

FUTURE RETAIL



Ref: FRL/SE/2012-13

17th September, 2013

To,
Centbank Financial Services Limited
15-16 Bajaj Bhavan, 1st Floor,
Opp. Inox Multiplex,
Barrister Rajni Patel Road,
Nariman Point, Mumbai – 400 021

Re: Scrip Code of Debt: 947649
Face Value : ₹ 10,00,000
No. of Securities : 2250
Date of Allotment : 30th August, 2011

Sub: Half yearly results and the in formations as required by the 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 second quarter and half year ended 30th June, 2013 along with the details of debt ratios. Other details as on 30th June, 2013 are mentioned below:

Credit Rating by Care Analysis & Research L td. : CARE A (Single A)
Asset Coverage Ratio : 1.58 x
Debt Equity Ratio : 0.47 x

Dates of Interest Payment to the Debenture Holders

Particulars	Dates
Last Date of Interest Paid	30-08-2013
Next Due Date	30-08-2014

Kindly take the above information on your records.

Thanking you,

Yours truly,

For Future Retail Limited


Deepak Tanna
Company Secretary



Encl.: As Above

FUTURE RETAIL

Future Retail Limited

Regd Off : Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (E), Mumbai 400060 • P +91 22 3084 1300 • F +91 22 3084 2501

Unaudited Financial Results of Retail Business for the Quarter and Six Months ended 30th June 2013

For the convenience of the shareholders, given hereunder is the unaudited financial results for the quarter and six months ended 30th June 2013 of the Retail Business comprising of the Company and its wholly owned subsidiary, Future Value Retail Limited.
(please refer note no. 4 given hereunder)

(₹ in Crores)

Sr. No.	Particulars	3 months ended 30-06-2013	6 months ended 30-06-2013
1	Income From Operations		
	a) Net Sales/income from operations	2216.59	4501.89
	b) Other Operating Income	39.47	90.45
	Total income from operations	2256.06	4592.34
2	Expenditure		
	a) Cost of materials consumed	4.29	9.53
	b) Purchases of stock in trade	1742.20	3414.36
	c) Changes in inventories of finished goods, work in progress and stock in trade - (Increase) / Decrease	(89.79)	(6.10)
	d) Employee benefits expenses	86.04	166.90
	e) Depreciation and amortization expense	78.80	151.95
	f) Rent including Lease Rental	126.16	251.56
	g) Other Expenditure	197.03	388.41
	Total Expenses	2144.73	4376.61
3	Profit from Operations before other Income and finance cost (1-2)	111.33	215.73

Unaudited Financial Results as per requirements of Clause 41 Unaudited Financial Results for the Quarter and Six Months ended 30th June, 2013

(₹ in Crores)

Sr. No.	Particulars	3 months ended 30-06-2013	Preceding 3 months ended 31-03-2013	Corresponding 3 months ended in previous year 30-06-2012	6 months ended 30-06-2013	Corresponding 6 months ended in previous year 30-06-2012	Financial Period of Eighteen months ended 31-12-2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
PART I							
1	Income From Operations						
	a) Net sales/income from operations (Net of excise duty)	338.14	911.46	1,117.59	701.31	2,223.53	6,771.78
	b) Other Operating Income	7.60	29.23	32.17	14.53	67.57	215.95
	Total income from operations	345.74	940.69	1,149.76	715.84	2,291.10	6,987.73
2	Expenses						
	a) Cost of materials consumed	4.29	5.24	3.44	9.53	6.34	25.21
	b) Purchases of stock in trade	286.51	557.81	699.55	492.04	1,459.94	4,815.11
	c) Changes in inventories of finished goods, work in progress, and stock in trade - (Increase) / Decrease	(55.13)	53.84	22.97	(1.29)	(9.04)	(395.93)
	d) Employee benefits expenses	16.98	34.11	54.98	31.03	109.21	336.31
	e) Depreciation and amortization expense	23.61	44.89	50.42	44.44	98.88	311.87
	f) Rent including Lease rental	26.01	99.69	127.76	52.87	247.55	736.13
	g) Other Expenditure	38.54	90.72	104.63	75.58	210.25	694.60
	Total Expenses	340.81	886.30	1,083.75	704.20	2,123.13	6,523.30
3	Profit from Operations before other Income and finance cost (1-2)	4.93	54.39	86.01	11.64	167.97	464.43
4	Other Income	3.86	2.12	2.46	5.98	3.99	27.70
5	Profit from ordinary activities before finance cost(3+4)	8.79	56.51	88.47	17.62	171.96	492.13
6	Finance costs	22.80	52.80	84.64	39.12	159.99	460.41
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	(14.01)	3.71	3.83	(21.50)	11.97	31.72
8	Exceptional items						
	Profit on sale of investment	-	-	258.97	(0.00)	258.97	256.60
9	Profit / (loss) from ordinary activities before tax (7+8)	(14.01)	3.71	262.80	(21.50)	270.94	288.32
10	Tax Expenses	(4.55)	1.24	1.27	(6.98)	3.98	15.06
11	Net Profit / (Loss) for the Period (9-10)	(9.46)	2.47	261.53	(14.52)	266.96	273.26
12	Paid up equity share capital (Face value of ₹ 2 per share)	46.32	46.32	46.32	46.32	46.32	46.32
13	Reserves excluding Revaluation Reserves	-	-	-	-	-	3,276.23
14	Basic EPS : a) Equity Shares (in ₹)	(0.41)	0.10	11.59	(0.63)	11.83	12.08
	b) Class B Shares(Series 1) (in ₹)	(0.41)	0.14	11.83	(0.63)	11.87	12.12
	Diluted EPS: a) Equity Shares (in ₹)	(0.41)	0.10	11.58	(0.63)	11.83	12.08
	b) Class B Shares(Series 1) (in ₹)	(0.41)	0.14	11.83	(0.63)	11.87	12.12

PART II - Select Information for the Quarter and Six Months ended 30th June 2013

PART II - Select Information for the Quarter and Six Months ended 30th June 2013							
A PARTICULARS OF SHAREHOLDING							
1	Public share holdings:						
	a)Equity shares:-Number of shares	11,95,61,324	12,03,66,838	12,15,08,021	11,95,61,324	12,15,08,021	12,15,08,021
	-Percentage of shareholdings	55.44%	55.81%	56.34%	55.44%	56.34%	56.34%
	b)Class B Shares(Series 1):-Number of shares	74,07,291	77,34,291	85,11,459	74,07,291	85,11,459	77,34,291
	-Percentage of shareholdings	46.50%	48.55%	53.43%	46.50%	53.43%	48.55%
2	Promoters and Promoter group shareholding:						
	a) Pledged/Encumbered						
	- Number of Equity Shares	5,31,94,377	6,32,89,377	6,33,41,819	5,31,94,377	6,33,41,819	5,95,29,829
	- Number of Class B Shares(Series 1)	66,34,384	66,34,384	51,50,000	66,34,384	51,50,000	60,04,974
	-Percentage of Equity Shares(as a % of total equity shareholding of Promoters and promoter group)	55.36%	66.42%	67.28%	55.36%	67.28%	63.23%
	-Percentage of Class B Shares(Series 1) (as a % of total Class B Shares(Series 1) shareholding of Promoters and promoter group)	77.85%	80.98%	69.43%	77.85%	69.43%	73.28%
	-Percentage of Equity Shares (as a % of total equity share capital of company)	24.67%	29.35%	29.37%	24.67%	29.37%	27.60%
	-Percentage of Class B Shares(Series 1) (as a %of total Class B shares(Series 1) share capital of company)	41.65%	41.65%	32.33%	41.65%	32.33%	37.70%
	b) Non-Encumbered						
	- Number of Equity Shares	4,28,97,738	3,19,97,224	3,08,03,599	4,28,97,738	3,08,03,599	3,46,15,589
	- Number of Class B Shares(Series 1)	18,87,477	15,60,477	22,67,693	18,87,477	22,67,693	21,89,887
	-Percentage of Equity Shares(as a % of total equity shareholding of Promoters and promoter group)	44.64%	33.58%	32.72%	44.64%	32.72%	36.77%
	-Percentage of Class B Shares(Series 1) (as a % of total Class B Shares(Series 1)shareholding of Promoters and promoter group)	22.15%	19.04%	30.57%	22.15%	30.57%	26.72%
	-Percentage of Equity Shares (as a % of total equity share capital of company)	19.89%	14.84%	14.28%	19.89%	14.28%	16.05%
	-Percentage of Class B Shares(Series 1) (as a % of total Class B shares(Series 1) share capital of company)	11.85%	9.80%	14.24%	11.85%	14.24%	13.75%

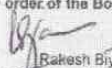


B INVESTOR COMPLAINTS				
Particulars		3 months ended 30-06-2013	Particulars	
Pending at the beginning of the quarter		NIL	Disposed of during the quarter	
Received during the quarter		28	Remaining unresolved at the end of the quarter	
			28	
			NIL	

1 UNAUDITED STATEMENT OF ASSETS & LIABILITIES AS AT 30TH JUNE 2013			
(₹ In Crores)			
Sr. No.	Particulars	As at 30-06-2013	As at 31-12-2012
1	Shareholders' funds		
	(a) Share capital	46.32	46.32
	(b) Reserves and surplus	2,881.77	3,276.23
2	Optionally Fully Convertible Debentures	-	800.00
3	Non-current liabilities		
	(a) Long-Term Borrowings	1,002.32	1,654.42
	(b) Deferred Tax Liability (Net)	28.49	94.99
	(c) Other Long Term Liabilities	-	150.00
	(d) Long-Term Provisions	0.79	5.32
4	Current liabilities		
	(a) Short-term borrowings	368.33	551.18
	(b) Trade payables	234.56	810.02
	(c) Other current liabilities	374.51	980.91
	(d) Short-term provisions	2.47	33.53
	TOTAL - EQUITY AND LIABILITIES	4,939.56	6,602.92
B	ASSETS		
	Non-current assets		
1	(a) Fixed assets	986.13	2,493.04
	(b) Non-current investments	2,432.12	2,280.23
	(c) Long-term loans and advances	240.69	764.01
2	Current assets		
	(a) Inventories	866.94	2,140.24
	(b) Trade receivables	105.10	165.01
	(c) Cash and Bank balances	42.78	55.53
	(d) Short-term loans and advances	265.24	690.99
	(e) Other current assets	0.56	13.87
	TOTAL - ASSETS	4,939.56	6,602.92

- 2 The above results have been reviewed by the Audit Committee along with the Limited Review Report given by the Statutory Auditors and the same was taken on record by the Board of Directors of the Company at its meeting held on 14 August, 2013.
- 3 Figures for the previous financial period have been re-arranged and re-grouped wherever necessary without any restatement on account of the demerged business.
- 4 The current quarter results comprise mainly of the Home and Electronic Retail business. The Company has demerged Pantaloon's Format Business, which has been made effective from 8 April 2013. The Fashion Business demerger has been made effective from 29 May 2013. Accordingly, the financial performance of Pantaloon's Formats and other fashion formats of the Company (viz. Central, Brand Factory, aLL and Planet Stores) have been excluded in the current quarter from the financial performance of the Company. Further, as part of the retail consolidation process, Future Value Retail Limited (FVRL), a wholly owned subsidiary company, operating Big Bazaar and Food Bazaar would stand consolidated with financial performance of the Company with effect from 1 July 2012, on receipt of statutory approvals of the scheme of Amalgamation of FVRL with the Company, which has already been approved by Board on 16 March 2013 and members of the Company on 10 June 2013.
- 5 The Composite Scheme of Arrangement and Amalgamation between Pantaloon Retail (India) Limited (now known as - 'Future Retail Limited') and Future Lifestyle Fashions Limited (FLFL) and Indus- League Clothing Limited and Lee Cooper (India) Limited and Future Ventures India Limited and their respective shareholders and creditors ('the FLF Scheme') under the provisions of sections 391-394 of the Companies Act, 1956 for demerger of its fashion business with effect from Appointed Date of 1 January, 2013, as defined in the FLF Scheme, has been given effect on 29 May, 2013, after receipt of High Court approval. Pursuant to the same, all the assets and liabilities pertaining to the Fashion Format Business has now been demerged and vested in FLFL. Accordingly, the shares of FLFL have been issued to the shareholders of the Company as on the 25 June, 2013, as per entitlement ratio stated in the FLF Scheme. In view of the same, the present quarter and six months ended 30 June, 2013 financial result does not include performance of the Fashion Format Business. Accordingly, the previous period's figures are not comparable.
- 6 The Company has only one business segment i.e. "Retail" which at present mainly comprises Home and Electronic Retail business.

Place : Mumbai
Date : 14th August, 2013

By order of the Board

Rakesh Biyani
Joint Managing Director

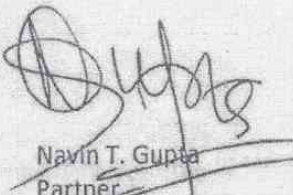


LIMITED REVIEW REPORT

Review Report to
The Board of Directors
Future Retail Limited

1. We have reviewed the accompanying statement of unaudited financial results of Future Retail Limited (the 'Company') for the quarter ended June 30, 2013 (the "Statement"), being submitted by the Company, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard of Review Engagement (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 is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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


Navin T. Gupta
Partner

Membership No. 40334
Mumbai
August 14, 2013



R.S.AJWANI & CO.

Chartered Accountants

Ravi Ajwani
B.Com,LLB,F CA.
Mob.No 92210 39100

12-Ramsaran,
Sion, Bombay 400 022
rajwani1115@rediffmail.com

Date: August 31, 2013

TO WHOMSOEVER IT MAY CONCERN

At the request of M/s Future Retail Limited, having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road, Jogeshwari –East, Mumbai – 400 060, we have examined the necessary books of accounts and related records and certify that following ratio stands at 30th June 2013 :

Particulars	Ratios
Fixed Asset Coverage Ratio	1.58 x

Basics of calculation :

Fixed Asset Coverage Ratio : (Net Fixed Assets including Capital-work-in-progress) / (First Charge Term Loans + First Charge Non-Convertible Debentures)

For R. S. AJWANI & CO.
Chartered Accountants

RAVI AJWAN
Proprietor



R. S. AJWANI & CO.
Chartered Accountants
12- Ramsaran,
Sion-Bombay - 22.



R.S.AJWANI & CO.

Chartered Accountants

Ravi Ajwani
B.Com,LLB,F CA.
Mob.No 92210 39100

12-Ramsaran,
Sion, Bombay 400 022
rajwani1115@rediffmail.com

Date: August 31, 2013

TO WHOMSOEVER IT MAY CONCERN

At the request of M/s Future Retail Limited, having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road, Jogeshwari -East, Mumbai - 400 060, we have examined the necessary books of accounts and related records and certify that following ratio stands at 30th June 2013 :

Particulars	Ratios
Debt Equity Ratio	0.47 x

Basics of calculation :

Debt-Equity Ratio : (Debt) / (Equity)

For R. S. AJWANI & CO.
Chartered Accountants

R. S. Ajwani

RAVI AJWANI
Proprietor



R. S. AJWANI & CO.
Chartered Accountants
12- Ramsaran,
Sion-Bombay - 22.



R.S.AJWANI & CO.

Chartered Accountants

Ravi Ajwani
B.Com,LLB,F CA.
Mob.No 92210 39100

12-Ramsaran,
Sion, Bombay 400 022
rajwani1115@rediffmail.com

Date: September 17, 2013

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 the necessary books of accounts and related records and certify that the following ratio stands at 30th June 2013 :

Particulars	Amount
Debt Service Coverage Ratio	2.08 x
Interest Service coverage Ratio	1.61 x

For R. S. AJWANI & CO.
Chartered Accountants


RAVI AJWANI
Proprietor



R. S. AJWANI & CO.
Chartered Accountants
12- Ramsaran,
Sion-Bombay - 22.





Mr. Hemal Zaveri
Chief - Treasury
Future Retail Limited
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikroli Link Road,
Jogeshwari (East)
Mumbai - 400 060

June 12, 2013

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issues aggregating to Rs.1050 crore

On a review of recent developments including operational and financial performance of your company for FY12, our Rating Committee has *reaffirmed* the rating of **CARE A [Single A]** assigned to the various non-convertible debenture (NCD) issues of the company for an aggregate amount of Rs. 1050 crore. These ratings continue to be under 'Credit Watch'.

2. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
3. Our rating symbols for various medium and long term instruments (including NCDs) are annexed. The rationale for the rating will be communicated to you separately.
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. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

CREDIT ANALYSIS & RESEARCH LTD.

4th Floor, Cedar Coliseum, Sanyal Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.





Celebrating Two Decades of Analytical Excellence

7. CARE ratings are not recommendations to buy, sell, or hold any securities.

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

Thanking you,

Yours faithfully,

Rohit Nair
Deputy Manager

Rashmi Shah
Senior Manager

Encl : As above

Disclaimer

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.

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.





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Annexure

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

