

## Future Retail Limited

April 28, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	3,778.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	2,500.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	199.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	100.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated May 03, 2022, placed the ratings of Future Retail Limited (FRL) under the 'issuer non-cooperating' category as FRL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. FRL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated January 20, 2023, February 21, 2023, March 19, 2023, March 29, 2023, April 08, 2023, April 14, 2023, April 17, 2023, April 19, 2023 and April 21, 2023 etc. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

At the time of last rating on May 03, 2022 the following was the rating weakness (updated for the information available from stock exchange):

### Delays in servicing of debt obligation

There are continuing delays in debt servicing. The Mumbai bench of the National Company Law Tribunal (NCLT) had on July 20, 2022 directed initiating CIRP against FRL, admitting a plea filed by a lender.

On July 20, 2022, the company was referred under IBC, and a Resolution Professional has been appointed for the company. As per the information provided by FRL, as on the Insolvency Commencement date i.e. July 20, 2022, the company had access to 302 leased retail stores spread across 23 states and union territories consisting of 30 large format stores (Big Bazaar and FBB stores) and 272 small format stores. As per intimation on BSE dated April 13, 2023, the timeline for concluding the CIRP has now been extended to July 15, 2023 from April 16, 2023. The company has received Expression of Interest (EoI) from 48 parties to acquire its assets.

### Analytical Approach: Standalone

### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy On Curing Period](#)

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

[Rating Outlook and Credit Watch](#)  
[Short Term Instruments](#)  
[Policy on Withdrawal of Ratings](#)

## About the company and industry

### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Services	Retailing	Distributors

Future Retail Limited is the flagship company of the Future Group (one of India's leading retailers) and is engaged mainly in home & electronics retailing and value retailing. The company operated Big Bazaar, Easy Day, Foodhall and other small format stores. FRL as on March 31, 2021, operated 1,308 stores with retail space of 15.69msf.

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	9MFY22 (UA)
Total operating income	20,152.43	6,426.81	5,547.40
PBILDT	2,189.31	-366.18	-1,090.51
PAT	33.84	-3,180.04	-3,345.12
Overall gearing (times)	2.96	18.44	NA
Interest coverage (times)	2.05	-0.25	NM

A: Audited UA: Unaudited; NM: Not Meaningful NA: Not Available; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Acuite Ratings & Research has moved the ratings assigned to Future Retail Limited under 'Non-Cooperation' category vide press release dated November 01, 2022 due to non-submission of information.

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE752P07047 INE752P07054	June 03, 2019 June 03, 2019	10.65% 10.65%	March 31, 2023 March 31, 2023	100.00 99.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	-	Proposed	-	Proposed	100.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	March 31, 2023	528.00	CARE D; ISSUER NOT COOPERATING*

Fund-based - LT-Working Capital Limits		-	-	-	3250.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	2500.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

## Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Working Capital Limits	LT	3250.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-May-22)	1)CARE D (03-Jan-22)	1)CARE B (CW with Negative Implications) (31-Mar-21) 2)CARE B (CW with Negative Implications) (29-Oct-20) 3)CARE BB+ (CW with Developing Implications) (27-Jul-20) 4)CARE A- (CW with Negative Implications) (13-May-20)
2	Commercial Paper	ST	-	-	-	-	-	1)Withdrawn (21-Aug-20) 2)CARE A4+ (CW with Developing

								Implications ) (27-Jul-20)  3)CARE A2+ (CW with Negative Implications ) (13-May- 20)
3	Non-fund-based - ST-BG/LC	ST	2500.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Jan- 22)	1)CARE A4 (CW with Negative Implications ) (31-Mar-21)  2)CARE A4 (CW with Negative Implications ) (29-Oct-20)  3)CARE A4+ (CW with Developing Implications ) (27-Jul-20)  4)CARE A2+ (CW with Negative Implications ) (13-May- 20)
4	Commercial Paper	ST	-	-	-	-	-	1)Withdraw n (21-Aug- 20)  2)CARE A4+ (CW with Developing Implications ) (27-Jul-20)

								3)CARE A2 (CW with Negative Implications ) (13-May- 20)
5	Commercial Paper	ST	-	-	-	-	-	1)Withdraw n (21-Aug- 20)  2)CARE A4+ (CW with Developing Implications ) (27-Jul-20)  3)CARE A2 (CW with Negative Implications ) (13-May- 20)
6	Commercial Paper	ST	-	-	-	-	-	1)Withdraw n (21-Aug- 20)  2)CARE A4+ (CW with Developing Implications ) (27-Jul-20)  3)CARE A2 (CW with Negative Implications ) (13-May- 20)
7	Fund-based - LT- Term Loan	LT	528.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Jan- 22)	1)CARE B (CW with Negative Implications ) (31-Mar-21)  2)CARE B (CW with

								Negative Implications ) (29-Oct-20)  3)CARE BB+ (CW with Developing Implications ) (27-Jul-20)  4)CARE A- (CW with Negative Implications ) (13-May-20)
8	Fixed Deposit	LT	-	-	-	-	-	1)Withdrawn (31-Mar-21)  2)CARE B (FD) (CW with Negative Implications ) (29-Oct-20)  3)CARE BB+ (FD) (CW with Developing Implications ) (27-Jul-20)  4)CARE A- (FD) (CW with Negative Implications ) (13-May-20)
9	Debentures-Non Convertible Debentures	LT	199.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE D (03-Jan-22)	1)CARE B (CW with Negative Implications ) (31-Mar-21)

							2)CARE B (CW with Negative Implications ) (29-Oct-20)  3)CARE BB+ (CW with Developing Implications ) (27-Jul-20)  4)CARE A- (CW with Negative Implications ) (13-May- 20)
10	Debentures-Non Convertible Debentures	LT	100.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (03-May-22)	1)CARE B (CW with Negative Implications ) (31-Mar-21)  2)CARE B (CW with Negative Implications ) (29-Oct-20)  3)CARE BB+ (CW with Developing Implications ) (27-Jul-20)  4)CARE A- (CW with Negative Implications ) (13-May- 20)

\*Issuer did not cooperate; based on best available information.

\*Long term/Short term.

### Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Limits	Simple
4	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.



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### About us:

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