

FUTURE RETAIL

14th November, 2019

To,
Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra - Kurla Complex, Bandra (East)
Mumbai - 400 051

Scrip Code: 540064
Scrip Code of Debt : 958809 & 958810

Symbol: FRETAIL

Dear Sir / Madam,

Ref. : **Outcome of Board Meeting**

Sub. : **Un-audited Financial Results for the Quarter and Half Year ended 30th September, 2019, Limited Review Report thereon / Analyst Presentation**

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), we enclose herewith the following:

- Un-audited Financial Results (Standalone & Consolidated) of the Company for the Quarter and Half Year ended 30th September, 2019;

The above Un-audited Financial Results (Standalone and Consolidated) have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held today.

- Limited Review Report on the aforesaid Un-audited Financial Results (Standalone and Consolidated) duly issued by M/s. NGS & Co. LLP, the Statutory Auditors of the Company.

The aforesaid Un-audited Financial Results is also available on the Company's website : www.futureretail.co.in

In terms of applicable provisions of SEBI Listing Regulations, please also find enclosed herewith the presentation being forwarded to Analysts / Investors on the above Un-audited Financial Results for the Quarter and Half Year ended 30th September, 2019. The same is also available on Company's website : www.futureretail.co.in.

The Meeting of the Board of Directors commenced at 04:45 PM and concluded at 7:10 PM.

Thanking you,

Yours faithfully,
For **Future Retail Limited**



Virendra Samani
Company Secretary



Encl. : as above.

Future Retail Limited (Formerly known as Bharti Retail Limited)

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

P +91 22 6644 2200, F + 91 22 6644 2201, www.futureretail.co.in

CIN : L51909MH2007PLC268269

FUTURE RETAIL

Statement of Unaudited Standalone Financial Results for the Quarter and Half Year Ended September 30, 2019

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year Ended
		30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Revenue from operations	5,393.88	5,149.36	4,928.52	10,543.24	9,467.23	20,164.90
	b) Other Income	20.54	8.80	5.88	29.34	9.11	20.47
	Total Income	5,414.42	5,158.16	4,934.40	10,572.58	9,476.34	20,185.37
2	Expenses						
	a) Purchases of stock-in-trade	4,253.22	3,936.34	3,746.97	8,189.56	7,248.83	15,431.85
	b) Changes in inventories of stock-in-trade - (Increase) / Decrease	(323.17)	(209.60)	(132.68)	(532.77)	(340.47)	(650.77)
	c) Employee benefits expense	232.33	281.10	270.31	513.43	521.67	1,074.41
	d) Finance costs	263.32	239.42	55.39	502.74	106.48	223.98
	e) Depreciation and amortisation expense	260.78	239.72	22.98	500.50	42.84	100.59
	f) Rent Expenses	28.38	27.07	367.37	55.45	732.07	1,487.38
	g) Other expenses	528.34	481.61	428.96	1,009.95	836.70	1,785.12
	Total Expenses	5,243.20	4,995.66	4,759.30	10,238.86	9,148.12	19,452.56
3	Profit Before Tax (1-2)	171.22	162.50	175.10	333.72	328.22	732.81
4	Tax Expense	-	-	-	-	-	-
5	Profit for the period (3-4)	171.22	162.50	175.10	333.72	328.22	732.81
6	Other Comprehensive Income	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	5.81
7	Total Comprehensive Income (5+6)	171.22	162.50	175.10	333.72	328.22	738.62
8	Paid up equity share capital (Face value of ₹ 2/- per share)	100.52	100.52	100.51	100.52	100.51	100.52
9	Other Equity	-	-	-	-	-	3,751.43
10	Basic and Diluted EPS (in ₹)	3.41	3.23	3.48	6.64	6.53	14.58

Notes:

- The above results were reviewed and recommended by the Audit Committee and were thereafter approved by the Board of Directors of the Company at its meeting held on November 14, 2019. A Limited Review of the above results has been carried out by the Statutory Auditors.
- Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments.

Reconciliation for the effects of the transition on Statement of Profit and loss for the quarter and half year ended September 30, 2019 as follows :

(₹ in Crore)

Adjustment to Increase/(decrease) in net profit	Quarter ended 30-09-2019 Comparable basis	Changes due to IND AS 116 Increase/ (decrease)	Quarter ended 30-09-2019 as reported	Six months ended 30-09-2019 Comparable	Changes due to IND AS 116 Increase/ (decrease)	Six months ended 30-09-2019 as reported
Rent Expenses	413.45	(385.07)	28.38	808.36	(752.91)	55.45
Finance Cost	84.28	179.04	263.32	152.54	350.20	502.74
Depreciation and amortisation expense	38.50	222.28	260.78	74.02	426.48	500.50
Profit Before Tax	187.47	(16.25)	171.22	357.49	(23.77)	333.72

- Figures for the Previous Financial Period(s) have been re-arranged and re-grouped wherever necessary.
- Standalone Statement of Assets and Liabilities for the Half Year ended September 30, 2019 and cash flow statement are also annexed to financial results.
- The Company has only one business segment i.e. "Retail".

Place : Mumbai
Date : November 14, 2019



By Order of Board of Directors
Kishore Biyani
Kishore Biyani
Chairman & Managing Director

Future Retail Limited (Formerly known as Bharti Retail Limited)

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FUTURE RETAIL



UNAUDITED STANDALONE STATEMENT OF ASSETS & LIABILITIES

(₹ in Crore)

	As at September 30, 2019 Unaudited	As at March 31, 2019 Audited
ASSETS		
1. Non-Current Assets		
Property, Plant and Equipment	6,942.62	862.64
Capital Work-in-Progress	179.68	147.82
Intangible Assets	554.06	578.18
Intangible Assets Under Development	43.26	42.36
Financial Assets		
Investment	119.00	104.00
Deposits	590.09	395.32
Others	0.30	0.13
Other Non-Current Assets	264.78	275.14
Total Non-Current Assets	8,693.79	2,405.59
2. Current Assets		
Inventories	5,597.96	5,065.59
Financial Assets		
Trade Receivables	456.12	316.46
Cash and Cash Equivalents	148.56	204.91
Bank Balances Other Than The Above	42.78	47.90
Deposits	2,291.44	1,540.13
Other Financial Assets	54.33	99.84
Other Current Assets	1,066.32	847.26
Total Current Assets	9,657.51	8,122.09
Total Assets	18,351.30	10,527.68
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	100.52	100.52
Other Equity	3,198.98	3,751.43
Total Equity	3,299.50	3,851.95
Liabilities		
1. Non-Current Liabilities		
Financial Liabilities		
Borrowings	544.71	375.31
Other Financial Liabilities	6,881.26	-
Provisions	58.82	57.76
Other Non-Current Liabilities	-	136.99
Total Non-Current Liabilities	7,484.79	570.06
2. Current Liabilities		
Financial Liabilities		
Borrowings	3,296.47	2,178.67
Trade Payables		
Due to Micro and Small Enterprises	44.10	19.31
Due to Others	2,620.08	2,918.01
Other Financial Liabilities	760.95	121.40
Provisions	11.97	7.71
Other Current Liabilities	833.44	860.57
Total Current Liabilities	7,567.01	6,105.67
Total Equity and Liabilities	18,351.30	10,527.68

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UNAUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ in Crore)

	Half Year ended September 30, 2019	Half Year ended September 30, 2018
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	333.72	328.22
Adjustments For:		
Depreciation and Amortization Expense	500.50	42.84
Finance Costs	502.74	106.48
Employee Stock Option Expense	8.28	8.19
Allowance for Credit Losses	10.56	3.08
Loss on Disposal/Discard of Fixed Assets (Net)	9.14	3.27
Interest Income	(16.49)	(7.69)
Operating Profit Before Working Capital Changes	1,348.45	484.39
Adjustments For:		
Trade Receivables	(150.23)	24.69
Deposits, Other Financial Assets and Other Assets	(1,094.89)	140.81
Inventories	(532.37)	(339.98)
Trade Payables	(273.14)	(209.98)
Other Financial Liabilities, Other Liabilities and Provisions	6.56	43.95
Cash Generated From Operations	(695.62)	143.88
Taxes Paid	(9.43)	(7.66)
Net Cash Flows From Operating Activities	(705.05)	136.22
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(234.55)	(331.61)
Purchase of Investment	(15.00)	(67.67)
Interest Received	16.49	7.69
Net Cash Used In Investing Activities	(233.06)	(391.59)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	-	0.59
Proceeds from Warrant Application Money	500.00	-
Proceeds from Borrowings	1,287.20	371.44
Payment of Lease	(752.91)	-
Interest Paid	(152.53)	(106.48)
Net Cash Flow from /(Used In) Financing Activities	881.76	265.55
Net (Decrease)/Increase In Cash and Cash Equivalents	(56.35)	10.18
Net (Decrease)/Increase In Cash and Cash Equivalents	(56.35)	10.18
Cash and Cash Equivalents (Opening Balance)	204.91	143.59
Cash and Cash Equivalents (Closing Balance)	148.56	153.77



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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**Review Report to
The Board of Directors
Future Retail Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Future Retail Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). Attention is drawn to the fact that the figures for the net cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
2. The statement, which is the responsibility of company's management and approved by company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in India Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standard on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Ashok A. Trivedi
Partner
Membership No.042472
Mumbai
November 14, 2019
UDIN: 19042472AAAAGF6852



FUTURE RETAIL

Statement of Unaudited Consolidated Financial Result for the Quarter and Half Year Ended September 30, 2019

(₹ in Crore)

Sr.No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income From Operations						
	a) Revenue from operations	5,449.06	5,197.11	4,965.40	10,646.17	9,554.51	20,332.58
	b) Other Income	21.38	9.35	6.08	30.73	10.08	23.14
	Total Income	5,470.44	5,206.46	4,971.48	10,676.90	9,564.59	20,355.72
2	Expenses						
	a) Purchases of stock-in-trade	4,281.48	3,955.80	3,768.61	8,237.28	7,297.47	15,515.90
	b) Changes in inventories of stock-in-trade - (Increase) / Decrease	(326.22)	(208.70)	(137.51)	(534.92)	(346.42)	(655.39)
	c) Employee benefits expense	238.86	286.20	273.09	525.06	528.28	1,090.17
	d) Finance Costs	273.08	245.04	55.25	518.12	107.72	228.12
	e) Depreciation and amortisation expense	278.62	251.47	24.21	530.09	44.92	104.02
	f) Rent Expenses	28.72	28.52	375.79	57.24	751.11	1,493.83
	g) Other Expenses	530.26	488.46	434.67	1,018.72	852.01	1,851.63
	Total Expenses	5,304.80	5,046.79	4,794.11	10,351.59	9,235.09	19,628.28
	Profit Before Share of Profit of Associate And Joint Ventures And Tax (1-2)	165.64	159.67	177.37	325.31	329.50	727.44
4	Share of (Loss) of Joint Ventures	(0.56)	(0.43)	-	(0.99)	-	(0.24)
5	Profit Before Tax (3-4)	165.08	159.24	177.37	324.32	329.50	727.20
6	Tax Expense	-	-	-	-	-	0.01
7	Net Profit For The Year (5-6)	165.08	159.24	177.37	324.32	329.50	727.19
8	Other Comprehensive Income For The Year	0.03	(0.00)	-	0.03	-	5.85
9	Total Comprehensive Income For The Year (7+8)	165.11	159.24	177.37	324.35	329.50	733.04
10	Net Profit Attributable To :						
	a) Owners Of The Company	165.72	159.84	177.28	325.56	329.20	727.03
	b) Non-Controlling Interest	(0.64)	(0.60)	0.09	(1.24)	0.30	0.16
11	Other Comprehensive Income Attributable To :						
	a) Owners Of The Company	0.03	(0.00)	-	0.03	-	5.85
12	Paid Up Equity Share Capital (Face Value of ₹ 2/- Per Share)	100.52	100.52	100.51	100.52	100.51	100.52
13	Other Equity						3,746.13
14	Basic and Diluted EPS (in ₹)	3.28	3.17	3.57	6.45	6.63	14.47

Notes

- The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at its meeting held on November 14, 2019. A Limited Review of the above result has been carried out by the Statutory Auditors.
- Effective April 01 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments.

Reconciliation for the effects of the transition on Statement of Profit and loss for the quarter and half year ended September 30, 2019 as follows :

(₹ in Crore)

Adjustment to Increase / (Decrease) in Net Profit	Quarter Ended 30-09-2019 Comparable Basis	Changes due to IND AS 116 Increase / (Decrease)	Quarter Ended 30-09-2019 as reported	Half Year Ended 30-09-2019 Comparable Basis	Changes due to IND AS 116 Increase / (Decrease)	Half Year Ended 30-09-2019 as reported
Rent Expenses	435.30	(406.58)	28.72	845.58	(788.34)	57.24
Finance Cost	84.89	188.19	273.08	153.70	364.42	518.12
Depreciation and amortisation expense	39.57	239.05	278.62	75.90	454.19	530.09
Profit Before Non Controlling Interest / Share in Net Loss of Associates and Joint Venture	186.30	(20.66)	165.64	355.58	(30.27)	325.31

- Figures for the Previous Financial Period (s) have been arranged and re-grouped whenever necessary.
- Consolidated Statement of Assets and Liabilities for the Half Year ended September 30, 2019 and Cash Flow Statement are also annexed to the financial results.
- The Company has only one business segment i.e. "Retail".

Place : Mumbai
Date : November 14, 2019



By Order of Board of Directors
Kishore Biyani
Kishore Biyani
Chairman & Managing Director

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FUTURE RETAIL



UNAUDITED CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES		
	(₹ in Crore)	
	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited
ASSETS		
1. Non-Current Assets		
Property, Plant and Equipment	7,168.06	870.94
Capital Work-in-Progress	179.98	147.90
Goodwill	75.37	75.37
Other Intangible Assets	554.16	578.30
Intangible Assets Under Development	43.26	42.36
Financial Assets		
Investments	3.34	4.34
Deposits	608.37	416.19
Other Financial Assets	4.40	0.13
Other Non-Current Assets	281.66	283.14
Total Non-Current Assets	8,918.60	2,418.67
2. Current Assets		
Inventories	5,619.49	5,084.97
Financial Assets		
Trade Receivables	486.36	322.47
Cash and Cash Equivalents	152.12	207.89
Bank Balances Other Than The Above	42.81	47.93
Deposits	2,292.02	1,540.70
Other Financial Assets	61.11	108.39
Other Current Assets	1,078.99	855.78
Total Current Assets	9,732.90	8,168.13
Total Assets	18,651.50	10,586.80
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	100.52	100.52
Other Equity	3,135.26	3,746.13
Total Equity	3,235.78	3,846.65
Liabilities		
1. Non-Current Liabilities		
Financial Liabilities		
Borrowings	544.71	375.31
Other Financial Liabilities	7,126.64	9.34
Provisions	59.80	58.66
Other Non Current Liabilities	0.14	138.10
Total Non-Current Liabilities	7,731.29	581.41
2. Current Liabilities		
Financial Liabilities		
Borrowings	3,296.47	2,178.67
Trade Payables		
Due to Micro and Small Enterprises	44.31	68.73
Due to Others	2,693.05	2,910.10
Other Financial Liabilities	802.93	127.36
Provisions	12.18	7.93
Other Current Liabilities	835.49	865.95
Total Current Liabilities	7,684.43	6,158.74
Total Equity and Liabilities	18,651.50	10,586.80

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FUTURE RETAIL



UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED September 30, 2019

(₹ in Crore)

	Half Year Ended September 30, 2019	Half Year Ended September 30, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	325.31	329.50
Adjusted for :		
Depreciation and Amortization Expense	530.09	44.92
Expense on Employee Stock Option Scheme	8.28	8.19
Finance Costs	518.12	107.72
Loss on Disposal/Discard of Fixed Assets (Net)	9.14	3.27
Interest Income	(16.77)	(8.32)
Allowance for Credit Losses	5.01	1.58
Operating Profit Before Working Capital Changes	1,379.18	486.86
Adjusted for :		
Trade Receivables	(168.90)	14.06
Inventories	(534.53)	(361.82)
Deposits, Other Financial Assets and Other Assets	(1,106.44)	94.68
Trade Payables	(241.47)	(149.12)
Other Financial Liabilities, Other Liabilities and Provisions	(39.23)	31.95
Cash Generated Used In Operations	(711.39)	116.60
Share in Loss of Joint Ventures and Associate Company	0.99	-
Share in Minority Interest	0.12	0.45
Taxes Paid	(11.01)	(8.52)
Net Cash Used In Operating Activities	(721.29)	108.54
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(235.19)	(417.76)
Purchase of Investment	(1.00)	(2.11)
Interest Received	16.77	8.32
Net Cash Used In Investing Activities	(219.42)	(411.55)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Borrowings	1,326.98	422.86
Proceeds from Warrant Application Money	500.00	0.86
Payment of Lease	(788.34)	-
Interest Paid	(153.70)	(107.72)
Net Cash From Financing Activities	884.94	316.00
On Composite Schemes of Arrangement		
Net (Decrease)/Increase In Cash And Cash Equivalents (A+B+C)	(55.77)	13.00
Net (Decrease)/Increase In Cash And Cash Equivalents	(55.77)	13.00
Cash and Cash Equivalents (Opening Balance)	207.89	143.59
Cash and Cash Equivalents (Closing Balance)	152.12	156.59



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Independent Auditor's Limited Review Report on the Quarterly Unaudited Consolidated Financial Results and Year to Date Unaudited Consolidated Financial Results of Future Retail Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, as amended

**Review Report to
The Board of Directors
Future Retail Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Future Retail Limited (the "Parent ") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its joint ventures for the quarter ended September 30,2019 and year to date from April 1,2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015. As amended (the "Listing Regulations") Attention is drawn to the fact that the consolidated figures for corresponding period from April, 2018 to September 30, 2018 as reported in these unaudited consolidated financial results have approved by the Parent's Board of Directors but have not been subjected to review.
2. This Statement which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 26, 2019 issued by the Securities and Exchange Board of Indian under Regulation 33(8) of the Listing Regulations, to the extent applicable.



The Statement Includes the result of following entities: -

Parent Company:

- i. Future Retail Limited

Subsidiaries:

- i. Travel News Services (India) Private Limited
- ii. Future 7-India Convenience Limited (*Formerly known as SHME Food Brands Limited*)
- iii. TNSI Retail Private Limited
- iv. Welcome Retail Private Limited

Jointly Controlled Entity:

- i. Future Retail LLC

4. We did not review the interim financial results and other financial information in respect of three subsidiaries, whose interim financial results/information reflect total assets of Rs. (38.56) Crores as at September 30, 2019, total revenues of Rs. 73.14 Crores and Rs.136.63 Crores, total net loss after tax of Rs. 1.41 Crores and Rs. 3.95 Crores, total comprehensive income of Rs. 0.04 Crores and Rs. 0.04 Crores, for the quarter ended September 30, 2019, and for the period from April 1, 2019 to September 30, 2019, respectively and net cash inflows of Rs. 0.07 Crores for the period from April 1, 2019 to September 30, 2019. These interim financial results and other financial information have reviewed by other auditors. whose reports have been furnished to us by the Management.

Our conclusion, in so far as it relates to the affairs of subsidiaries, is based solely on the report of the other auditors. Our conclusion is not modified in respect of this matter.

5. The Statement includes interim financial results and other financial information of one joint venture which reflects Group's share of net loss after tax of Rs. 0.56 Crores and Rs.0.99 Crores and total comprehensive income of Rs. Nil and Rs Nil, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively as considered in the statement. This unaudited interim financial result and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the statement in so far as it relates to affairs of this joint venture, is based solely on such unaudited interim financial results and other unaudited financial information. According to information and explanation given to us by the Management, these interim financial results are not material to the Group.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in



paragraph 4 above as well as the unaudited financial information furnished by the Management referred to in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No: 119850W

Ashok A. Trivedi

Partner

Membership No.042472

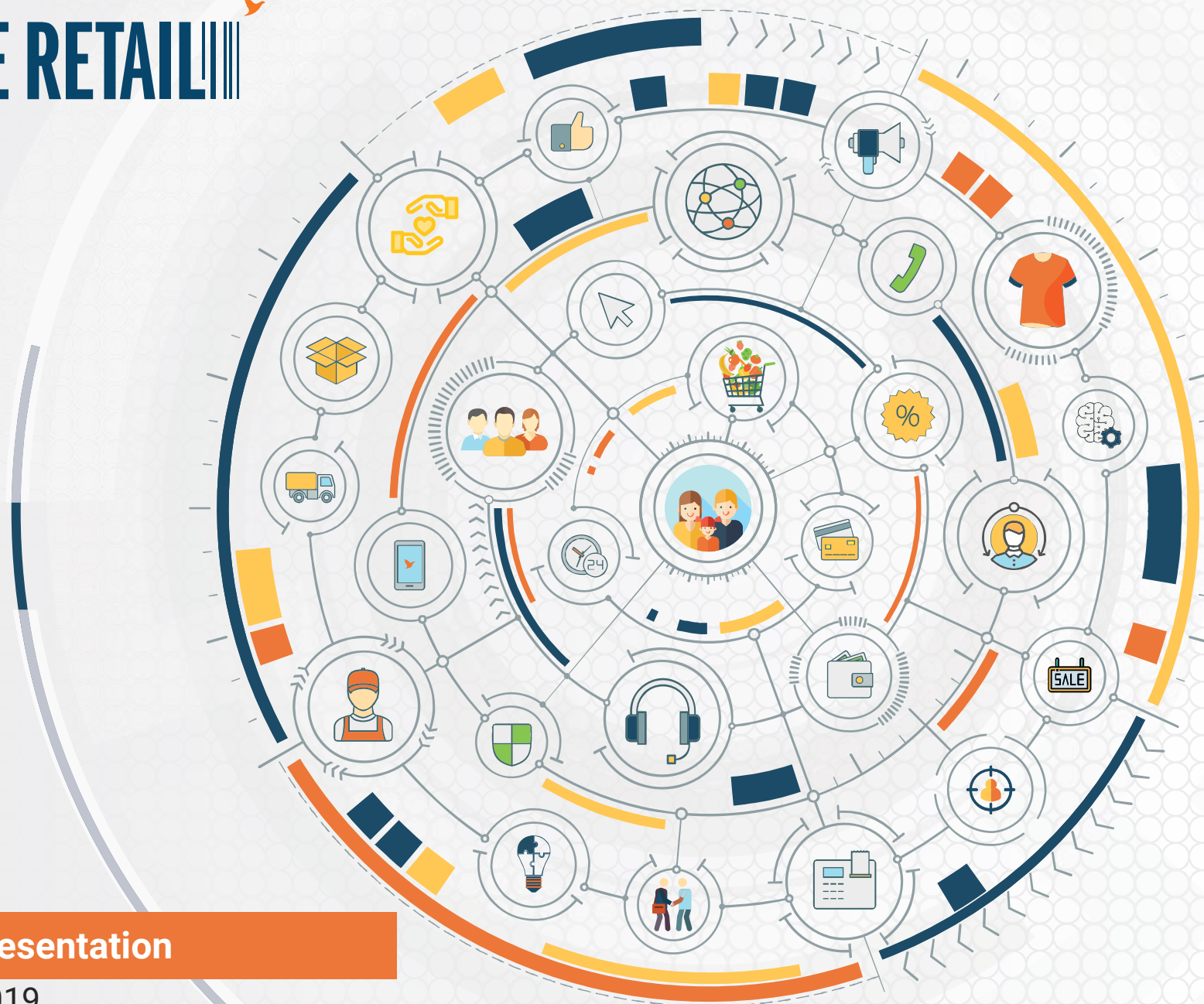
Mumbai

November 14, 2019

UDIN: 19042472AAAAGE6088











FUTURE RETAIL



Q2 FY20 Presentation

November 2019

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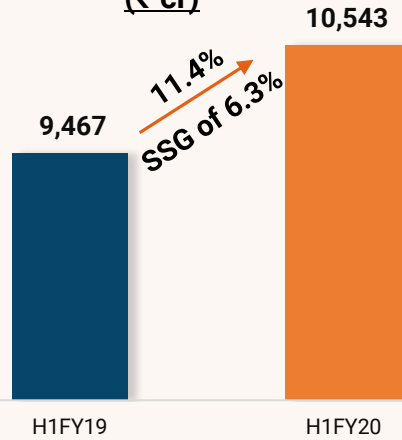
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PERFORMANCE UPDATE



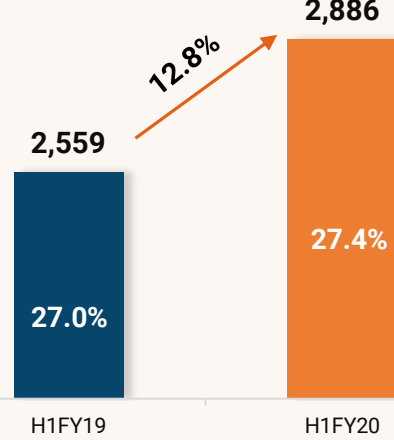
Income from Operations

(₹ cr)

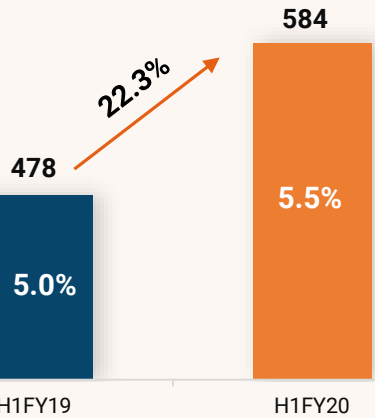


Gross Margin

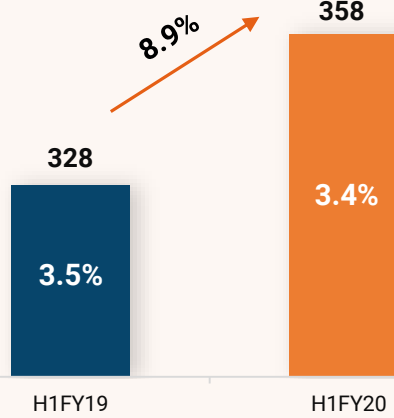
(% / ₹ cr)



EBITDA* (% / ₹ cr)

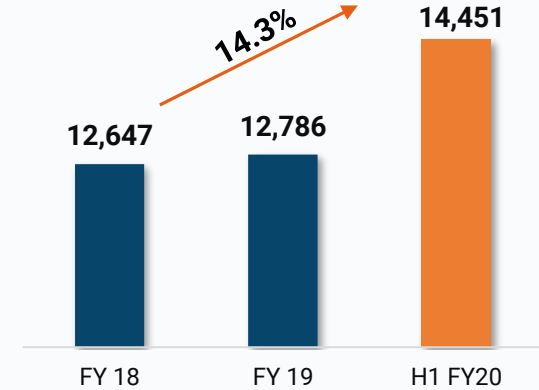


PAT* (% / ₹ cr)

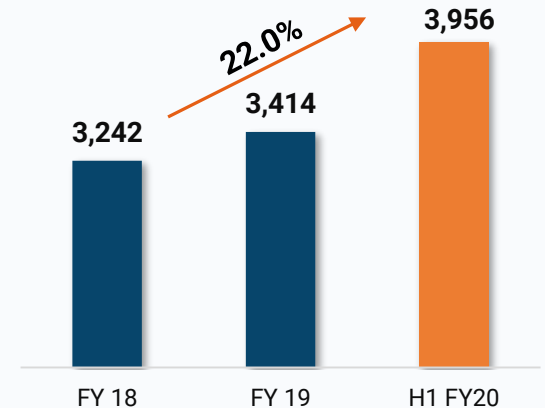


Productivity Trends

Revenue per sq. ft (Rs)⁽¹⁾



Gross Profit per sq. ft (Rs)⁽²⁾

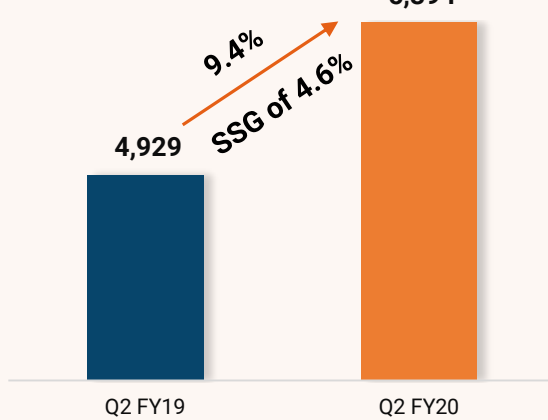


Note:

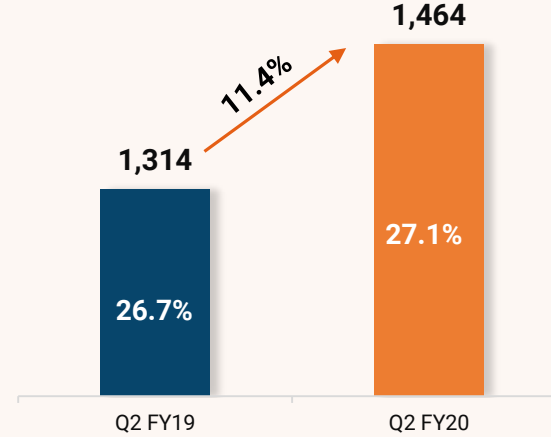
1. Revenue from Operations/ Leased area (average)
2. Gross Profit/ Leased area (average)
3. Revenue for H1FY20 considered as 45% of the annual revenue

*Like to like basis (without IND AS 116)

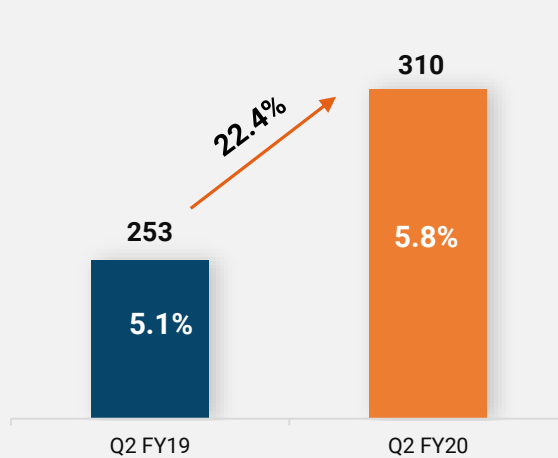
Income from Operations (₹ cr)



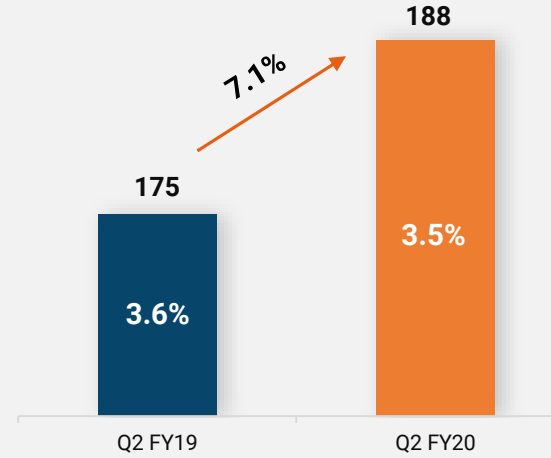
Gross Margin (% / ₹ cr)



EBITDA* (% / ₹ cr)



PAT* (% / ₹ cr)



*Like to like basis (without IND AS 116)

Particulars (₹ cr)	For 6 months ended		
	30-Sep-19	30-Sep-19	30-Sep-18
	With IND AS 116	Without IND AS 116	Without IND AS 116
Total income from Operations	10,543	10,543	9,467
Gross Profit	2,886	2,886	2,559
Gross Margin %	27.4%	27.4%	27.0%
Employee benefits expense	513	513	522
Rent including lease rentals	55	808	732
Other Expenditures	1,010	1,010	837
Total expenditure	1,579	2,332	2,090
Other Income	29	29	9
EBITDA	1,337	584	478
EBITDA%	12.7%	5.5%	5.0%
Depreciation and amortisation	501	74	43
EBIT	836	510	435
EBIT %	7.9%	4.8%	4.6%
Finance Costs	503	153	106
PBT	334	358	328
PBT%	3.2%	3.4%	3.5%
Tax Expenses	-	-	-
PAT	334	358	328

Particulars (₹ cr)	For 3 months ended		
	30-Sep-19	30-Jun-19	30-Sep-18
	With IND AS 116*	With IND AS 116*	Without IND AS 116*
Total income from Operations	5,394	5,149	4,929
Gross Profit	1,464	1,423	1,314
Gross Margin %	27.1%	27.6%	26.7%
Employee benefits expense	232	281	270
Rent including lease rentals	28	27	367
Other Expenditures	528	482	429
Total expenditure	789	790	1,067
Other Income	21	9	6
EBITDA	695	642	253
EBITDA%	12.9%	12.5%	5.1%
Depreciation and amortisation	261	240	23
EBIT	435	402	230
EBIT %	8.1%	7.8%	4.7%
Finance Costs	263	239	55
PBT	171	162	175
PBT%	3.2%	3.2%	3.6%
Tax Expenses	-	-	-
PAT	171	162	175

Refer Slide 21 for more details

PARTICULARS (₹ cr)	For 6 months ended 30 Sep 2019
Cash flow from Operations	
EBITDA	1,337
Working Capital changes (net)	-956
Capex (net)	-235
Surplus from Business	146
Changes in Other Current Asset (net)	-1,069
Investments	-15
Sub Total	-1,084
Cash flow from Financing Activities	
Interest payment	-153
Lease rental payments	-753
Proceeds from 25% of warrants application money	500
Increase in borrowings	1,287
Sub Total	881
Opening Cash & Cash Equivalents	205
Surplus/(Deficit) during the period	-57
Opening Cash & Cash Equivalents	149

- Increase in Working Capital is on account of :
 - Increase in Inventory by Rs 532 cr
 - Increase in Trade Receivables by Rs 140 cr
 - Decrease in Trade Payables by Rs 273 cr
- Increase in Inventory mainly resulting from:
 - Early Festive & winter season build up in Fashion
 - Broader slowdown in General Merchandise
 - *We expect the inventory to normalize by Mar' 2020*
- Increase in Other Current Assets is emanating from the initiation of decoupling of the lease rentals
- The outcome of the ongoing operating and strategic initiatives is expected to reflect by Mar' 2020 and onwards.

PARTICULARS (₹ cr)	As at 30 Sep 2019	As at 31 Mar 2019
	With IND AS 116	Without IND AS 116
A) ASSETS		
Non-Current Assets	8,694	2,406
Inventories	5,598	5,066
Trade Receivables	456	316
Other Current Assets (Net)	3,603	2,740
TOTAL ASSETS	18,351	10,528
B) EQUITY AND LIABILITIES		
Equity	3,300	3,852
Non Current Liabilities		
Borrowings	545	375
Other Non-Current Liabilities	6,940	195
Current Liabilities		
Borrowings	3,296	2,179
Other Current Liabilities	4,271	3,927
TOTAL EQUITY AND LIABILITIES	18,351	10,528

P&L Statement

Particulars (₹ cr)	For 3 months ended	
	30-Sep-19	30-Jun-19
Total income from Operations	5,449	5,197
Gross Profit	1,494	1,450
Gross Margin %	27.4%	27.9%
Employee benefits expense	239	286
Rent including lease rentals	29	29
Other Expenditures	530	488
Total expenditure	798	803
Other Income	21	9
EBITDA	717	656
EBITDA%	13.2%	12.6%
Depreciation and amortisation	279	251
EBIT	439	405
EBIT %	8.1%	7.8%
Finance Costs	273	245
PBT	166	160
PBT%	3.0%	3.1%
Tax Expenses	-	-
PAT	165	159

Balance Sheet

Particulars (₹ cr)	As at 30 Sep 2019
A) ASSETS	
Non-Current Assets	8,919
Inventories	5,619
Trade Receivables	486
Other Current Assets (Net)	1,782
TOTAL ASSETS	16,806
B) EQUITY AND LIABILITIES	
Equity	3,236
Non-Current Liabilities	7,187
Net Debt	3,646
Trade Payables	2,737
TOTAL EQUITY AND LIABILITIES	16,806

What had we committed?

1. In the earnings release of Feb' 2019, management had estimated this to be done by Sep' 2020
2. On 4th Feb' 2019, an equity infusion from Future Coupons Limited of Rs. 2,000cr was committed in order to support the decoupling.

Where are we?

1. Through a combination of following steps, management expects to complete the decoupling by Mar' 2020, 6-months ahead of the schedule
 - a. The amount of purchase consideration for assets has been crystalized at around Rs. 4,000cr by Grant Thornton India LLP
 - b. The same has been approved by Board and Shareholders of FRL and FEL
 - c. 50% of the above purchase consideration is to be funded through equity: The same has been fully tied up
 - d. Balance is being funded through an appropriate mix of debt & internal accruals and advance already paid
 - e. With the full visibility on source of funds, the process of payment to FEL has already begun
2. Management expects FRL to start realizing the annual lease rental savings of approx. Rs. 650cr for full year of 2020-21. The corporate guarantee of ~Rs 3,600 cr provided for loans of FEL shall also be withdrawn.
3. The benefit of savings from lease rentals shall accrue from the next quarter itself

BUSINESS TRANSFORMATION JOURNEY



1 Efficiencies & focused execution

Driving **efficiency savings of ~Rs 160 – 200 cr / yr** across corporate OH & store costs (marketing, rental, employee & utilities)

Drive **SSSG in large format** across network through leadership in key cities

Breakeven of Small format stores in 3-6 months (run- rate)

2 Strong cashflow generation

Deliver operating cashflow (post capex) to EBITDA conversion of ~50% – targeting monthly ~Rs 200cr EBITDA & Rs 100cr free cashflow by Feb/ Mar '20

Will deliver this through EBITDA expansion from efficiencies and margin uplift, tightly managing working capital, and minimal new store capex

3 Balance sheet deleveraging

Deleverage balance sheet through strong cashflow generation and superior ROCEs (>20% post tax ROCE in next 36 months)

Targeting Net Debt/EBITDA of ~1.5x in 24 months (by April 2021) and <0.2x in 3 years

4 Full unwind of RPTs with FEL

On track to buyback store assets from FEL by March '20 at arms length fair value

Post-buyback, **all RPTs with FEL to be unwound** across lease rentals (~Rs 650 cr/yr). **All corporate guarantees provided by FRL on behalf of FEL (~Rs 3,600cr) will be fully removed.**

5

Key Enablers: Rakesh Biyani (Joint Managing Director) has been fully empowered and entrusted to deliver the above.

"Lean and Nimble":

Driving business efficiencies

- **Significant cost-saving initiatives in progress** across store rental renegotiations, store opex reduction, lower employee costs and increased use of contract labour, leaner & targeted marketing spends, process automation at corporate HQ
- Shutting down unprofitable stores across small format – already in progress
- **Targeting annualized savings of ~Rs 160-200 cr in FY21 from efficiencies**

"More from the same": Large format SSSG growth and margin expansion

- Driving **2% higher SSSG growth through existing store network** through leadership in key cities, aligning assortment more closely with customer needs and driving better loyalty
- **Gross Margin expansion of ~150 bps in Large format through better pricing / markdown management** (including rationalizing cashbacks, removing pricing inefficiencies) & back income

"Business model enhancements": Small format breakeven in next 3-6 months

- **Shut all unprofitable stores and stores outside delivery network within next 3 months.**
- **Optimize remaining network with no net space addition.**
- **Focus on growth in core markets (Punjab, NCR) to deliver sustained ~12-15% SSSG for 2-3 years**

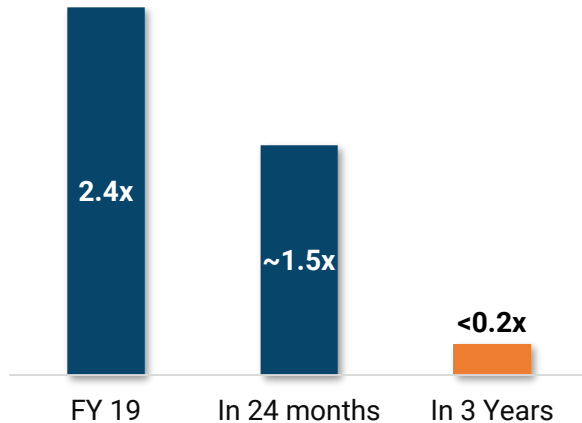
- **No new net space addition** across small format stores
- **No acquisitions** – only organic growth
- Minimal maintenance capex – **store renovation journey now complete**

OCF/EBITDA conversion of 50% through FY21 and beyond

- Revenue per sqft growth through sustained **10-12% SSSG in large format**
- **150bps GM expansion** through better markdown management and product mix
- **EBITDA expansion through cost efficiencies** of ~Rs 160-200cr per year
- **Shutting unprofitable stores** across large and small format

- **Target to release ~Rs 500cr from inventory in FY20 itself**
- **Tight working capital management – lower inventory days by 5-6 days of sales** every year through sharper buying, cutting long tail of SKUs and supply chain initiatives
- Target to realize the balance equity upside

FRL Net Debt/EBITDA



Committed towards balance sheet deleveraging

- In short-term (next 3-6 months), net debt may rise temporarily as FRL buys back ~Rs 4000cr of store assets from FEL
- **Buyback of store assets from FEL will be significantly ROCE accretive** : lease rent saving of ~Rs 650cr / yr from full year FY21 onwards
- Sustained EBITDA growth through higher SSSG, margin growth and cost efficiencies, as well managing working capital tightly and controlled new store capex will lead to **strong cash generation (OCF to EBITDA conversion of >50%)**

Higher EBITDA, sharp focus on cashflow generation and deleveraging shall lead to >22% post-tax ROCE in 24-36 months

APPENDIX



Impact of IND AS – 116



- New lease standards effective from 1st April 2019.
- No distinction between finance lease & operating lease.
- All leases to be recognized in the balance sheet as an Asset and Liability.
 - The lease liability is measured at present value of minimum lease payments to be made over the lease term.
 - The right to use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, if any
 - Right to use is depreciated over a lease term on a straight-line basis. Interest is added on lease liabilities and actual payments are reduced from the liabilities balance.
- Operating lease expenses will be replaced by Depreciation and interest expenses.
- Exemptions available in the standard is pertaining to short term leases (≤ 12 months) and assets having low values.

Standalone Income Statement (Q2FY20)	Impact (Rs cr)
Revenue	-
Operating costs (excluding depreciation and amortization)	-385
EBITDA	+ 385
Depreciation and amortization	+222
Operating Profit (EBIT)	+163
Finance costs	+179
Profit before tax	-16

Consolidated Income Statement (Q2FY20)	Impact (Rs cr)
Revenue	-
Operating costs (excluding depreciation and amortization)	-407
EBITDA	+ 407
Depreciation and amortization	+239
Operating Profit (EBIT)	+168
Finance costs	+188
Profit before tax	-21

Particulars (₹ cr)	30-Sep-18	With IND AS 116		Without IND AS 116	
		30-Sep-19	Y-o-Y	30-Sep-19	Y-o-Y
Total income from Operations	4,929	5,394	9%	5,394	9%
Gross Profit	1,314	1,464	11%	1,464	11%
Gross Margin %	26.7%	27.1%		27.1%	
Employee benefits expense	270	232	-14%	232	-14%
Rent including lease rentals	367	28	-92%	413	13%
Other Expenditures	429	528	23%	528	23%
Total expenditure	1,067	789	-26%	1,174	10%
Other Income	6	21	249%	21	249%
EBITDA	253	695	174%	310	22%
EBITDA%	5.1%	12.9%		5.8%	
Depreciation and amortisation	23	261	1035%	39	68%
EBIT	230	435	89%	272	18%
EBIT %	4.7%	8.1%		5.0%	
Finance Costs	55	263	375%	84	52%
PBT	175	171	-2%	188	7%
PBT%	3.6%	3.2%		3.5%	
Tax Expenses	-	-			
PAT	175	171		188	

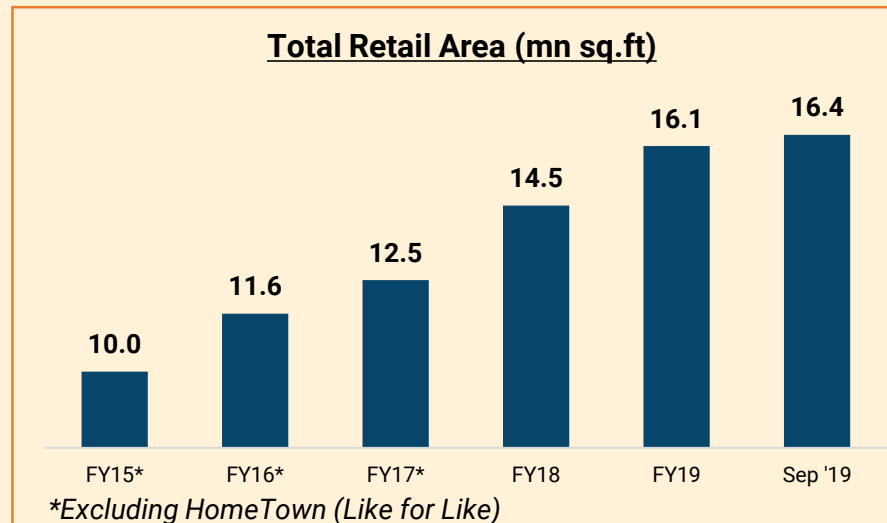
Particulars (₹ cr)	With IND AS 116	Without IND AS 116
For 3 months ended	30-Sep-19	30-Sep-19
Total income from Operations	5,449	5,449
Gross Profit	1,494	1,494
Gross Margin %	27.4%	27.4%
Employee benefits expense	239	239
Rent including lease rentals	29	435
Other Expenditures	530	530
Total expenditure	798	1,204
Other Income	21	21
EBITDA	717	311
EBITDA%	13.2%	5.7%
Depreciation and amortisation	279	40
EBIT	439	271
EBIT %	8.1%	5.0%
Finance Costs	273	85
PBT	166	186
PBT%	3.0%	3.4%

Our Ecosystem Continues to Grow



	Formats	As on 30 June 2019			No of Stores		As on 30 September 2019		
		Stores	Cities	Area (mn sqft)	Gross Additions	Closures	Stores	Cities	Area (mn sqft)
Large Stores	BIG BAZAAR Making India Beautiful	293	144	12.51	8	8	293	147	12.63
	fbb Ladies Fashion Bar	96	48	1.02	2	3	95	47	1.04
	Foodhall	11	5	0.13	-	2	9	4	0.13
Small Stores	easyday Club Heritage fresh WHSmith	1,150	352	2.54	63	66	1,147 ¹	344	2.55
Others	ezone smarter living	7	4	0.07	-	1	6	4	0.06
Cumulative		1,557	437	16.27	73	80	1,550	432	16.40

(1) Includes 100 WH Smith stores

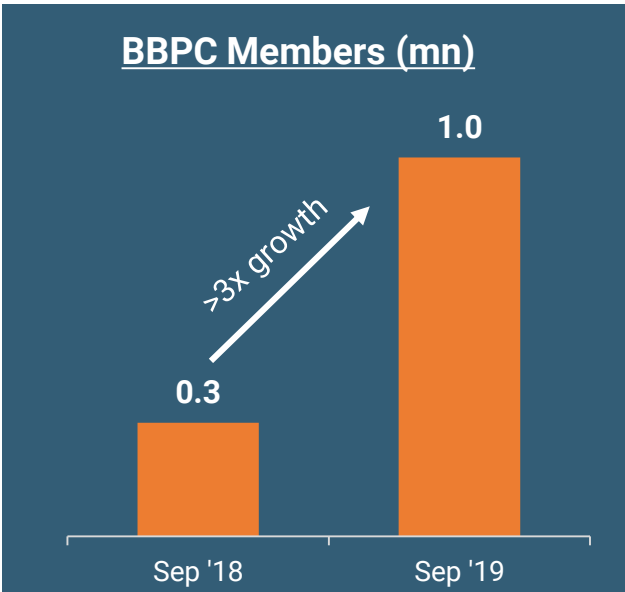


~10 lakh members

~20 Average Yearly store visits

Average ticket size of > ₹2,000

~ ₹40,000 Average annual spend per user



Achieves Over 110%
With 1 lakh+ Recruitments In March 2019

Congratulations
To The Team For Living Up To Its Promise In The Year Of 110%

The Big Bazaar Profit Club Market Is Set For A Bull Run!

BIG BENEFITS WITH PROFIT CLUB

Your **Benefit Index** Is Set To **Soar High** With The **Big 5 Profit Days**

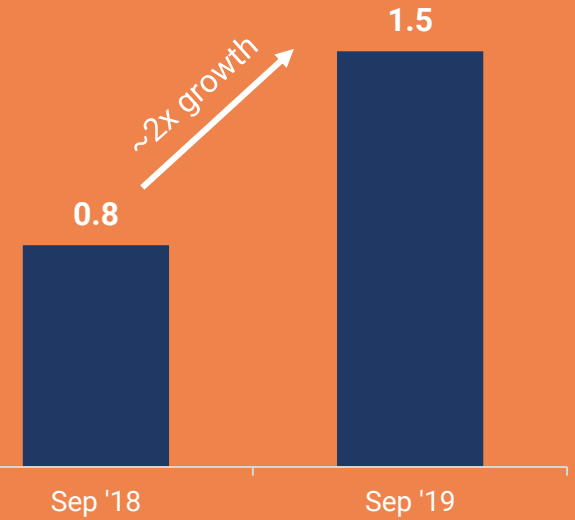
BIG BENEFITS WITH PROFIT CLUB

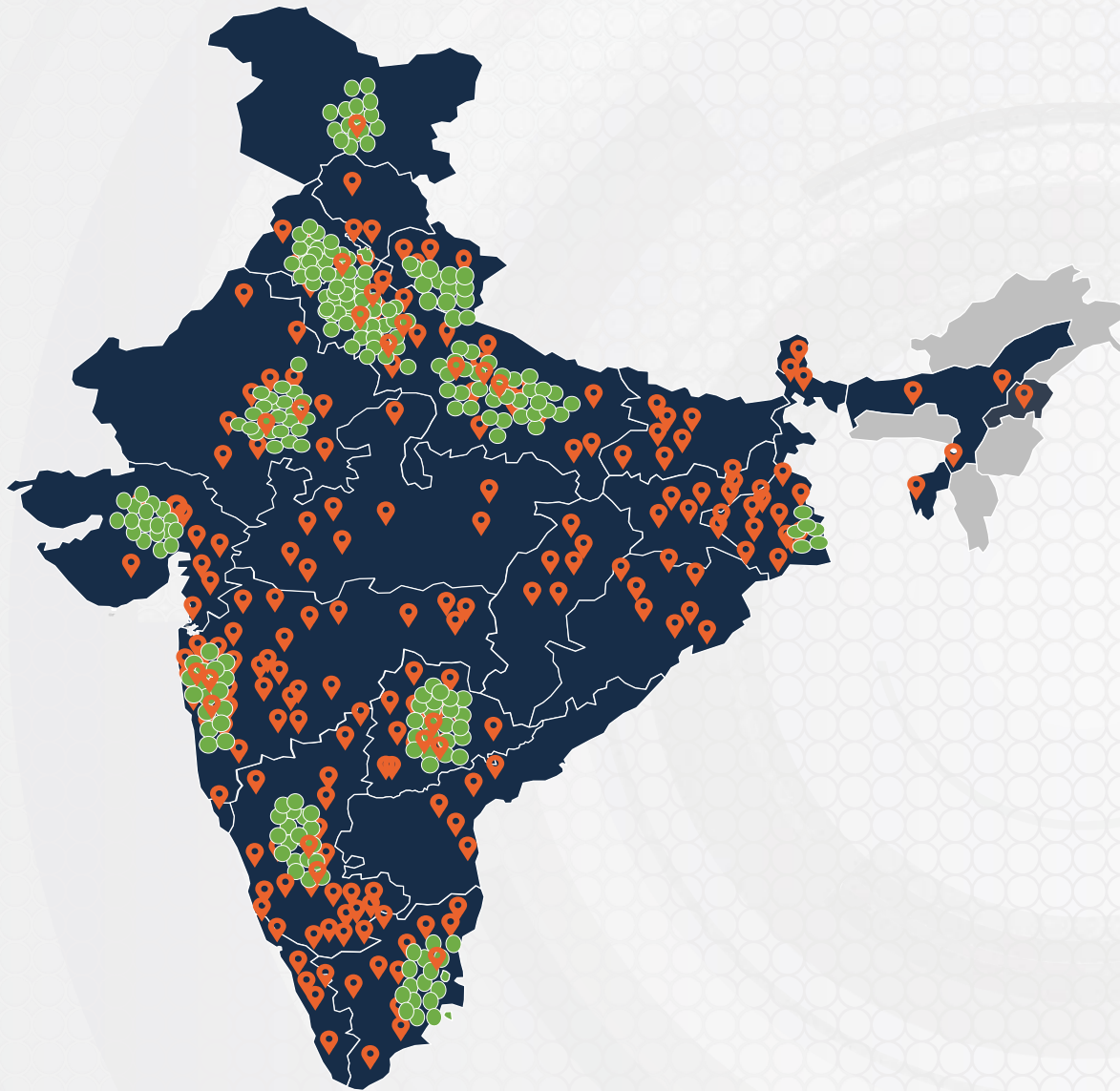
Enrol or Renew Your Profit Club Membership



Member-centric high-value ecosystem

Easyday Club Members (in mn)





**FUTURE
RETAIL:
RIGHT
NEXT TO
YOU**

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Corporate Office:

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