

DCS/AMAL/SV/R37/1881/2020-21

“E-Letter”

January 20, 2021

The Company Secretary,
Future Retail Limited
Knowledge House, Off. Jogeshwari Vikhroli Link Road,
Shyam Nagar, Jogeshwari (East), Mumbai, Maharashtra, 400060

Sir/Madam,

Sub: Observation letter regarding the Composite Scheme of Arrangement between Future Consumer Limited, Future Lifestyle Fashions Limited, Future Market Networks Limited, Future Retail Limited, Future Supply Chain Solutions Limited, FutureBazaar India Limited, Acute Retail Infra Private Limited, Basuti Sales and Trading Private Limited, Brattle Foods Private Limited, Chirag Operating Lease Co. Private Limited, Hare Krishna Operating Lease Private Limited, Nice Texcot Trading & Agency Private Limited, Nishta Mall Management Company Private Limited, Ojas Tradelease and Mall Management Private Limited, Precision Realty Developers Private Limited, Rivaaz Trade Ventures Private Limited, Syntex Trading and Agency Private Limited, Taquito Lease Operators Private Limited, Unique Malls Private Limited, Future Enterprises Limited, Reliance Retail Ventures Limited and Reliance Retail and Fashion Lifestyle Limited and their respective shareholders and creditors.

We are in receipt of the Composite Scheme of Arrangement between Future Consumer Limited, Future Lifestyle Fashions Limited, Future Market Networks Limited, Future Retail Limited, Future Supply Chain Solutions Limited, FutureBazaar India Limited, Acute Retail Infra Private Limited, Basuti Sales and Trading Private Limited, Brattle Foods Private Limited, Chirag Operating Lease Co. Private Limited, Hare Krishna Operating Lease Private Limited, Nice Texcot Trading & Agency Private Limited, Nishta Mall Management Company Private Limited, Ojas Tradelease and Mall Management Private Limited, Precision Realty Developers Private Limited, Rivaaz Trade Ventures Private Limited, Syntex Trading and Agency Private Limited, Taquito Lease Operators Private Limited, Unique Malls Private Limited, Future Enterprises Limited, Reliance Retail Ventures Limited and Reliance Retail and Fashion Lifestyle Limited their respective Shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 20, 2021 has inter alia given the following comment(s) on the Composite Scheme of Arrangement:

- “Company shall ensure that the shares of the transferee entity issued in lieu of the locked-in shares of the transferor entities is subjected to lock-in for the remaining period post scheme.”
- “Company shall ensure that proceedings pending before SEBI against the entities part of the promoter/promoter group or are directors of the companies involved in the scheme, should be highlighted in the scheme document filed before National Company Law Tribunal (NCLT).”
- “Company shall ensure that the details of the complaints made by Amazon.com NV Investment Holdings LLC (Amazon), the submissions of Future Retail Limited and the counter submissions of Amazon and all the proceedings pending and completed related to the same in the Delhi High Court Order in CS(COMM) 493/2020, the Award of Emergency Arbitrator in the Singapore International Arbitrator Centre or any other ongoing court/ arbitration proceedings, or any orders issued therein are bought to the

notice of the Shareholders of the listed entities involved in the scheme while taking shareholder approval on the scheme. Further the same shall also be brought to the notice of NCLT while filing the draft scheme for their approval.”

- **“Company shall ensure that any future disputes, complaints, regulatory actions or proceedings, or orders issued therein involving the draft scheme if any, shall be brought to the notice of shareholders prior to the approval by NCLT.”**
- **“Company shall ensure that as a part of the notice to shareholder seeking their approval on the scheme, the following fact should be suitably highlighted:**
 - 74.2% of the Business Value of the Future Enterprises Limited post amalgamation of all the Transferor companies is getting transferred to Reliance Retail Ventures Limited and Reliance Retail and Fashion Lifestyle Limited and these two companies would not be seeking listing post the scheme of arrangement’ .”**
- **“The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before the National Company Law Tribunal (NCLT) and the Company is obliged to bring the observations to the notice of NCLT.”**
- **“The Company shall ensure that applicable information pertaining to unlisted companies- Futurebazaar India Limited, Acute Retail Infra Private Limited, Basuti Sales and Trading Private Limited, Brattle Foods Private Limited, Chirag Operating Lease Co. Private Limited, Hare Krishna Operating Lease Private Limited, Nice Texcot Trading & Agency Private Limited, Nishta Mall Management Company Private Limited, Ojas Tradelease and Mall Management Private Limited, Precision Realty Developers Private Limited, Rivaaz Trade Ventures Private Limited, Syntex Trading & Agency Private Limited, Taquito Lease Operators Private Limited, Unique Malls Private Limited, Reliance Retail Ventures Limited and Reliance Retail and Fashions Lifestyle Limited is included in the abridged prospectus as per the specified format.”**
- **“The Company should ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon’ble National Company Law Tribunal.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is observed that there are certain ongoing litigations/arbitration/legal proceedings against the draft scheme. In view of the same, the company is advised that these comments of SEBI on the draft scheme of arrangement are subject to the outcome of any of the ongoing litigations/arbitration/legal proceeding involving the draft scheme and/or the decision by any competent authority/competent court in this regard.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

sd/-

Nitinkumar Pujari
Senior Manager