



Press Release

Future Enterprises Limited

December 14, 2021

Rating

Facilities/Instruments	Amount (INR Crore)	Rating*	Rating Action
Short Term Fund based Facilities Commercial Paper	500.00	IVR D; ISSUER NOT COOPERATING (IVR D; Issuer not cooperating)	Rating moved to ISSUER NOT COOPERATING category
Total	500.00		

* Issuer not cooperating; Based on best available information

There has been a default in redemption of CPs by the Company. However, as confirmed by the Company, the outstanding CPs have been converted into WCTL.

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in rating of Commercial Paper of Future Enterprises Limited reflects lack of adequate information available. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Analytical Approach: Consolidated

Applicable Criteria

Rating Methodology for Trading Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Default Recognition



Press Release

About the Company

Future Enterprises Limited (FEL) is engaged in the business of Manufacturing, Trading & Distribution activity and Leasing of retail infrastructure assets. While Future Retail Limited caters to the front end with its multiple formats, forming the backbone and linking the retail arm with its infrastructure is Future Enterprises Limited (FEL). FEL develops, owns and leases the retail infrastructure for the Group. The company also holds the Group's investments in subsidiaries and joint ventures including insurance, textile manufacturing, supply chain and logistics.

Financials: Consolidated

INR Crore

For the year ended/ As on*	31-03-2019	31-03-2020	31-03-2021
	Audited	Audited	Audited
Total Operating Income	5983.14	5365.66	1422.14
EBITDA	1464.41	1336.67	167.50
PAT	154.81	-383.06	-1243.68
Total Debt	6544.74	6133.40	5368.40
Tangible Net Worth	3,993.52	4,138.70	2,910.51
EBITDA margin (%)	24.48%	24.91%	11.78%
PAT margin (%)	2.55%	-7.05%	-78.19%
Overall Gearing ratio (x)	1.64	1.48	1.84

*As per Infomerics Standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



Press Release

Rating History for last three years:

Sr. No.	Facility	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding INR Crore	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Commercial Paper	Short Term	500.00	IVR D; ISSUER NOT COOPERATING	<u>15-Sep-20</u> IVR D <u>22-Aug-20</u> IVR A4 <u>08-Aug-20</u> IVR A2/ Credit Watch with Negative implication	<u>26-Feb-20</u> IVR A1+	--
Total			500.00				

* Issuer not cooperating; Based on best available information

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.



Press Release

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Sr. No.	Commercial Paper	Issue Amount	Issue Date	Maturity Date	Days	Rating*
1	Existing	90.00	19-Mar-20	14-Sep-20	180	IVR D; ISSUER NOT COOPERATING
2	Existing	100.00	30-Apr-20	23-Oct-20	177	IVR D; ISSUER NOT COOPERATING
3	Proposed	310.00				IVR D; ISSUER NOT COOPERATING
	Total	500.00				

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Press Release

Annexure 2: List of companies considered for consolidated analysis:

A. Subsidiary Companies

- (i) Bluerock eServices Private Limited (BEPL)
- (ii) Future E-Commerce Infrastructure Limited (FECIL)
- (iii) Future Media (India) Limited (FMIL)
- (iv) Future Merchandising and Sourcing Pte. Ltd. (FMSPL)
- (v) Futurebazaar India Limited (FBIL)
- (vi) Ritvika Trading Private Limited (RTPL)
- (vii) Future Supply Chain Solutions Limited (FSCSL) - (Subsidiary of Ritvika Trading Private Limited)
- (viii) Leanbox Logistics Solutions Private Limited (LLSPL)

Step down subsidiary companies: -

Subsidiary of Futurebazaar India Limited (w.e.f. 29th August 2020): -

- (i) Acute Retail Infra Private Limited (ARIPL)
- (ii) Basuti Sales and Trading Private Limited (BSTPL)
- (iii) Brattle Foods Private Limited (BFPL)
- (iv) Chirag Operating Lease Co. Private Limited (COLPL)
- (v) Hare Krishna Operating Lease Private Limited (HKOLPL)
- (vi) Nice Texcot Trading & Agency Private Limited (NTTAPL)
- (vii) Nishta Mall Management Company Private Limited (NMMCPL)
- (viii) Ojas Tradelease and Mall Management Private Limited (OTMMPL) (ix) Precision Realty Developers Private Limited (PRDPL)
- (x) Syntex Trading & Agency Private Limited (STAPL)
- (xi) Rivaaz Trade Ventures Private Limited (RTVPL)
- (xii) Taquito Lease Operators Private Limited (TLOPL)
- (xiii) Unique Malls Private Limited (UMPL)

B. Associate Company

- (i) Livquik Technology (India) Private Limited (LTPL) (upto 23-12-2020)
- (ii) Work Store Limited (WSL)



Press Release

C. Joint Venture Companies

- (i) Apollo Design Apparel Parks Limited (ADAPL)
- (ii) Future Generali India Insurance Company Limited (FGIICL)
- (iii) Future Generali India Life Insurance Company Limited (FGILICL)
- (iv) Goldmohur Design and Apparel Park Limited (GDAPL)
- (v) Shendra Advisory Services Private Limited (SASPL)
- (vi) Sprint Advisory Services Private Limited (SASL)

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Future-Enterprises-lenders-dec21.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 5: Complexity level of the rated Facilities:

Sr. No.	Instrument	Complexity Indicator
1	Commercial Paper	Simple

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.