

# FUTURE RETAIL

FRL/160615/15/290  
Ref: FRL/SE/2014-15

June 12, 2015

To,  
**Centbank Financial Services Limited**  
3rd Floor (East Wing), Central Bank of India MMO Building,  
55 M G Road, Fort,  
Mumbai - 400 001

Scrip Code	ISIN	Series	Date of Allotment	Face Value	Interest Rate
947649	INE623B07065	Series IV	30.08.2011	₹ 09 lacs	12.10%
946840	INE998K07013	Series VII	21.06.2010	₹ 10 lacs	11.50%
952053	INE623B07149	Series IX - F	23.04.2015	₹ 10 lacs	10.10%
952054	INE623B07156	Series IX - G	23.04.2015	₹ 10 lacs	10.10%
952074	INE623B07164	Series IX - H	28.04.2015	₹ 10 lacs	10.10%
952075	INE623B07172	Series IX - I	28.04.2015	₹ 10 lacs	10.10%
952089	INE623B07180	Series IX - J	29.04.2015	₹ 10 lacs	10.10%
952090	INE623B07198	Series IX - K	29.04.2015	₹ 10 lacs	10.10%
952097	INE623B07206	Series X - A	30.04.2015	₹ 10 lacs	10.25%
952098	INE623B07214	Series X - B	30.04.2015	₹ 10 lacs	10.25%

## Sub: Half Yearly results and the information as required by Clause 6 of the Debt Listing Agreement

Dear Sir / Madam,

Pursuant to the Debt Listing Agreement, please find enclosed herewith the Un-audited Financial Results for the fourth quarter and Audited Financial Results for the Year ended 31st March, 2015 along with the ratios. Other details as on 31st March, 2015 are mentioned below:

Credit Rating by Care Analysis & Research Ltd. : CARE AA- (Double A Minus)

Dates of Interest Payment to the Debenture Holders are as follows:

Scrip Code	ISIN	Series	Last Date of Interest Paid	Next Due Date
947649	INE623B07065	Series IV	30.08.2014	30.08.2015
946840	INE998K07013	Series VII	21.06.2014	21.06.2015
952053	INE623B07149	Series IX - F	--	23.07.2015
952054	INE623B07156	Series IX - G	--	23.07.2015
952074	INE623B07164	Series IX - H	--	28.07.2015
952075	INE623B07172	Series IX - I	--	28.07.2015
952089	INE623B07180	Series IX - J	--	29.07.2015
952090	INE623B07198	Series IX - K	--	29.07.2015
952097	INE623B07206	Series X - A	--	30.07.2015
952098	INE623B07214	Series X - B	--	30.07.2015

**Future Retail Limited** [Formerly Pantaloon Retail (India) Limited]

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

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Details of ratio are as follows:

Particulars	Ratios
Fixed Asset Cover Ratio	1.78 x
Debt Equity Ratio (with OCD as debt)	0.9 x
Debt Service Coverage Ratio	1.34 x
Interest Service Coverage Ratio	1.87 x

Kindly take the above information on your records.

Thanking you,

Yours truly,

For Future Retail Limited



**Deepak Tanna**  
Company Secretary

Encl.: As Above

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## Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2015

Sr. No.	Particulars	₹ In Crores				
		3 months ended 31-03-2015	Preceding 3 months ended 31-12-2014	Corresponding 3 months ended in previous year 31-03-2014	Financial Period of Twelve months ended 31-03-2015	Financial Period of Fifteen months ended 31-03-2014
		Unaudited	Unaudited	Unaudited	Audited	Audited
<b>PART I</b>						
1	<b>Income From Operations</b>					
a)	Net sales/income from operations (Net of excise duty)	2,739.76	2,616.03	2,295.46	10,157.79	11,336.16
b)	Other Operating Income	32.55	38.71	49.63	183.87	241.28
	<b>Total income from operations (net)</b>	<b>2,772.32</b>	<b>2,654.74</b>	<b>2,345.09</b>	<b>10,341.66</b>	<b>11,577.44</b>
2	<b>Expenses</b>					
a)	Cost of materials consumed	3.74	2.30	2.98	16.67	21.85
b)	Purchases of stock in trade	2,102.14	1,951.19	1,649.24	7,803.49	8,498.67
c)	Changes in inventories of finished goods, work in progress, and stock in trade - (Increase) / Decrease	(124.06)	(62.08)	26.88	(411.98)	(23.07)
d)	Employee benefits expense	95.78	95.03	90.13	381.87	423.94
e)	Depreciation and amortization expenses	132.37	128.28	88.06	512.88	404.34
f)	Rent including Lease rental	150.20	149.68	131.25	571.14	640.61
g)	Other Expenditure	242.27	209.95	203.84	864.43	975.49
	<b>Total Expenses</b>	<b>2,606.45</b>	<b>2,474.38</b>	<b>2,192.40</b>	<b>9,738.50</b>	<b>10,342.03</b>
3	<b>Profit from Operations before other income, finance cost and exceptional items (1-2)</b>	<b>166.17</b>	<b>180.38</b>	<b>152.69</b>	<b>603.16</b>	<b>605.41</b>
4	Other Income	7.19	4.99	5.11	26.73	27.74
5	<b>Profit from ordinary activities before finance cost and exceptional items(3+4)</b>	<b>173.36</b>	<b>185.37</b>	<b>157.80</b>	<b>629.89</b>	<b>663.15</b>
6	Finance costs	158.19	177.50	155.25	669.04	692.54
7	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>15.17</b>	<b>7.87</b>	<b>2.55</b>	<b>(39.15)</b>	<b>(29.39)</b>
8	<b>Exceptional Items</b>					
	Profit / (Loss) on sale of investment	0.06	-	(0.15)	100.51	30.66
	Profit / (Loss) from ordinary activities before tax (7+8)	15.23	7.87	2.40	61.36	1.27
10	Tax Expenses	4.92	2.55	0.78	(12.70)	(1.94)
11	<b>Net Profit / (Loss) for the Period (9-10)</b>	<b>10.31</b>	<b>5.32</b>	<b>1.62</b>	<b>74.06</b>	<b>2.81</b>
12	Paid up equity share capital (Face value of ₹ 2 per share)	82.84	50.99	46.32	82.84	46.32
13	Reserves excluding Revaluation Reserves	-	-	-	5,091.30	3,205.33
14	<b>Basic EPS :</b> a) Equity Shares (in ₹)	<b>0.29</b>	<b>0.21</b>	<b>0.07</b>	<b>2.75</b>	<b>0.12</b>
	b) Class B Shares(Series 1) (in ₹)	<b>0.33</b>	<b>0.25</b>	<b>0.11</b>	<b>2.79</b>	<b>0.16</b>
	<b>Diluted EPS:</b> a) Equity Shares (in ₹)	<b>0.28</b>	<b>0.19</b>	<b>0.07</b>	<b>2.75</b>	<b>0.12</b>
	b) Class B Shares(Series 1) (in ₹)	<b>0.33</b>	<b>0.23</b>	<b>0.11</b>	<b>2.79</b>	<b>0.16</b>
<b>PART II - Select Information for the Quarter and Year Ended March 31, 2015</b>						
<b>A PARTICULARS OF SHAREHOLDING</b>						
<b>1 Public share holdings:</b>						
a)	Equity shares:-Number of shares	19,22,90,301	12,70,28,558	11,13,55,350	19,22,90,301	11,13,55,350
	Percentage of shareholdings	49.52%	53.15%	51.64%	49.52%	51.64%
b)	Class B Shares(Series 1) :-Number of shares	1,09,65,108	73,58,729	73,58,729	1,09,65,108	73,58,729
	Percentage of shareholdings	42.37%	46.20%	46.20%	42.37%	46.20%
<b>2 Promoters and Promoter group shareholding:</b>						
<b>a) Pledged/Encumbered</b>						
-	Number of Equity Shares	15,77,73,250	7,54,28,962	7,81,51,401	15,77,73,250	7,81,51,401
-	Number of Class B Shares( Series 1)	24,88,034	24,88,034	69,94,829	24,88,034	69,94,829
-	Percentage of Equity Shares(as a % of total equity shareholding of Promoters and promoter group)	80.48%	67.35%	74.93%	80.48%	74.93%
-	Percentage of Class B Shares( Series 1) (as a % of total Class B Shares( Series 1) shareholding of Promoters and promoter group)	16.69%	29.03%	81.62%	16.69%	81.62%
-	Percentage of Equity Shares (as a % of total equity share capital of company)	40.63%	31.56%	36.24%	40.63%	36.24%
-	Percentage of Class B Shares( Series 1) (as a % of total Class B shares(Series 1) share capital of company)	9.62%	15.62%	43.91%	9.62%	43.91%
<b>b) Non-Encumbered</b>						
-	Number of Equity Shares	3,82,57,772	3,65,64,434	2,61,46,688	3,82,57,772	2,61,46,688
-	Number of Class B Shares( Series 1)	1,24,23,237	60,82,389	15,75,494	1,24,23,237	15,75,494
-	Percentage of Equity Shares(as a % of total equity shareholding of Promoters and promoter group)	19.52%	32.65%	25.07%	19.52%	25.07%
-	Percentage of Class B Shares( Series 1) (as a % of total Class B Shares( Series 1)shareholding of Promoters and promoter group)	83.31%	70.97%	18.36%	83.31%	18.36%
-	Percentage of Equity Shares (as a % of total equity share capital of company)	9.85%	15.29%	12.12%	9.85%	12.12%
-	Percentage of Class B Shares( Series 1) (as a % of total Class B shares(Series 1) share capital of company)	48.01%	38.18%	9.89%	48.01%	9.89%
<b>B INVESTOR COMPLAINTS</b>						
	Particulars	3 months ended 31-03-2015	Particulars	3 months ended 31-03-2015		
	Pending at the beginning of the quarter	NIL	Disposed of during the quarter	20		
	Received during the quarter	20	Remaining unresolved at the end of the quarter	NIL		

### Notes:

- The above financial results have been reviewed by the Audit Committee and the same were taken on record by the Board of Directors of the Company at its meeting held on 25 May 2015.
- The figures of the last quarter ended 31 March 2015 and 31 March 2014, are the balancing figures between the audited figures in respect of the financial year 31 March 2015 and financial period ended 31 March 2014 and the unaudited year / financial period to date figures for the period ended December 2014 and December 2013 respectively, which were subject to limited review by the auditors of the Company.
- The Board of Directors, subject to approval of members, have recommended a dividend ₹0.60 (30%) per equity share and ₹0.64 (32%) per Class B (Series 1) Share.
- The previous financial period was of 15 months and in previous financial period effect of demerger of the Fashion Business, Pantaloon Formats and merger of Value Retail Business was given and hence the financial results of the previous financial period and current financial year would not be comparable.

Certified True Copy  
For Future Retail Limited

*[Signature]*  
Company Secretary



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- 5 During the quarter Company has offered 14,93,86,547 equity shares of ₹ 2/- each at a premium of ₹ 101/- per share and 99,55,720 Class B (Series 1) Shares of ₹ 2/- each at a premium of ₹ 48.25 per Class B share to existing eligible shareholders on Rights Basis. Out of the said offer on February 6, 2015 the Company allotted 14,93,02,359 equity shares of ₹ 2/- each at a premium of ₹ 101/- per share and 99,47,227 Class B (Series 1) Shares of ₹ 2/- each at a premium of ₹ 48.25 per Class B share to existing eligible shareholders after retaining 84,478 Equity Shares and 8,493 Class B (Series 1) shares kept in abeyance. On account of the aforesaid allotment, the paid up share capital (including Class B (Series 1) Shares) has increased from ₹ 50.99 crore to ₹ 82.64 crore.
- 6 Out of the total issue proceeds of ₹ 1587.50 crore, ₹ 830.46 crore has been utilised till 31 March 2015 and further identified debts of ₹ 262.56 crore has been repaid after 31 March 2015. No date of announcement of the financial results for 2014-15 taking aggregate utilisation to ₹ 1193.03 crore (75.14% of Rights issue proceeds). The Company proposes to repay the balance of identified debt during the first six months of the current financial period.
- 7 The Board of Directors, subject to approval of members, have passed resolution for composite scheme of amalgamation, to demerge Retail Business Undertaking and vesting into Bharat Retail Ltd. (BRL) and vesting of demerged Infrastructure Business Undertaking of BRL with the Company. The Scheme would be effective on receipt of all regulatory approvals (including CCI, SEBI, Stock Exchanges, relevant High Court and such other approvals as may be required) and shareholders approval.
- 8 The Company has only one business segment i.e. "Retail".
- 9 Figures for the previous financial period of fifteen months have been re-arranged and re-grouped wherever necessary. Accordingly, the previous financial period would not be comparable with the current financial period.
- 10 Audited Statement of Assets & Liabilities as at 31 March 2015 and as at 31 March 2014 is given herunder.

## Statement of Assets and Liabilities

Sr. No.	Particulars	₹ In Crores)	
		As At 31.03.2015 Audited	As At 31.03.2014 Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' funds		
(a)	Share Capital	82.84	46.32
(b)	Equity Warrants	23.18	
(c)	Reserves and Surplus	5,097.90	2,205.33
	Sub Total - Shareholders' funds	5,197.92	2,251.65
2	Compulsory Convertible Debentures	150.00	150.00
	Optionally Convertible Debentures	150.00	250.00
3	Non-Current Liabilities		
(a)	Long-Term Borrowings	2,918.68	3,755.20
(b)	Deferred Tax Liabilities (Net)	197.43	180.16
(c)	Long-Term Provisions	19.12	16.03
	Sub Total - Non Current Liabilities	3,105.16	3,951.41
4	Current Liabilities		
(a)	Short-Term Borrowings	1,132.37	1,348.60
(b)	Trade Payables	2,042.03	1,224.02
(c)	Other Current Liabilities	964.76	1,154.07
(d)	Short-Term Provisions	34.23	16.84
	Sub Total - Current Liabilities	4,163.41	3,743.53
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>12,518.49</b>	<b>11,349.59</b>
<b>B</b>	<b>ASSETS</b>		
	Non-Current Assets		
(a)	Fixed Assets	5,108.58	4,704.07
(b)	Non-Current Investments	1,295.18	1,348.52
(c)	Long-Term Loans and Advances	478.19	370.99
	Subtotal - Non - Current Assets	6,879.93	6,424.58
2	Current Assets		
(a)	Inventories	3,522.66	3,113.29
(b)	Trade Receivables	397.97	313.96
(c)	Cash and Bank Balances	104.49	102.48
(d)	Short-Term Loans and Advances	1,762.39	1,379.33
(e)	Other Current Assets	6.04	15.93
	Subtotal - Current Assets	6,714.56	4,925.01
	<b>TOTAL - ASSETS</b>	<b>12,518.45</b>	<b>11,349.59</b>

Place - Mumbai  
Date - 29th May, 2015

Kishore Bajani  
Managing Director



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CIN : LB2368MH1987PLC04964

# FUTURE RETAIL

## STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Crores)

Sr. No.	Particulars	12 Months Year Ended March 31, 2015 Audited	15 Months Period Ended March 31, 2014 Audited
1	<b>Income From Operations</b>		
	a) Net sales/income from operations (Net of excise duty)	10,884.96	13,654.77
	b) Other Operating income	172.28	242.48
	<b>Total income from operations (net)</b>	<b>11,057.24</b>	<b>13,897.25</b>
2	<b>Expenses</b>		
	a) Cost of materials consumed	27.34	36.00
	b) Purchases of stock in trade	9,035.15	9,854.70
	c) Changes in inventories of finished goods, work-in-progress, and stock in trade - (Increase) / Decrease	(406.66)	10.92
	d) Employee benefits expense	473.87	620.83
	e) Depreciation and amortization expense	541.89	451.88
	f) Rent including Lease Rental	698.64	690.06
	g) Other Expenses	1,105.56	1,741.10
	<b>Total Expenses</b>	<b>10,474.29</b>	<b>13,405.49</b>
3	<b>Profit from Operations before other income and finance cost (1-2)</b>	<b>682.95</b>	<b>491.76</b>
4	<b>Other Income</b>	<b>82.63</b>	<b>307.54</b>
5	<b>Profit from ordinary activities before finance cost and exceptional items (3+4)</b>	<b>675.58</b>	<b>799.30</b>
6	<b>Finance costs</b>	<b>679.18</b>	<b>725.95</b>
7	<b>Profit (Loss) from ordinary activities after finance costs but before exceptional items(5-6)</b>	<b>(3.60)</b>	<b>73.35</b>
8	<b>Exceptional Items</b>	<b>164.00</b>	<b>25.84</b>
9	<b>Profit from ordinary activities before tax (7+8)</b>	<b>160.40</b>	<b>99.19</b>
10	<b>Tax expense</b>	<b>2.11</b>	<b>4.35</b>
11	<b>Earlier years Income Tax</b>		<b>0.06</b>
12	<b>Net Profit for the Year/ Period (9-10-11)</b>	<b>158.29</b>	<b>94.78</b>
13	<b>Prior Period Items</b>	<b>1.97</b>	<b>0.24</b>
14	<b>Share in Profit of associates</b>	<b>0.70</b>	
15	<b>Minority interests</b>	<b>(7.38)</b>	<b>(14.72)</b>
16	<b>Net Profit for the Year/ Period (12+13+14+15)</b>	<b>152.98</b>	<b>80.30</b>
17	<b>Paid up Equity Share Capital (Face Value of ₹ 2 Per Share)</b>	<b>62.94</b>	<b>46.32</b>
18	<b>Reserves Excluding Revaluation Reserves</b>	<b>5,236.19</b>	<b>3,214.54</b>
19	<b>Basic EPS:</b>		
	a) Equity Shares	5.60	3.47
	b) Equity Shares - Class B (Series 1)	5.73	3.51
	<b>Diluted EPS:</b>		
	a) Equity Shares	5.69	3.47
	b) Equity Shares - Class B (Series 1)	5.73	3.51



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## Audited Consolidated Statement of Assets and Liabilities

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' Funds		
	(a) Share Capital	131.64	120.97
	(b) Equity Warrants	23.18	-
	(c) Reserves and Surplus	5,236.19	3,214.54
	Sub Total - Shareholders' funds	5,391.01	3,335.51
2	Share Application Money Pending Allotment	-	1.56
3	Compulsorily Convertible Debentures	-	150.00
4	Optionally Convertible Debentures	150.00	250.00
5	Minority Interests	66.84	90.38
6	Non-Current Liabilities		
	(a) Long-Term Borrowings	2,932.34	3,810.12
	(b) Deferred Tax Liability (Net)	176.86	182.41
	(c) Other Long Term Liabilities	496.19	261.48
	(d) Long-Term Provisions	21.03	17.74
	Sub Total - Non current liabilities	3,626.42	4,291.75
7	Current liabilities		
	(a) Short-Term borrowings	1,158.81	1,419.85
	(b) Trade Payables	2,029.58	1,254.92
	(c) Other Current Liabilities	986.65	1,194.23
	(d) Short-Term Provisions	42.63	160.59
	Sub Total - Current liabilities	4,216.46	4,029.59
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>13,449.72</b>	<b>12,148.78</b>
<b>B</b>	<b>ASSETS</b>		
1	Non-Current Assets		
	(a) Fixed assets	5,274.66	4,913.76
	(b) Non-Current Investments	1,621.93	1,431.50
	(c) Long-Term Loans and Advances	511.22	451.91
	(d) Other Non-Current Assets	36.06	0.86
	Subtotal - Non current assets	7,442.86	6,798.03
2	Current Assets		
	(a) Current Investments	-	20.92
	(b) Inventories	3,933.65	3,130.65
	(c) Trade Receivables	549.77	441.97
	(d) Cash and Bank Balances	130.86	169.23
	(e) Short-Term Loans and Advances	1,761.85	1,479.52
	(f) Other Current Assets	30.73	109.26
	Subtotal - Current assets	6,006.86	5,350.75
	<b>TOTAL - ASSETS</b>	<b>13,449.72</b>	<b>12,148.78</b>

Place : Mumbai  
Date : 25th May, 2015

Kishora Bhyari  
Managing Director



Cert/14-15/029

**TO WHOMSOEVER IT MAY CONCERN**

At the request of M/s Future Retail Limited situated at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060, we have examined necessary books of accounts and related records and certify the following ratios as at 31<sup>st</sup> March 2015:

Particulars	Ratios
Fixed Asset Cover Ratio	1.78 x
Debt Equity Ratio (with OCD as debt)	0.93 x
Debt Service Coverage Ratio	1.34 x
Interest Service Coverage Ratio	1.87 x

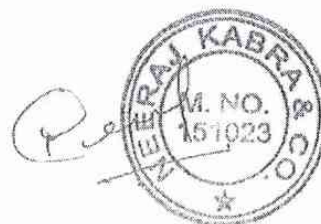
For Neeraj Kabra & Co.  
Chartered Accountants

Place : Mumbai

Date : June 10, 2015

Certified True Copy  
For Future Retail Limited

  
Company Secretary



Neeraj Kabra  
M.No. 151023

CARE/HO/RL/2015-16/1204

**Mr. Dinesh Maheshwari**  
Chief Financial Officer  
**Future Retail Limited**  
Knowledge House , Shyam Nagar,  
Off Jogeshwari Vikroli Link Road,  
Jogeshwari (East)  
Mumbai- 400060

May 11, 2015

**Confidential**

Dear Sir,

**Credit rating for bank facilities**

On the basis of recent developments including proposed demerger of Retail Business Undertaking of Future Retail Ltd. (FRL) into Bharti Retail Ltd. (BRL) and proposed demerger of Retail Infrastructure Business Undertaking of BRL into FRL and the possible impact of the same on the credit profile of your company, our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. Crore)	Existing Rating	Remarks
Long-term Non-convertible Debentures (part of umbrella borrowing of Rs.1500 crore)	900	CARE AA-'under credit watch' [Double A Minus {Credit Watch}]	Placed on Credit Watch
Long-term Bank Facilities (Term Loan)	1820.52	CARE AA-'under credit watch' [Double A Minus {Credit Watch}]	
Long Term Bank Facilities (Fund Based)	2535.50	CARE AA-'under credit watch' [Double A Minus {Credit Watch}]	
Short-term Bank Facilities (Non Fund based)	1715.14	CARE A1+ 'under credit watch' [A One Plus {Credit Watch}]	
Commercial Paper (carved out of working capital limits)	290	CARE A1+ 'under credit watch' [A One Plus {Credit Watch}]	
Long-term Non-convertible Debentures	577.50	CARE AA-'under credit watch' [Double A Minus {Credit Watch}]	
Long-term Non-convertible Debentures	600	CARE AA-'under credit watch' [Double A Minus {Credit Watch}]	

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Company Secretary

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Long-term Non-convertible Debentures	500	CARE AA-'under credit watch' [Double A Minus {Credit Watch}]	
Long-term Non-convertible Debentures (part of umbrella borrowing of Rs.1500 crore)	600	CARE AA-'under credit watch' [Double A Minus {Credit Watch}]	

2. Refer **Annexure 1** for details of rated facilities.
3. CARE will take a view on the ratings once the exact implications of the above on the credit risk profile of the company are clear. A write-up on the above rating is proposed to be issued to the press shortly. A draft of the brief rationale is enclosed for your perusal as **Annexure - 2**.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
6. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

  
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Encl.: As above

**Note:** Shri. V.K. Chopra, Rating Committee Member is a Non-Executive Director on the board of Future Retail Ltd. and hence, the note is not sent to him. To comply with the regulations, the Member is required not to participate in the rating process and the Rating Committee Meeting and press disclosure about the same is to be made by the CRA.

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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**ANNEXURE 1**

**A-1 Details of Bank Facilities**

**1. Long-term facilities**

**1.A. Secured rupee term loans**

(Rs. crore)

S.No	Name of Bank / Institution	Sanctioned Amount	O/s as on 24th Feb 2015	Debt rated
1	Allahabad Bank	26.19	5.86	5.86
2	Andhra Bank	65.00	52.00	52.00
3	Andhra Bank	35.00	23.68	23.68
4	Axis Bank Ltd.	86.00	0.65	0.65
5	Bank of Baroda	31.81	14.14	14.14
6	Bank of Baroda	94.91	25.00	25.00
7	Bank of Baroda	50.00	49.95	49.95
8	Bank of India	108.00	50.00	50.00
9	Bank of India	198.00	41.77	41.77
10	Canara Bank	175.00	90.00	90.00
11	Central Bank of India	150.00	106.61	106.61
12	Corporation Bank	150.00	135.00	135.00
13	Corporation Bank	150.00	110.00	110.00
14	Corporation Bank	100.00	87.26	87.26
15	IDBI Bank Ltd.	50.00	47.50	47.50
16	Indian Overseas Bank	150.00	146.25	146.25
17	Oriental Bank of Commerce	34.29	28.32	28.32
18	Oriental Bank of Commerce	100.00	100.00	100.00
19	Oriental Bank of Commerce	18.52	15.76	15.76
20	State Bank of India	200.00	100.00	100.00
21	Syndicate Bank	100.00	88.56	88.56
22	Union Bank of India	70.74	0.03	0.03
23	Union Bank of India	150.00	150.00	150.00
24	Vijaya Bank	100.00	49.87	49.87
25	Vijaya Bank	50.00	24.33	24.33
26	Proposed	278.00	-	278.00
	<b>TOTAL</b>	<b>2721.46</b>	<b>1,542.52</b>	<b>1820.52</b>

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**1.B. Fund Based limits sanctioned by consortium of bankers**

		(Rs. crore)
Sr. No.	Name of the Bank	Fund Based (Cash Credit)
1	Bank of India	231.00
2	Corporation Bank	196.00
3	IDBI Bank Ltd.	185.00
4	Andhra Bank	193.00
5	Central Bank of India	150.00
6	State Bank of Travancore	120.00
7	Axis Bank Ltd.	84.65
8	Union Bank of India	107.35
9	Allahabad Bank	110.00
10	Bank of Baroda	100.00
11	UCO Bank	83.00
12	Dena Bank	90.00
13	Yes Bank*	98.00
14	Proposed	787.50
	<b>Total to be rated</b>	<b>2535.50</b>

\*not a part of consortium

**Total long-term facilities:**

**Rs.4356.02 crore**

**2. Short-term facilities**

**Non fund based limits**

		(Rs. crore)
Sr. No.	Name of the Bank	Non Fund Based
1	Bank of India	222.00
2	Corporation Bank	150.00
3	IDBI Bank Ltd.	131.00
4	Andhra Bank	103.00
5	Central Bank of India	100.00
6	State Bank of Travancore	91.00
7	Axis Bank Ltd.	113.35
8	Union Bank of India	77.50
9	Allahabad Bank	65.00
10	Bank of Baroda	72.29
11	UCO Bank	80.00
12	Dena Bank	60.00
13	Proposed	450.00
	<b>Total to be rated</b>	<b>1,715.14</b>

**Total short-term facilities**

**Rs. 1715.14 crore**

**A-2 Details of Instrument**

(Rs. crore)

Instruments	Outstanding amount as on May 11, 2015	Repayment details
Long term NCD	500	Equal installments of Rs.250 each in June 2015 and June 2016 respectively
Long term NCD	577.50	NCD amounting to Rs. 202.5 crore is repayable by FY18 and the NCD amounting to Rs. 375 crore is repayable by FY19
Long term NCD	600	Repayable by FY19 in two tranches of Rs.240 crore in FY18 and Rs.360 crore in FY19 respectively
Long term NCD (part of umbrella borrowing of Rs.1500 crore)	600	Bullet repayment at the end of five years
Long term NCD (part of umbrella borrowing of Rs.1500 crore)	900	Repayment in two installments wherein Rs.660 crore shall be repaid at the end of 5th year and Rs.240 crore shall be repaid at the end of 6th year.
<b>Total</b>	<b>3177.50</b>	

**Short-term**

(Rs. crore)

Instruments	Outstanding amount as on May 11, 2015	Rated amount rated	Tenure (Years)
CP (carved out of the sanctioned working capital limits of the company)	Proposed	290	Up to 1 year
<b>Total</b>		<b>290</b>	

**Annexure 2**

**Brief Rationale**

**CARE PLACES THE RATINGS OF FUTURE RETAIL LIMITED ON 'CREDIT WATCH'**

Facilities	Amount (Rs. crore)	Ratings	Remarks
Long-term Bank Facilities (Term Loan)	1820.52	CARE AA- 'under credit watch' [Double A Minus {Credit Watch}]	Placed on Credit Watch
Long Term Bank Facilities (Fund Based)	2535.50	CARE AA- 'under credit watch' [Double A Minus {Credit Watch}]	
Short-term Bank Facilities (Non Fund based)	1715.14	CARE A1+ 'under credit watch' [A One Plus {Credit Watch}]	
<b>Total Facilities</b>	<b>6071.16</b>		
Commercial Paper (carved out of working capital limits)	290	CARE A1+ 'under credit watch' [A One Plus {Credit Watch}]	
Long-term Non-convertible Debentures	1177.50	CARE AA- 'under credit watch' [Double A Minus {Credit Watch}]	
Long-term Non-convertible Debentures	500	CARE AA- 'under credit watch' [Double A Minus {Credit Watch}]	
Long-term Non-convertible Debentures (Umbrella Rating)	1500	CARE AA- 'under credit watch' [Double A Minus {Credit Watch}]	
<b>Total Instruments</b>	<b>3467.50</b>		

**Rating Rationale**

CARE has placed the ratings assigned to the bank facilities/instruments of Future Retail Limited (FRL) on "credit watch" in view of the impending possible impact of the proposed demerger of Retail Business Undertaking of Future Retail Ltd. (FRL) into Bharti Retail Ltd. (BRL) and proposed demerger of Retail Infrastructure Business Undertaking of BRL into FRL. CARE is in the process of evaluating the impact of the same on the credit quality of FRL and has sought necessary information/clarification from the company. CARE will take a view on the rating once the transaction structure and other details are finalized and CARE has evaluated the impact of the above event on the business and financial credit profile of FRL.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

### Background

FRL is the flagship company of the Future Group (one of India's largest retailers). During FY14 (refers to the 15 month period from January 1, 2013 to March 31, 2014), Future Value Retail Ltd (FVRL), earlier a wholly owned subsidiary of FRL has been amalgamated with FRL with effect from appointed date of July 01, 2012. Presently, FRL is mainly engaged in home & electronics retailing and into value retailing. As of December 31, 2014, FRL had 374 stores encompassing 10.93mnsq.ft. of retail area.

In FY14 (refers to period Jan 1, 2013 to March 31, 2014), FRL (Consolidated) reported a total income of Rs. 13924 crore (vis-à-vis Rs.20215 crore in FY12) and PAT of Rs. 95 crore (vis-à-vis Rs.342 crore in FY12).

On a standalone basis, FRL posted a Rs. 3 crore (Rs. 273 crore in FY12) on a total income of Rs. 11596 crore (Rs.7006 crore in FY12) in FY14. In 9MFY15, the company posted a profit of Rs. 64 crore on a total income of Rs. 7589 crore.

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*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

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