance by Future Lifestyle Fashions Limited for the financial year ended on March 31, 2015 as stipulated by Clause 49 of the Listing Agreement of the Company with the Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us and the report of Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date: May 20, 2015

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To
The Members of
Future Lifestyle Fashions Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2015.

For Future Lifestyle Fashions Limited

Kishore Biyani
Managing Director

Place: Mumbai
Date: May 20, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of
Future Lifestyle Fashions Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **FUTURE LIFESTYLE FASHIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in Annexure, a statement on the matters specified in paragraph3 and 4 of the order.

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

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

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

c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration no. 119850W

Ashok Trivedi
Partner
Membership No. 042472

Mumbai
May 20, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the companies Act 2013 the Act. Therefore, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

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

vi. To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act for the products of the company.

vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues were outstanding as at March 31, 2015, for a period of more than six months from the date they became payable.

(c) Details of dues of Stamp duty which have not been deposited as at March 31, 2015 on account of dispute are given below.

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	1.55	FY : 2008-09	Chief Controlling Revenue Authority, Ghaziabad, U.P

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.

viii. The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.

ix. Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to bank, financial institutions and debenture holders.

x. In our opinion and according to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

xi. In our opinion and according to the explanations given to us, term loans obtained have been applied for the purpose for which they were obtained.

xii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok Trivedi
Partner
Membership No. 042472

Mumbai
May 20, 2015

BALANCE SHEET

AS AT MARCH 31, 2015

(₹ in Crore)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	37.24	30.89
Reserves and Surplus	3	1,532.48	1,260.43
		1,569.72	1,291.32
Compulsory Convertible Debentures	4	30.00	-
Non-Current Liabilities			
Long-Term Borrowings	5	1,047.61	1,264.03
Deferred Tax Liabilities (Net)	6	64.97	64.49
Other Long-Term Liabilities	7	66.20	251.78
Long-Term Provisions	8	7.06	5.48
		1,185.84	1,585.78
Current Liabilities			
Short-Term Borrowings	9	71.79	77.89
Trade Payables	10	828.75	834.81
Other Current Liabilities	11	252.35	142.27
Short-Term Provisions	12	10.42	8.26
		1,163.31	1,063.23
TOTAL		**3,948.87**	3,940.33
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		1,250.98	1,098.43
Intangible Assets		50.92	51.43
Capital Work-in-Progress		172.12	189.54
Long-Term Loans and Advances	14	305.89	328.92
		1,779.91	1,668.32
Current Assets			
Current Investments	15	343.69	378.53
Inventories	16	1,173.17	1,023.97
Trade Receivables	17	269.23	263.20
Cash and Bank Balances	18	59.66	271.08
Short-Term Loans and Advances	19	285.22	266.93
Other Current Assets	20	37.99	68.30
		2,168.96	2,272.01
TOTAL		**3,948.87**	3,940.33
The accompanying notes are an integral part of these financial statements	1-50		

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date : May 20, 2015

For and on behalf of Board of Directors

Shailesh Haribhakti
Chairman

Kishore Biyani
Managing Director

C. P. Toshniwal
Executive Director &
Chief Financial Officer

Rakesh Biyani
Director

Dr. Darlie Koshy
Director

Sharda Agarwal
Director

Sanjay Kumar Mutha
Chief - Legal & Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

	Note	2014-2015	2013-2014
INCOME			
Revenue from Operations	21	3,134.09	2,743.98
Other Income	22	21.74	331.72
Total Revenue		**3,155.83**	3,075.70
EXPENDITURE			
Cost of Materials Consumed		62.19	65.71
Purchases of Stock-in-Trade		2,006.93	1,678.49
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(149.75)	(47.16)
Employee Benefits Expense	24	169.19	129.09
Finance Costs	25	158.33	162.95
Depreciation and Amortization Expense	13	170.09	385.19
Other Expenses	26	715.37	661.51
Total Expenses		**3,132.35**	3,035.78
Profit Before Exceptional Items and Tax		23.48	39.92
Exceptional Item		-	5.68
Profit Before Tax		**23.48**	34.24
Tax Expense	37	4.93	10.96
Profit For The Year		**18.55**	23.28
Earnings Per Equity Share of Face Value of ₹ 2 each	34		
Basic (₹)		1.07	1.51
Diluted (₹)		1.05	1.51

The accompanying notes are an integral part of these financial statements 1-50

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date: May 20, 2015

For and on behalf of Board of Directors

Shailesh Haribhakti
Chairman

Kishore Biyani
Managing Director

C. P. Toshniwal
Executive Director &
Chief Financial Officer

Rakesh Biyani
Director

Dr. Darlie Koshy
Director

Sharda Agarwal
Director

Sanjay Kumar Mutha
Chief - Legal & Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crore)

		2014-2015	2013-2014
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	23.48	34.24
	Adjusted For :		
	Depreciation and Amortization Expense	170.09	385.19
	Finance Costs	158.33	162.95
	Profit on Sale of Investments	(13.54)	(329.50)
	Loss on Disposal/Discard of Fixed Assets (Net)	15.29	12.67
	Expense on Employee Stock Option Scheme	1.01	1.93
	Dividend Income	(0.31)	(0.22)
	Bad Debts Written Off	6.73	0.56
	Interest Income	(6.18)	(1.47)
	Operating Profit Before Working Capital Changes	**354.90**	266.35
	Adjusted For:		
	Trade Receivables and Other Current Assets	17.54	(331.36)
	Loans and Advances	3.09	(591.35)
	Inventories	(149.20)	(1,023.97)
	Trade Payables, Other Liabilities and Provisions	9.18	1,099.85
	Cash Generated From Operations	**(119.39)**	(846.83)
	Tax Paid	(4.69)	(12.49)
	Net Cash From Operating Activities	**230.82**	(592.97)
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(349.80)	(1,737.26)
	Sale of Fixed Assets	28.30	0.90
	Purchase of Investments	(29.62)	(425.81)
	Sale of Investments	78.02	376.85
	Interest Income	6.18	1.47
	Dividend Income	0.31	0.22
	Net Cash (Used) In Investing Activities	**(266.61)**	**(1,783.63)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares	272.05	-
	Proceeds / (Repayment) from Borrowings	(311.38)	1,541.91
	Proceeds from Compulsory Convertible Debentures	30.00	-
	Dividend Paid (Including Dividend Distribution Tax)	(7.97)	-
	Interest Paid	(158.33)	(162.95)
	Net Cash (Used In) / Provided by Financing Activities	**(175.63)**	1,378.96
D	**ON COMPOSITE SCHEME OF ARRANGEMENT**	**-**	1,268.55
	Net Increase / (Decrease) in Cash & Cash Equivalents	**(211.42)**	270.91
	Opening Balance of Cash & Cash Equivalents	271.08	0.17
	Closing Balance of Cash & Cash Equivalents	**59.66**	271.08

As per our report of even date attached
For NGS & Co. LLP
Chartered Accountants

Ashok Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date : May 20, 2015

For and on behalf of Board of Directors

Shailesh Haribhakti
Chairman

Kishore Biyani
Managing Director

C. P. Toshniwal
Executive Director &
Chief Financial Officer

Rakesh Biyani
Director

Dr. Darlie Koshy
Director

Sharda Agarwal
Director

Sanjay Kumar Mutha
Chief - Legal & Company Secretary

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. Significant Accounting Policies

A. Basis of Preparation

Financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

B. Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

C. Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided, pro rata for the period of use on straight line basis as per the useful life of the assets prescribed under Schedule II to the Companies Act, 2013, except for Leasehold improvements which are depreciated over the remaining expected lease term.

D. Intangible Assets and Amortization

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible Assets are amortized on straight line basis over their estimated useful life as detailed below:

Assets	Estimated Useful Life
Computer Software	6 Years
License Rights	Over the Period of License

E. Investments

Current investments are carried at lower of cost and fair value computed on individual investment basis. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

F. Inventories

Raw Materials, Components, Stores and Spares and Packing Material are valued at lower of cost and net realizable value.

Work-in-Progress, Finished Goods and Stock-in-Trade are valued at lower of cost and net realizable value. Finished Goods and Work-in-Progress include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

G. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the prevailing rates of exchange on the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss. Exchange differences on forward contracts entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability, are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Premium/Discount on foreign exchange contracts are recognised as an expense/income over the life of the contract.

H. Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit and Loss.

I. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured. Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers. Sale of goods are recorded at net of trade discounts, rebates, sales tax, and value added tax. Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties and recognised net of service tax (If applicable).Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate. Dividend income on investments is accounted for when the right to receive the payment is established.

J. Retirement and Other Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognized at the present of the amounts payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

K. Taxation

Tax Expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax asset is reognised and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

L. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes to the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

M. Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets". When at the Balance Sheet date, there are indications of impairment and the carrying amount of the asset or where applicable of the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

N. Operating Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

2. Share Capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	**(₹ in Crore)**	No. of Shares	(₹ in Crore)
Authorised				
Equity Shares of ₹ 2 each	25,00,00,000	50.00	25,00,00,000	50.00
	25,00,00,000	**50.00**	25,00,00,000	50.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each	18,62,09,031	37.24	15,44,73,231	30.89
	18,62,09,031	**37.24**	15,44,73,231	30.89

(i) Reconciliation of number of shares

Equity Share of ₹ 2 each

Particulars	As at March 31, 2015	As at March 31, 2014
	No. of Shares	No. of Shares
At the beginning of the year	15,44,73,231	2,57,31,399
Add : Issued during the year	3,17,35,800	12,87,41,832
At the end of the year	18,62,09,031	15,44,73,231

(ii) Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares Held	**% of Holding**	No. of Shares Held	% of Holding
Future Retail Limited	3,05,70,108	16.42	3,05,70,108	19.79
Future Corporate Resources Limited	2,98,22,732	16.02	2,95,48,009	19.13
Ryka Commercial Ventures Private Limited	2,01,63,384	10.83	-	-
PI Opportunities Fund - I	1,55,27,950	8.34	-	-
PIL Industries Limited	1,09,64,652	5.89	1,09,64,652	7.10
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited	-	-	1,10,35,460	7.14
Bennett Coleman and Company Limited	-	-	81,12,748	5.25

(iv) Shares allotted as fully paid-up without payment received in cash (during 5 years preceding March 31, 2015)

12,87,41,832 Equity Shares of ₹ 2 each fully paid up pursuant to Composite Scheme of Arrangement and Amalgamation.

(v) Share reserved for issue under options and contracts, including the terms and amounts

For details of Shares reserved for issue under the Employee Stock Options Scheme (ESOS) of the Company. (Refer Note: 47)

(₹ in Crore)

	As at March 31, 2015	As at March 31, 2014
3. Reserve and Surplus		
Capital Reserve		
Opening Balance	1,169.99	-
Add: Pursuant to Composite Scheme of Arrangement	-	1,169.99
	1,169.99	1,169.99
Securities Premium Reserve		
Opening Balance	-	-
Add: Transfer From Share Options Outstanding Account	1.93	
Add: Received During the year	263.78	-
	265.71	-
Debenture Redemption Reserve		
Opening Balance	83.85	-
Add: Pursuant to Composite Scheme of Arrangement	-	68.75
Add: Transfer from Statement of Profit and Loss	-	15.10
	83.85	83.85
Share Options Outstanding Account		
Opening Balance	1.93	-
Add: Charge for the Year (Refer note no. 47)	1.01	1.93
Less: Transfer to Securities Premium Reserve on Exercise of Options	1.93	-
	1.01	1.93
General Reserve		
Opening Balance	2.33	-
Add: Transfer from Statement of Profit and Loss	1.86	2.33
	4.19	2.33
Statement of Profit and Loss		
Opening Balance	2.33	(0.34)
Add: Pursuant to Composite Scheme of Arrangement	-	4.05
Add: Profit for the Year	18.55	23.28
Less: Adjustment for Depreciation as per Schedule II of Companies Act, 2013.	1.45	-
Less: Appropriation		
Additional Dividend on share issued during the year	0.74	-
Transfer to Debenture Redemption Reserve	-	15.10
Transfer to General Reserve	1.86	2.33
Proposed Dividend on Equity Share	7.58	6.18
Tax on Dividend	1.52	1.05
	7.73	2.33
	1,532.48	1,260.43

(₹ in Crore)

	As at March 31, 2015	As at March 31, 2014
4. Compulsory Convertible Debentures	30.00	-
32,96,700 Compulsory Convertible Debentures (CCDs) having face value of ₹ 91 each Convertible in to the equivalent number of equity shares of face value of ₹ 2 each at premium of ₹ 89 each.		
	30.00	-
5. Long-Term Borrowings		
Secured		
Non-Convertible Debentures	525.00	450.00
Term Loans from Banks	522.61	814.03
	1,047.61	1,264.03
a) Non-Convertible Debentures (NCDs)		
NCDs of ₹ 650.00 Crore (2013-14 : ₹ 450.00 Crore) are secured by pari-passu first charge on immovable and movable fixed assets of the Company, carries coupon rate of 11.50% per annum and are redeemable at par. NCDs are repayble as follows ₹ 125.00 Crore in FY 2015-16, ₹ 225.00 Crore in 2016-17, ₹ 100.00 Crore in 2017-18, ₹ 80.00 Crore in 2019-20 and ₹ 120.00 Crore in 2020-21.		
b) Term Loans from Banks		
i) Term Loans of ₹ 112.20 Crore (2013-14 : ₹ 225.92 Crore) are secured by (a) First pari-passu charge on Fixed Assets of the company. (b) First charge on Future Credit/Debit card receivables of "Central Format" through escrow mechanism of the company. (c) Personal guarantee of Director.		
ii) Term Loans of ₹ 48.61 Crore (2013-14 : ₹ 124.13 Crore) are secured by (a) Residual Charge on Fixed Assets and Current Assets of the Company. (b) First charge on Future Credit/ Debit card receivables of "Central Format" through escrow mechanism of the company. (c) Personal guarantee of Director.		
iii) Term Loans of ₹ 361.80 Crore (2013-14 : ₹ 377.84 Crore) are secured by First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company.		
iv) Term Loans are repayable as follows: ₹ 8.92 Crore in FY 2016-17, ₹ 137.05 Crore in FY2017-18, ₹ 147.25 Crore in FY 2018-19 and ₹ 115.50 Crore in FY 2019-20 and ₹ 113.89 Crore in FY 2020-21.		
v) Weighted average rate of interest on the Term Loans is 11.89 %		
6. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
On Fixed Assets	67.69	67.34
Deferred Tax Assets		
Disallowances under Income Tax Act	2.72	2.85
	64.97	64.49

(₹ in Crore)

	As at March 31, 2015	As at March 31, 2014
7. Other Long Term Liabilities		
Security Deposits	66.20	51.78
Debenture Application Money	-	200.00
	66.20	251.78
8. Long Term Provisions		
Provision for Employee Benefits	7.06	5.48
	7.06	5.48
9. Short-Term Borrowings		
Secured		
Term Loans from Banks	-	50.00
Working Capital Loans from Banks	71.79	27.89
	71.79	77.89
Working Capital Loans of ₹ 71.79 Crore (2013-14 : ₹ 27.89 Crore) are secured by		
(a) First pari-passu Charge on Current Assets (excluding credit/ debit card receivables)		
(b) Second pari-passu Charge on the Fixed Assets.		
10. Trade Payables		
Trade Payables (Refer Note No. 36)	828.75	834.81
	828.75	834.81
11. Other Current Liabilities		
Current Maturities of Long-Term Borrowings	125.00	13.86
Interest Accrued but Not Due on Borrowings	65.31	43.20
Unclaimed Dividend*	0.01	-
Other Payables#	62.03	85.21
	252.35	142.27
*There are no amounts due and outstanding to be credited to the investor education and protection fund.		
#Includes capital creditors, statutory dues and others.		
12. Short-Term Provisions		
Provision for Employee Benefits	1.32	1.03
Proposed Dividend	7.58	6.18
Tax on Dividend	1.52	1.05
	10.42	8.26

13. Fixed Assets

(₹ in Crore)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at April 1, 2014	Additions	Deductions	**As at March 31, 2015**	Up to March 31, 2014	Deductions/ Adjustments	For the Year	**Up to March 31, 2015**	**As at March 31, 2015**	As at March 31, 2014
a) Tangible Assets										
Freehold Land	0.02	-	-	**0.02**	-	-	-	**-**	**0.02**	0.02
Leasehold Improvements	380.68	97.04	230.97	**246.75**	269.53	216.04	24.54	**78.03**	**168.72**	111.15
Plant & Equipments	158.15	27.21	8.58	**176.78**	15.13	3.54	12.21	**23.80**	**152.98**	143.02
Office Equipments	11.19	2.73	8.42	**5.50**	4.80	6.23	2.66	**1.23**	**4.27**	6.39
Computers	36.60	4.72	11.90	**29.42**	5.36	7.41	8.81	**6.76**	**22.66**	31.24
Furniture, Fixtures and Other Fittings	907.47	226.77	32.77	**1,101.47**	101.00	14.39	113.06	**199.67**	**901.80**	806.47
Vehicles	0.14	0.47	0.01	**0.60**	-	-	0.07	**0.07**	**0.53**	0.14
Total	1,494.25	358.94	292.65	**1,560.54**	395.82	247.61	161.35	**309.56**	**1,250.98**	1,098.43
b) Intangible Assets										
Computer Software	9.85	8.27	0.05	**18.07**	1.05	0.01	2.34	**3.38**	**14.69**	8.80
License Rights	48.28	-	-	**48.28**	5.65	-	6.40	**12.05**	**36.23**	42.63
Total	58.13	8.27	0.05	**66.35**	6.70	0.01	8.74	**15.43**	**50.92**	51.43
Grand Total	1,552.38	367.21	292.70	**1,626.89**	402.52	247.62	170.09	**324.99**	**1,301.90**	1,149.86
Previous Year	1,183.11*	389.50	20.23	1,552.38	23.99*	6.66	385.19	402.52	1,149.86	-

* Pursuant to the Scheme of Arrangement

(₹ in Crore)

	As at March 31, 2015	As at March 31, 2014
14. Long-Term Loans and Advances		
(Unsecured, Considered Good)		
Capital Advances	39.92	108.37
Deposits to		
Related Parties	-	85.50
Others	265.97	135.05
	305.89	328.92
15. Current Investments		
Trade Investments fully paid-up of ₹10 each unless otherwise stated		
Unquoted		
Equity		
Subsidiaries		
30,00,000 Elisir Lifestyle Private Limited	6.00	-
3,48,28,227 Indus-League Clothing Limited Face Value of ₹ 1 each	89.28	89.28
1,29,578 (86,385) Indus Tree Crafts Private Limited Face Value of ₹ 100 each	22.42	14.95
40,00,000 Rachika Trading Private Limited	4.00	-
Associates		
3,05,143 (88,000) Eclat Life Style Private Limited	2.20	0.55
6,25,000 KFC Shoemaker Private Limited	10.00	10.00
15,43,210 (7,71,605) Mineral Fashions Private Limited	10.00	5.00
3,37,161 Resource World Exim Private Limited	3.50	3.50
15,60,000 Turtle Limited	112.51	112.51
Joint Ventures		
1,64,586 (16,45,865) Celio Future Fashion Private Limited (Formerly known as Celio Future Fashion Limited)	7.16	71.62
2,40,00,000 (1,90,00,000) Clarks Future Footwear Private Limited (Formerly known as Clarks Future Footwear Limited)	31.55	26.54
35,00,000 Holii Accessories Private Limited	5.75	5.75
Others		
2,967 Biba Apparels Private Limited Face Value of ₹ 100 each	0.95	0.95
49,99,999 Edmon Trading Private Limited	0.50	0.50
6,09,197 SSIPL Retail Limited	35.37	35.37
51,136 Unico Retail Private Limited	0.50	-
Compulsory Convertible Preference Shares		
2,00,000 Indus Tree Crafts Private Limited Face Value of ₹100 each	2.00	2.00
In Government and Other Securities		
Unquoted		
National Saving Certificates	-	0.01
Aggregate Value of Unquoted Investment	**343.69**	378.53

(₹ in Crore)

	As at March 31, 2015	As at March 31, 2014
16. Inventories		
Raw-Materials	4.83	5.38
Work-in-Progress	5.74	4.33
Stock-in-Trade {Goods-in-Transit of ₹ 37.58 Crore (Previous Year ₹ 35.64 Crore)}	1,136.74	981.46
Finished Goods	25.86	32.80
	1,173.17	1,023.97
17. Trade Receivables		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	11.94	18.75
Considered Doubtful	-	2.28
	11.94	21.03
Less: Provision for Doubtful Debts	-	2.28
	11.94	18.75
Other Debts , Considered Good	257.29	244.45
	269.23	263.20
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	2.40	10.39
Balances with Banks	57.21	260.56
Dividend Accounts	0.01	-
Cheques on Hand	-	0.09
Other Bank Balances		
Deposit Accounts with original maturity of more than twelve months	0.04	0.04
	59.66	271.08
19. Short-Term Loans and Advances		
(Unsecured, Considered Good)		
Loans and Advances to		
Related Parties	145.71	130.64
Others*	139.51	136.29
	285.22	266.93
*Includes balances with government authorities, advance to suppliers, prepaid expenses etc.		
20. Other Current Assets		
Interest Receivable	-	0.01
Insurance Claim Receivable	37.99	68.29
	37.99	68.30

(₹ in Crore)

	2014-2015	2013-2014
21. Revenue from Operations		
Sale of Products	3,239.69	2,824.30
Less: Vat, Sales Tax	176.10	163.49
Other Operating Revenue	70.50	83.17
	3,134.09	2,743.98
22. Other Income		
Interest Income	6.18	1.47
Dividend from Current Investments	0.31	0.22
Gain on Sale of Current Investments	13.54	329.50
Miscellaneous Income	1.71	0.53
	21.74	331.72
23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Inventory / Inventory taken over pursuant to the Scheme of Arrangement		
Finished Goods	32.80	30.34
Work-in-Progress	4.33	9.46
Stock- in-Trade	981.46	931.63
Closing Inventories		
Finished Goods	25.86	32.80
Work-in-Progress	5.74	4.33
Stock- in-Trade	1,136.74	981.46
	(149.75)	(47.16)
24. Employee Benefits Expense		
Salaries and Wages	153.55	117.03
Expense on Employee Stock Option Scheme (Refer Note No 47)	1.01	1.93
Contribution to Provident and Other Funds	9.16	6.82
Staff Welfare Expenses	5.47	3.31
	169.19	129.09
25. Finance Cost		
Interest Expense	146.12	154.39
Other Borrowing Costs	12.21	8.56
	158.33	162.95

(₹ in Crore)

	2014-2015	2013-2014
26. Other Expenses		
Power and Fuel	92.66	77.76
Repairs and Maintenance		
Buildings	14.03	11.33
Others	4.44	5.11
Insurance	3.44	3.04
Rates and Taxes	7.99	6.63
Rent	346.23	291.89
Advertisement and Marketing	69.22	90.48
Loss on Disposal/Discard of Fixed Assets (Net)	15.29	12.67
Provision for Doubtful Debts	-	2.28
Bad Debts Written Off	6.73	0.56
Exchange Difference (Net)	0.46	(0.05)
Miscellaneous Expenses	154.88	159.81
	715.37	661.51

27. Employee Benefits Plans

A. Change In Present Value of Obligation

(₹ in Crore)

Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2014-15	2013-14	**2014-15**	2013-14
Present Value of the Obligation at the beginning of the year/Transferred Under Scheme of Arrangement	3.97	2.63	2.54	1.18
Interest Cost	0.32	0.21	0.20	0.09
Current Service Cost	1.68	1.30	1.17	0.78
Benefits Paid	(0.47)	(0.53)	(1.01)	(1.68)
Actuarial loss on Obligations	(0.34)	0.36	0.32	2.17
Present Value of the Obligation at the End of Year	5.16	3.97	3.22	2.54

27. Employee Benefits Plans (Contd.)

B. Amount Recognised in the Balance Sheet

(₹ in Crore)

Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2014-15	2013-14	**2014-15**	2013-14
Present Value of the Obligation	5.16	3.97	3.22	2.54
Un-funded Liability	5.16	3.97	3.22	2.54
Unrecognized actuarial gains/ losses	-	-	-	-
Un-funded liability recognized in Balance Sheet	5.16	3.97	3.22	2.54

C. Amount Recognised in the Statement of Profit And Loss

(₹ in Crore)

Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2014-15	2013-14	**2014-15**	2013-14
Interest Cost	0.32	0.21	0.20	0.09
Current Service Cost	1.68	1.30	1.17	0.78
Actuarial loss on obligations	(0.34)	0.36	0.32	2.17
Total expense recognised in the Statement of Profit and Loss	1.66	1.87	1.69	3.04

D. Reconciliation of Balance Sheet

(₹ in Crore)

Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2014-15	2013-14	**2014-15**	2013-14
Present Value of the Obligation at the beginning of the year/Transferred Under Scheme of Arrangement	3.97	2.63	2.54	1.18
Total expense recognised in the Statement of Profit and Loss	1.66	1.87	1.69	3.04
Benefit paid during the year	(0.47)	(0.53)	(1.01)	(1.68)
Present Value of the Obligation at the End of Year	5.16	3.97	3.22	2.54

E. The Assumptions used to Determine the Benefit Obligations are as follows

Particulars	Gratuity	Leave Encashment
Discount Rate	8.00%	8.00%
Expected Rate of increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan Assets	N.A.	N.A.

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

28. Disclosure Relating to Leases

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 624.33 Crore (2014: ₹ 391.24 Crore). The Lease Rent payable not later than one year is ₹ 163.81 Crore (2014: ₹ 162.50 Crore), payable later than one year but not later than five year is ₹ 364.54 Crore (2014: ₹ 224.64 Crore) and payable later than five years is ₹ 95.97 Crore (2014: ₹ 4.10 Crore)

29. Capital and other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 14.60 Crore (2014: ₹ 17.64 Crore).

30. Contingent Liabilities

(₹ in Crore)

Particulars	2014-15	2013-14
A. Claims against the Company not acknowledged as debts	3.37	4.24
B. Corporate Guarantees given	24.20	5.00
C. Guarantees given by the bank on behalf of the Company	0.31	0.31

31. Borrowing Cost

The borrowing cost capitalized during the year ended March 31, 2015 was ₹ 4.23 Crore (2014: ₹ 10.88 Crore).

32. Related Party Disclosures

As required under Accounting Standard 18 "Related Party Disclosures" are given below:

A. List of Related Parties

a. Subsidiary Companies

i. Elisir Lifestyle Private Limited (w.e.f. October 17,2014)

ii. Indus-League Clothing Limited

iii. Indus Tree Crafts Private Limited

iv. Indus Tree Producer Transform Private Limited (100% Subsidiary of Indus Tree Crafts Private Limited)

v. Rachika Trading Private Limited (w.e.f. April 10,2014)

32. Related Party Disclosures (Contd.)

b. Associate Companies

i. Eclat Life Style Private Limited (w.e.f. August 08,2014)
ii. KFC Shoemaker Private Limited
iii. Mineral Fashions Private Limited
iv. Resource World Exim Private Limited
v. Turtle Limited

c. Joint Ventures

i. Celio Future Fashion Private Limited (Formerly known as Celio Future Fashion Limited)
ii. Clarks Future Footwear Private Limited (Formerly known as Clarks Future Footwear Limited)
iii. Holii Accessories Private Limited

d. Enterprises over which key managerial personnel are able to exercise significant influence

i. Future Corporate Resources Limited
ii. Future Ideas Company Limited
iii. Future Retail Limited

e. Key Management Personnel

i. Mr. Kishore Biyani - Managing Director
ii. Mr. C. P. Toshniwal - Executive Director & Chief Financial Officer

B. Transaction with Related Parties

(₹ in Crore)

Nature of Transactions	Subsidiaries	Associates / Joint Ventures	Key Management Personnel Exercise Significant Influence	Key Management Personnel
Revenue from Operations	8.85 (0.03)	3.23 (0.80)	170.78 (13.21)	- (-)
Purchase of Goods and Services	10.48 (-)	56.29 (36.77)	99.46 (84.73)	- (-)
Purchase of Fixed Assets	- (-)	0.14 (-)	0.55 (3.35)	- (-)
Sales of Fixed Assets	- (-)	- (-)	1.83 (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	2.64 (2.64)
Investments Made	7.47 (14.60)	10.00 (-)	- (-)	- (-)
Loans and Advances Given	24.74 (3.60)	- (0.25)	- (-)	- (-)
Deposits Received	- (-)	1.16 (0.44)	- (-)	- (-)
Outstanding Balances as on March 31, 2015 Receivable	25.49 (3.81)	- (0.02)	203.23 (349.87)	- (-)
Payable	4.68 (2.63)	37.99 (31.65)	- (26.51)	- (-)

C. Significant Related Party Transaction

i. Revenue from Operation includes Rachika Trading Private Limited ₹ 8.34 Crore (2014: ₹ Nil), Turtle Limited ₹ 2.63 Crore (2014: ₹ 0.38 Crore), Celio Future Fashion Private Limited ₹ 0.45 Crore (2014: ₹ 0.02 Crore), Future Retail Limited ₹ 170.78 Crore (2014: ₹ 14.75 Crore).

ii. Purchase of Goods and Services includes Rachika Trading Private Limited ₹ 7.17 Crore (2014 : ₹ Nil),Indus Tree Producer Transform Private Limited ₹ 1.16 Crore (2014 : ₹ Nil),Elisir Lifestyle Private Limited ₹ 2.15 Crore (2014 : ₹ Nil),Turtle Limited ₹ 37.25 Crore (2014: ₹ 17.99 Crore),Celio Future Fashion Private Limited ₹ 5.86 Crore (2014 : ₹ 3.97 Crore),Future Retail Limited ₹57.97 Crore (2014 : ₹ Nil), Future Corporate Resources Limited ₹ 41.10 Crore (2014 : ₹ 27.03 Crore).

iii. Purchase of Fixed Assets includes Clarks Future Footwear Private Limited ₹ 0.14 Crore (2014: ₹ Nil), Future Retail Limited ₹ 0.55 Crore (2014: ₹ Nil).

iv. Sale of Fixed Assets includes Future Retail Limited ₹ 1.83 Crore (2014: ₹ Nil).

v. Investment made includes Indus Tree Crafts Private Limited ₹ 7.47 Crore (2014: ₹ 2 Crore) Mineral Fashions Private Limited ₹ 5.00 Crore (2014: ₹ Nil), Clarks Future Footwear Private Limited ₹ 5.00 Crore (2014: ₹ Nil).

vi. Loans and Advances Given includes Rachika Trading Private Limited ₹ 24.74 Crore (2014: ₹ Nil).

vii. Deposit Received includes Turtle Limited ₹ 0.74 Crore(2014: ₹ 0.17 Crore), Mineral Fashions Private Limited ₹ 0.28 Crore (2014: ₹ 0.11 Crore)

D. Joint Venture Information

Joint Venture, as required by (AS-27) "Financial Reporting of interest in Joint Venture" is given below:

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on 31.03.2015
1	Celio Future Fashions Private Limited	Equity	India	3.50%
2	Clarks Future Footwear Private Limited	Equity	India	50.00%
3	Holii Accessories Private Limited	Equity	India	50.00%

Company's Interest in the Joint Ventures

(₹ in Crore)

S. No.	Name of the Company	As on	Assets	Liabilities	For the Year Ended on	Income	Expenditure
1	Celio Future Fashion Private Limited	31.01.2015	2.76	3.41	31.01.2015	3.28	4.53
2	Clarks Future Footwear Private Limited	31.03.2015	58.65	70.37	31.03.2015	57.44	68.94
3	Holii Accessories Private Limited	31.03.2015	3.06	2.62	31.03.2015	4.28	5.15

33. Payment to Auditors (Inclusive of Service Tax)

(₹ in Crore)

Particulars	2014-15	2013-14
Statutory Audit Fees	0.62	0.54
Tax Audit Fees	0.03	-
Other Services	0.04	0.03
Total	**0.69**	0.57

34. Earnings per Share

Basic and Diluted Earnings per Share (EPS) is computed in accordance with Accounting Standard (AS-20) on "Earnings per Share"

Particulars	UNITS	2014-15	2013-14
Profit after tax	₹ In Crore	18.55	23.28
The Weighted average number of Equity Shares for Basic EPS	No. in Crore	17.30	15.45
The Weighted average number of Equity Shares for Diluted EPS	No. in Crore	17.67	15.45
Earnings per Equity Share – Basic	₹	1.07	1.51
Earnings per Equity Share – Diluted	₹	1.05	1.51

35. Segment Reporting

The Company is primarily engaged in the business of fashion, which in terms of Accounting Standard 17 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) "Segment Reporting" constitutes a single reporting segment.

36. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues which are outstanding for more than 45 days during the period. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied by the auditors.

37. Tax Expense

The Tax Expense for the Year comprises of

(₹ in Crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Current Tax	4.46	7.26
Deferred Tax	0.47	3.70
Total	**4.93**	10.96

38. Value of Imported and Indigenous Materials Consumed

(₹ in Crore)

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Value	**%**	Value	%
Fabrics and Other Accessories				
- Imported	0.45	0.72	0.49	0.75
- Indigenous	61.74	99.28	65.22	99.25
Total	**62.19**	**100.00**	65.71	100.00

39. Purchase of Stock-In-Trade

(₹ in Crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Apparel	1442.62	1301.52
Non-Apparel	564.31	376.97
Total	**2006.93**	1678.49

40. Details of Sales Value of Goods

₹ in Crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Apparel	2542.78	2145.94
Non-Apparel	520.81	514.87
Total	**3063.59**	2660.81

41. Particulars of Raw Materials Consumed

(₹ in Crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Fabric And Accessories	62.19	65.71
Total	**62.19**	65.71

42. Value of Imports on CIF Basis

(₹ in Crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Raw Materials	0.20	0.18
Purchase of stock-in-trade	11.70	13.66
Capital Goods	11.60	0.38
Accessories & Others	0.25	0.31

43. Expenditure in Foreign Currency

(₹ in Crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Traveling Expenses	0.58	0.22
Professional Charges	1.22	0.93
Advertisement Production	-	0.52
Interest on Foreign Currency Loan	0.12	0.01
Royalty	26.09	14.06

44. Earning in Foreign Currency (on Accrual Basis)

(₹ in Crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Sales of Products (On FOB Basis)*	27.94	19.42

*Includes ₹ **24.15 Crore** (2014: ₹ 18.50 Crore) being indirect foreign exchange earnings during the period through credit cards, as certified by the bankers.

45. a. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivatives instruments for trading and speculative purposes. Forward contracts outstanding as at March 31, 2015 are ₹ 9.36 Crore (2014: ₹ 2.04 Crore)

b. As of Balance Sheet date the Company has net foreign currency exposures (in USD) that are not hedged by derivative instruments or otherwise amounting to ₹ 4.04 Crore (2014: ₹ 3.51 Crore).

46. Particulars of loans Guarantee and investment under section 186(4) of the Companies Act, 2013 and Clause 32 of Listing Agreement

S. No.	Name	Relation	Amount as at March 31, 2015 (Including Interest Accrued)	Amount as at March 31, 2014 (Including Interest Accrued)	Maximum outstanding during the year 2014-15
I	**Inter Corporate deposits and Loans**				
i	Indus Tree Crafts Private Limited	Associate	4.16	3.76	4.16
ii	Idiom Design & Consulting Limited		0.89	1.03	1.04
iii	Indus tree Producer Transform Private Limited	Associate	0.40	-	4.78
iv	Holii Accessories Private Limited	Joint venture	0.25	0.25	0.28
v	Rachika Trading Private Limited	Subsidiary	26.86	-	30.88

S. No.	Name	Relation	**Amount as at March 31, 2015 (Including Interest Accrued)**	Amount as at March 31, 2014 (Including Interest Accrued)	**Maximum outstanding during the year 2014-15**
II	**Corporate Guarantees Given**				
i	Indus Tree Producer Transform Private Limited	Associate	5.00	5.00	Not Applicable
ii	Rachika Trading Private Limited	Subsidiary	19.20	-	Not Applicable
III	**Investments**				
	Refer Note 15 to Notes farming part of Financial Statements.				

1. Above inter corporate deposits and loans have been given for general business purposes and guarantees have been given for securing their credit facilities.

2. Except as indicated above, the Company has not made any loans and advances in the nature of loans to associates or loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 186 of the Companies Act, 2013.

47. Employee Stock Option Schemes (ESOS)

A. Stock Option activity during the year under the Scheme is set out below:

	2014-2015		2013-2014	
Particulars	**No. of Options**	**Weighted Average Exercise Price (₹)**	No. of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,01,161	10.00	3,01,161	10.00
Granted during the year	4,64,622	10.00	-	
Cancelled during the year	11,596	10.00	-	
Exercised during the year	2,73,785	10.00	-	
Expired during the year	-	-	-	
Outstanding at the end of the year	4,80,402	10.00	3,01,161	10.00
Exercisable at the end of the year	12,736	10.00	2,64,777	10.00
Weighted Average Remaining contractual life of outstanding options (in years)	4.12		1.60	
Weighted average fair value of options granted (₹)	85.74		82.01	

B. The Effect of adopting the fair value method on Earnings per share

Pro forma Adjusted Net Income and Earnings Per Share

Particulars	Units	**2014-15**	2013-14
Net Income as reported	₹ In Crore	18.55	23.28
Add: Intrinsic Value Compensation Cost	₹ In Crore	1.01	1.93
Less: Fair Value Compensation Cost	₹ In Crore	1.15	2.19
Adjusted Pro forma Net Income	₹ In Crore	18.41	23.02
Earnings Per Share: Basic			
As Reported	₹	1.07	1.51
Adjusted Pro forma	₹	1.06	1.49
Earnings Per Share: Diluted			
As Reported	₹	1.05	1.51
Adjusted Pro forma	₹	1.04	1.49

C. Method and Assumptions used to estimate the fair value of options granted

The fair value has been calculated using the Black Scholes Option Pricing model. The Assumptions used in the model are as follows:

Grant	**Grant IV-1**	**Grant IV-2**
Date of grant	**October 29, 2014**	**October 29, 2014**
1. Risk Free Interest Rate	8.31%	8.32%
2. Expected Life	2.75	3.00
3. Expected Volatility	54.39%	54.39%
4. Dividend Yield	0.43%	0.43%
5. Price of the underlying share in market at the time of the Option grant (₹)	93.20	93.20

48. Investment by the Company in Subsidiary companies, Joint Venture companies and Associate companies are held exclusively with a view to its subsequent disposal in near future and therefore it is not required to prepare consolidated financial statements under the provisions of Companies Act, 2013 and the prescribed Accounting Standards.

49. For the Year Ended March 31, 2015 the Board of Directors of the Company have recommended dividend of ₹ 0.40 Per Share (2014: ₹ 0.40) to Equity Shareholders and aggregating to ₹ 9.10 Crore (2014: ₹ 7.97 Crore) including Dividend Distribution Tax.

50. Previous Year's Figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date : May 20, 2015

For and on behalf of Board of Directors

Shailesh Haribhakti
Chairman

Kishore Biyani
Managing Director

C. P. Toshniwal
Executive Director &
Chief Financial Officer

Rakesh Biyani
Director

Dr. Darlie Koshy
Director

Sharda Agarwal
Director

Sanjay Kumar Mutha
Chief - Legal & Company Secretary

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in Crore)

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	Elisir Lifestyle Private Limited	March 31,2015	5.00	1.33	11.24	4.91	-	5.54	(1.67)	-	(1.67)	-	60%
2	Indus-League Clothing Limited	March 31,2015	3.48	86.05	89.54	0.01	-	-	0.03	-	0.03	-	100%
3	Rachika Trading Private Limited	March 31,2015	5.00	(7.62)	42.78	45.40	-	19.80	(7.62)	-	(7.62)	-	80%

Part "B": Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)	Profit / (Loss) for the year	
		No.	Amount of Investment in Associates/ Joint Venture (₹ in Crore)	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation (₹ in Crore)
Celio Future Fashion Private Limited (Formerly Known as Celio Future Fashion Limited)*	January 31,2014	16,45,865	71.62	35.00%	Due to Joint Venture Agreement	Refer Note A	5.90	-	(37.28)
Clarks Future Footwear Private Limited (Formerly known as Clarks Future Footwear Limited)	March 31,2014	1,90,00,000	26.54	50.00%	Due to Joint Venture Agreement	Refer Note A	(5.23)	-	(24.40)
Eclat Life Style Private Limited	March 31,2015	3,05,143	2.20	30.00%	Due to Shareholding	Refer Note A	0.89	-	0.01
Indus Tree Crafts Private Limited	March 31,2015	3,29,578	24.42	25.79%	Due to Shareholding	Refer Note A	5.87	-	(0.35)
Indus Tree Producer Transform Private Limited**	March 31,2015	6,94,355	0.69	25.79%	Due to Shareholding	Refer Note A	(5.39)	-	(7.49)
Holii Accessories Private Limited	March 31,2015	35,00,000	5.75	50.00%	Due to Joint Venture Agreement	Refer Note A	0.44	-	(1.76)
KFC Shoemaker Private Limited	March 31,2015	6,25,000	10.00	33.30%	Due to Shareholding	Refer Note A	4.68	-	0.08
Mineral Fashions Private Limited	March 31,2015	15,43,210	10.00	37.00%	Due to Shareholding	Refer Note A	1.80	-	(3.85)
Resource World Exim Private Limited	March 31,2015	3,37,161	3.50	27.50%	Due to Shareholding	Refer Note A	1.95	-	0.77
Turtle Limited	March 31,2015	15,60,000	112.51	26.00%	Due to Shareholding	Refer Note A	8.68	-	5.12

Note - A. Investment by the Company in Subsidiary companies, Joint Venture companies and Associate companies are held exclusively with a view to its subsequent disposal in near future and therefore it is not required to prepare consolidated financial statements under the provisions of Companies Act, 2013 and the prescribed Accounting Standards.

* The Company acquired investment of Celio Future Fashion Private Limited through Composite Scheme of Arrangement under its subsidiary entity which has been transfered to the Company in financial year 2013-14. Further out of the said investment Company has sold 31.50% holding during financial year 2014-15.

** 100% Subsidiary of Indus Tree Crafts Private Limited.

For and on behalf of Board of Directors

Shailesh Haribhakti
Chairman

Kishore Biyani
Managing Director

C. P. Toshniwal
Executive Director & Chief Financial Officer

Rakesh Biyani
Director

Dr. Darlie Koshy
Director

Sharda Agarwal
Director

Sanjay Kumar Mutha
Chief - Legal & Company Secretary

Place : Mumbai
Date : May 20, 2015

INFORMATION AS REQUIRED PURSUANT TO RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED March 31, 2015

Sl. No., Employee Name, Designation, Remuneration received (in ₹), Qualification, Age, Date of Joining, Experience (in Yrs), Last Employment, Last Designation;

1. Mr. Kishore Biyani, Managing Director, 98,19,996, B.Com, PGD in Marketing Management, 55, Jun 25, 2013, 33, Future Consumer Enterprises Limited, MD; 2. Mr. C. P. Toshniwal, Executive Director & CFO, 1,65,80,311, CA, CS, 49, Nov 01, 2013, 25, Future Retail Limited, C.F.O.; 3. M. Vishnu Prasad, CEO - Central, 3,04,94,623, B.Com., MBA, 53, Jun 01, 2013, 30, Future Retail Limited, C.E.O. Central & Brand Factory; 4. Mr. Rajesh Seth, Head - Operations, 1,04,56,657, B.E., 44, Jun 01, 2013, 21, Future Retail Limited, Head-OPS Central & Brand Factory; 5. Mr. Arindam Guha, Chief Financial Officer - Central, 80,14,756, B.Com, CA, 58, Jun 01, 2013, 35, Future Retail Limited, C.F.O. Central & Brand Factory; 6. Mr. Raj Kumar Pinisetti, Chief - Merchandising, 1,13,27,418, B.Com, CA, 47, Jun 01, 2013, 22, Future Retail Limited, Chief Merchandising; 7. Ms. Rachna Aggarwal, CEO - FLF Brands, 2,29,76,269, B.Sc, PGDBM, 46, Jun 01, 2013, 16, Indus League Clothing Limited, C.E.O.; 8. Mr. Ramakrishnan*, Head - Marketing, 18,05,236, B.E., M.B.A., 44, Jan 02, 2015, 21, Café Coffee Day, President Marketing.

* Employed part of the year.

Notes:

1. Nature of employment is permanent and terminable by Notice on either side.
2. The above employees are not related to any other Director of the Company.
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the equity shares of the Company.
4. Terms and conditions of employment are as per Company's Rules.
5. Gross remuneration received as shown in the statement includes Salary, House Rent Allowance, car perquisites value/ allowances as applicable, employer's contribution to Provident Fund and Superannuation Scheme, leave encashment, leave travel facility, reimbursement of medical expenses and all allowances/perquisites and terminal benefits, as applicable.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2015

Shailesh Haribhakti
Chairman

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED March 31, 2015

I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2014-15.

Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (1) (₹ in Crore)	% increase in Remuneration in the financial year (2) 2014-15	Ratio of remuneration of each Director to MRE for financial year (3=(1)/MRE) 2014-15
Mr. Kishore Biyani – Managing Director	0.98	Nil	72.20
Mr. C P Toshniwal - Executive Director & Chief Financial Officer	1.66	3.94%	121.90
Mr. Kuldeep R Sharma - Head-Legal & Company Secretary*	0.51	8.00%	37.45
Mr. Sanjay Kumar Mutha - Chief Legal & Company Secretary**	0.01	Nil	0.74

* Resigned w.e.f. January 14, 2015
** Appointed w.e.f. March 17, 2015

II. The MRE of the Company during the financial year under review was ₹ 1,36,015 as compared to ₹ 1,26,748 in the previous financial year;

III. The increase in MRE in the financial year 2014-15, as compared to the financial year 2013-14 was 7.31%;

IV. There were 6,828 permanent employees on the rolls of the Company as on March 31, 2015;

V. Relationship between average increase in remuneration and company performance:- The total turnover of the Company was increased by 14.22% and the Profit before Tax was decreased by 31.43% for the financial year ended March 31, 2015 as compared to the previous financial year, whereas the increase in median remuneration was 7.31%. The average increase in median remuneration was in line with the performance of the Company and prevailing industry norms;

VI. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

(₹ in Crore)

Aggregate remuneration of Key Managerial Personnel (KMP)	3.10
Revenue from Operations	3,134.09
Remuneration of KMPs (as % of revenue)	0.10%
Profit before tax (PBT)	23.48
Remuneration of KMP (as% of PBT)	13.20%

VII. a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹ 1,270.88 Crore as compared to ₹ 919.73 Crore as on March 31, 2014;

b) Price Earnings ratio of the Company was 63.79 (on basic EPS) and 65.00 (on diluted EPS) as at March 31, 2015 as compared to 39.43 (on basic EPS) and 39.43 (on diluted EPS) as at March 31, 2014;

VIII. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 was in the range of 4% to 10%, whereas the increase in the managerial remuneration for the same financial year was 5.97 %;

IX. The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee and Human Resources as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees;

X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year was 1.84 and 1.39; and

XI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2015

Shailesh Haribhakti
Chairman

NOTES

Registered and Corporate Office:
Future Lifestyle Fashions Limited
Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060
Tel No.: +91 22 3084 2336
Fax No.: +91 22 3084 2502
www.futurelifestyle.in

FUTURE LIFESTYLE FASHIONS

Future Lifestyle Fashions Limited

NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the Members of Future Lifestyle Fashions Limited will be held on Wednesday, August 26, 2015 at 12:00 noon at Rangswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai 400021, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. C. P. Toshniwal (DIN 00036303), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder and pursuant to the resolution passed by the Members at the Annual General Meeting held on August 8, 2014, the appointment of M/s. NGS & Co. LLP, Chartered Accountants (ICAI Registration Number - 119850W) as the Auditors of the Company to hold office till the conclusion of the fourth Annual General Meeting be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year 2015-16."

SPECIAL BUSINESS:

5. **TO APPOINT MS. SHARDA AGARWAL AS AN INDEPENDENT DIRECTOR**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Sharda Agarwal (DIN 00022814) who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 27, 2015 and who holds office upto the date of the ensuing Annual General Meeting in terms of section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, signifying its intention to propose Ms. Sharda Agarwal as a candidate for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years, not liable to retire by rotation."

6. **TO APPROVE FUTURE LIFESTYLE FASHIONS LIMITED EMPLOYEE STOCK OPTION PLAN 2015**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed

while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to the 'Future Lifestyle Fashions Limited Employee Stock Option Plan 2015 (hereinafter referred to as the "FLFL ESOP 2015"/ "Plan") and to authorize the Board to create, offer and grant from time to time the number of Options upto 35,00,000 (Thirty Five Lakh) Employee Stock Options ("ESOPs") being not exceeding 2% (Two percent) of the paid-up equity share capital of the Company as on the date of passing the resolution to the permanent employees and Directors of the Company, whether whole time or otherwise, whether working in India or outside India, as may be decided by the Board under the Plan (hereinafter referred to as an "eligible employees"), convertible into equivalent number of equity shares of ₹ 2 (Rupees Two) each, through an Employees' Welfare Trust (herein after referred to as "Trust") to be set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board under FLFL ESOP 2015.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the number of ESOPs that may be granted to any eligible employee, in any financial year and in aggregate under the Plan shall be less than 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT the aforesaid ceiling of 35,00,000 (Thirty Five Lakh) ESOPs convertible into equivalent number of equity shares of ₹ 2 (Rupees Two) each shall be appropriately adjusted, in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger and/or sale of division/undertaking or any other re-organisation / restructuring of the Company, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby empowered:

(i) to administer, implement and supervise the FLFL ESOP 2015 either directly by itself or through a Trust;

(ii) to formulate, approve, evolve, modify, change, vary, alter, amend, suspend or terminate the FLFL ESOP 2015 and determine and bring into effect such terms and conditions and procedures for grant or vesting of Share(s)/Option(s) under FLFL ESOP 2015 either directly by itself or through a Trust;

(iii) to grant, issue, re-issue, recall, surrender, cancel and withdraw stock options from time to time and to determine the terms and conditions therefor;

(iv) to take necessary steps for listing of the equity shares allotted under the FLFL ESOP 2015 on the Stock Exchanges, where the equity shares of the Company are listed;

(v) to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company;

(vi) to do all such acts, deeds, things and matters as may be considered necessary or expedient and settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.

7. TO GRANT STOCK OPTIONS TO THE EMPLOYEES OF THE SUBSIDIARY COMPANY(IES) UNDER FLFL ESOP 2015

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time

(hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee, duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to grant from time to time the number of Options upto 35,00,000 (Thirty Five Lakh) Employee Stock Options ("ESOPs") under FLFL ESOP 2015 to the permanent employees and directors, whether whole time or otherwise, whether working in India or outside India, of any existing and future subsidiary company(ies) of the Company from time to time, on such terms and conditions, as may be decided by the Board under FLFL ESOP 2015.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to delegate all or any of the powers herein conferred by this resolution to any committee of directors, director, Officer or Authorised Representative of the Company and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

8. TO IMPLEMENT FLFL ESOP 2015 THROUGH EMPLOYEES' WELFARE TRUST

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 62(1)(b), 67 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee, duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to the Board to implement 'Future Lifestyle Fashions Limited Employee Stock Option Plan 2015' (hereinafter referred to as the "FLFL ESOP 2015"/ "Plan") through an Employees' Welfare Trust (hereinafter referred to as "Trust") to be setup by the Company.

RESOLVED FURTHER THAT the said Trust be and is hereby authorised to subscribe, acquire, purchase, sale, transfer, hold, dispose and deal in the equity shares of the Company for the purpose of implementation of FLFL ESOP 2015 or any other employee stock plan or share based employee benefit plan(s), as may be introduced by the Company from time to time, (hereinafter referred to as "Employee Benefits Plan(s)"), or for any other purpose(s) as contemplated herein and to do all such acts, deeds and things as may be incidental or ancillary in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to delegate all or any of the powers herein conferred by this resolution to any Committee of directors, Director, Officer or Authorised Representative of the Company and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Members of the Company."

9. TO AUTHORIZE EMPLOYEES' WELFARE TRUST FOR SECONDARY ACQUISITION

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 62(1)(b), 67 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and

Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee, duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded for acquisition of not exceeding 35,00,000 (Thirty Five Lakh) equity shares of ₹ 2 (Rupees Two) each of the Company (representing 1.85% of the paid up share capital), in one or more tranches, from the secondary market, by Employees' Welfare Trust to be setup by the Company for the purpose of implementation of FLFL ESOP 2015 from time to time, subject to overall limits prescribed under SEBI SBEB Regulations and as may be decided by the Board under the FLFL ESOP 2015.

RESOLVED FURTHER THAT the aforesaid ceiling of 35,00,000 (Thirty Five Lakh) equity shares of ₹ 2 (Rupees Two) each shall be appropriately adjusted, in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger, sale of division/undertaking or other re-organisation / restructuring of the Company, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

10. TO AUTHORISE MAKING OF LOAN / PROVISION OF MONEY TO EMPLOYEES' WELFARE TRUST FOR PURCHASE OF / SUBSCRIPTION FOR COMPANY'S SHARES UNDER FLFL ESOP 2015

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 62(1)(b), 67 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee, duly authorised by the Board), consent of the Members of the Company be and are hereby accorded to the Board to make loan and /or provision of money and/or to provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the Employees' Welfare Trust (hereinafter referred to as "Trust") to be set-up by the Company, for an amount not exceeding 5% (Five percent) of the aggregate of the paid-up share capital and free reserves of the Company for the purpose of subscription for and/or acquisition of equity shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be specified under the FLFL ESOP 2015 and/or any other employee stock plan or share based employee benefits plan(s), which may be introduced by the Company from time to time (hereinafter collectively referred to as "Employee Benefits Plan(s)") with a view to deal in the equity shares of the Company as contemplated in any of the Employee Benefits Plans or such other purpose(s) as may be permitted under the SEBI SBEB Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT any loan or money or guarantee provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the FLFL ESOP 2015 and/or other Employee Benefits Plan(s), as the case may be, subject to exercise price being paid by the employees upon exercise of Options under any of the Employee Benefits Plan(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 (Forty Eight) hours before the commencement of the Meeting.
3. A person can act as proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten Percent) of the total share capital of the Company. Proxies submitted on behalf of corporate Members must be supported by an appropriate resolution/authority, as applicable.
4. A Member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The Statement pursuant to section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 20, 2015 to Wednesday, August 26, 2015 (both days inclusive).
8. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors for the financial year 2014-15, if declared at the Meeting, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members and to the beneficial owners as per the particulars to be furnished by the Depositories as on August 20, 2015.
9. Pursuant to the provisions of section 205A of the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF). The final dividend for the financial year 2013-14 will become due for transfer to IEPF in September, 2021. Members who have not encashed the Dividend Warrants so far for the said financial year are requested to make their claim to the Company's R&T Agents. It may be noted that once the amounts in the Unpaid Dividend Accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.
10. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's Registrar & Share Transfer Agents (R&T Agents). Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
11. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service (ECS) to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participants and/or the Company's R&T Agents.

12. Electronic copy of the Annual Report for financial year 2014-15 and the Notice of the Annual General Meeting of the Company *inter-alia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any Member has requested for hard copies of the same. For Members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.

13. Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic copy.

14. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company's website www.futurelifestyle.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company's investor email id: investorrelations@futurelifestyle.in.

15. Voting through electronic means

    I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    II. The facility for voting through Polling Paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through Poll.

    III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    IV. The remote e-voting period commences on August 22, 2015 (9:00 am) and ends on August 25, 2015 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 19, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

    V. The process and manner for remote e-voting are as under:

        A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants]:

            (i) Open email and open PDF file viz; "Future Lifestyle Fashions Ltd e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

            (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

            (iii) Click on Shareholder - Login

            (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Future Lifestyle Fashions Ltd".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sanjayrd65@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 19, 2015.

X. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 19, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling Paper.

XIII. Mr. Sanjay Dholakia (Membership No. 2655 /Certificate of Practice No. 1798), Proprietor - M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Polling Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.futurelifestyle.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited.

16. Members are requested to send all communications relating to shares to our R&T Agents at the following address:

    LINK INTIME INDIA PRIVATE LIMITED
    C-13, Pannalal Silk Mills Compound,
    LBS Marg, Bhandup (West), Mumbai 400078
    Tel No.: +91 22 2596 3838 Fax No.: +91 22 2594 6969
    Email: rnt.helpdesk@linkintime.co.in

17. The Information to be provided under Clause 49 of the Listing Agreement with the Stock Exchanges pertaining to the Director proposed to be re-appointed at the Annual General Meeting is given as under:

    Re-appointment of Mr. C. P. Toshniwal

    Mr. C. P. Toshniwal, Executive Director & Chief Financial Officer of the Company, retires by rotation and being eligible, offers himself for re-appointment.

    Mr. C. P. Toshniwal, is currently the Executive Director & Chief Financial Officer of the Company. He is a qualified Chartered Accountant and Company Secretary. Mr. Toshniwal started his journey with Future Group in May 1997 and has over 25 years of rich managerial experience. Prior to his association with Future Group, he worked with other corporate houses viz. Donear Synthetics Limited, Orient Vegetexpo Limited and Control Print India Limited. Mr. Toshniwal has strong domain knowledge of the Indian Retail Industry with good understanding of Information Technology Systems and a proven ability in setting up systems and procedures for Robust Management Accounting. He has rich experience in the field of Corporate and Strategic Planning, Financial Planning & Restructuring, Risk Management System and Process Implementation, Mergers, Amalgamations, Takeover of Business Enterprises, Raising Capital through innovative financial products. Additionally he is a very good leader with strong relationships with stakeholders and employees. He has been awarded the Best CFO Award-2011 in the Service Sector Category by The Institute of Chartered Accountants of India. He has been also awarded "CFO100 Roll of Honour" by CFO India for his extraordinary performance as senior finance leader in Retail Industry. Mr. Toshniwal also holds the position of Chairman of Finance Committee of Retailers Association of India.

    Mr. Toshniwal is a member of the Audit Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Board.

    He holds 57,233 Equity Shares in the Company and is not related to any other Directors and Key Managerial Personnel.

He also holds directorship in Future Axiom Telecom Limited, Future Media (India) Limited, Future Supply Chain Solutions Limited, Sprint Advisory Services Private Limited, Shendra Advisory Services Private Limited, Sun City Properties Private Limited, Future Brands Limited, Future E-Commerce Infrastructure Limited, Shreya Mall Management Private Limited, Future Consumer Products Limited and Whole Wealth Limited and also a Designated Partner in SSA Advisors LLP.

He is a member of the Audit Committee of Future Axiom Telecom Limited, Future Media (India) Limited, Future Brands Limited and Future E-Commerce Infrastructure Limited.

Your Directors recommend Resolution No. 3 as an Ordinary Resolution for approval by the Members.

Apart from Mr. Toshniwal, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

18. Ratification of the appointment of Statutory Auditors:

    M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No 119850W) have been appointed as the Statutory Auditors of the Company from the conclusion of the Second Annual General Meeting of the Company held on August 8, 2014 till the conclusion of the Fifth Annual General Meeting of the Company. However, their appointment would be subject to ratification by the Members in every AGM during the said term.

    In view of the above, the Board of Directors recommends ratification of the appointment of M/s. NGS & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of the Fourth Annual General Meeting and to fix the remuneration payable to them for the financial year 2015-16, as mentioned at Item No. 4 of the Notice.

19. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days between Monday and Friday of every week, up to the date of the Third Annual General Meeting of the Company.

20. The route map of the venue of the AGM is given herein. The prominent landmark near the venue is Mantralaya, Mumbai.

By Order of the Board of Directors

Sanjay Kumar Mutha
Chief - Legal & Company Secretary

Date: May 20, 2015
Place: Mumbai

Registered Office:
Future Lifestyle Fashions Limited
CIN: L52100MH2012PLC231654
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060
Tel No.: +91 22 3084 2336
Fax No.: +91 22 3084 2502
Email: investorrelations@futurelifestyle.in
Website: www.futurelifestyle.in

STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013.

The following statement sets out all material facts relating to the Special Business mentioned in the accompanied Notice:

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company vide circular resolution dated March 27, 2015, appointed Ms. Sharda Agarwal as an Additional Director (Independent Director) of the Company.

In terms of section 161 of the Companies Act, 2013 ('the Act'), Ms. Agarwal holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a notice from a Member signifying its intention to propose Ms. Agarwal as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

The Company has received from Ms. Agarwal a declaration that she is not disqualified from being appointed as a Director in terms of section 164 of the Act and given a consent to act as a Director of the Company. The Company has also received a declaration from Ms. Agarwal that she meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under Clause 49 of the Listing Agreement. The Board is also of the opinion that Ms. Agarwal is independent of the management of the Company.

Ms. Agarwal holds Post Graduate Diploma in Management from The Indian Institute of Management, Bangalore and B.Sc. Hons. (Economics), from St. Xavier's College, Kolkata. She has over two decades of experience in various aspects of marketing, consumer business, brand growth through strategic business interventions, brand strategies, sales & distribution strategies including vision-to-execution projects, etc. and held senior positions in Johnson & Johnson (India and United States), Coca Cola (India) and MarketGate Consulting.

Presently, she holds directorships in Motilal Oswal Financial Services Limited, Demeter Advisors Private Limited, Marketgate Dimensions Research India Private Limited and Marketgate Consulting Private Limited.

She does not hold any shares in the Company and is not related to any other Directors and Key Managerial Perosonnel of the Company.

The Board considers that her appointment would be of immense benefit to the Company and it is desirable to avail services of Ms. Agarwal as an Independent Director. In terms of the provisions of section 149(13) of the Act, Ms. Agarwal shall not be liable to retire by rotation.

Your Directors recommend Resolution No. 5 as an Ordinary Resolution for approval by the Members.

Except Ms. Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item Nos. 6 and 7

Human resource is the key for the continuous growth and development of the Company. In order to attract and retain key employees working with the Company and its subsidiary companies by way of rewarding their performance and motivate them to contribute and participate in the overall corporate growth, profitability and financial success of the organisation, your Company intends to implement new employee stock option Scheme.

Equity based compensation is considered to be an integral part of employee compensation across sectors. Your Company also believes in rewarding its employees including Directors of the Company as well as that of the subsidiary companies ("eligible employees") for their continuous hard work, dedication and support, which has led the Company and the subsidiary companies on the growth path. Accordingly, your Company proposes to implement Future Lifestyle Fashions Limited Employee Stock Option Plan 2015 ("FLFL ESOP 2015"/ "Plan").

The Company seeks approval of the Members in respect of FLFL ESOP 2015 and for grant of Options convertible into equity shares of the Company, to the eligible employees, as may be decided by the Board and/or the Nomination and Remuneration Committee (" the Committee") from time to time under the FLFL ESOP 2015.

The salient features of the FLFL ESOP 2015 are as under:

1. **Total number of Stock Options to be granted:**

   35,00,000 (Thirty Five Lakh) Options would be available for grant to the eligible employees of the Company and / or the subsidiary companies in aggregate under the FLFL ESOP 2015, in one or more tranches, convertible into equivalent number of equity shares of ₹ 2 (Rupees Two) each of the Company.

   Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation / termination of the employees or otherwise, would be available for re-grant at a future date, as per the provisions of FLFL ESOP 2015.

   In terms of SEBI SBEB Regulations, the aforesaid ceiling of 35,00,000 (Thirty Five Lakh) ESOPs convertible into equivalent number of equity shares of ₹ 2 (Rupees Two) each shall be appropriately adjusted, in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger and/or sale of division/undertaking or other re-organisation / restructuring of the Company, without affecting any other rights or obligations of the option grantees.

2. **Identification of classes of employees entitled to participate in FLFL ESOP 2015**

   The following class/classes of employees / Directors are entitled to participate in FLFL ESOP 2015:-

   a) Permanent employees of the Company working with the Company or on deputation with any other company in India or outside India;

   b) Directors of the Company; and

   c) Permanent employees and Directors of the subsidiary companies / working with respective subsidiary company or on deputation with any other company.

   The following class/classes of employees are not eligible:-

   a) an employee who is a Promoter or belongs to the Promoter Group;

   b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (Ten percent) of the outstanding equity shares of the Company; and

   c) an Independent Director within the meaning of the Companies Act, 2013.

3. **Transferability of Employee Stock Options:**

   The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, encumbered or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under FLFL ESOP 2015.

4. **Requirements of vesting and period of vesting:**

   The Options granted shall vest in accordance with the terms of the each grant under the FLFL ESOP 2015, so long as an employee continues to be in the employment of the Company or the subsidiary companies as the case may be. The vesting period in one or more tranches shall be decided by the Committee from time to time but shall not be less than 1 year from the date of grant of options. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which, such Options would vest.

5. **Maximum period within which the Options shall be vested:**

   Options granted under FLFL ESOP 2015 would vest in accordance with the terms of the each grant, subject to maximum period of 3 years from the date of grant of such Options.

6. **Exercise price or pricing formula:**

   The exercise price per Option shall not be less than the face value of equity share and shall not exceed the market price of the equity share of the Company as on the date of grant, as may be decided by the Committee.

   Market price in this context refers to the meaning assigned to it under the SEBI SBEB Regulations.

   The Committee can give cashless exercise of options, if required, to the employees and shall provide necessary procedures and/or mechanism for exercising such options, subject to applicable laws, rules and regulations.

7. **Exercise period and the process of Exercise:**

   The vested Options shall be allowed for exercise on and from the date of vesting provided that such vested Options shall be exercised within the maximum period of 3 years from the date of vesting of such Options.

The vested Option shall be exercisable by the employees by a written application to the Trust or the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Trust/ the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period. In case of cashless system of exercise of vested Options, the Committee shall be entitled to specify such procedures and/or mechanisms for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

8. **Appraisal process for determining the eligibility of employees under FLFL ESOP 2015:**

   The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The employees would be granted Options under the FLFL ESOP 2015 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Committee from time to time.

9. **Maximum number of Options to be issued per employee and in aggregate:**

   The number of Options that may be granted to any specific employee of the Company or of its subsidiary companies, in any financial year and in aggregate under the FLFL ESOP 2015 shall be less than 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

10. **Accounting and Disclosure Policies:**

    The Company shall comply with the 'Guidance Note on Accounting for Employee Share-based Payments' and applicable Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time and disclosures requirements under the SEBI SBEB Regulations and other applicable laws from time to time.

11. **Method of Option Valuation:**

    To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Option granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

12. **Primary / Secondary Route:**

    The Board shall decide on the acquisition of shares, either by way of primary issue or by way of secondary acquisition, subject however to prevailing applicable laws and regulations in force from time to time.

In terms of provisions of section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 approvals of the Members are being sought by way of Special Resolutions set out at Item Nos. 6 and 7 to this Notice.

Your Directors recommend the Resolutions proposed at Item Nos. 6 and 7 to this Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in these resolutions, except to the extent of their entitlements, if any, under the Plan.

Item Nos. 8, 9 and 10

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations, the Company proposes to implement Future Lifestyle Fashions Limited Employee Stock Option Plan 2015 ("FLFL ESOP 2015"/ "Plan") through an Employees' Welfare Trust ("Trust") route with a view to efficiently manage the Plan and if required, to enable cashless exercise of vested options. FLFL ESOP 2015 envisages issue of 35,00,000 (Thirty Five Lakh) equity shares within the term of the Plan. The Company also contemplates to manage any other future employee stock option plan or share based employee benefit plan as may be introduced from time to time through the aforesaid Trust.

The Board proposes to set-up an Employees' Welfare Trust namely Future Lifestyle Fashions Limited Employees' Welfare Trust ("Trust") and to make loan and / or provision of money and / or to provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the Trust, for an amount not exceeding 5% (Five percent) of the aggregate of the paid-up share capital and free reserves of the Company, as prescribed under SEBI SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014.

Particulars in respect of the Trust:

a) The class/classes of employees for whose benefit the Plan is being implemented and money is being provided for purchase of and subscription for the shares:

The Plan is being implemented and money is being provided for purchase of and subscription for equity shares for the benefit of eligible employees within the meaning of the Plan. The class/ classes of employees who are eligible are as under:-

i. Permanent employees of the Company working with the Company or on deputation with any other company in India or outside India;

ii. Directors of the Company; and

iii. Permanent employees and Directors of the subsidiary companies / working with respective subsidiary company or on deputation with any other company.

The following class/classes of employees are not eligible:-

i. an employee who is a Promoter or belongs to the Promoter Group;

ii. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (Ten percent) of the outstanding equity shares of the Company; and

iii. an Independent Director within the meaning of the Companies Act, 2013.

b) The particulars of the Trustee or employees in whose favour such shares are to be registered:

It is contemplated that one or more of the designated Trustees shall acquire and deal in the shares of the Company. The Trustees shall transfer the shares in favour of the employees on exercise of the Options after ensuring realisation of exercise price and applicable income tax.

c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

An Irrevocable Trust is proposed to be set-up with the name Future Lifestyle Fashions Limited Employees' Welfare Trust having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

The Trustee(s) would be appointed by the Board and / or the Committee thereof in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations.

A person shall not be appointed as a trustee to hold such shares, if he (a) is a director, key managerial personnel or promoter of the company or its subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or (b) beneficially holds 10% (Ten percent) or more of the paid-up share capital of the Company.

d) Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

The Key Managerial Personnel and Directors are interested in the Scheme only to the extent of stock options as may granted to them, if any, under the Scheme. None of the promoters is concerned or interested in the Scheme.

e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:

The eligible employees shall be granted ESOPs under the Plan, which would vest subject to vesting conditions prescribed by the Committee. Upon exercise of vested stock options, the eligible employees, will be entitled to equivalent number of equity shares of the Company, In case of cashless system of exercise of vested Options, the Committee shall specify such procedures and/or mechanisms for the entitlements under the plan and the same shall be binding on the Option grantees.

f) The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:

As per SEBI SBEB Regulations, neither the Trust nor any of its Trustees shall exercise voting rights in respect of equity shares held in the Trust.

In terms of the provisions of Regulation 6 of the SEBI SBEB Regulations, consent of the Members is being sought by way of Special Resolutions set out at Item Nos. 8 and 9 of this Notice.

Further, in term of the provisions of Regulation 3(8) of the SEBI SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules 2014, consent of the Members is being sought by way of a Special Resolution set out at Item No. 10 of this Notice.

Your Directors recommend Resolutions proposed at Item Nos. 8, 9 and 10 of this Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in these resolutions, except to the extent of their entitlements, if any, under the Plan.

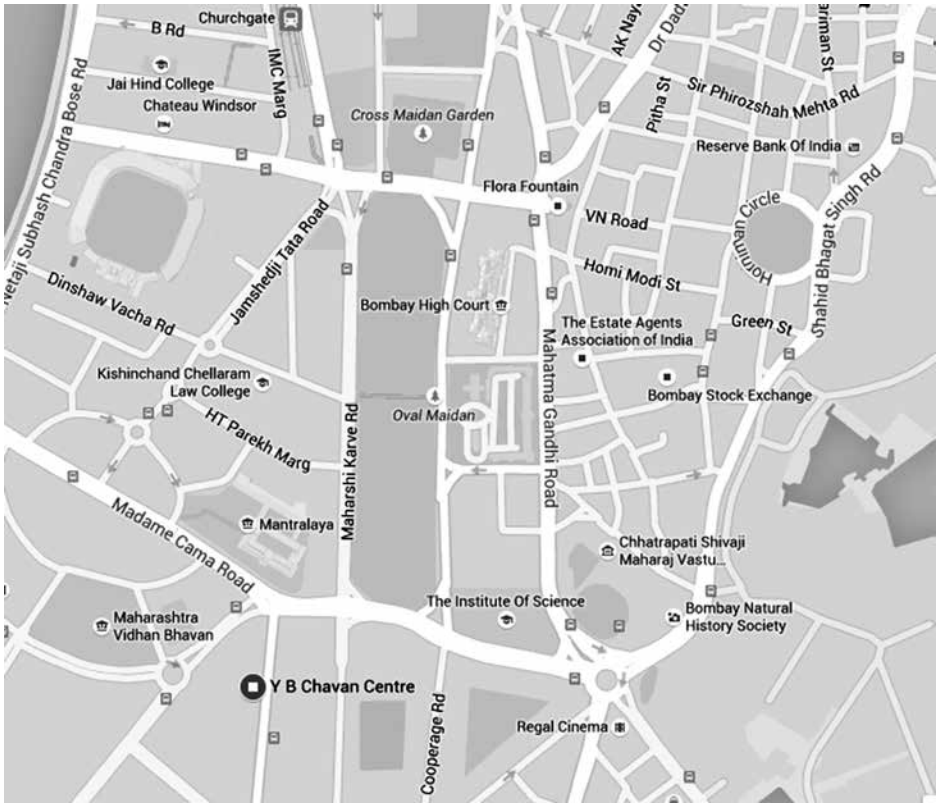
By Order of the Board the Directors

Sanjay Kumar Mutha
Chief - Legal & Company Secretary

Date: May 20, 2015
Place: Mumbai

Registered Office:
Future Lifestyle Fashions Limited
CIN: L52100MH2012PLC231654
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060
Tel No.: +91 22 3084 2336
Fax No.: +91 22 3084 2502
Email: investorrelations@futurelifestyle.in
Website: www.futurelifestyle.in

Route map of the venue of the AGM



PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014 - (Form no.: MGT 11)]

Future Lifestyle Fashions Limited

CIN: L52100MH2012PLC231654

Registered Office: Knowledge House, Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.

Tel No.: +91 22 3084 2336 Fax No.: +91 22 3084 2502 Website: www.futurelifestyle.in

Third Annual General Meeting – August 26, 2015

Name of the member(s):	
Registered Address:	
E-mail Id:	
DP. ID. / Client ID.:	Folio No.:

I/ We, being the member(s) of _____ shares of the above named company, hereby appoint:

(1) Name:.....Address:.....

E-mail id:..... Signature..... Or failing him;

(2) Name:.....Address: .....

E-mail id:..... Signature..... Or failing him;

(3) Name:.....Address: .....

E-mailid:..... Signature.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Third Annual General Meeting of the Company, to be held on Wednesday, August 26, 2015 at 12:00 noon at Rangswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against
	Ordinary Business		
1.	Adoption of audited financial statements of the Company for the year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon.		
2.	Declaration of a dividend on Equity Shares.		
3.	Appointment of Mr. C. P. Toshniwal, who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Ratification of appointment of Auditors and fix their remuneration.		
	Special Business		
5.	Appointment of Ms. Sharda Agarwal as an Independent Director.		
6.	Approval of Future Lifestyle Fashions Limited Employee Stock Option Plan - 2015 (FLFL ESOP 2015).		
7.	Approval of grant of stock options to the employees of the subsidiary companies under FLFL ESOP 2015.		
8.	Implementation of FLFL ESOP 2015 through Employees' Welfare Trust.		
9.	Authorize Employees' Welfare Trust for secondary acquisition.		
10.	Authorize making of loan / provision of money to Employees' Welfare Trust for purchase of / subscription for Company's shares under FLFL ESOP 2015.		

Signed this ..... day of ..... 2015.

Affix revenue stamp

Signature of Proxy holder(s)

Signature of Member

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. *****It is optional to indicate your preference in the appropriate column. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.