

# NEW RETAIL

## ANNUAL REPORT 2016 - 17



**Ms. Soumya B**

India One,  
Mumbai Native, Salaried Techie

Nuclear Family,  
Malayali Calendar

Digital Native  
Annual Spend: ₹ 89,468

**EXPERIENTIAL CUSTOMER**



**Mr. Edsel D'Souza**

24 years,  
Self Employed

Bachelor,  
Christian Calendar

New Customer

**ACQUIRED ON TWITTER**



**Mrs. Prachi Mohanty**

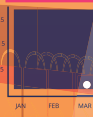
India One, Born in Cuttack,  
Lives in Mumbai

Salaried, Mom,  
Joint Family, Oriya Calendar

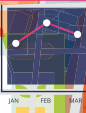
Digital Aspirer  
Annual Spend: ₹ 46,870

**DEAL SEEKER**

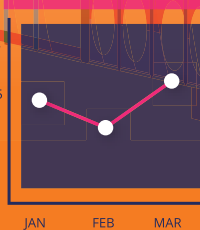
**FREQUENCY  
OF STORE VISITS**



**FREQUENCY  
OF STORE VISITS**



**FREQUENCY  
OF STORE VISITS**



# FUTURE RETAIL



**What happens when the real & the virtual world are seamlessly integrated? What happens when technology integrates our suppliers, warehouses, stores and shopping baskets, allowing data to flow seamlessly across the value chain? What happens when data drives almost every decision on buying, merchandising, fulfillment & operations? What happens when technology platforms operate stores allowing rapid multiplication of store networks? What happens when mass advertising is replaced by one-on-one conversations with every customer? What happens when your world and our world becomes one? That's is the future we are imagining, designing & creating. We call it the**

# **NEW RETAIL**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Kishore Biyani**  
Chairman &  
Managing Director  
DIN: 00005740

**Rakesh Biyani**  
Jt. Managing Director  
DIN: 00005806

**Rajan Bharti Mittal**  
Non-Executive Director  
DIN: 00028016

**Gagan Singh**  
Independent Director  
DIN: 01097014

**Ravindra Dhariwal**  
Independent Director  
DIN: 00003922

**Shailendra Bhandari**  
Independent Director  
DIN: 00317334

**Sridevi Badiga**  
Independent Director  
DIN: 02362997

**STATUTORY  
AUDITORS**  
NGS & CO. LLP

**CHIEF FINANCIAL  
OFFICER**  
C. P. Toshniwal

**DY. COMPANY  
SECRETARY**  
Virendra Samani

**SHARE TRANSFER  
AGENT**  
Link Intime India  
Pvt. Ltd.

C-101, 247 Park,  
LBS Marg, Vikhroli (West),  
Mumbai - 400 083.  
Tel. No. : + 91 22 4918 6000  
Fax No. : + 91 22 4918 6060  
[www.linkintime.co.in](http://www.linkintime.co.in)

**BANKERS**  
Allahabad Bank  
Andhra Bank  
Axis Bank  
Bank of Baroda  
Bank of India  
Central Bank of India  
Corporation Bank  
Dena Bank  
IDBI Bank  
Punjab National Bank  
State Bank of India  
Union Bank of India  
UCO Bank  
Vijaya Bank

**REGISTERED  
OFFICE**  
Knowledge House,  
Shyam Nagar,  
Off. Jogeshwari-Vikhroli Link  
Road, Jogeshwari (East),  
Mumbai - 400 060.  
Tel. No. : + 91 22 6644 2200  
Fax No. : + 91 22 6644 2201

**CORPORATE  
OFFICE**  
247 Park, 'C' Tower,  
LBS Marg, Vikhroli (West),  
Mumbai - 400 083  
Tel. No. : + 91 22 6119 0000  
Fax No. : + 91 22 6199 5019

**WEBSITE**  
[www.futureretail.co.in](http://www.futureretail.co.in)

**INVESTOR  
EMAIL ID**  
[Investorrelations@  
futureretail.in](mailto:Investorrelations@futureretail.in)

**CORPORATE  
IDENTITY NUMBER**  
L51909MH2007PLC268269

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# SNAPSHOT

Average ticket size & average value per piece of merchandise grew substantially, helped **12% same store growth**.

## OPERATIONAL HIGHLIGHTS

FY 2016-2017

Customer Entry	~300 Million
Merchandise Units Sold	~1.2 Billion
Average Ticket Size	₹ 1,155
Growth in Ticket Size	~11%
Average Value Per Piece	₹ 143
Growth in Value Per Piece	~17.4%
Same Store Sales Growth	12.0%
New Operational Space	1.64 Million Sq. Ft.

## KEY RATIOS

FY 2016-2017

Capital Employed	₹ 3,797 crore
Equity	₹ 2,554 crore
Net Debt / Equity Ratio <sup>#</sup>	0.34
ROE	15.5%
ROCE	16.9%
Inventory Days	80*
Creditor Days	59*

<sup>#</sup> For the purpose of this ratio OCDs have been considered as part of Equity

\* On Income from Operations

A **3.4% expansion in EBIT** through the year, coupled with inventory optimised to 80 days in FY17, delivered a **Return on Capital Employed of 16.9%.**

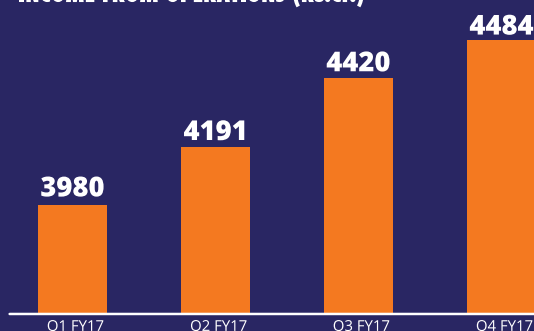
## FINANCIAL HIGHLIGHTS

FY 2016-2017

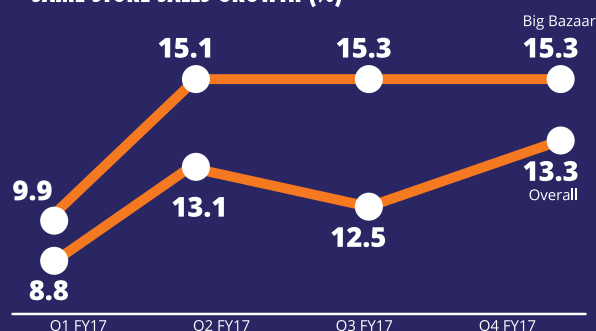
Income from Operations	₹ 17,075 Crore
Gross Margins	24.8%
EBIT	₹ 573 Crore
EBIT	3.4%
PAT	₹ 368 Crore
PAT	2.2%
EPS	₹ 7.8

## QUARTERLY PERFORMANCE

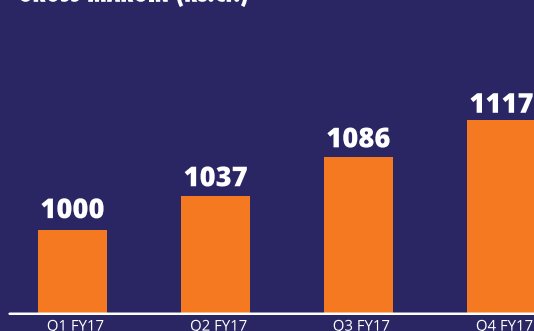
INCOME FROM OPERATIONS (Rs.Cr.)



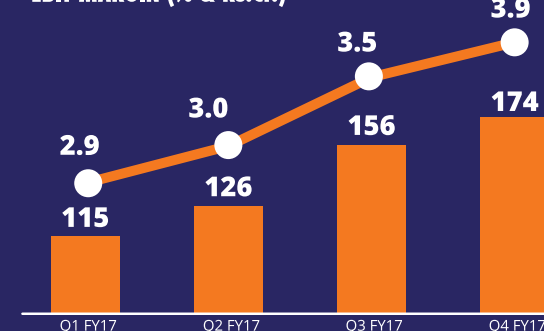
SAME STORE SALES GROWTH (%)



GROSS MARGIN (Rs.Cr.)



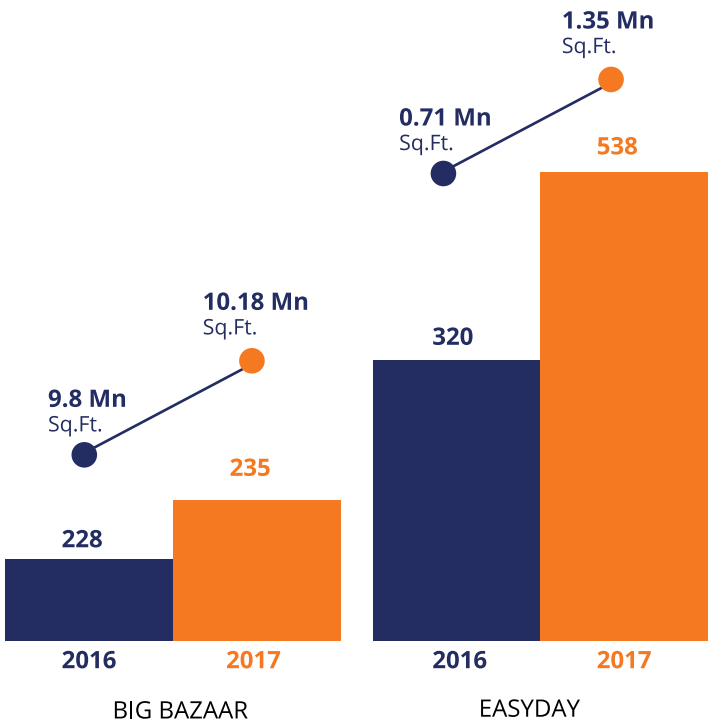
EBIT MARGIN (% & Rs.Cr.)



# NATIONAL FOOTPRINT

The diversity and heterogeneity of the Indian market makes many compare India with the whole of Europe. Building a national footprint for a retailer isn't just about finding the right location and real estate to operate from, but also developing a deep understanding of the community, culture, preferences, highs and lows of consumption for every geography that it operates in. Over time, each store integrates with the people, society and communities it operates in.

While Big Bazaar is present in almost every state of the country, the small store networks are built on a cluster model. The easyday network has a formidable presence in Haryana, Punjab, National Capital Region and western Uttar Pradesh. The newly merged Heritage network has a strong presence in Hyderabad, along with stores in Bengaluru and Chennai. Thus building a nation-wide, complimentary network that echoes the pulse of India.



<b>ANDHRA PRADESH</b>	Big Bazaar 3 FBB 3 HomeTown 1
<b>ASSAM</b>	Big Bazaar 3 FBB 1
<b>BIHAR</b>	Big Bazaar 6 E Zone 1 FBB 2
<b>CHANDIGARH</b>	Big Bazaar 1

<b>CHHATTISGARH</b>	Big Bazaar 6 HomeTown 1
<b>DELHI</b>	Big Bazaar 9 EasyDay* 103 E Zone 1 FBB 4 Foodhall 3 HomeTown 1
<b>GOA</b>	Big Bazaar 1 FBB 1
<b>GUJARAT</b>	Big Bazaar 11 FBB 3 HomeTown 3



**13.8**  
**Mn.Sq.Ft.**

**901**  
**STORES**

**26**  
**STATES**

**240**  
**CITIES**

### HARYANA

Big Bazaar	8
EasyDay*	63
FBB	1
Foodhall	1
HomeTown	1

### HIMACHAL PRADESH

Big Bazaar	1
EasyDay*	1

### JAMMU & KASHMIR

Big Bazaar	1
EasyDay*	7

### JHARKHAND

Big Bazaar	6
HomeTown	1

### KARNATAKA

Big Bazaar	28
EasyDay*	31
E Zone	6
FBB	4
Foodhall	2
HomeTown	5

### KERALA

Big Bazaar	9
FBB	3
HomeTown	1

### MADHYA PRADESH

Big Bazaar	7
FBB	1

### MAHARASHTRA

Big Bazaar	37
EasyDay	27
E Zone	12
FBB	11
Foodhall	1
HomeTown	11

### ODISHA

Big Bazaar	7
E Zone	1

### PUNJAB

Big Bazaar	6
EasyDay*	106

### RAJASTHAN

Big Bazaar	12
EasyDay*	9
FBB	1

### SIKKIM

Big Bazaar	1
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### TAMIL NADU

Big Bazaar	10
EasyDay*	36
FBB	1

### TELANGANA

Big Bazaar	9
EasyDay*	80
E Zone	2
FBB	5
HomeTown	3

### TRIPURA

Big Bazaar	1
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### UTTAR PRADESH

Big Bazaar	23
EasyDay*	55
E Zone	1
FBB	6
HomeTown	3

### UTTARAKHAND

Big Bazaar	3
EasyDay*	20
FBB	1

### WEST BENGAL

Big Bazaar	26
E Zone	6
FBB	6
HomeTown	6

Big Bazaar has signed properties for **new stores in Meghalaya, Mizoram & Nagaland.**

\* EasyDay also includes Heritage stores.

# LETTER FROM THE CHAIRMAN



Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2016-17. This is the first full year of your Company as a pure-play retailer operating large format hypermarkets and neighbourhood stores. The Company posted total income of ₹ 17,075 crore, a profit after tax of ₹ 368 crore and earnings per share of ₹ 7.81. For this financial year, the return on capital employed was 16.9%, backed by an overall same store sales growth of 12% and the number of inventory days coming down to 80 days.

Most people following our Company would say that the biggest moat the organization has is its national store network built

on prime properties across 240 large and small town in the country. The 235 Big Bazaar store network is unparalleled amongst competitors and difficult to replicate by another retailer in India.

While we continue to invest and leverage this advantage, we are now building an even stronger moat that is built around our consumer data. During the year, ~300 million customers walked into our stores, generating more than 143 million bills and buying almost 1.2 billion units of merchandize. What however stands out is that the average value realized per unit of merchandize was ₹ 143, an annual growth of ~17% and the average bill value touching ₹ 1,155 a growth of around 11%.

Through the year, we

have been working on the objective of 'Getting More out of the Same,' and results are now showing up. The objective translates into earning more from our existing base of customers, getting higher throughput from our stores, earning more from our stocks and eventually earning higher returns from the capital employed in the business. A crucial enabler of this strategy is pervasive use of data and technology to guide business decisions and consumer engagements. Your Company today has access to consumer data of almost 30 million customers who are members of our loyalty programs. We are now steadily moving them to paid loyalty programs or membership model. These include Big Bazaar Profit Club, T24 mobile program

## Future Pay Mobile Wallet

### Mobile Wallet with Loyalty Program Integration



~1.2 Million  
Users

### Transaction Details



Wallet uploads  
in excess of  
₹ 42 Crore

### Price Match - Customer Assured of Lowest Price



~3 Lakh  
Price match  
transactions