



Rating Rationale

10 Aug 2022

Future Ideas Company Limited

Brickwork Ratings has reviewed the Rating for the Non-Convertible Debentures of Rs. 130.00 crs of Future Ideas Company Limited based on best available information, as the issuer did not cooperate.

Particulars

Instrument	Previous Amount (in Rs.)	Present Amount (in Rs.)	Tenure	Previous Rating August 04, 2021	Present Rating#
NCD (Issue amtRs.150 crs)	15.00	15.00	Long Term	BWR D (CE) ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING* Reaffirmation^ and continues to be in ISSUER NOT COOPERATING* category
	15.00	15.00	Long Term		
NCD (Issue amtRs.150 crs)	10.00	10.00	Long Term		
	20.00	20.00	Long Term		
	30.00	30.00	Long Term		
	40.00	40.00	Long Term		
Total	130.00	130.00	INR One Hundred and Thirty Crores only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

^Change in analytical approach from CE to Standalone as the Lessees are incapable of providing any support to the company (Future Ideas). Therefore, there is no meaningful credit enhancement available.

*Issuer did not cooperate; based on best available information

Details of NCD is provided in Annexure-I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

BWR has reaffirmed the rating at BWR D and continued to be in ISSUER NOT COOPERATING* category.

The rating has been reaffirmed based on the feedback received from the debenture trustee via email dated 3rd August 2022 confirming that the company is still under default and has not paid any amount.

The rating for the NCDs was previously based on the credit enhancement on account of the cash flow assurance in the form of lease rentals to be paid by Future Retail Limited (FRL), Future



Lifestyle Fashion Limited (FLFL) and Future Consumer Limited (FCL). As the Lessees are incapable of providing any support to the company (Future Ideas). Therefore, there is no meaningful credit enhancement available. Hence, BWR has changed the analytical approach to standalone from CE (credit enhancement) and assigned a standalone rating.

BWR has removed the credit enhancement (CE) symbol from the ratings and the instrument continues with reaffirmation of the standalone rating at BWR D and continued in the ISSUER NOT COOPERATING* category.

Nature of Non-co-operation:

The rating was due for a review in Aug 2022. BWR took up with the issuer to provide required information over emails dated July 12, 2022, July 14, 2022, July 29, 2022 and Aug 02, 2022 and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer’s financial performance and its ability to service its debt and maintain a valid rating.

Limitations of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding information required for a review of the rating reflecting weak corporate governance.

About the Company (Information as available in August 2020)

Future Ideas Company Limited (FICL) is the ideation arm of Future Group which provides research, insights and solutions for various initiatives and activities of the group relating to brands, market, consumer and product. The main clients of FICL within Future Group are the three listed entities: Future Retail Limited (FRL), Future Lifestyle Fashions Limited (FLFL) & Future Consumer Limited (FCL).

KEY FINANCIAL INDICATORS (in ₹ Cr)

Key Parameters	Units	FY 2018	FY 2019
Result Type		Audited	Audited
Total Income	Rs. in crores	26.24	83.25+
PAT	Rs. in crores	1.45	52.73
Tangible Net worth (TNW)	Rs. in crores	3.10	55.86
Total Borrowing/TNW	Times	57.94	3.94
Current ratio	Times	0.16	0.15



+Total income of FY2019 includes non operating income of Rs.69 crs on account of long term capital gains.

Note: *As per information available with BWR*

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY

RATING HISTORY FOR THE PREVIOUS THREE YEARS (Including withdrawal and suspension)

Instrument	Current Rating			Rating History									
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2021	2020	2019							
NCD	Long Term	30	BWR D ISSUER NOT COOPERATING* reaffirmation and continues to be in NOT COOPERATING category	04.08.2021	13.04.2020								
NCD		100			<table border="1"> <tr> <td>NCD</td> <td>30</td> <td rowspan="2">BWR D (CE) ISSUER NOT COOPERATING*</td> </tr> <tr> <td>NCD</td> <td>100</td> </tr> </table>		NCD	30	BWR D (CE) ISSUER NOT COOPERATING*	NCD	100	<table border="1"> <tr> <td>NCD</td> <td>30</td> <td rowspan="2">BWR A- (CE) Credit Watch With Negative Implications</td> </tr> <tr> <td>NCD</td> <td>100</td> </tr> </table>	NCD
NCD	30	BWR D (CE) ISSUER NOT COOPERATING*											
NCD	100												
NCD	30	BWR A- (CE) Credit Watch With Negative Implications											
NCD	100												
NCD					27.05.2020								
					29.07.2020								
					04.08.2020								
					16.12.2019								
						<table border="1"> <tr> <td>NC D</td> <td>45</td> <td rowspan="2">BWR A+ (SO) Stable</td> </tr> <tr> <td>NC D</td> <td>100</td> </tr> </table>	NC D	45	BWR A+ (SO) Stable	NC D	100		
NC D	45	BWR A+ (SO) Stable											
NC D	100												
Total		130	INR One Hundred and Thirty crores Only										

*Issuer did not cooperate; based on best available information



COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Credit Enhancement](#)
- [Group Support](#)
- [Service Industry](#)
- [Default Recognition](#)
- [Issuer not cooperating](#)

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**Future Ideas Company Limited
ANNEXURE I
INSTRUMENT (NCD) DETAILS**

Instrument	Issue Date	Amount in Crs.	Coupon Rate	Maturity Date	Old ISIN	New ISIN
NCD	26/06/2015	15.00@	12.75%	31/07/2020	INE080T07037	INE080T07086
		15.00@	12.75%	30/09/2020		
Total	A	30.00				
NCDS\$	28/09/2018	10.00	13.40%	31/01/2021	INE080T07045	INE080T07128
		20.00	13.40%	31/01/2022	INE080T07052	INE080T07110
		30.00	13.40%	31/01/2023	INE080T07060	INE080T07094
		40.00	13.40%	31/12/2023	INE080T07078	INE080T07102
Total	B	100.00				



Grand total	A + B	130.00				
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\$O/S as on 31 March 2020 is Rs.97.50 crs

@The above amounts refer to a single NCD with staggered payment structure.

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