

**NEW**

**INDIA**

**ANNUAL REPORT 2016 - 17**





# FUELING INDIA'S CONSUMPTION BOOM

Future Enterprises Limited invests in creating the next generation backend infrastructure that fuels India's consumption space. With specialized knowledge and expertise in retail infrastructure management and apparel sourcing and manufacturing, coupled with a specialized subsidiary engaged in providing state-of-the-art logistics and supply chain solutions, FEL supports the growth and development of some of India's most popular brand and retail networks.

While the supply chain subsidiary earns significant revenues from outside the Future Group as well, our retail infrastructure services and manufacturing businesses are poised to follow a similar roadmap. The insurance subsidiary provides a critical support in risk mitigation to companies across multiple verticals and consumer segments.

# CORPORATE

# INFORMATION

## BOARD OF DIRECTORS

### V. K. Chopra

DIN: 02103940

Chairman & Director

### Kishore Biyani

DIN: 00005740

Vice-Chairman & Director

### Vijay Biyani

DIN: 00005827

Managing Director

### S. Doreswamy

DIN: 00042897

Director

### Anil Harish

DIN: 00001685

Director

### Bala Deshpande

DIN: 00020130

Director

### Dinesh Maheshwari

DIN: 00088451

Executive Director

& Chief Financial Officer

## STATUTORY AUDITORS

NGS & CO. LLP

## COMPANY SECRETARY

Deepak Tanna

## SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

C-101, 247 Park, LBS Marg,

Vikhroli (West), Mumbai - 400 083.

Tel : + 91 22 4918 6000

Fax : + 91 22 4918 6060

Website : [www.linkintime.co.in](http://www.linkintime.co.in)

## BANKERS

Axis Bank Ltd.

Canara Bank

Central Bank of India

Corporation Bank

ECL Finance Ltd.

IDBI Bank Ltd.

South Indian Bank

State Bank of India

Syndicate Bank

United Bank of India

## REGISTERED OFFICE

Knowledge House, Shyam Nagar,

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Tel : + 91 22 6644 2200

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## CORPORATE OFFICE

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Vikhroli (West), Mumbai - 400 083.

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Fax : + 91 22 6199 5019

## WEBSITE

[www.felindia.in](http://www.felindia.in)

## INVESTOR EMAIL ID

[Investorrelations@futuregroup.in](mailto:Investorrelations@futuregroup.in)

## CORPORATE IDENTITY NUMBER

L52399MH1987PLC044954

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## Financial Snapshot FY 2016-17

Revenue from Operations	₹ 3,782 Crore
Other Income	₹ 231 Crore
Total Income	₹ 4,013 Crore
Gross Margin	₹ 1,107 Crore
EBITDA	₹ 1,184 Crore
PAT	₹ 44 Crore

## KEY INVESTMENTS

COMPANY NAME	TOTAL INCOME (₹ Cr.)	PROFIT (₹ Cr.)	STAKE (%)
Future Consumer Limited	1,679	8	9.02
Future Generali India Insurance	1,318	43	49.91*
Future Generali Life Insurance	999	(87)	28.23*
Future Supply Chain Solutions	577	46	57.42
Goldmohur Design & Apparel Park	295	7	39.00
Apollo Design & Apparel Park	311	7	39.00

\* Direct and Indirect Holdings

# MESSAGE FROM VICE CHAIRMAN



Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2016-17. Future Enterprises Limited owns and operates some of the key businesses that form the fundamental blocks on which other businesses of Future Group are built upon. These businesses have been built with years of experience and expertise and today form some of the most valuable assets of the group.

I am happy to share with you that through the year, most of these businesses showed remarkable resilience and improvement in terms of growth, efficiency and capacity creation. These factors has helped the Company post a consolidated total income of ₹ 4,723 Crore a profit after tax of ₹ 55 Crore.

The core business of Future Enterprises Limited is to provide retail infrastructure support to some of the most popular retail chains operated by Future Group. The Company's specialized subsidiary, Future Supply Chain Solutions Limited provides state-of-the-

art logistics services for the group's businesses in fashion, fast moving consumer goods, food, electronics and homewares. However, more than 40% of the company's revenues now come from outside the group. Its strong client base comprising of leading domestic and multinational companies is testament to the quality of services and expertise that the company has built in the consumer logistics space. Apart from contract and express logistics, the company has also created one of the leading cold chain logistics network in the country. FSC posted a net profit of ₹ 46 Crore this year. Your Company holds 57.42% stake in the company with Hong Kong based SSG Capital owning a substantial portion of the residual stake.

The stakes in the insurance business held by your Company also holds immense potential. The general insurance joint venture has in this financial year posted a profit of ₹ 43 Crore and joined the list of the few profitable private insurance companies in the country.

The life insurance joint venture was able to grow

its premium by 25% during the year. Your Company also holds a 9.02% stake in the group's fast growing FMCG company, Future Consumer Limited which during this financial year posted its first net profit of ₹ 8 Crore.

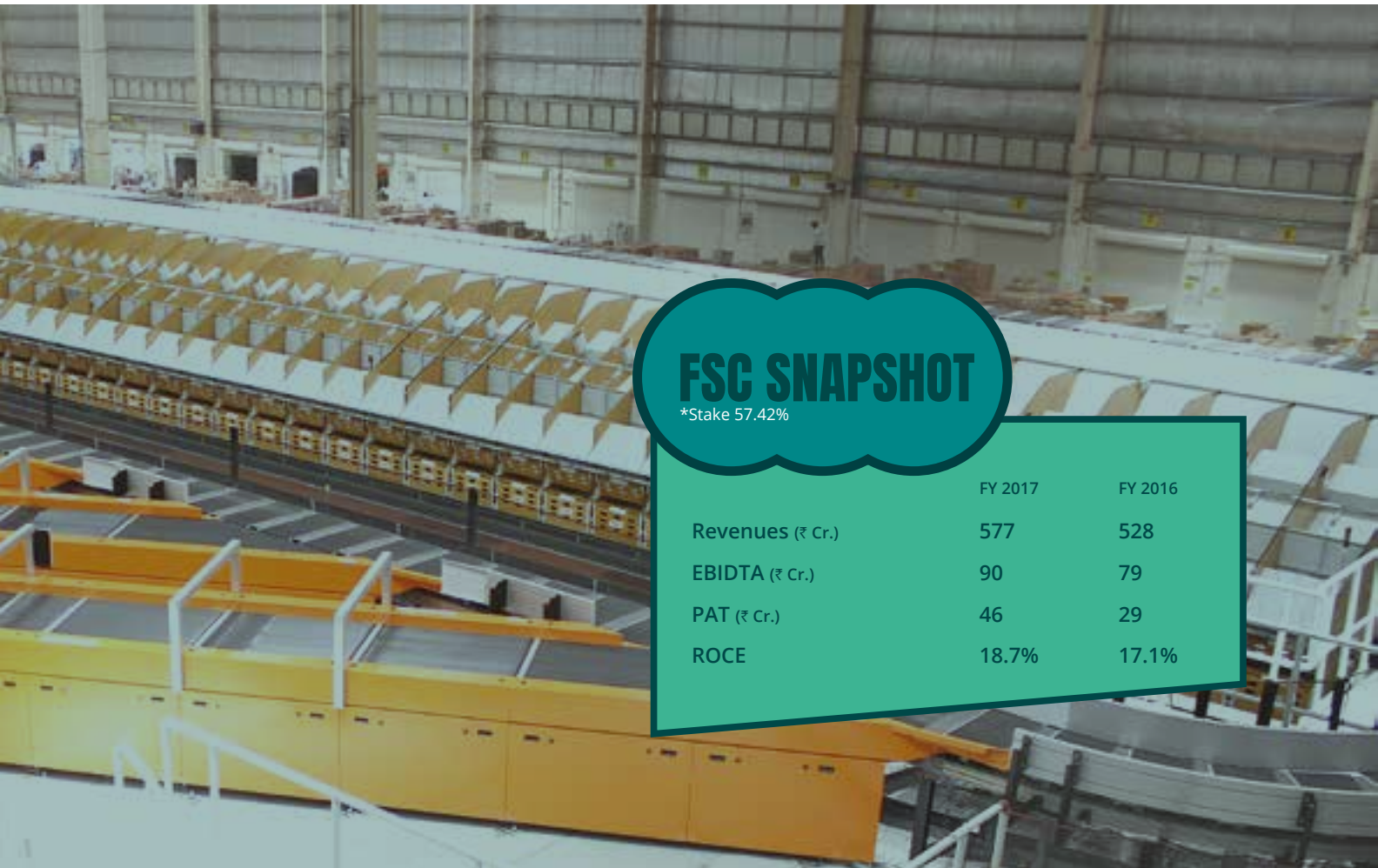
Apart from these investments, the Company's business in sourcing and manufacturing apparel too has undergone significant improvement in its capabilities, size and scale.

With the tailwinds once again supporting a strong growth in the Indian economy, your Company is well poised to benefit from and contribute to the growth of the Indian consumption sector. We thank you and every stakeholder for your continued trust, good wishes and faith in the organization.

Rewrite Rules, Retain Values

Kishore Biyani





## FSC SNAPSHOT

\*Stake 57.42%

	FY 2017	FY 2016
Revenues (₹ Cr.)	577	528
EBIDTA (₹ Cr.)	90	79
PAT (₹ Cr.)	46	29
ROCE	18.7%	17.1%



# RETAIL

# INFRASTRUCTURE

# & SUPPLY CHAIN

The Company is engaged in owning, investing, operating and maintenance of the retail infrastructure that runs some of India's most popular retail brands such as Big Bazaar, easyday, fbb, Foodhall, eZone and Home Town. 765 retail stores are managed by the Company and these stores cover more than 13 million square feet of retail space in over 240 cities and towns spread in 26 states and union territories across the country.

The Company's specialized team of professionals focus project management and infrastructure maintenance services that ensure each of these retail chains operate with the optimum investments and efficiency and serve their customers in the best possible manner. The Company's lease income from these operations grew from ₹ 570 Crore (on annualised basis) to ₹ 680 Crore during the financial year.

In addition to the store infrastructure, the Company, through its specialized subsidiary, Future Supply Chain Solutions Limited provides end-to-end warehousing

and supply chain solutions to most Future Group companies including its hypermarkets and neighbourhood stores of Future Retail Limited, fashion brands and retail chains of Future Lifestyle Fashions Limited and FMCG company, Future Consumer Limited.

However, more than 40% of the company's revenues now come from companies outside the Future Group network. The company provides logistics solutions to over 400 small and large clients including Mondelez, McCain Foods, Jubilant Foods, Kellogg's in the food space, Asian Paints, Kohler, Berger in the home goods space, Hitachi and Reliance Communications in the electronics space, Shopclues, PayTM in the ecommerce space, Tata Motors and Ford in the Automotive space and NCR and CMS among the ATM manufacturers.

The company operates 3.6 million square feet of warehousing space across the country, along a fleet of over 400 vehicles.

Its express logistics solutions cover 28 line haul routes and 56 feeder routes, while its temperature controlled logistics solutions is one of the leading cold chain operator in the country with 144 vehicles fitted with more than 7,400 pellets.

The company was designed keeping in mind an optimized network that will emerge in the post GST era. With GST finally becoming a reality, the company is now geared to provide the most efficient logistics solutions in the consumption space in India.

The company has recently launched the country's

most automated, high speed cross-belt sortation technology, at the national distribution centre in Mihan, Nagpur that serves Future Group business. This first of its kind in India sortation system has a conveyor system that runs up to 2.5 km approximately, and sports a 42-metre high-speed line sorter that works at a phenomenal pace of 2.1 metres per second. The company also helped launched as advanced logistics hub for Future Group in Burdwan, West Bengal to cater to the group's growing presence in the North Eastern and Eastern region of the country.

As the consumption economy gets a fresh boost from economic growth and implementation of the GST regime, FSC is well poised to grow at a significant pace and provide the most efficient logistics solutions to cater to India's consumption demand.

The Company has two joint ventures in the life and general insurance space, operated in partnership with Italy's Generali Group, which is one of the largest insurer in Europe. While Generali Group brings on board strong product and industry expertise and global networks, Future Enterprises Limited supports the venture with local understanding and a strong connect with and relationships with small and medium businesses and consumers.

The general insurance business led by Future Generali India Insurance Company Limited has been growing at a steady pace with a network of 120 branches, over 6000 agents and 1702 employees

The company also enjoys strategic alliances with major corporate customers such as Bharat Petroleum, Bajaj Energy, Schlumberger, JSW Steel, Larsen & Tourbo, Fabindia, Ricoh, Dupont and manufacturing tie ups with Toyota, Hyundai, Renault, Fiat and Nissan.

The company also operates an in-house health insurance vertical out of a dedicated center in Pune and recently launched a Health Total - a comprehensive cradle to grave health insurance policy. The health insurance division has over one million customers, more than 4700 hospitals in its network and has processed over 1.8 lakh claims. The dedicated centre provides a strong customer support platform that helps drive this business and has an ISO certification for quality management and information security management.

The company is among the insurance partners for some of the largest industrial projects in the country including those of Reliance Industries offshore and refinery set up, steel plants of JSW Steel and Jindal Steel, thermal plants of Hinduja National Power and Jhajar Power Limited, and factories of Mondelez, Mylan, Dow Chemicals and Apollo Tyres.

Around ₹ 100 Crore of capital was infused in the company during the year of which around ₹ 50 Crore was contributed by FEL and its SPVs. Interestingly enough, the company insured Baahubali 2: The Conclusion for an amount of over ₹ 200 Crore under its film package insurance product, Future Cine Suraksha. In 2016-2017, Company has issued 160 film insurance policies.

Till date, FGIL has issued 372 film insurance policies.

The company won The Great Indian Workplace Award (GIWA) 2017 at the Workplace Summit Culture for fostering a congenial, caring, safe, enjoyable and trust based culture for employees.

The life insurance business through Future Generali Life Insurance Company Limited, registered a premium growth of 25% taking its total premium collected to ₹ 740 Crore. It currently has a presence in 75 locations and has issued more than 12 lakh policies since inception.

During the year the company entered in to agreement with Vastu Housing Finance Corporation to introduced new policy to offer Group Credit Life Insurance, Loan Suraksha Plan. It also now has an FG Life App for Policy Holders to view or download their policy details, statement and make payments. During current financial year, capital infused in the company was around ₹ 55 Crore of which FEL has invested directly & through its SPV contributed around ₹ 28 Crore.

# INSURANCE

located across the country. It has over 2000 corporate clients and 12 lakh active customers and has sold over 13 lakh policies in the current financial year.

The company is among the market leaders in the motor insurance business, accounting for 55% of its premium income. Its bancassurance partners include Lakshmi Vilas Bank, PMC Bank, among others and during the year it entered into a corporate agency tie-up for its products with UCO Bank & Bank of Maharashtra, all insurance products will be available across 3050 branches of UCO Bank & 1896 branches of Bank of Maharashtra.