

Press Release  
Immediate Publication

## Future Supply Chain Solutions Ltd attracts PE investment – 40% stake to change hands

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**April 6, 2016:** SSG Capital Management Group is investing up to ` 580 cr to acquire 40% stake in Future Supply Chain Solutions Ltd (FSC) from the existing shareholders of the company at a valuation of up to `1,450 cr. This will include 14% stake to be acquired from Future Retail Ltd (FRL) and the management team collectively, and 26% from another minority shareholder SKC 1 Limited (SKC). SKC is part of Fung Capital, the private equity investment arm of the families of Dr. Victor Fung and Dr. William Fung, the controlling shareholders of the Fung Group with businesses in trading, logistics and retailing. The consummation of this transaction is subject to fulfilment of certain conditions precedent and applicable regulatory approvals, if any.

FSC was incorporated in April 2007 and is promoted by FRL. It is India's first fully integrated and IT enabled end-to-end Supply Chain and Logistics Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain and E-Commerce Logistics. FSC caters to distinct requirements of categories including Food & Beverages, Apparel, Lifestyle, Consumer Electronics & High Tech, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise and E-Commerce.

During the year ended March 31, 2015, FSC registered income from operations amounting to ` 408 cr and earned a net profit of ` 25 cr. FRL currently holds 70.17% equity stake in FSC, with SKC holding 26% and the remaining mainly held by the management team.

Commenting on the proposed transaction, Mr. Kishore Biyani, MD, Future Retail said, "We are excited about this transaction including our partnership with SSG. It is a step towards our stated intent of optimal monetization of some of the investments held by FRL. FRL has followed a multi pronged approach for strengthening its balance sheet and this partial monetization of its stake in FSC is a step in this direction. It will result in estimated proceeds of up to ` 185 cr for FRL's stake. Given that the supply chain arm is of critical importance for furtherance of Future Retail's overall business objectives, FRL will continue to hold majority stake of 57.4% in FSC."

Shyam Maheshwari, Partner at SSG Capital, said "We are very enthusiastic about partnering with Future Group in this journey. This transaction will enable us to participate in one of the leading and fast growing logistics & supply chain Company in India."

Bantry Capital PTE Limited, Singapore acted as a sole financial advisor.

### **About Future Retail Limited**

Future Retail is the flagship company of Future Group, India's retail pioneer catering to the entire Indian consumption space. Through multiple retail formats, FRL connects a diverse and passionate community of Indian buyers, sellers and businesses. Future Retail operates Big Bazaar, Food Hall, fbb, eZone, and Home Town chains. It collectively operates around 401 stores spread over 11.7 million square feet of retail space. The company also holds substantial stakes in various companies including Future Supply Chain Solutions, manufacturing units and joint ventures with NTC, joint ventures in the insurance space with Generali Group and a partnership with Staples Inc.

### **About SSG Capital Management Group**

SSG Capital Management is a successful alternative asset management firm in the Asia Pacific region, with over USD 2 billion of assets under management. The firm was founded in 2009 with a fundamental-driven value investing approach by a team of senior professionals with extensive investment experience in Asia. SSG Capital Management Group has offices across the region, with its main offices in Hong Kong and Singapore being regulated and licensed by the Hong Kong Securities and Futures Commission and the Monetary Authority of Singapore respectively.